

---

---

**SALEM ERODE INVESTMENTS LIMITED**

---

---

**2020**

---

---

**ANNUAL REPORT**

---

---

## INDEX OF CONTENTS

<b>SR. NO.</b>	<b>CONTENTS</b>	<b>PAGES</b>
<b>1</b>	<b>NOTICE</b>	<b>2</b>
<b>2</b>	<b>DIRECTORS REPORT</b>	<b>11</b>
<b>3</b>	<b>DIRECTORS REPORT-ANNEXURE I</b>	<b>20</b>
<b>4</b>	<b>PARTICULARS OF EMPLOYEES-ANNEXURE II</b>	<b>23</b>
<b>5</b>	<b>SECRETARIAL AUDIT REPORT- ANNEXURE III</b>	<b>24</b>
<b>6</b>	<b>FORM NO. MGT-9- ANNEXURE IV</b>	<b>31</b>
<b>7</b>	<b>FORM NO. AOC-2- ANNEXURE V</b>	<b>36</b>
<b>8</b>	<b>INDEPENDENT AUDITORS REPORT</b>	<b>37</b>
<b>9</b>	<b>STANDALONE FINANCIAL REPORT</b>	<b>45</b>
<b>10</b>	<b>NOTES TO FINANCIAL STATEMENT</b>	<b>49</b>

# SALEM ERODE INVESTMENTS LIMITED

Registration no : L 31200 WB 1931 PLC 007116

Registered on 16th May, 1931

---

Authorised	CAPITAL	Subscribed
Rs 1,20,00,000	In equity shares of Re 1/-	Rs 1,14,65,520
<b>Rs. 1,20,00,000</b>		<b>Rs 1,14,65,520</b>

---

## INDEPENDENT DIRECTORS

Saseendran Veliyath -- Independent director

T.G. Babu -- Independent Director

## NON EXECUTIVE WOMAN DIRECTOR

Umadevi Anilkumar -- Non Executive Director

## EXECUTIVE DIRECTORS

K.G. Anilkumar -- Managing Director

## OTHER KEY MANAGERIAL PERSONS

CA Subramanian R -- Chief Financial Officer

Manisha N. Menon - Company Secretary

## AUDIT COMMITTEE

T.G. Babu -- Independent director

Saseendran Veliyath -- Independent Director

Umadevi Anilkumar -- Non-Executive director

## NOMINATION & REMUNERATION COMMITTEE

T.G. Babu -- Independent director

Saseendran Veliyath-- Independent Director

Umadevi Anilkumar -- Non-Executive director

## SHAREHOLDERS' GREVIANCE COMMITTEE

T.G. Babu -- Independent director

Saseendran Veliyath-- Independent Director

Umadevi Anilkumar -- Non-Executive director

## CSR COMMITTEE

T.G. Babu -- Independent director

Saseendran Veliyath--Independent

Director

Umadevi Anilkumar -- Non-Executive director

## CORPORATE OFFICE

V.K.K. Building, Irinjalakuda Main Road.

Thrissur (Dist.), Kerala – 680121

Telephone : 048 0282 8071

E-mail : info@iclfincorp.com

## REGISTERED OFFICE

14, Moti Lal Nehru Road,

Kolkata - 700029.

Telephone : (033) 2475-6029 / 2475 2834

E-mail : salemmerodeinvestmentsltd@gmail.com

## REGISTRAR & SHARE TRANSFER AGENT

M/s Niche Technologies Private Limited

3A, Auckland Place, 7th Floor,

Room No. 7A & 7B, Kolkata - 700017

Telephone : 033 2280 6617

E-mail : nichetechpl@nichetechpl.com

## STATUTORY AUDITOR

S Mandal & Co, Chartered Accountants.

29D, Seven Tank Lane,

Kolkata 700030.

E-mail : s\_mondal\_co@yahoo.co.in

## INTERNAL AUDITOR

M/s Saji Mathew & Associates,

#53/1697, Vernam Metro Pillar#,

P 846, S.A Road, Vytilla P.O.

Cochin – 682019, Kerala

E-mail : casajikm@gmail.com

## SECRETARIAL AUDITOR

Yacob Pothumuriyil Ouseph,

Practicing Company Secretary,

2<sup>nd</sup> Floor, 11/572, Kalarikkal Bldg,

Karingachira, Inumpanam P.O.,

Tripunithura, Ernakulam,

Kerala- 682301

E mail : rajupo2012@gmail.com

## BANKERS

HDFC Bank Ltd.

United Bank of India.

## STOCK EXCHANGE

Listed with BSE Ltd.,

ISIN NO: INE894E01028

## NOTICE OF 89TH ANNUAL GENERAL MEETING

Notice is hereby given that the 89TH (Eighty Ninth) Annual General Meeting of the Members of **Salem Erode Investments Limited** (CIN:- L31200WB1931PLC007116) will be held on Tuesday, 29th September, 2020 at 11:00 A.M. through Video Conferencing ("VC") and/or Other Audio-Visual Means ("OAVM") to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2020 together with report of Board of Directors and Auditor thereon.
2. To consider and appoint a Director in place of Ms. Umadevi Anilkumar (DIN 06434467), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the **Companies (Audit and Auditors) Rules, 2014** ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of **M/s. S. Mandal & Co.**, Chartered Accountants, (**Firm Registration No.314188E**), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 93<sup>rd</sup> AGM of the Company."

**For and on behalf of the  
Board of Salem Erode Investments Limited**

**S/d**

**Place : Irinjalakuda  
Date : 29th August, 2020**

**K.G Anilkumar  
Managing Director  
DIN : 00766739**

## NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular dated May 5, 2020, April 8 2020, and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing ("VC") facility or other audio visual means ("OAVM"), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India (SEBI) vide its circular dated May 12, 2020 ("SEBI Circular") has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 89<sup>th</sup> AGM of the Company is being held through VC and/or OAVM on Tuesday, 29<sup>th</sup> September, 2020 at 11 a.m. (IST). The deemed venue for the 89<sup>th</sup> AGM will be the registered office of the company i.e. 14 Motilal Nehru Road, Kolkata - 700029. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC AND/OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. Since there is no special business in the Annual General Meeting the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in respect of notice is not annexed herewith. The relevant details pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of re-appointment of Director at this AGM are annexed.
4. Institutional Investors, if any, who are members of the Company, are encouraged to attend the 89<sup>th</sup> AGM through VC/OAVM pursuant to Section 113 of the Companies Act, 2013, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified true copy of the relevant Board Resolution together with the specimen signature(s) of their representative authorised under the

said Board Resolution to the scrutinizer by email at [csevoting@gmail.com](mailto:csevoting@gmail.com). with a copy marked to Company at [salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com).

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice. The Members will be able to view the proceedings on the CDSL e-Voting Website at [www.evotingindia.com](http://www.evotingindia.com).
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circular dated May 05, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM, instructions for e-voting along with the Annual Report for the Financial Year 2019-20 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/RTA/Depositories. The Notice convening the 89<sup>th</sup> AGM and the Annual Report 2019-2020 has been uploaded on the website of the Company at [www.salemerode.com](http://www.salemerode.com) and may also be accessed from the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
8. The Register of the Members and Share Transfer Books of the Company will remain closed from Wednesday, 23<sup>rd</sup> day of September, 2020 to Tuesday, 29<sup>th</sup> day of September, 2020 (both days inclusive).
9. Members, who are holding shares in physical form, in identical order of names, in more than one account/ folio, are requested to intimate to the Company/ Registrar and Share Transfer Agent, the details of ledger folios together with the Share Certificate(s) for consolidating all holdings into one account/folio. A consolidated share certificate will be issued to such members after making requisite changes.
10. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are requested to submit their PAN details to the company/RTA by mailing to [salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com) / [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com).
11. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, securities of Listed Companies can be transferred only in dematerialised form w.e.f. 1st April, 2019 except in case of request received for transmission or transportation of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent of the Company M/s Niche Technologies Private Limited at [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com) for assistance in this regard.

12. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents by Members holding shares in physical form and be submitted to them. Members holding shares in electronic form, may obtain Nomination forms from their respective Depository Participant and submit to their respective depository.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts and Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM i.e. 29/09/2020. Members seeking to inspect such documents can send an email to [salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com).
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar & Share Transfer Agent of the Company in case the shares are held by them in physical form.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrar and Share Transfer Agent – M/s. Niche Technologies Pvt. Ltd in case the shares are held by them in physical form.

#### **17. Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM to members holding shares as on 22nd September, 2020 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through

electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

**A. The instructions for shareholders voting electronically are as under:**

- a. The voting period begins on 26th September, 2020 (10:00 a.m.) and ends on 28th September, 2020 (05:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- c. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- d. Click on "Shareholders" module.
- e. Now Enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- h. If you are a first time user follow the steps given below:

	For Members 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> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details OR Date of Birth	<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> <ul style="list-style-type: none"> <li>• 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 (e).</li> </ul>

- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. 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.

- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant "SALEM ERODE INVESTMENTS LIMITED" on which you choose to vote.
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. 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.
- s. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- t. Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be

able to cast their vote.

- 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.
- u. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) / Toll free number – 18002005533

**B. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

**a 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), AADHAAR (self attested scanned copy of Aadhaar Card) by email to Company at [salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com) and to the Registrar and Share Transfer Agent of the Company at [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com).

**b 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), AADHAAR (self attested scanned copy of Aadhaar Card) to Company at [salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com) and to the Registrar and Share Transfer Agent of the Company at [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com).

**C. Instructions For Shareholders For E-Voting During The AGM Are As Under:-**

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**D. General instruction:**

- a. The E-voting period commences from 10.00 a.m. on 26th September, 2020 and ends at 5.00 p.m. on 28th September, 2020. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut – off date of 22<sup>nd</sup> September, 2020, may cast their vote electronically. Once the vote

on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- b.** The Company has appointed Mr. Yacob Pothumuriyil Ouseph, Practising Company Secretary, having office address at at 02nd Floor, Kalarikkal Building, Karingachira, Tripunithura, Kerala – 682301, as the Scrutinizer for conducting the remote e-voting process, in a fair and transparent manner, whose e-mail address is: csevoting@gmail.com
- c.** Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com). However, if he/she is already registered with CDSL for remote e- voting then he/she can use his/her existing User ID and password for casting the vote.
- d.** The remote e-Voting module on the day of the AGM shall be disabled by the scrutinizer for voting 15 minutes after the conclusion of the Meeting.
- e.** The Scrutiniser will submit his report to the Chairman or any person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e- Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchange on which the Company's shares are listed, RTA, CDSL [www.evotingindia.com](http://www.evotingindia.com) and will also be displayed on the Company's website at [www.salemerode.com](http://www.salemerode.com)

**18. Instructions for shareholders attending the AGM through VC/OAVM are as under:**

- A. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e- Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- B. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- C. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- D. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- E. Members who would like to express their views during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com).
- F. Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at

[salemerodeinvestmentsltd@gmail.com](mailto:salemerodeinvestmentsltd@gmail.com). These queries will be replied to by the company suitably by email.

- G. Those shareholders who have registered themselves as a speaker will only be allowed to express their views during the meeting.

**For and on behalf of the  
Board of Salem Erode Investments Limited**

**S/d**

**Place : Irinjalakuda  
Date : 29th August, 2020**

**K.G Anilkumar  
Managing Director  
DIN : 00766739**

## **DIRECTOR REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their **89<sup>th</sup> Annual Report** on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

### **1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY**

Your Board is pleased to present the highlights of the standalone financial statement of your company for the financial year 2019-20 and 2018-19 as under:

<b>Particulars</b>	<b>2019 - 20</b>	<b>2018 - 19</b>
Profit Before Interest and Depreciation	(5,11,876)	63,71,638
Less: Depreciation & Amortization	Nil	160,436
Less: Finance Cost	Nil	Nil
Profit Before Tax	(5,11,876)	62,11,202
Provision for Tax	6,88,353	69,12,661
Profit After Tax	(12,00,229)	(7,01,459)
Amount Transferred to Reserves	Nil	12,202,953
Transfer to contingent provisions against Standard Assets	Nil	Nil
Balance as per last Balance sheet	Nil	Nil
<b>Surplus carried to Balance Sheet</b>	<b>Nil</b>	<b>Nil</b>

### **2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR / STATE OF COMPANY'S AFFAIR**

The loss of the company for the year under review is Rs. 12,00,229 /- as against loss of Rs 7,01,459/- in the previous year. These losses are due to the effect of transition from GAAP to Indian Accounting Standard.

### **3. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

Your Directors are pleased to inform you that there was no change in the nature of business of your Company during the Financial Year under review.

### **4. DIVIDEND**

Your Directors regret their inability to declare any dividend due to the loss suffered during the financial year under review.

### **5. RESERVES**

Your company has not transferred any amount to the reserves of the company.

### **6. CHANGE OF NAME**

Your company name is SALEM ERODE INVESTMENTS LIMITED and there is no change in its name during the year under review.

## **7. SHARE CAPITAL**

Your Directors further ensures that during the year under review your company has NOT bought back any of its securities or issued any Sweat Equity Shares or issued any Bonus Shares or provided any Stock Option Scheme to the employees

## **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **a. Retire by Rotation:**

Ms. Umadevi Anilkumar (DIN: 06434467), who retire by rotation at the ensuing general meeting pursuant to section 152 of the Companies Act, 2013 and being eligible offer herself for re-appointment. Your Director recommends her re-appointment. The details are given in **Annexure I** forming part of the Board Report.

### **b. Appointment and Resignation of Directors and Key Managerial Persons**

As part of takeover of the your company by M/s ICL Fincorp Limited by taking 76.03% stake in the company, there has been resignations of directors during the financial year under review . And also there has been change in the Chief Financial Officer and Company Secretary cum Compliance Officer of the Company for which details are given below:

<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Appointment / Resignation/ Change in Designation</b>	<b>Date of Change</b>
Mr. Ashok Kumar Hamirbasia	00291954	Director and Managing Director	Resignation	18.02.2020
Mr. Sunil Kumar Kanoria	00789030	Director	Resignation	18.02.2020
Mr. VishwanathPurohit	00291853	Independent director	Resignation	18.02.2020
Mr.Harsh Vardhan Bhardwaj	02819677	Independent director	Resignation	18.02.2020
Mr. Prashant Gupta	06915283	Independent director	Resignation	18.02.2020
Ms. Ekta Goswami	07412983	Independent director	Resignation	18.02.2020
Mr. Arindam Saha	-	Chief Financial Officer	Resignation	18.02.2020
Mr. Bela Parakh	49847	Company Secretary and Compliance Officer	Resignation	18.02.2020
Mr. Himanshu Maheshwari	33636	Company Secretary and Compliance Officer	Resignation	22.04.2019
Mr. Kuzhuppilly Govinda Menon Anilkumar	00766739	Director and Managing Director	Appointment	17.02.2020

Ms. Umadevi Anilkumar	06434467	Director	Appointment	17.02.2020
Mr. Saseendran Veliyath	08205871	Independent director	Appointment	17.02.2020
Mr. Thainakathu Govindankutty Babu	08315374	Independent director	Appointment	17.02.2020
Mr. Subramanian R.	026299	Chief Financial Officer	Appointment	11.06.2020
Ms. Manisha Nandakumar Menon	33083	Company Secretary cum Compliance Officer	Appointment	11.06.2020

The details are given in **Annexure I** forming part of the Board Report.

### **9. DECLARATION BY INDEPENDENT DIRECTOR**

Your Company has received declaration from all the Independent Directors of the company, pursuant to the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

### **10. PARTICULARS OF EMPLOYEES**

Your Directors ensures that none of the employees of your company is in receipt of salary and / or remuneration in excess of the threshold limit, pursuant to the provisions of Rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further details are given in **Annexure II** forming part of the Board Report.

### **11. MEETINGS**

#### **BOARD MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2019-20 nine (9) Board Meetings were held, the dates of the meeting being 26.04.2019, 27.05.2019, 22.07.2019, 28.08.2019, 13.09.2019, 10.12.2019, 08.02.2020, 17.02.2020 and 18.02.2020. The intervening gap between any two meetings held during the year was not more than one hundred and twenty days.

#### **AUDIT COMMITTEE MEETING**

A calendar of Audit Committee Meetings is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2019-20 seven (7) meeting of the Committee was held, the date of the meetings was 26.04.2019, 27.05.2019, 22.07.2019, 13.09.2019, 10.12.2019, 08.02.2020 and 17.02.2020.

#### **NOMINATION AND REMUNERATION COMMITTEE MEETING**

A calendar of Nomination and Remuneration Committee Meeting is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2019-20 two (2) meeting of the Committee was held, the date of the meeting was 26.04.2019 and 17.02.2020.

#### **SHAREHOLDERS GRIEVANCE COMMITTEE MEETING**

A calendar of Shareholders Grievance Committee Meeting is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2019-20 four (4) meeting of the Committee was held, the date of the meeting was 18.04.2019, 11.07.2019, 14.10.2019 and 10.01.2020.

- **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING**

A calendar of Shareholders Grievance Committee Meeting is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2019-20 one (1) meeting of the Committee was held, the date of the meeting is 22.07.2019.

## **12. COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES**

- **BOARD OF DIRECTORS**

The Board of the company is headed by Mr. Thainakathu Govindankutty Babu, Independent Director, an eminent person of high credentials and of considerable professional experience who actively contributed in the deliberation of the Board. As on close of business hours of March 31, 2020 Board comprised of four directors as mentioned below:

<b>S. No</b>	<b>Name</b>	<b>DIN</b>	<b>Category</b>	<b>Designation</b>
1	Kuzhuppilly Govinda Menon Anilkumar	00766739	Executive	Managing Director
2	Umadevi Anilkumar	06434467	Non Executive	Non-Executive Director
3	Saseendran Veliyath	08205871	Independent	Non-Executive Director
4	Thainakathu Govindankutty Babu	08315374	Independent	Non-Executive Director

- **AUDIT COMMITTEE**

The Audit Committee of the Company has been reconstituted under Section 177 of the Companies Act, 2013 by the Board is headed by Mr.Thainakathu Govindankutty Babu, Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2020 the Board of Audit Committee comprised of three directors as mentioned below

<b>Sr. No</b>	<b>Name</b>	<b>DIN No</b>	<b>Designation</b>
1.	Thainakathu Govindankutty Babu	08315374	Independent Director, Chairman
2.	Saseendran Veliyath	08205871	Independent Director, Member
3.	Umadevi Anilkumar	06434467	Non Executive Director, Member

- **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company has been reconstituted under Section 178 of the Companies Act, 2013 by the Board is headed by Mr. Thainakathu Govindankutty Babu, Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2020 the Board of Audit Committee comprised of three directors as mentioned below

<b>Sr. No</b>	<b>Name</b>	<b>DIN No</b>	<b>Designation</b>
1.	Thainakathu	08315374	Independent Director, Chairman



	Govindankutty Babu		
2.	Saseendran Veliyath	08205871	Independent Director, Member
3.	Umadevi Anilkumar	06434467	Non Executive Director, Member

• **SHAREHOLDERS GRIEVANCE COMMITTEE**

The Shareholders Grievance Committee has been reconstituted under Section 178 of the Companies Act, 2013 by the Board is headed by Mr. Thainakathu Govindankutty Babu, Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2020 the Board of Shareholders Grievance Committee comprised of three directors as mentioned below.

Sr. No	Name	DIN No	Designation
1	Thainakathu Govindankutty Babu	08315374	Independent Director, Chairman
2	Saseendran Veliyath	08205871	Independent Director, Member
3	Umadevi Anilkumar	06434467	Non Executive Director, Member

• **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Corporate Social Responsibility Committee has been reconstituted under section 135 of Companies Act 2013 by the Board is headed by Mr.Thainakathu Govindankutty Babu, Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2020, the Board of Corporate Social Responsibility Committee (CSR) Committee comprised of three directors as mentioned below.

Sr. No	Name	DIN No	Designation
1.	Thainakathu Govindankutty Babu	08315374	Independent Director, Chairman
2.	Saseendran Veliyath	08205871	Independent Director, Member
3	Umadevi Anilkumar	06434467	Non Executive Director, Member

**13. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Director is pleased to inform that CSR amount of Rs. 6,45,302/- for the F.Y. 2018-19 is spent and deposited into the Prime Minister's Relief Fund in the F.Y. 2019-20.

**14. DETAILS OF SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANIES**

Pursuant to the provisions of section 129 of the Companies Act, 2013 and the rules framed thereunder, if any, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures as forming part of this report. Your Directors inform you that our company becomes subsidiary of M/s ICL Fincorp Limited after takeover of 76.03 % shares of Salem Erode Investments Limited by M/s. ICL Fincorp Limited.

**15. VIGIL MACHANISM AND WHISTLE BLOWER POLICY**

Your directors are pleased to inform you that the company has adopted a vigil mechanism which comprises whistle blower policy for directors, employees, and vendors of the company. This policy provides a formal mechanism for directors' employees and vendors to approach the

chairman of Audit committee to report concerns about unethical, actual or suspected fraud or violation of company code of conduct and thereby ensuring that activities of the company are conducted in a fair and transparent manner. The policy is also available at the company website.

#### **16. AUDITORS AND THEIR REPORT**

The Chairman informed that **M/s S. Mandal & Co., Chartered Accountants, (FRN-314188E)** were appointed by the shareholders at the (88th Annual General Meeting) Annual General Meeting to hold office until the conclusion of the (93<sup>rd</sup> Annual General Meeting) Annual General Meeting subject to ratification by shareholders at each Annual General Meeting. He further informed that Company has obtained from the Auditors, a certificate as required under Section 139 of the Companies Act, 2013 to the effect that they are eligible to continue as statutory auditor of the Company. The Board considered the matter and thereafter decided that the ratification of the above named Auditors be recommended to the shareholders at the forthcoming Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

#### **17. SECRETARIAL AUDIT REPORT**

Your Directors has appointed Mr. Yacob Pothumuriyil Ouseph, *a practicing Company Secretary*, as Secretarial Auditor pursuant to the provisions of section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Person) Rules, 2014, to undertake the secretarial audit of the company for the financial year 2019-20. The Secretarial Audit Report in form MR 3 is given as Annexure III forming part of this report.

The Board of Directors of your company in its meeting held on 30th July, 2020 appointed Mr. Yacob Pothumuriyil Ouseph to undertake the secretarial audit of the company for the Financial Year 2019-20.

The Secretarial Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark. Notes to Accounts and Auditors remark in their report are self - explanatory and do not call for further comments.

#### **18. INTERNAL AUDIT & CONTROLS**

The Company intends to engage M/s. Saji Mathew and Associates, Chartered Accountants (FRN : 018048S) as its Internal Auditor. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

The Board of Directors of your company in its meeting held on 30th July, 2020 appointed Saji Mathew and Associates, Chartered Accountants to undertake the internal audit of the company for the Financial year 2019 – 20.

#### **19. INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND ADEQUACY**

The Board of Directors of the company is responsible for insuring the IFC have been laid down in the company and that such control is adequate and operating effectively. Your directors ensure final IFC framework has been laid down in your company and it is commensurate with the size scale and complex of its operation.

#### **20. EXTRACT OF ANNUAL RETURN**

Your company, pursuant to the provisions of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, has given in **Annexure IV** an extract of Annual Return as forming part of this report. The extract of annual return is given in MGT 9.

#### **21. MATERIAL CHANGES AND COMMITMENTS**

Your Director ensures that no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report that affecting the financial position of the company.

#### **22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

This is to inform all the shareholders that a NCLT matter is subsisting, however it is still pending for admission. Your directors are pleased to inform that no other significant and material orders are passed by the Regulators or Courts or Tribunals during the year impacting the going concern status of the company and its future business and operations.

#### **23. DEPOSITS**

Your Company has not accepted any Deposits from public within the meaning section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

#### **24. DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE**

In order to prevent sexual harassment of women at work place a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified with effect from 9th December, 2013. As per section 4 read with section 6 of the act applies to companies having 10 employees or more and such companies shall be required to constitute internal complaint committee.

Your Directors are pleased to inform you that as the number of employees in your company is below the threshold limit, hence, it is not required to constitute such committee.

Your directors are also pleased to inform you that there is no such case has been reported during the year under review.

#### **25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Pursuant to Section 186(11) of the Companies Act, 2013 read with Rule 11 of the Companies (Meeting and Power of the Board) Rules, 2014, except sub section 1, the provisions of section 186 does not apply to Non Banking Financial Company (NBFC) engaged in the business of

Lending and Investment, hence, the provisions of section 186 except section 186(1) does not apply to NBFC.

Your directors are also pleased to inform you that your company has not made any investment through more than two layers of investment companies during the year under review.

#### **26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties including certain arm's length transactions thereto shall be disclosed in AOC-2 and marked as **Annexure-V** to this report. Your directors ensure that no such contract was entered by the company with the any such Related Party during the year under review.

#### **27. CORPORATE GOVERNANCE**

Pursuant to regulation 15 of chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, regulation 17, 27 & other regulations under this statute relating to corporate governance is not applicable to your company and a declaration in this effect is submitted with the Stock Exchange at regular interval, however, your directors ensure good governance in the company.

#### **28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to the provisions of section 134 of the Companies Act, 2013 the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of energy	NIL
Technology absorption	NIL
Foreign exchange earnings and Outgoing	NIL

#### **29. HUMAN RESOURCES**

Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

#### **30. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirms that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- c. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. They had prepared the annual accounts on a going concern basis;

- e. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**31. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Investor Education Protection Fund (IEPF) and the rules framed thereunder, your directors ensure that amount of Rs. 46,335/- lying unpaid or unclaimed for a period of seven years since 2013 has been deposited with the IEPF.

**32. ACKNOWLEDGEMENTS**

Your Director would like to record its appreciation for the co – operation and support received from its employees, shareholders and all other stakeholders.

**For and on behalf of the Board of Directors**

**S/d**

**K. G Anilkumar**  
Managing Director  
DIN : 00766739

**S/d**

**Umadevi Anilkumar**  
Director  
DIN : 06434467

**S/d**

**Subramanian R.**  
CFO

**S/d**

**Manisha N. Menon**  
Company Secretary

**Place: Irinjalakuda**

**Date: 29<sup>th</sup> August, 2020**

**Details of Directors as required to be provided pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (“SS-2”) issued by ICSI and approved by the Central Government are provided hereinbelow:**

**BRIEF PROFILE OF DIRECTORS AND KMP APPOINTED**

**1. Kuzhuppilly Govinda Menon Anilkumar**

Mr. Kuzhuppilly Govinda Menon Anilkumar belongs to Irinjalakuda, a place of cultural and historical importance in the State of Kerala. His better half, friend and life time companion is Ms. Umadevi Anilkumar. His father, late Mr. Kuzhuppilly Govinda Menon was a famous freedom fighter in Kerala. He has done graduation in B.A, Post-Graduation in Business Management (MBA) as well as an LLB holder. He is currently undergoing PhD in Banking & Finance, which shows his insatiable thirst for knowledge. He is the Managing Director of M/s. ICL Fincorp Limited since 14.07.2004. It's his great business acumen and quiet strength that led ICL group to grow into a nationally known brand. His unique capabilities have won him several awards and accolades, to name a few:

- “Bharat Excellence Award” for the year 2015 from His Excellency the Governor of Tamil Nadu, Mr. Rosaiah.
- Consumer Protection Award for the year 2015 by Kerala Chief Whip Adv. Thomas Unniyadan, MLA.
- JCI group “Business Excellence Award” for the year 2015 by Mr. P. K. Kunhalikutty (Minister of Industries and Information Technology, Kerala).
- Business Excellence Award 2016 – Mangalalosavam – by Mr. A. C. Moideen, Minister for Industries, Sports and Youth Affairs.
- Business Reliability Award 2016 – Reporter Channel.
- Dharmamudhra Award 2016.
- Karma Sreshta Puraskaram 2016 - Kerala Kaladeepam.
- Best Achiever Award 2016 - Lions International.
- Phoenix Award 2016 - Kairali TV by Padma Shri Bharat Mammooty, film actor.
- Jeevan T V Felicitation Award 2017 by Mrs. Nirmala Sitharaman, Defence Minister together with Mr. Ravi Shankar Prasad, Minister of Electronics and Information Technology.
- Kerala Kaladeepam Felicitation Award 2017 for the Best Performing NBFC of the year.
- Consumer Protection Award.

He oversees the planning, designing and funding of new projects, with a view to directing the Group towards the optimum utilization of resources and funds. Under his leadership the Group has made substantial efforts to strengthen and improve customer relationship and established its strong presence in retail finance. His operations management skills have been crucial in the smooth transition of the Company from being a local player to one with a pan-India presence. His inputs are central to the structure and has aided in the financial inclusion of giving gold loans to the masses, especially the economically weaker sections of society and the lower middle classes living in rural and semi-urban areas.

Today, the Company has emerged as one among the profitable NBFCs in the regions of Kerala, Tamil Nadu, Telangana, Andhra Pradesh and Karnataka. ICL Fincorp Limited is an ISO certified Company. It is a fast growing entity and has branches all over the regions of Kerala, Tamil Nadu, Telangana, Andhra Pradesh and Karnataka and is continuously striving to expand its wings by opening branches all over India. There are Five other Companies falling under the umbrella of ICL Group viz. ICL Tours & Travels Private Limited, ICL Chits Limited, ICL Nidhi Limited, Snow View Tex Collections Private Limited and ICL Medilab Private Limited.

The contribution of Mr. Kuzhuppilly Govinda Menon Anilkumar to the social services sector assumes immense value in today's not so broadminded world and his efforts are much acclaimed. Even during his busy schedule, he has found time and energy to pursue his philanthropic work to help poor and needy and also help promoting cultural activities and artists. To support his efforts he has established ICL Cultural & Charitable Trust which undertakes various charitable activities like helping/sponsoring students who are economically backward by distributing educational help, adopting needy children and ensuring that their wellbeing and educational needs are fulfilled; conducting blood donation camps; helping palliative care units etc.

At Present Mr Kuzhuppilly Govinda Menon Anilkumar holds the position of Managing Director of the company and does not hold any equity shares in the company.

**2. Umadevi Anilkumar**

Ms. Umadevi Anilkumar, wife of Mr. Kuzhuppilly Govinda Menon Anilkumar is a woman of determination and vision. She describes entrepreneurship as the path that allowed her to break the glass ceilings of the corporate world. She has done graduation in B.com, Post-Graduation in Business Management (MBA) as well as pursuing LLB. She is an Executive Director of M/s. ICL Fincorp Limited and is strong backbone behind the success of the Company. Being a confessed workaholic, the success of Ms. Umadevi Anilkumar is reinventing herself and her business. She has been involved in the operations and growth of the business empire since its inception. She has drastically transformed herself from being a homemaker to the level of being a woman entrepreneur and had taken serious steps to be more professional, devoting her entire time for the growth of the Company.

At Present Ms. Umadevi Anilkumar holds the position of Non Executive Director of the company and does not hold any equity shares in the company

**3. Mr. Thainakathu Govindankutty Babu**

Mr. Thainakathu Govindankutty Babu is a Graduate in Economics and Education. He has started his carrier as a high school teacher. While working as a teacher he used to take training classes for teachers and used to conduct seminars for five year plans of Local bodies. In 2002, he was promoted as Head Master. In 2005, he was deputed as Project Officer under Department of Education, Central Govt. in Thrissur District of Kerala. As a Project Officer, he was making plan for the implementation of various projects including academic and infrastructural development projects of the educational institutions for the schools situated at Thrissur District. He was engaged in the audit of the projects.

At Present Mr. Thainakathu Govindankutty Babu holds the position of Independent Director of the company and does not hold any equity shares in the company

**4. Mr. Saseendran Veliyath**

Mr. Saseendran Veliyath is a businessman by profession. Previously worked as Radiographer in Dubai Military Hospital and Shaik Syed Military Hospital, Abu Dhabi. His work experience in radiology has helped our group concern. He had been actively taking part in the Public and Charitable activities.

At Present Mr. Saseendran Veliyath holds the position of Independent Director of the company and does not hold any equity shares in the company.

**5. Mr. Subramanian R.**

Mr. Subramanian R. is a Member of Institute of Chartered Accountants of India (Membership No: 026299) and has a vast and varied experience of more than 39 years in finance, accounting, corporate management, taxation, secretarial etc. In addition to the said esteemed profession, he also possesses a Masters' Degree (MBA – specialization in Finance). The professional career journey of almost 4 decades commenced from M/s Ashok Leyland Limited, Chennai, where he worked for 6 years as Junior Executive (Accounts). Later, associated with M/s. Metropolitan Transport Corporation Ltd., Chennai, A Govt. of Tamil Nadu Undertaking, operating passenger transport with turnover around Rs.1000 crores per annum, where he spend major portion of career ie. 25 years in various higher finance positions. After retired from said Company, he joined Amet University as Finance Officer for

a period of one year. Since 20.02.2017, Mr. Subramanian R. is holding the position of Chief Financial Officer of M/s. ICL Fincorp Limited.

Mr. Subramanian R. was appointed in your company as Chief Financial Officer with effect from June 11, 2020.

**6. Ms. Manisha Nandakumar Menon**

Ms. Manisha Nandakumar Menon is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate and has experience for more than 5 years. Her career started with M/s. Halal & Co. (Law Firm) Lakamanya Tilak Marg, Mumbai, in 2010, where she worked for about 1 year as Associate Advocate. Later, she joined M/s. Ajmal Porora & Associates, Fort, Mumbai, in 2014, where she worked as Associate Company Secretary for 2 years. She got much experience from M/s. NSRS & Co, Thane, Maharashtra (Chartered Accountants), where she worked as Compliance Head for 1.5 years. Later she hold the position of Company Secretary at M/s. Horizon Promoters India Limited, Mulund, Mumbai. Her experience includes the entire gamut of Company Law matters, Limited Liability Partnerships, Legal Matters, Charge related compliances, Secretarial Audit, Due Diligence, Winding up and Insolvency etc.

At Present Ms. Manisha Nandakumar Menon holds the position of Company secretary cum compliance officer of your Company. She is associated with your company since June 11, 2020.

**For and on behalf of the Board of Directors**

<b>S/d</b>	<b>S/d</b>
<b>K. G Anilkumar</b> Managing Director DIN : 00766739	<b>Umadevi Anilkumar</b> Director DIN : 06434467
<b>S/d</b>	<b>S/d</b>
<b>Subramanian R.</b> CFO	<b>Manisha N. Menon</b> Company Secretary

**Place: Irinjalakuda**

**Date: 29<sup>th</sup> August, 2020**



**STATEMENT OF PARTICULARS OF EMPLOYEES**  
**PURSUANT TO THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONAL) RULES, 2014**

<b>Sl. No.</b>	<b>Name</b>	<b>Designation/ Nature of Duties</b>	<b>Remuneration Received (Rs.)</b>	<b>Qualification</b>	<b>Experience in years</b>	<b>Age in years</b>	<b>Date of commencement of Employment</b>	<b>Last employment held</b>
1	Ashok Kumar Hamirbasia	Managing Director	13,02,833/-	Commerce Graduate	41 Years	64 Years	27.01.2016	18.02.2020
2	Arindam Saha	Chief Financial Officer	5,74,300/-	Commerce Graduate; and MBA in Finance from SMU	8 Years	30 Years	30.05.2017	18.02.2020
3	Bela Parakh	Company Secretary cum Compliance Officer	1,47,150/-	Commerce Graduate; and ACS (ICSI)	3 Years	27 Years	03.03.2018	18.02.2020
4	Himanshu Maheshwari	Company Secretary cum Compliance Officer	7,330/-	Commerce Graduate; Law Graduate; and ACS (ICSI)	4 Years	31 Years	31.08.2019	22.04.2019
5	K.G Anilkumar	Managing Director	-	BA, MBA, LLB and Pursuing Ph.D. in Banking and Finance	24 Years	57 Years	18.02.2020	-

**For and on behalf of the Board of Directors**

S/d

S/d

**K.G Anilkumar**  
**DIN : 00766739**

**Umadevi ANilkumar**  
**DIN : 06434467**

S/d

S/d

**CA Subramanian R.**  
**CFO**

**Manisha N. Menon**  
**Company Secretary**

**Place : Irinjilalakuda**  
**Date : 29th August, 2020**



**Yacob Pothumuriyil Ouseph**  
Practicing Company Secretary

2<sup>nd</sup> floor, 11/572, Kalarikkal buildg.  
Karingachira, Irumpanam P .O.  
Tripunithura, Ernaklulam,  
Kerala – 682301, Mob 9447118386  
Email: rajupo2012@gmail.com  
PAN: ABXPY1496Q

### **Secretarial Audit report**

(For the Financial Year ended 31<sup>st</sup> day of March, 2020)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
M/s. Salem Erode Investments Limited  
CIN: L31200WB1931PLC007116  
14, Motilal Nehru Road, Kolkata,  
West Bengal, India – 700029

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Salem Erode Investments Limited (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on



31<sup>st</sup> day of March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> day of March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under ;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;



- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following law applicable specifically to the Company:

- a) Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- b) Other relevant regulations, directions, guidelines and circulars issued by the Reserve Bank of India from time to time.

I have also examined compliance with the applicable clauses of the following:



- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. stated herein above.

I further report that:

- a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



I further report that during the audit period the Company has been taken over by M/s. ICL Fincorp Limited by purchasing 85,15,240 number of Equity Shares of Re.1/ each, representing 74.27% shareholding in the Company by way of Share Purchase Agreement dated 28<sup>th</sup> day of December, 2018 and by way of purchasing 2,02,550 Equity Shares of the face value of Re. 1/- (Rupee One Only) each, representing 1.77% shareholding by way of mandatory open offer, resulting in total shareholding coming to 76.03%. Further to the same, the Company became the Subsidiary of M/s. ICL Fincorp Limited and the Board was reconstituted with effect from 17<sup>th</sup> day of February, 2020.

No other specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above has taken place during the Financial Year under report.

This report is to be read with our letter of even date which is annexed as Annexure and forms integral part of this report.

Place: Kochi

Date: 28.08.2020

**CS. Yacob Pothumuriyil Ouseph**

Practising Company Secretary

02<sup>nd</sup> Floor, Kalarikkal Building,

Karingachira, Tripunithura,

Kochi, Ernakulam, Kerala – 682301

M. No. 50329 & COP No. 18503

UDIN: A050329B000629017



A handwritten signature in blue ink, appearing to be "Yacob Pothumuriyil Ouseph".

**Annexure to the Secretarial Audit Report of M/s. Salem Erode Investments Limited for Financial Year ended 31<sup>st</sup> day of March, 2020.**

To,  
The Members,  
M/s. Salem Erode Investments Limited  
CIN: L31200WB1931PLC007116  
14, Motilal Nehru Road, Kolkata,  
West Bengal, India – 700029

***Management Responsibility for Compliances***

1. The maintenance and compliance of the provisions of Corporate and other applicable laws, rules, regulations, secretarial standards etc. is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices followed provide a reasonable basis for my opinion.
3. The review of original registers, records and documents of the Company has been hampered during the audit and certain audit procedures cannot be performed due to government restrictions of lock down and social distancing in view of COVID 19 Global pandemic. We have relied upon the books, records and documents made available by the Company through electronic means and in digital format.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Our examination was limited to the verification of procedure on test basis.



5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. My examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kochi

Date: 28.08.2020

**CS. Yacob Pothumuriyil Ouseph**

Practising Company Secretary

02<sup>nd</sup> Floor, Kalarikkal Building,

Karingachira, Tripunithura,

Kochi, Ernakulam, Kerala – 682301

M. No. 50329 & COP No. 18503

UDIN: A050329B000629017



A handwritten signature in blue ink, consisting of a series of loops and a horizontal line at the end.



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31-03-2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L31200WB1931PLC007116
2	Registration Date	16-05-31
3	Name of the Company	Salem Erode Investments Limited
4	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	14, Motilal Nehru Road, Kolkata - 700029 West Bengal. Phone: +91 (033)24756029, 24752834
6	Whether listed company	Listed with BSE Ltd
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Private Limited

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investment and Lending	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	ICL Fincorp Limited	U65191TN1991PLC021815	Holding	76.035	2(46)

**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

A) Category-wise Share Holding										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. PROMOTERS</b>										
(1) Indian										
a) Individual / HUF	6418120	0	6418120	55.978						-55.978
b) Central Government										
c) State Government										
d) Bodies Corporate	2097120	0	2097120	18.291	8717790	0	8717790	76.035		57.744
e) Banks / Financial Institutions										
f) Any Other										
Sub-total (A)(1)	8515240	0	8515240	74.268	8717790	0	8717790	76.035		1.767
(2) Foreign										
a) NRIs - Individuals										
b) Other - Individuals										
c) Bodies Corporate										
d) Banks / Financial Institutions										
e) Any Other										
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000		0.000
(A) = (A)(1)+(A)(2)	8515240	0	8515240	74.268	8717790	0	8717790	76.035		1.767
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds										
b) Banks / Financial Institutions	0	84000	84000	0.733	0	84000	84000	0.733		0.000
c) Central Governments										
d) State Governments										
e) Venture Capital Funds										
f) Insurance Companies										
Investors (FII)										
Funds										
j) Others (Specify)										
Sub-total (B)(1)	0	84000	84000	0.733	0	84000	84000	0.733		0.000
(2) Non-Institutions										
a) Bodies Corporate										
i) Indian	610046	90400	700446	6.109	26302	78400	104702	0.913		-5.196
ii) Overseas										
b) Individuals										
holding nominal share capital	282810	1773744	2056554	17.937	858772	1700254	2559026	22.319		4.382
holding nominal share capital in	109280	0	109280	0.953						-0.953
c) Others Specify										
1. NRI										
2. Overseas Corporate Bodies										
3. Foreign Nationals										
4. Clearing Members					2	0	2	0.000		0.000
5. Trusts										
6. Foreign Bodies - D.R.										
Sub-total (B)(2)	1002136	1864144	2866280	24.999	885076	1778654	2663730	23.233		-1.766
(B)(1)+(B)(2)	1002136	1948144	2950280	25.732	885076	1862654	2747730	23.965		-1.767
<b>C. GDRs &amp; ADRs</b>										
<b>GRAND TOTAL (A+B+C)</b>	<b>9517376</b>	<b>1948144</b>	<b>11465520</b>	<b>100.000</b>	<b>9602866</b>	<b>1862654</b>	<b>11465520</b>	<b>100.000</b>		<b>0.000</b>

**B. Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	ICL FINCORP LIMITED	-	-	-	8717790	76.035	0.000	76.035
2	KUSUM KANORIA	3827120	33.379	0.000	-	-	-	-33.379
3	PADMA KANORIA	2591000	22.598	0.000	-	-	-	-22.598
4	TARA INVESTMENTS LTD.	2097120	18.291	0.000	-	-	-	-18.291
	<b>T O T A L</b>	<b>8515240</b>	<b>74.268</b>	<b>0.000</b>	<b>8717790</b>	<b>76.035</b>	<b>0.000</b>	<b>1.767</b>

**C. Change in Promoter's Shareholding**

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ICL FINCORP LIMITED				
	a) At the Beginning of the Year	0	0		
	b) Changes during the year				
	Date Reason				
	20/09/2019 Transfer	202550	1.767	202550	1.767
	21/02/2020 Transfer	8515240	74.268	8717790	76.035
	c) At the End of the Year			8717790	76.035
2	KUSUM KANORIA				
	a) At the Beginning of the Year	3827120	33.379		
	b) Changes during the year				
	Date Reason				
	21/02/2020 Transfer	-3827120	33.379	0	0.000
	c) At the End of the Year			0	0.000
3	PADMA KANORIA				
	a) At the Beginning of the Year	2591000	22.598		
	b) Changes during the year				
	Date Reason				
	21/02/2020 Transfer	-2591000	22.598	0	0.000
	c) At the End of the Year			0	0.000
4	TARA INVESTMENTS LTD.				
	a) At the Beginning of the Year	2097120	18.291		
	b) Changes during the year				
	Date Reason				
	21/02/2020 Transfer	-2097120	18.291	0	0.000
	c) At the End of the Year			0	0.000
	<b>T O T A L</b>	<b>8515240</b>	<b>74.268</b>	<b>8717790</b>	<b>76.035</b>

**D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs) :**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANKIT JAIN				
	a) At the Beginning of the Year	52690	0.460		
	b) Changes during the year				
	Date Reason				
	24/01/2020 Transfer	-52690	0.460	0	0.000
	c) At the End of the Year			0	0.000
2	HANUMAN SHARE & STOCK BROKERS LIMITED				
	a) At the Beginning of the Year	100000	0.872		
	b) Changes during the year				
	Date Reason				
	23/08/2019 Transfer	-90000	0.785	10000	0.087
	c) At the End of the Year			10000	0.087
3	JAISY .				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	06/03/2020 Transfer	46500	0.406	46500	0.406
	c) At the End of the Year			46500	0.406
4	JER RUSI PATEL				
	a) At the Beginning of the Year	48000	0.419		
	b) Changes during the year				
	Date Reason				
	c) At the End of the Year			48000	0.419
5	MARY JACQUILINE NETTO				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	06/03/2020 Transfer	52590	0.459	52590	0.459
	c) At the End of the Year			52590	0.459
6	MAVILLAPALLI LAVANYA				
	a) At the Beginning of the Year	47120	0.411		
	b) Changes during the year				
	Date Reason				
	c) At the End of the Year			47120	0.411
7	MOHAN MAKESH PUNNAKAPARAMBIL				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	06/03/2020 Transfer	55280	0.482	55280	0.482
	c) At the End of the Year			55280	0.482
8	NEHA PUROHIT				
	a) At the Beginning of the Year	109280	0.953		
	b) Changes during the year				
	Date Reason				
	24/01/2020 Transfer	-109280	0.953	0	0.000
	c) At the End of the Year			0	0.000
9	R. G. RADHAKRISHNAN				

a) At the Beginning of the Year	53200	0.464		
b) Changes during the year		<b>[NO CHANGES DURING THE YEAR]</b>		
c) At the End of the Year			53200	0.464

10	ROSY BHAWAN PRIVATE LIMITED						
	a) At the Beginning of the Year	468046	4.082				
	b) Changes during the year						
	Date Reason						
	06/03/2020 Transfer	-215700	1.881	252346	2.201		
	13/03/2020 Transfer	-252346	2.201	0	0.000		
	c) At the End of the Year			0	0.000		
11	SHEKHAR L. KULKARNI						
	a) At the Beginning of the Year	62400	0.544				
	b) Changes during the year						
	c) At the End of the Year					62400	0.544
12	STATE BANK OF INDIA						
	a) At the Beginning of the Year	60000	0.523				
	b) Changes during the year						
	c) At the End of the Year					60000	0.523
13	SUSHILA DATTATRAYA SHRIKHANDE						
	a) At the Beginning of the Year	76000	0.663				
	b) Changes during the year						
	c) At the End of the Year					76000	0.663
14	UNNIYAMPATTU IBRAHIM SHAMEER						
	a) At the Beginning of the Year	0	0.000				
	b) Changes during the year						
	Date Reason						
	06/03/2020 Transfer	54000	0.471	54000	0.471		
	c) At the End of the Year			54000	0.471		
	<b>T O T A L</b>	<b>1076736</b>	<b>9.391</b>	<b>565090</b>	<b>4.929</b>		

**E) Shareholding of Directors and Key Managerial Personnel:**

SNO	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	K. G. Anilkumar						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
2	Umadevi Anilkumar						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year				No Changes During the Year		
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
3	Saseendran Velivath						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year				No Changes During the Year		
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
4	T.G. Babu						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year				No Changes During the Year		
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
5	Subramanian						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year				No Changes During the Year		
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
6	Manisha Nandakumar Menon						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year				No Changes During the Year		
	At the end of the year	31.03.2020		-	0.00%	-	0.00%

**IV. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: Nil

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
-------------	----------------------------------	-----------------	----------	--------------------

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashok Kumar Hamirbasia Managing Director	K.G Anilkumar Managing Director	
1	Name			
2	Designation			
3	Gross Salary	1302833.00	-	1302833.00
a	Salary as per Provision of Sec 17(1) of the Income Tax Act, 1961	-	-	-
b	Value of Perquisites U/s 17(2) of the Income Tax, 1961	-	-	-
4	Stock Options	-	-	-
5	Sweat Equity	-	-	-
6	Commission	-	-	-
	- as a % of Profit	-	-	-
	- Others, Specify	-	-	-
7	Others, Please Specify	-	-	-
8	Total (A)	1302833.00	0.00	0.00
9	Ceiling as per the Act			

**B. Remuneration to other Directors:**

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Harsh Vardhan Bhardwaj	Viswanath Purohit	Prashant Gupta	Ekta Goswami	T G Bbau	Saseendran Veliyath	
1	<b>Independent Directors</b>							
a	Fee for attending Board Meeting	3500	3500	3500	3000	-	-	13500
b	Fee for attending Committee Meeting	2400	2400	2400	-	-	-	7200
c	Commission	-	-	-	-	-	-	-
d	Other, Please Specify	-	-	-	-	-	-	-
	Total (1)	5900	5900	5900	3000	-	-	20700
2	<b>Non Executive Directors</b>	Sunil Kumar Kanoria		Umadevi Anilkumar				
a	Fee for attending Board Meeting	3500	-	-	-	-	-	-
b	Fee for attending Committee Meeting	-	-	-	-	-	-	-
c	Commission	-	-	-	-	-	-	-
d	Other, Please Specify	-	-	-	-	-	-	-
	Total (2)	3500	-	-	-	-	-	3500
	Total Managerial Remuneration							24200
	Overall Ceiling as per the Act							

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

SN.	Particulars of Remuneration	Name of Key Managerial Person			Total Amount
		Arindam Saha	Bela Parakh	Himanshu Maheshwari	
1	Name	CFO	CS	CS	
2	Designation				
3	Gross Salary	574300.00	147150.00	7330.00	728780.00
a	Salary as per Provision of Sec 17(1) of the Income Tax Act, 1961	-	-	-	-
b	Value of Perquisites U/s 17(2) of the Income Tax, 1961	-	-	-	-
4	Stock Options	-	-	-	-
5	Sweat Equity	-	-	-	-
6	Commission	-	-	-	-
	- as a % of Profit	-	-	-	-
	- Others, Specify	-	-	-	-
7	Others, Please Specify	-	-	-	-
8	Total (A)	574300.00	147150.00	7330.00	728780.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)

**For and on behalf of the Board**

S/d

 K.G Anilkumar  
Managing Director  
DIN 00766739

S/d

 CA Subramanian R.  
CFO

S/d

 Umadevi Anilkumar  
Director  
DIN 06434467

S/d

 Manisha N. Menon  
Company Secretary

 Place : Irinjalakuda  
Date : 29th August, 2020

## FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of Contracts or arrangement or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year end 31st March, 2020, which were not at arm's length basis.

**Details of Contracts or arrangement or transactions at arm's length basis:**

Name	Nature of Relationship	Silent Terms of Transactions	Nature of Transactions	Date of Board Resolution	Duration of Transactions	Amount (Rs. In Lakhs)
K.G Anilkumar	Managing Director	N.A	Remuneration	18.02.2020	N.A	0.00
ICL Fincorp Limited	Promoter and Holding Company	N.A	Lending	18.02.2020	N.A	2065.00
			Interest Income	N.A.		24.95

For and on behalf of the Board of Directors

S/d

K. G Anilkumar  
Managing Director  
DIN : 00766739

S/d

Umadevi Anilkumar  
Director  
DIN : 06434467

S/d

CA Subramanian R.  
CFO

S/d

Manisha N. Menon  
Company Secretary

Place: Irinjalakuda

Date: 29<sup>th</sup> August, 2020

# INDEPENDENT AUDITOR'S REPORT

To the Members of SALEM ERODE INVESTMENTS LIMITED  
Report on the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of SALEM ERODE INVESTMENTS LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read including accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, the loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key Audit Matters Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Serial No.	Key Audit Matter	Auditor's Response
1.	Valuation of Investment	We have assessed the procedure of sale and purchase of investments including yearend valuation. We have obtained all sources of documents for valuation of unquoted shares and its subsequent sale.
2.	Revenue Recognition and Provision for doubtful debts	We have reviewed the procedure of revenue recognition in relation to interest income. No income has been recorded for NPA assets. The loans which have become NPA, necessary provisions are made in the books.

3.	Evaluation for provision for investments	We assessed the Company's process to identify the reason for making provision on appreciation/diminution in the value of investments. Provisions are made when there is a difference between cost and market value of Rs.25,000/- or above.
----	--	---

### Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (b) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (d) The observations on financial transactions do not reveal any matters which have any adverse effect on the functioning of the Company.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, and according to the information and explanations given to us, no managerial remuneration has been paid by the Company to its directors during the year by the Company.
  - (g) There is no qualification in relation to accounts maintained by the Company.

- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, in accordance with the provisions of Companies Act, 2013 (18 of 2013) and rules made there under.

For S. MANDAL & CO.  
Chartered Accountants  
(Firm's Registration No. 314188E)

S/d

(H.C DEY)  
Partner  
Membership No. 050190

UDIN : 20050190AAAABE1943

Place: Kolkata  
Date: The 30th of July, 2020.

## ANNEXURE - "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of SALEM ERODE INVESTMENTS LIMITED (The Company) of even date.)

1.
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) These assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
  - c) According to the information and explanation given to us the company does not hold any immovable properties in its name.
2. Clause (ii) of the order is not applicable in case of this Company.
3.
  - a) The Company has granted unsecured loan to a party covered in the register maintained under section 189 of the Companies Act, 2013 and the maximum amount involved during the year is ` 2,065 Lacs however year ending balance is 2,089 Lacs.
  - b) The company is regular in receipt of Principal and interest due on loan.
  - c) No amount is overdue for more than 90 days.
4. According to the information and explanation given to us the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted any deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. Clause (vi) of the order is not applicable in case of this company.
7.
  - a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Goods and Services Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities.
  - b) There has been no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Goods and Services Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and any other statutory dues in arrears as at 31<sup>st</sup> March 2020 for a period of more than six (6) months from the date they became payable.
  - b) According to the information and explanation given to us there is no disputed amount in case of Income tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services tax which has not been deposited as at 31<sup>st</sup> March 2020 except on account of Income Tax as follows.

Particulars	Details
Nature of Dispute	Income Tax and Interest thereon
Period to which dispute relates	Assessment Year 2008-09
Amount of Dispute	Rs. 8,39,146/-
Forum where dispute is pending	Commissioner of Income Tax (Appeals)

8. Clause (viii) of the order is not applicable in case of this company as it has not taken any loan from banks, financial institution or debenture holders.
9. Clause (ix) of the order is not applicable in case of this company as it has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.
10. According to the information and explanations given to us there is no noticed or unreported fraud on or by the company during the year under audit.
11. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V to the Act.
12. Clause (xii) is not applicable in case of this Company as it is not a Nidhi Company.
13. According to the information and explanations given to us all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.
14. The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.MANDAL & CO.  
Chartered Accountants  
*Firm's Registration No. 314188E*

S/d

(H.C Dey)  
Partner  
Membership No. 050190

Place: Kolkata  
Date: The 30th of July, 2020

## **ANNEXURE – ‘B’ TO AUDITORS’ REPORT**

(Referred to in paragraph 2(h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“The Act”)

We have audited the internal financial controls over financial reporting of SALEM ERODE INVESTMENTS LIMITED as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Director of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S.MANDAL & CO.

*Chartered Accountants*

*Firm's Registration No. 314188E*

S/d

(H.C Dey)

Partner

Membership No.: 050190

Place: Kolkata

Date : The 30th of July, 2020

**SALEM ERODE INVESTMENTS LIMITED**  
Balance Sheet as at 31st March, 2020

(In ₹)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>(1) Financial Assets</b>				
(a) Cash and Cash Equivalents	7	1,73,715	31,10,788	1,06,92,308
(b) Bank Balance other than (a) above	8	-	20,25,00,000	4,85,00,000
(c) Loans	9	20,85,95,571	-	7,26,00,000
(d) Investments	10	52,20,022	70,93,643	7,44,99,657
(e) Other Financial Assets	11	-	40,60,594	2,25,205
<b>(2) Non-Financial Assets</b>				
(a) Inventories	13	-	-	5,212
(b) Deferred Tax Assets (Net)	14	2,12,99,633	1,64,28,323	11,43,656
(c) Property, Plant and Equipment	15	-	-	12,16,195
(d) Other Non-Financial Assets	12	1,67,97,624	45,65,188	63,76,502
<b>TOTAL ASSETS</b>		<b>25,20,86,565</b>	<b>23,77,58,535</b>	<b>21,29,71,422</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(1) Financial Liabilities</b>				
(a) Other Financial Liabilities	17	1,48,365	5,14,303	3,10,499
<b>(2) Non-Financial Liabilities</b>				
(a) Current Tax Liabilities (Net)	16	1,28,59,920	22,57,619	42,88,358
(b) Other Non-Financial Liabilities	18	2,100	36,160	6,000
<b>(3) Equity</b>				
(a) Equity Share Capital	19	1,14,65,595	1,14,65,595	1,14,65,595
(b) Other Equity	20	22,76,10,586	22,34,84,859	19,69,00,972
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,20,86,565</b>	<b>23,77,58,535</b>	<b>21,29,71,422</b>

Accompanying Notes from 1 to 36 are an integral part of the Financial Statements.

In terms of our report attached

For **S. MANDAL & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 314188E

For and on behalf of the Board of Directors

S/d  
  
**H.C. Dey**  
Partner  
Membership No. 050190

S/d  
  
**K.G ANILKUMAR**  
Managing Director  
DIN : 00766739

S/d  
  
**UMADEV I ANILKUMAR**  
Director  
DIN : 06434467

Place: Irinjalakuda  
Date: The 30th of July, 2020

S/d  
  
**SUBRAMANIAN**  
Chief Financial Officer

S/d  
  
**MANISHA N MENON**  
Company Secretary

**SALEM ERODE INVESTMENTS LIMITED**  
Statement of Profit and Loss for the year ended 31st March, 2020

(In ₹)

	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
	<b>Revenue from Operations</b>			
(a)	Interest Income	21	1,14,17,441	1,18,87,102
(b)	Dividend Income		6,69,426	13,07,562
(c)	Net gain on fair value changes	22	-	-
(d)	Others (sales on shares held as stock-in-trade)		-	2,02,216
(I)	<b>Total Revenue from Operations</b>		<b>1,20,86,867</b>	<b>1,33,96,880</b>
(II)	Other Income	23	31,158	2,32,381
(III)	<b>Total Income (I+II)</b>		<b>1,21,18,025</b>	<b>1,36,29,261</b>
	<b>Expenses</b>			
(a)	Finance Costs	24	-	-
(b)	Net loss on fair value changes	22	17,96,994	9,65,965
(c)	Impairment on Financial Instruments (Net)	25	2,04,185	4,09,808
(d)	Changes in Inventories of finished goods, stock-in-trade and work-in-progress		-	5,211
(e)	Employee Benefits Expenses	26	23,34,410	17,09,900
(f)	Depreciation, Amortisation and Impairment Expense	15	-	1,60,436
(g)	Administrative and Other Expenses	27	82,94,312	41,66,739
(IV)	<b>Total Expenses (IV)</b>		<b>1,26,29,901</b>	<b>74,18,059</b>
(V)	<b>Profit before Exceptional Items &amp; Tax (III- IV)</b>		<b>(5,11,876)</b>	<b>62,11,202</b>
(VI)	Exceptional items		-	-
(VII)	<b>Profit Before Tax (V-VI)</b>		<b>(5,11,876)</b>	<b>62,11,202</b>
(VIII)	<b>Tax Expense:</b>			
	(a) Current Tax		2,33,708	1,32,06,961
	(b) Deferred Tax		4,54,645	(62,94,300)
(IX)	<b>Profit After Tax (VII-VIII)</b>		<b>(12,00,229)</b>	<b>(7,01,459)</b>
(X)	<b>Other Comprehensive Income/(Expense)</b>			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		-	-
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		-	1,58,64,509
	(ii) Tax related to above		-	(1,12,77,679)
	<b>Total Other Comprehensive Income/(Expense) (X)</b>		<b>-</b>	<b>2,71,42,188</b>
(XI)	<b>Total Comprehensive Income/(Expense) for the period (IX+X)</b>		<b>(12,00,229)</b>	<b>2,64,40,729</b>
(XII)	<b>Earnings per Equity share (Basic and Diluted) (in ₹)</b> (Par Value ₹ 10/- per Equity Share)	28	<b>(0.10)</b>	<b>(0.06)</b>

Accompanying Notes from 1 to 36 are an integral part of the Financial Statements.

In terms of our report attached

For **S. MANDAL & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 314188E

For and on behalf of the Board of Directors

S/d  
  
**H.C Dey**  
Partner  
Membership No. 050190

S/d  
  
**K.G ANILKUMAR**  
Managing Director  
DIN : 00766739

S/d  
  
**UMADEVI ANILKUMAR**  
Director  
DIN : 06434467

Place: Irinjalakuda  
Date: The 30th of July, 2020

S/d  
  
**SUBRAMANIAN**  
Chief Financial Officer

S/d  
  
**MANISHA N MENON**  
Company Secretary



**SALEM ERODE INVESTMENTS LIMITED**  
Statement of Cash Flows for the year ended 31st March, 2020

	(In ₹)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	(5,11,876)	62,11,202
Adjustments for :		
Net unrealised fair value (gain) / loss	17,96,994	6,90,486
Interest on Income Tax Refund	-	(47,445)
Liabilities No Longer Required written back	-	-
Impairment on Financial Instruments	-	-
Depreciation, Amortisation and Impairment Expense	-	1,60,436
<b>Operating profit before working capital changes</b>	<b>12,85,118</b>	<b>70,14,679</b>
<b>Changes in Working Capital</b>		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others assets	(81,71,842)	(20,18,863)
(Increase) / Decrease in Loans Assets	(20,85,95,571)	7,26,00,000
Increase / (Decrease) in Trade Payables and Others Liabilities	(3,58,376)	2,69,394
Increase / (Decrease) in Other Bank Balances	20,25,00,000	(15,40,00,000)
<b>Cash Generated / (used) in operations</b>	<b>(1,33,40,671)</b>	<b>(7,61,34,790)</b>
Direct Taxes Paid (net of refund)	1,03,68,593	(1,50,47,097)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(29,72,078)</b>	<b>(9,11,81,887)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment, and Intangible Assets	-	-
Proceeds from Sale of Property, Plant and Equipment	-	10,55,759
(Increase) / Decrease in Investments (Other than Subsidiaries)	76,627	8,25,80,038
(Increase) / Decrease of Investments in Subsidiaries	-	-
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>76,627</b>	<b>8,36,35,797</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issuance of Debt securities (including subordinated debt securities) (net)	-	-
Increase / (Decrease) in Working Capital facilities (net)	-	-
Increase / (Decrease) in Other Borrowings (net)	-	-
<sup>5</sup> Dividend Paid (including Corporate Dividend Tax)	(41,622)	(35,430)
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>(41,622)</b>	<b>(35,430)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(29,37,073)</b>	<b>(75,81,521)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>31,10,787</b>	<b>1,06,92,308</b>
<b>Cash and Cash Equivalents at the end of the year (refer Note No. 2)</b>	<b>1,73,714</b>	<b>31,10,787</b>

**Net Cash (Used in) / Generated from Operating Activities includes:**

Interest Received	1,14,17,441	1,18,87,102
Interest Paid	-	-
Dividend Received	6,69,426	13,07,562

	(In ₹)	
Components of cash and cash equivalents:	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Cash and cash equivalents at the end of the year</b>		
(a) Cash on hand	44,746	33,394
(b) Balances with Banks - in Current Account	1,28,969	30,77,394
(c) Cheques on Hand	-	-
	<b>1,73,715</b>	<b>31,10,788</b>

**Explanations:**

- Since the Company is an NBFC, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned and dividend earned have been considered as part of "Cash flow from operating activities"
- Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.
- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.
- Balance in Unpaid Dividend Account credited to Investors Education and Protection Fund.

In terms of our report attached

For S. MANDAL & CO.

Chartered Accountants

ICAI Firm Registration No. 314188E

S/d

H.C Dey

Partner

Membership No. 050190

Place: Irinjalakuda

Date: The 30th of July, 2020

For and on behalf of the Board of Directors

S/d

K.G ANILKUMAR

Managing Director

DIN : 00766739

S/d

SUBRAMANIAN

Chief Financial Officer

S/d

UMADEVI ANILKUMAR

Director

DIN : 06434467

S/d

MANISHA N MENON

Company Secretary

**SALEM ERODE INVESTMENTS LIMITED**  
Statement of Changes in Equity for the year ended 31st March, 2020

**A. Equity Share Capital**

Particulars	Amount
As at 1st April, 2018	1,14,65,595
Changes in Equity share capital during the year	-
As at 31st March, 2019	1,14,65,595
Changes in Equity share capital during the year	-
As at 31st March, 2020	1,14,65,595

**B. Other Equity**

Particulars	Reserves and Surplus				Items of other comprehensive Income	Total
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934 )	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at the 1st April, 2018 (restated)	3,20,04,931	23,19,780	75,69,114	12,24,88,015	3,25,19,132	19,69,00,972
Profit for the year				(7,01,459)		(7,01,459)
Other Comprehensive Income (net of tax)				5,96,61,320	(3,25,19,132)	2,71,42,188
Dividends						-
Transfer from retained earnings	1,22,02,953			(1,22,02,953)		-
Income tax adjustment for earlier years				1,43,158		1,43,158
<b>Balance as at 31st March, 2019</b>	<b>4,42,07,884</b>	<b>23,19,780</b>	<b>75,69,114</b>	<b>16,93,88,081</b>	<b>-</b>	<b>22,34,84,859</b>
Balance as at the 1st April, 2019	4,42,07,884	23,19,780	75,69,114	16,93,88,081	-	22,34,84,859
Profit for the year				(12,00,229)		(12,00,229)
Other Comprehensive Income (net of tax)						-
Dividend and Corporate Dividend Tax						-
Transfer from retained earnings						-
MAT Credit for earlier years				53,25,956		53,25,956
<b>Balance as at 31st March, 2020</b>	<b>4,42,07,884</b>	<b>23,19,780</b>	<b>75,69,114</b>	<b>17,35,13,808</b>	<b>-</b>	<b>22,76,10,586</b>

In terms of our report attached

As per our report of even date  
For **S. MANDAL & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 314188E

For and on behalf of the Board of Directors

S/d

S/d

S/d

H.C Dey  
Partner  
Membership No. 050190

**K.G ANILKUMAR**  
Managing Director  
DIN : 00766739

**UMADEV ANILKUMAR**  
Director  
DIN : 06434467

S/d

S/d

Place: Irinjalakuda  
Date: The 30th of July, 2020

**SUBRAMANIAN**  
Chief Financial Officer

**MANISHA N MENON**  
Company Secretary

## SALEM ERODE INVESTMENTS LIMITED

### Notes to the financial statement for the year ended 31st March 2020

#### 1. Background Information

Salem Erode Investments Limited referred to as ("The Company" or "SEIL") is a non-banking financial company (NBFC) registered with the Reserve Bank of India under the category of Loan Company.

The company's activities primarily comprises of investing in listed and unlisted equity shares, debt instruments of companies in a wide range of industries and in mutual funds. The Company also lends money with or without security. The shares of company are listed on the Bombay Stock Exchange.

The standalone financial statements of the Company as on 31st March, 2020 were approved and authorised for issue by the Board of Directors on 30th July, 2020

#### 2. Statement of Compliance with Ind AS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time with effect from 1st April, 2019.

For all periods upto and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with the requirements of the accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

These financial statements for the year ending 31st March, 2020 are the first financial statements that the Company has prepared under Ind AS. The date of transition to Ind AS is April 1, 2018 and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2018 and March 31, 2019, total comprehensive income and cash flow for the year ended March 31, 2019

#### 3. Basis of Preparation of Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments measured at fair value at the end of each reporting period as explained in accounting policies below.

The financial statements are presented in Indian Rupees (INR), unless otherwise indicated.

#### 4. Use of estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures including disclosures of contingent assets and contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of: impairment of financial instruments, provisions and contingent liabilities.

#### 5. (I) Significant Accounting policies

##### (a) Financial Instruments

###### Classification

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instruments of another entity.

Financial assets, other than equity, are classified into, Financial assets at fair value through other comprehensive income (FVOCI) or fair value through profit and loss account (FVTPL) or at amortised cost. Financial assets that are equity instruments are classified as FVTPL or FVOCI. Financial liabilities are classified as amortised cost category and FVTPL.

Business Model assessment and Solely payments of principal and interest (SPPI) test:

Classification and measurement of financial assets depends on the business model and results of SPPI test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including;

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### **Initial recognition**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of profit or loss.

Financial assets and financial liabilities, with the exception of loans, debt securities and deposits are recognised on the trade date i.e. when a Company becomes a party to the contractual provisions of the instruments. Loans, debt securities and deposits are recognised when the funds are transferred to the customers account. Trade receivables are measured at the transaction price.

#### **Subsequent measurement**

##### **Financial assets at amortised cost**

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently these are measured at amortised cost using effective interest method less any impairment losses.

##### **Debt Instruments at FVOCI**

Debt instruments that are measured at FVOCI have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal outstanding and that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. These instruments largely comprise long-term investments made by the Company. FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

##### **Equity Instruments at FVOCI**

These include financial assets that are equity instruments as defined in Ind AS 32 "Financial Instruments: Presentation" and are not held for trading and where the Company's management has elected to irrevocably designated the same as Equity instruments at FVOCI upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognised directly in other comprehensive income, net of applicable income taxes.

Gains and losses on these equity instruments are never recycled to profit or loss.

Dividends from these equity investments are recognised in the statement of profit and loss when the right to receive the payment has been established.

##### **Fair value through Profit and loss account**

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

#### **Financial Liabilities and equity instruments**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### **Other Financial Liabilities**

These are measured at amortised cost using effective interest rate.

##### **Derecognition of Financial assets and Financial liabilities**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

##### **Impairment of financial assets**

The Company recognizes a loss allowance for expected credit losses on a financial asset that is at amortized cost or fair value through OCI. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

**Reclassification of Financial assets**

The company does not re-classify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances when the company changes its business model for managing such financial assets. The company does not re-classify its financial liabilities.

**(b) Determination of fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

**(c) Investment in subsidiaries and associates**

The company has chosen to carry the Investments in associates and subsidiaries at cost less impairment, if any, in the separate financial statements.

**(d) Foreign currency transactions and translation**

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Exchange differences arising on the retranslation or settlement of monetary items are included in the statement of profit and loss for the period.

**(e) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, as they are considered an integral part of the Company's cash management.

**(f) Property Plant and Equipment and Intangible Assets**

Property, plant and equipment and intangible assets are stated at cost of acquisition less accumulated depreciation / amortisation. Cost includes all expenses incidental to the acquisition of the Property, plant and equipment and intangible assets and any attributable cost of bringing the asset to its working condition for its intended use.

**(g) Capital work in progress and Capital advances**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed in Other Non-Financial Assets.

**(h) Depreciation and amortisation of property, plant and equipment and intangible assets**

Depreciation on tangible fixed assets have been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Further, assets individually costing ₹ 5000/- or less are fully depreciated in the year of purchase.

The residual values, useful lives and method of Depreciation of property, plant and equipment are reviewed at each financial year end. Changes in the expected useful life are accounted by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

**Transition to Ind AS**

For transition to Ind AS, the Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount on the date of transition to Ind AS i.e. April 1, 2018.

**(i) Impairment of non - financial assets**

The carrying amounts of the Company's property, plant & equipment and intangible assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of profit and loss in the period in which impairment takes place.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **(j) Employee benefits**

##### **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the employee renders the related service.

#### **(k) Accounting for provisions, contingent liabilities and contingent assets**

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities, and

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(l) Income tax**

Income tax expense comprises both current and deferred tax. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Current income-tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws, enacted or substantially enacted as at the balance sheet date.

Taxable profit differs from net profit as reported in the Standalone statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred income tax assets and liabilities are recognised for temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements and is accounted for using the balance sheet liability method.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using tax rates and laws, enacted or substantially enacted as of the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as an income or expense in the period that includes the enactment or substantive enactment date.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity, or a Group of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

**(m) Recognition of Dividend and Interest income**

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders or Board of Directors approve the dividend.

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

**(n) Dividends on ordinary shares**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

**(o) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as lessee**

The Company's lease asset classes primarily comprise of lease for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. During the period, the company has only short term leases which are recognised as operating expenses on straight line basis of the lease term.

**(p) Segment reporting**

The Company is primarily engaged in the business of financing and there is no separate reportable segment.

Pursuant to Ind AS 108 - Operating Segments, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

**(q) Onerous contracts**

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

**6. First-Time Adoption of Ind AS**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 (the transition date), by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. The exceptions and certain optional exemptions availed by the Company in accordance with the guidance provided in Ind AS 101, First Time Adoption of Indian Accounting Standards, and reconciliations of equity and total comprehensive income from previously reported GAAP to Ind AS are detailed below:

**A. Mandatory Exceptions to retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

**(a) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence that those estimates were in error. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**(b) Classification and Measurement of financial asset**

The Company has classified the financial assets as per Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(c) Impairment of Financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively, however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**B. Optional Exemptions from retrospective application**

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The company has elected to apply the following optional exemptions:

**(a) Deemed cost for Property Plant and equipment**

The company has elected to continue with carrying value of all of its property plant and equipment recognised in financial statements as at the date of transition to Ind AS measured as per previous GAAP as deemed cost on the date of transition to Ind AS.

**(b) Investment in Subsidiary and associates**

The Company has elected to measure its investments in associates at previous GAAP carrying value as deemed cost on the date of transition.

**(c) Designation of previously recognised financial instruments**

The company has designated investment in equity instrument as at fair value through other comprehensive income in accordance with Para 5.7.5 of Ind AS 109 on the basis of facts and circumstances that exist at the date of transition of Ind AS.



**C. Reconciliation between previous GAAP and Ind AS**

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards"

(a) Reconciliation of total equity as at 1st April, 2018 and 31st March, 2019

(b) Reconciliation of total comprehensive income for the year ended 31st March, 2019.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

**SALEM ERODE INVESTMENTS LIMITED**

**Notes to the financial statement for the year ended 31st March 2020**

**(a) Equity Reconciliation**

Particulars	Notes	As at 31st March, 2019	As at 1st April, 2018
<b>Total equity / shareholders' funds as per Indian GAAP</b>		<b>23,36,65,327</b>	<b>17,25,07,406</b>
<b><u>Ind AS adjustments</u></b>			
Measurement impact of Financial Instruments fair valued through Other comprehensive income (net of provisions as per IGAAP)	(i)	-	4,62,48,867
Measurement impact of Financial Instruments fair valued through profit and loss account	(ii)	-	-3,29,272
Others	(iii)	3,17,679	3,17,679
Deferred tax impacts	(iv)	9,67,447	-1,03,78,113
<b>Total Ind AS adjustments</b>		<b>12,85,126</b>	<b>3,58,59,161</b>
<b>Total equity as per Ind AS adjustments</b>		<b>23,49,50,453</b>	<b>20,83,66,567</b>

**(b) Total Comprehensive Income Reconciliation**

Particulars	Notes	As at 31st March, 2019
<b>Net profit / (loss) as per Indian GAAP</b>		<b>6,10,14,763</b>
<b><u>Ind AS adjustments</u></b>		
Fair value of investments through profit and loss account	(ii)	-5,77,085
Gain/Loss on Equity instruments Classified as Fair valued through OCI	(i)	-6,12,07,018
Deferred tax impacts	(iv)	67,881
<b>Total effect of transition to Ind AS</b>		<b>-6,17,16,222</b>
<b>Net profit after tax (before OCI) as per Ind AS</b>		<b>-7,01,459</b>
<b><u>Other comprehensive Income</u></b>		
<b>Items that will not be reclassified to profit and loss account</b>		
Fair Valuation of equity instruments through other comprehensive Income including realised gain	(i)	1,58,64,509
Tax impacts on above	(iv)	1,12,77,679
<b>Total other Comprehensive income</b>		<b>2,71,42,188</b>
<b>Total Comprehensive income as per Ind AS</b>		<b>2,64,40,729</b>

**(i) Classification and Measurement of Financial assets Fair valued through OCI**

Under Indian GAAP, company accounted for its long term investments in quoted and unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS the company has designated these investments as FVOCI as per conditions prescribed in para 5.7.5 of Ind AS 109 for equity shares.

At the date of transition to Ind AS, the difference between the instruments fair value and Carrying value as per Indian GAAP (for equity) has been recognised as a separate component of equity, in FVOCI reserve, net of related taxes.

**SALEM ERODE INVESTMENTS LIMITED**

**Notes to the financial statement for the year ended 31st March 2020**

- (ii) Classification and measurement of Financial asset Fair valued through P&L**  
Under Indian GAAP, Company accounted for its long term investment in Mutual funds measured at cost less provision for
- (iii) Others**  
Others mainly include reversal of impairment loss on financial instrument measured at amortised cost.
- (iv) Deferred tax**  
The various transitional adjustments lead to temporary differences between the carrying amount of assets or liabilities

**SALEM ERODE INVESTMENTS LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2020**

**7. Cash and Cash Equivalents**

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on hand	44,746	33,394	8,005
Balances with Banks - in Current Account	1,28,969	30,77,394	1,06,84,303
Cheques on Hand			
<b>Total</b>	<b>1,73,715</b>	<b>31,10,788</b>	<b>1,06,92,308</b>

**8. Other Bank Balances**

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Fixed Deposits with banks having original maturity of more than 3 months	-	20,25,00,000	4,85,00,000
<b>Total</b>	<b>-</b>	<b>20,25,00,000</b>	<b>4,85,00,000</b>

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**9. Loans**

(In ₹)

Particulars	As at 31st March, 2020						As at 31st March, 2019						As at 1st April, 2018						
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
<b>Loans</b>																			
<b>(A)</b>																			
(i) Term Loans						-						-							-
(ii) Other Loans:																			
Intercorporate Deposit	20,93,38,941					20,93,38,941	34,75,000					34,75,000	7,58,00,000						7,58,00,000
Letter of Credit																			
<b>Total (A) Gross</b>	<b>20,93,38,941</b>	-	-	-	-	<b>20,93,38,941</b>	<b>34,75,000</b>	-	-	-	-	<b>34,75,000</b>	<b>7,58,00,000</b>	-	-	-	-	-	<b>7,58,00,000</b>
Less: Impairment loss allowance	(7,43,370)					(7,43,370)	(34,75,000)					(34,75,000)	(32,00,000)						(32,00,000)
<b>Total (A) Net</b>	<b>20,85,95,571</b>	-	-	-	-	<b>20,85,95,571</b>	-	-	-	-	-	<b>7,26,00,000</b>	-	-	-	-	-	-	<b>7,26,00,000</b>
<b>(B)</b>																			
(i) Secured by tangible assets / cash flows*																			
(ii) Secured by intangible assets																			
(iii) Covered by Bank / Government Guarantees																			
(iv) Unsecured													7,58,00,000						7,58,00,000
<b>Total (B) Gross</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>7,58,00,000</b>	-	-	-	-	-	<b>7,58,00,000</b>
Less: Impairment loss allowance	(7,43,370)	-	-	-	-	(7,43,370)	(34,75,000)	-	-	-	-	(34,75,000)	(32,00,000)	-	-	-	-	-	(32,00,000)
<b>Total (B) Net</b>	<b>-7,43,370</b>	-	-	-	-	<b>-7,43,370</b>	<b>-34,75,000</b>	-	-	-	-	<b>-34,75,000</b>	<b>7,26,00,000</b>	-	-	-	-	-	<b>7,26,00,000</b>
<b>(C) (I) Loans in India</b>																			
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	20,93,38,941	-	-	-	-	20,93,38,941	34,75,000	-	-	-	-	34,75,000	7,58,00,000	-	-	-	-	-	7,58,00,000
<b>Total (C) Gross</b>	<b>20,93,38,941</b>	-	-	-	-	<b>20,93,38,941</b>	<b>34,75,000</b>	-	-	-	-	<b>34,75,000</b>	<b>7,58,00,000</b>	-	-	-	-	-	<b>7,58,00,000</b>
Less: Impairment loss allowance	(7,43,370)	-	-	-	-	(7,43,370)	(34,75,000)	-	-	-	-	(34,75,000)	(32,00,000)	-	-	-	-	-	(32,00,000)
<b>Total (C) (I) Net</b>	<b>20,85,95,571</b>	-	-	-	-	<b>20,85,95,571</b>	-	-	-	-	-	<b>7,26,00,000</b>	-	-	-	-	-	-	<b>7,26,00,000</b>
<b>(C) (II) Loans outside India</b>																			
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C) (II) Net</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C) (I) and C (II)</b>	<b>20,85,95,571</b>	-	-	-	-	<b>20,85,95,571</b>	-	-	-	-	-	<b>7,26,00,000</b>	-	-	-	-	-	-	<b>7,26,00,000</b>

\*Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by a charge over future toll revenue/ cash flows / receivables etc. have been considered as secured.

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**9. Loans (Contd.....)**

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(In ₹)

	As at 31st March, 2020					As at 31st March, 2019				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance			34,75,000		34,75,000			32,00,000		32,00,000
New assets originated or purchased	25,63,941				25,63,941	2,75,000				2,75,000
Assets derecognised or repaid (excluding write offs)			(32,00,000)		(32,00,000)					-
Transfers to Stage 1					-					-
Transfers to Stage 2					-					-
Transfers to Stage 3	(25,63,941)		25,63,941		-	(2,75,000)		2,75,000		-
Changes to contractual cash flows due to modifications not resulting in derecognition					-					-
Amounts written off					-					-
<b>Gross carrying amount closing balance</b>	-	-	<b>28,38,941</b>	-	<b>28,38,941</b>	-	-	<b>34,75,000</b>	-	<b>34,75,000</b>

ii. Reconciliation of ECL balance is given below:

(₹ in Lakhs)

	As at 31st March, 2020					As at 31st March, 2019				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance			34,75,000					32,00,000		32,00,000
New assets originated or purchased	4,68,370					2,75,000				2,75,000
Assets derecognised or repaid (excluding write offs)			(32,00,000)							-
Transfers to Stage 1										-
Transfers to Stage 2										-
Transfers to Stage 3	(4,68,370)		4,68,370			(2,75,000)		2,75,000		-
Changes to contractual cash flows due to modifications not resulting in derecognition										-
Amounts written off										-
<b>ECL allowance - closing balance</b>	-	-	<b>7,43,370</b>	-	-	-	-	<b>34,75,000</b>	-	<b>34,75,000</b>

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ Nil (Previous year: ₹ Nil).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by an change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the the borrowers.



**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**10. Investments (Contd....)**

Particulars	Quantity			(In ₹)		
	As at	As at	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	1st April, 2018	31st March, 2020	31st March, 2019	1st April, 2018
<b>Investments Carried at Cost</b>						
<b>Investments in Associate Companies</b>						
<b>In Equity Instruments (Unquoted)</b>						
M D Network Commodities Pvt Ltd	-	-	1,92,150	-	-	19,21,500
				-	-	<b>19,21,500</b>
<b>Investments Carried at Amortised Cost</b>						
<b>Investments in Debt Securities</b>						
<b>In Bond &amp; Debentures (Quoted)</b>						
Fixed Deposits with REC Ltd	-	-	500	-	-	50,00,000
Fixed Deposits with Banks & Other Financial Institutions	-	-	-	-	-	-
				-	-	<b>50,00,000</b>
<b>Investments Carried at Fair Value through Profit &amp; Loss</b>						
<b>Investments in Mutual Funds</b>						
<b>In Mutual Funds (Quoted)</b>						
Franklin India Smaller Companies Fund (G) (FV: Rs. 10/-)	-	-	8,841	-	-	5,20,485
Franklin India High Growth Companies Fund (G) (FV: Rs. 10/-)	-	-	54,420	-	-	20,51,666
Franklin India Prima Plus (G) (FV: Rs. 10/-)	-	-	3,633	-	-	20,46,723
DSP BLACK ROCK Tax Saver Fund (D) (FV: Rs. 10/-)	2,00,797	2,00,797	2,00,797	20,84,669	30,96,282	32,58,325
HDFC PRUDENCE FUND - (D) (FV: Rs. 10/-)	-	-	75,269	-	-	22,16,535
AXIS LONG TERM EQUITY FUND (D) (FV: Rs. 10/-)	1,50,706	1,50,706	1,50,706	24,60,037	30,69,884	31,69,712
Aditya Birla Sun Life Tax Relief96 (D) (FV: Rs. 10/-)	6,157	6,157	6,156	6,76,230	9,27,476	13,56,092
Aditya Birla Sun Life Frontline Equity Fund (G) (FV: Rs. 10/-)	-	-	4,751	-	-	9,94,061
ICICI Prudential Focused Bluechip Equity (G) (FV: Rs. 10/-)	-	-	26,476	-	-	10,23,034
Kotak Select Focus Fund (D) (FV: Rs. 10/-)	-	-	22,211	-	-	5,34,094
				<b>52,20,936</b>	<b>70,93,643</b>	<b>1,71,70,728</b>
<b>Investments Carried at Fair Value through Other Comprehensive Income</b>						
<b>In Equity Instruments (Quoted)</b>						
The Mozufferpore Electric Supply Co. Ltd. (FV - Rs. 10/-)	-	-	13,055	-	-	1,05,840
Adani Power Ltd	-	-	1,000	-	-	23,700
Andhra Bank Ltd	-	-	1,000	-	-	41,600
ATV Projects India Ltd	-	-	1,000	-	-	9,640
Bank Of Baroda	-	-	500	-	-	71,150
Bharat Electronics Ltd	-	-	1,000	-	-	1,41,450
Bharat Heavy Electricals Ltd	-	-	750	-	-	61,013
CESC Ltd	-	-	700	-	-	5,80,580
Coal India Ltd.	-	-	125	-	-	35,413
Diana Tea Company Ltd	-	-	500	-	-	9,150
GOL Offshore Ltd.	-	-	600	-	-	-
Greaves Cotton Ltd	-	-	500	-	-	56,875
HDFC Bank Ltd.	-	-	3,000	-	-	56,58,300
Hindalco Industries Ltd	-	-	1,000	-	-	2,14,550
Hindustan Unilever Ltd	-	-	600	-	-	8,00,010
Housing Development & Finance Corpn. Ltd	-	-	20,500	-	-	3,74,24,800
Housing Development and Infrastructure Ltd	-	-	2,000	-	-	77,200
Indian Oil Corporation Ltd	-	-	1,000	-	-	1,76,600
IFCI Ltd	-	-	5,000	-	-	97,750
ITC Ltd	-	-	200	-	-	51,100
James Warren Tea Co Ltd.	-	-	306	-	-	40,178
JSW Energy Ltd.	-	-	1,000	-	-	72,800
Karur Vysya Bank Ltd	-	-	500	-	-	50,225
KCP Sugars & Industries Corporation Ltd.	-	-	5,000	-	-	1,26,750
Larsen & Toubro	-	-	50	-	-	65,545
Mahanagar Telephone Nigam Ltd.	-	-	4,200	-	-	78,750
Marico Ltd	-	-	200	-	-	65,210
Nagarjuna Fertilisers and Chemicals Ltd.	-	-	3,000	-	-	46,050
Nagarjuna Oil Refinery Ltd.	-	-	7,750	-	-	27,125
Pentamedia Graphics Ltd.	-	-	1,540	-	-	862
Petronet LNG Ltd	-	-	500	-	-	1,15,475
Plethico Pharmaceuticals Ltd.	-	-	1,000	-	-	4,20,200
Pranavadiy Spinning Mills Ltd. (PSMLTD)	-	-	50	-	-	800
Reliance Broadcast Network Ltd	-	-	1,000	-	-	1,37,850
Reliance Capital Ltd	-	-	652	-	-	2,75,992
Reliance Home Finance Ltd	-	-	652	-	-	38,859
Reliance Industries Ltd	-	-	400	-	-	3,53,080
Reliance MediaWorks Ltd	-	-	1,000	-	-	-
Rural Electrification Corporation Ltd	-	-	1,000	-	-	1,24,700
State Bank of India	-	-	10,000	-	-	24,99,000
TATA Global Beverage Ltd	-	-	200	-	-	51,750
TATA Power Company Ltd	-	-	500	-	-	39,500
TGB Banquets and Hotels Ltd	-	-	500	-	-	18,025
The Methoni Tea	-	-	220	-	-	-
Vijaya Bank	-	-	1,000	-	-	52,050
VIP Clothing Ltd	-	-	500	-	-	27,650
Warren Tea Co Ltd.	-	-	306	-	-	32,283
				-	-	<b>5,03,97,429</b>
<b>In Equity Instruments (Unquoted)</b>						
The Arya Vaidya Pharmacy (Co.) Ltd.	-	-	1,000	-	-	10,000
				-	-	<b>10,000</b>
<b>Total</b>				<b>52,20,936</b>	<b>70,93,643</b>	<b>7,44,99,657</b>

All quoted and unquoted investments mentioned above all fully paid-up.

During the year dividend income has been recognised for Rs. 669,426 (Previous year Rs. 1,307,562) on equity instruments categorised as measured at fair value through other comprehensive income.



**SALEM ERODE INVESTMENTS LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2020**

**11. Other Financial Assets**

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Interest accrued but not due	-	40,60,594	2,25,205
<b>Total</b>	-	<b>40,60,594</b>	<b>2,25,205</b>

**12. Other Non-Financial Assets**

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance to Vendors for Operating Expenses	-	-	7,80,534
Advance to Related Parties	-	-	-
Balances with Government Authorities *	1,67,97,624	45,65,188	55,56,950
Prepaid expenses	-	-	39,018
<b>Total</b>	<b>1,67,97,624</b>	<b>45,65,188</b>	<b>63,76,502</b>

\* represents balance lying with Revenue Authorities

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**13. Inventories**

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Fully paid up equity shares (quoted)</b>			
Eveready Industries Ltd. (1st April 2018: FV - Rs. 5. Qty - 345 Nos.)	-	-	597
James Warren Tea Co Ltd. (1st April 2018: FV - Rs. 10. Qty - 306 Nos.)	-	-	375
Mcleod Tea Co. Ltd (1st April 2018: FV - Rs. 10. Qty - 345 Nos.)	-	-	596
Pranavadiy Spinning Mills Ltd. (1st April 2018: FV - Rs. 10. Qty - 50 Nos.)	-	-	590
Tata Global Beverages Ltd (1st April 2018: FV - Rs. 10. Qty - 100 Nos.)	-	-	2,218
Titaghur Industries Ltd. /Titagarh Steels Ltd (1st April 2018: FV - Rs. 10. Qty - 400 Nos.)	-	-	460
Warren Tea Co Ltd. (1st April 2018: FV - Rs. 10. Qty - 306 Nos.)	-	-	375
<b>Total</b>	-	-	<b>5,212</b>

**14. Deferred Tax Assets / (Deferred Tax Liability) (Net)**

(In ₹)

Particulars	As at 1st April, 2019	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2020
MAT Credit Entitlement	1,53,00,123	50,92,248	-	2,03,92,371
Financial Assets and Liabilities at FVTPL	2,33,387	4,82,457	-	7,15,844
Receivables, Financial Assets and Liabilities at Amortised Cost	8,94,813	(7,03,395)	-	1,91,418
Unrealised gain on Investment carried at Fair Value	-	-	-	-
Carried Forward of Losses & Unabsorbed Depreciation	-	-	-	-
Property, Plant and Equipment and Intangible Assets	-	-	-	-
Other Timing Differences	-	-	-	-
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>1,64,28,323</b>	<b>48,71,311</b>	<b>-</b>	<b>2,12,99,633</b>

(In ₹)

Particulars	As at 1st April, 2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2019
MAT Credit Entitlement	90,60,733	62,39,390	-	1,53,00,123
Financial Assets and Liabilities at FVTPL	84,788	1,48,599	-	2,33,387
Financial Assets and Liabilities at FVOCI	(1,12,77,679)	-	1,12,77,679	-
Receivables, Financial Assets and Liabilities at Amortised Cost	8,24,000	70,813	-	8,94,813
Unrealised gain on Investment carried at Fair Value	-	-	-	-
Property, Plant and Equipment and Intangible Assets	1,64,502	(1,64,502)	-	-
Other Timing Differences	-	-	-	-
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(11,43,656)</b>	<b>62,94,300</b>	<b>1,12,77,679</b>	<b>1,64,28,323</b>

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

15. Property, Plant and Equipment

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
<b>Assets for Own use</b>										
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortization Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
<b>Assets for Own use</b>										
Motor Vehicles	4,129	-	4,129	-	-	1,743	-	1,743	-	-
Computers	12,12,066	-	12,12,066	-	-	1,58,693	-	1,58,693	-	-
<b>Total</b>	<b>12,16,195</b>	-	<b>12,16,195</b>	-	-	<b>1,60,436</b>	-	<b>1,60,436</b>	-	-

The Company has used the Previous GAAP carrying value as deemed cost to measure the items of Property, Plant and Equipment as on the date of transition i.e. 1st April, 2018 (Gross Block less: Accumulated Depreciation, as on 1st April, 2018).

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**16. Current Tax Liability (Net)** (In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for tax [(net of advance tax Rs. 37,19,107 (31 March, 2019: Rs. 140,87,700, 1 April, 2018: Nil )]	1,28,59,920	22,57,619	42,88,358
<b>Total</b>	<b>1,28,59,920</b>	<b>22,57,619</b>	<b>42,88,358</b>

**The reconciliation of estimated income tax to income tax expense is as below:** (In ₹)

Particulars	19-20	18-19
<b>Profit before tax</b>	(5,11,876)	62,11,202
Statutory Income Tax Rate	34.944%	34.608%
Expected income tax expense at statutory income tax rate	(1,78,870)	21,49,573
(i) Income exempt from tax/Items not deductible (net)	8,67,224	(68,191)
(ii) Effect of indexation benefit / different tax rate on certain items	-	-
(iii) Other differences	-	-
<b>Total Tax Expense recognised in profit and loss account</b>	<b>6,88,354</b>	<b>20,81,382</b>
Total Tax Expense recognised in Other Comprehensive Income	-	1,12,77,679

**17. Other Financial Liabilities** (In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unpaid Dividends (refer Note No. 17.1)	46,335	87,957	1,23,387
Liability for Operating Expenses	1,02,030	4,26,346	1,87,112
<b>Total</b>	<b>1,48,365</b>	<b>5,14,303</b>	<b>3,10,499</b>

17.1 To be credited to Investor Education and Protection Fund as and when due.

**18. Other Non-financial liabilities** (In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory Liabilities*	2,100	36,160	6,000
<b>Total</b>	<b>2,100</b>	<b>36,160</b>	<b>6,000</b>

\* Represents TDS deducted and payable.

**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended 31st March, 2020

**19. Equity Share Capital**

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
<b>Authorised</b> Equity Shares, ₹ 1/- par value per share	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000
		1,20,00,000		1,20,00,000		1,20,00,000
<b>Issued and subscribed</b> Equity Shares, ₹ 1/- par value per share	1,14,65,820	1,14,65,820	1,14,65,820	1,14,65,820	1,14,65,820	1,14,65,820
<b>Fully Paid-up</b> Equity Shares, ₹ 1/- par value per share	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520
<b>Forfeited Shares</b>		75		75		75
		<b>1,14,65,595</b>		<b>1,14,65,595</b>		<b>1,14,65,595</b>

**19.1 Reconciliation of the Number of Equity Shares outstanding**

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520
Add: Issued during the year						
At the end of the year	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520

**19.2 Rights, preferences and restrictions in respect of each class of shares**

The Company's authorised capital consists of classes of shares, referred to as Equity Shares of Rs 1/- each. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**19.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2020)**

The Company has not issued any shares without payment being received in cash/ by way of bonus shares since 2014-15.

**19.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:**

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
M/s ICL Fincorp Limited	87,17,790	76.05%	-	0.00%	-	0.00%
M/s Tara Investments Limited	-	0.00%	20,97,120	18.29%	20,97,120	18.29%
Mrs Padma Kanoria	-	0.00%	25,91,000	22.60%	25,91,000	22.60%
Mrs Kusum Kanoria	-	0.00%	38,27,120	33.38%	38,27,120	33.38%

**19.5. Declaration and payment of dividend**

The Company has not declared any dividend for the year ended March 31, 2020, March 21, 2019 and March 31, 2018.

20. Other Equity

	(In ₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)</b>			
Opening balance	4,42,07,884	3,20,04,931	3,03,35,794
Add: Transfer from retained earnings	-	1,22,02,953	16,69,137
Closing balance	<b>4,42,07,884</b>	<b>4,42,07,884</b>	<b>3,20,04,931</b>
<b>Capital Reserve</b>			
Opening balance	23,19,780	23,19,780	23,19,780
Closing balance	<b>23,19,780</b>	<b>23,19,780</b>	<b>23,19,780</b>
<b>General Reserve</b>			
Opening balance	75,69,114	75,69,114	75,69,114
Closing balance	<b>75,69,114</b>	<b>75,69,114</b>	<b>75,69,114</b>
<b>Equity Instruments through Other Comprehensive Income</b>			
Opening balance	-	3,25,19,132	
Add: Additions during the year		2,71,42,188	
Less: Transfer to retained earnings (net of tax)		(5,96,61,320)	
Closing balance	-	-	<b>3,25,19,132</b>
<b>Retained Earnings</b>			
Opening balance	16,93,88,081	12,24,88,015	
Add: Profit for the year	(12,00,229)	(7,01,459)	
Add: Other Comprehensive Income (net of tax)		5,96,61,320	
Add: Income Tax adjustment for Earlier years		1,43,158	
Add: MAT Credit Entitlement of earlier years	53,25,956	-	-
<b>Add/ Less: Appropriations</b>			
Transferred to Special Reserve		1,22,02,953	
<b>Total appropriations</b>	-	<b>1,22,02,953</b>	-
Closing balance	<b>17,35,13,808</b>	<b>16,93,88,081</b>	<b>12,24,88,015</b>
<b>Total</b>	<b>22,76,10,586</b>	<b>22,34,84,859</b>	<b>19,69,00,972</b>

**(i) Special Reserve:**

Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.

**The conditions and restrictions for distribution attached to Special Reserve is as follows:**

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

**(ii) Capital Reserve:**

This reserve represents capital investment subsidy received and amount forfeited towards warrant subscription.

**(iii) General Reserve:**

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

**(vii) Equity Instruments through Other Comprehensive Income:**

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

**(viii) Retained Earnings:**

This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

SALEM ERODE INVESTMENTS LIMITED  
Notes to the Financial Statements for the year ended March 31, 2020

21. Interest Income

(In ₹)

Particulars	2019-20			2018-19		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans		24,94,973			41,49,503	
Interest income from investments	-	-			-	
Interest on deposits with Banks	-	89,22,468			75,11,566	
Other interest Income	-	-			2,26,033	
<b>Total</b>	-	<b>1,14,17,441</b>	-	-	<b>1,18,87,102</b>	-

22. Net gain on fair value changes

(In ₹)

Particulars	2019-20	2018-19
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives		
- Others		
(ii) On financial instruments designated at fair value through profit or loss	(17,96,994)	(9,65,965)
(B) Others		
<b>Total Net gain/(loss) on fair value changes (C)</b>	<b>(17,96,994)</b>	<b>(9,65,965)</b>
Fair Value changes:		
-Realised	-	(2,75,480)
-Unrealised	(17,96,994)	(6,90,486)
<b>Total Net gain/(loss) on fair value changes (D) to tally with (C)</b>	<b>(17,96,994)</b>	<b>(9,65,965)</b>

\* Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of transition if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of transition and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. Hence, all derivatives entered prior to 01.04.2018 has been classified as undesignated derivative.

23. Other Income

(In ₹)

Particulars	2019-20	2018-19
Net gain / (loss) on derecognition of property, plant and equipment	-	1,60,436
Interest on Income Tax Refund	-	47,445
Others	31,158	24,500
<b>Total</b>	<b>31,158</b>	<b>2,32,381</b>

## 24. Finance Costs

(In ₹)

Particulars	2019-20		2018-19	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	-	-	-
Interest on debt securities	-	-	-	-
Interest on subordinated liabilities	-	-	-	-
Other interest expense	-	-	-	-
<b>Total</b>	-	-	-	-

## 25. Employee Benefits Expenses

(In ₹)

Particulars	2019-20	2018-19
Salaries and wages	23,34,410	17,09,900
Contribution to provident and other funds	-	-
Staff welfare expenses	-	-
<b>Total</b>	<b>23,34,410</b>	<b>17,09,900</b>

## 26. Impairment on Financial Instruments (net)

(In ₹)

Particulars	2019-20		2018-19	
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans (refer Note No. 26.1)	-	2,04,185	-	2,75,000
Investments	-	-	-	-
Other financial assets	-	-	-	1,34,808
<b>Total</b>	-	<b>2,04,185</b>	-	<b>4,09,808</b>

## 26.1 Impairment on Loans

(In ₹)

Particulars	2019-20		2018-19	
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Bad Debts written-off (net)	-	-	-	-
Loss on Assets acquired in satisfaction of debt	-	-	-	-
Provision for Impairment	-	2,04,185	-	2,75,000
<b>Total</b>	-	<b>2,04,185</b>	-	<b>2,75,000</b>

## 27. Administrative and Other Expenses

(In ₹)

Particulars	2019-20	2018-19
Rent, Taxes and Energy Costs	4,83,562	7,07,292
Repairs and Maintenance	-	-
Communication Costs	-	-
Printing and Stationery	58,308	67,612
Advertisement and Publicity	21,632	13,667
Director's Fees, Allowances and Expenses	24,200	18,500
Auditor's Fees and Expenses (refer Note No. 27.1)	75,390	60,000
Legal and Professional Charges	68,49,290	4,51,520
Insurance	-	39,018
Corporate Social Responsibility Expenses (refer Note No. 27.2)	6,45,302	17,38,634
Travelling & Conveyance	4,850	1,80,533
Other Expenditure	1,31,778	8,89,963
<b>Total</b>	<b>82,94,312</b>	<b>41,66,739</b>

## 27.1 Payments to the Auditor (including Service Tax/ GST)

(In ₹)

Particulars	2019-20	2018-19
As Auditor - Statutory Audit & Limited Reviews	23,600	20,000
For Other Services (Certification etc.)	51,790	40,000
For Reimbursement of Expenses	-	-
<b>Total</b>	<b>75,390</b>	<b>60,000</b>



**SALEM ERODE INVESTMENTS LIMITED**  
Notes to the Financial Statements for the year ended March 31, 2020

**27.2 Corporate Social Responsibility Expenses**

(In ₹)

Particulars	2019-20	2018-19
Gross amount required to be spent during the year	6,45,302	17,38,634
Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	6,45,302	17,38,634

**28. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS**

		2019-20	2018-19
<b>Profit after Tax attributable to the Equity Shareholders (₹)</b>	<b>(A)</b>		
Basic and Diluted		(12,00,229)	(7,01,459)
(a) Number of Equity Shares at the beginning of the year		1,14,65,520	1,14,65,520
(b) Number of Equity Shares issued during the year		-	-
(c) Number of Equity Shares at the end of the year		1,14,65,520	1,14,65,520
(d) Weighted average number of Equity Shares outstanding during the year	<b>(B)</b>	1,14,65,520	1,14,65,520
(e) Nominal Value of each Equity Share (₹)		1	1
<b>Basic and Diluted Earnings per Share (₹)</b>	<b>(A/B)</b>	<b>(0.10)</b>	<b>(0.06)</b>

**29. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
<b>A. Contingent Liabilities</b>			
(a) Claims against the Company not acknowledged as debts:			
Income Tax <sup>1</sup>	8,39,146	92,937	92,937
Service Tax	-	-	-
Central Sales Tax	-	-	-
Entry Tax	-	-	-
Claims under dispute	-	-	-
(b) Guarantees:			
Bank Guarantees	-	-	-
<b>Total</b>	<b>8,39,146</b>	<b>92,937</b>	<b>92,937</b>
<b>B. Commitments</b>			
Estimated amount of capital contracts On account of Letter of Credit On account of Derivative Instruments			

<sup>1</sup> The Company has received intimation order u/s 143(1) of Income Tax Act, 1961 for the A.Y. 2008-2009 whereby demand to tune of Rs.14,24,730 had been raised. The Company has filed the rectification petition against the said intimation order requesting to vacate the erroneous demand. The department has adjusted the refund related to several years with demand and the case is till date pending with the department. At present a sum of Rs.839,146 is been shown as outstanding demand for A.Y. 2008-2009.

**SALEM ERODE INVESTMENTS LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

**30. Segment information**

As the Company has no activities other than those of an investment company, the segment reporting under Indian Accounting Standard Ind AS

108 - 'Operating Segments' is not applicable. The Company does not have any reportable geographical segment.

**31. Employee benefit expenses**

The Company has not made actuarial valuation for gratuity and other annuity scheme as in the opinion of management provisions of the same is not applicable during this financial year.

**32. Related Parties Disclosures**

As per IND AS-24, the disclosures of transactions with the related parties are given below :

**i) List of Related Parties :**

Name	Nature of Relationship	Date of resignation / form which relationship cease to exist	Date of Appointment / from which Relationship effected
1. Padma Kanoria	Individual had control over the company	18.02.2020	-
2. Kusum Kanoria	Individuals had significant Influence over the company	18.02.2020	-
3. M D Network Commodities Private Ltd	Associate Company	18.12.2018	-
4. Tara Investments Ltd.	Entity over which control can be exercised by Individual who had Significant Influence over the company.	18.02.2020	-
5. Ashok Kumar Hamirbasia	KMP -Managing Director	18.02.2020	-
6. Arindam Saha	KMP - CFO	18.02.2020	-
7. Bela Parakh	KMP - CS	18.02.2020	-
8. Himanshu Maheshwari	KMP - CS	22.04.2019	-
9. Hamirbasia & Associates	Entity over which relative of KMP exercise control	18.02.2020	-
10. ICL Fincorp Limited	Holding Company	-	18.02.2020
11. Mr. K.G Anilkumar	KMP-Managing Director	-	18.02.2020
12. Ms. Umadevi Anilkumar	Relative of KMP	-	18.02.2020

**ii) Related Party Transactions**

Nature of Related Party	Nature of Transaction	31st March, 2020	31st March, 2019
Holding Company	Loan Given	20,65,00,000	-
	Interest Income	24,94,973	-
	Loan Outstanding Balance (Including Accrued Interest thereon)	20,89,94,973	-
Associate Company	Disposal of Investments in Associates	-	1,89,84,420
Key Managerial Personnal (KMP)	Managerial Remuneration	20,31,613	13,94,200
Entity over which control can be exercised by the relative of KMP	Professional Services	5,49,040	4,06,800
Entitiy over which control can be exercised by the individuals who had Significant Influence over the company	Loan Given	-	-
	Interest Income	-	29,77,934
	Loan Closing Balance	-	-

33. Disclosures on financial instruments

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

Particulars	As at 31 March 2020								
	Amortised cost	At Fair Value		Total carrying value	Total fair value	Fair Value			Total
		Through other comprehensive income	Through profit or loss			Level 1	Level 2	Level 3	
<b>Financial Assets</b>									
Cash and Cash Equivalents	1,73,715	-	-	1,73,715	1,73,715	-	-	-	-
Bank Balance other than Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Loans	20,85,95,571	-	-	20,85,95,571	20,85,95,571	-	-	-	-
<b>Investments</b>									
- Mutual funds	-	-	52,20,022	52,20,022	52,20,022	52,20,022	-	-	52,20,022
Other Financial Assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20,87,69,286</b>	<b>-</b>	<b>52,20,022</b>	<b>21,39,89,308</b>	<b>21,39,89,308</b>	<b>52,20,022</b>	<b>-</b>	<b>-</b>	<b>52,20,022</b>
<b>Financial Liabilities</b>									
Other Financial Liabilities	1,48,365	-	-	1,48,365	1,48,365	-	-	-	-
<b>Total</b>	<b>1,48,365</b>	<b>-</b>	<b>-</b>	<b>1,48,365</b>	<b>1,48,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2019								
	Amortised cost	At Fair Value		Total carrying value	Total fair value	Fair Value			Total
		Through other comprehensive income	Through profit or loss			Level 1	Level 2	Level 3	
<b>Financial Assets</b>									
Cash and Cash Equivalents	31,10,788	-	-	31,10,788	31,10,788	-	-	-	-
Bank Balance other than Cash and Cash Equivalents	20,25,00,000	-	-	20,25,00,000	20,25,00,000	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<b>Investments</b>									
- Mutual funds	-	-	70,93,643	70,93,643	70,93,643	70,93,643	-	-	70,93,643
Other Financial Assets	40,60,594	-	-	40,60,594	40,60,594	-	-	-	-
<b>Total</b>	<b>20,96,71,382</b>	<b>-</b>	<b>70,93,643</b>	<b>21,67,65,025</b>	<b>21,67,65,025</b>	<b>70,93,643</b>	<b>-</b>	<b>-</b>	<b>70,93,643</b>
<b>Financial Liabilities</b>									
Other Financial Liabilities	5,14,303	-	-	5,14,303	5,14,303	-	-	-	-
<b>Total</b>	<b>5,14,303</b>	<b>-</b>	<b>-</b>	<b>5,14,303</b>	<b>5,14,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 01 April 2018								
	Amortised cost	At Fair Value		Total carrying value	Total fair value	Fair Value			Total
		Through other comprehensive income	Through profit or loss			Level 1	Level 2	Level 3	
<b>Financial Assets</b>									
Cash and Cash Equivalents	1,06,92,308	-	-	1,06,92,308	1,06,92,308	-	-	-	-
Bank Balance other than Cash and Cash Equivalents	4,85,00,000	-	-	4,85,00,000	4,85,00,000	-	-	-	-
Loans	7,26,00,000	-	-	7,26,00,000	7,26,00,000	-	-	-	-
<b>Investments</b>									
- Mutual funds	-	-	1,71,70,728	1,71,70,728	1,71,70,728	1,71,70,728	-	-	1,71,70,728
- Debt securities	50,00,000	-	-	50,00,000	50,00,000	-	-	-	-
- Equity instruments	-	5,04,07,429	-	5,04,07,429	5,04,07,429	5,04,07,429	-	-	5,04,07,429
Other Financial Assets	2,25,205	-	-	2,25,205	2,25,205	-	-	-	-
<b>Total</b>	<b>13,70,17,513</b>	<b>5,04,07,429</b>	<b>1,71,70,728</b>	<b>20,45,95,670</b>	<b>20,45,95,670</b>	<b>6,75,78,157</b>	<b>-</b>	<b>-</b>	<b>6,75,78,157</b>
<b>Financial Liabilities</b>									
Other Financial Liabilities	3,10,499	-	-	3,10,499	3,10,499	-	-	-	-
<b>Total</b>	<b>3,10,499</b>	<b>-</b>	<b>-</b>	<b>3,10,499</b>	<b>3,10,499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Investment in Associates as on the transition date 01 April 2018 were measured at cost.

(b) Measurement of fair values

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Level I: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level II: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level III: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(i) The management assessed that fair value of cash and cash equivalents, other bank balance and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) Financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(iii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range.

(iv) There have been no transfers between Level I and Level II for the years ended March 31, 2020 and March 31, 2019.

(c) Measurement of fair values

The Company has not entered into any derivative financial contracts during the current and previous financial years.

(d) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk; and
- Market risk

The Company has a risk management framework which not only covers the market risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks.

The risk management framework is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of interest rate fluctuations on the Company's business plan.

SALEM ERODE INVESTMENTS LIMITED  
Notes to the Financial Statements for the year ended March 31, 2020

(i) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**Credit Risk:**

Credit risk is the risk of financial loss to the company if a counter-party fails to meet its contractual obligations.

**Cash and cash equivalents**

The company holds cash and cash equivalents of ₹ 1,73,715 at 31 March 2020 (31 March 2019: ₹ 31,10,788 ; 1 April 2018: ₹ 1,06,92,308). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**Other bank balances**

The company holds other bank balances of ₹ Nil at 31 March 2020 (31 March 2019: ₹ 20,25,00,000 ; 1 April 2018: ₹ 4,85,00,000). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing

**Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities

	Non Derivative financial liabilities		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Other Financial Liabilities	Other Financial Liabilities	Other Financial Liabilities
Carrying value	1,48,365	5,14,303	3,10,499
Contractual cashflows:			
- Less than one year	1,48,365	5,14,303	3,10,499
- Between one to five years	-	-	-
- More than five years	-	-	-

**Market risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as equity price, interest rates etc.) or in the price of market risk-sensitive instruments

**Interest rate risk :**

Interest rate risk arises from effects of fluctuation in prevailing levels of market interest rates on the fair value of Bonds / Debentures.

**Exposure to interest rate risk :**

Since the Company does not have any financial assets or financial liabilities bearing floating interest rates, any change in interest rates at the reporting date would not have any significant impact on the financial statements of the

**Currency risk:**

Currently company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

**Price risk:**

**(a) Exposure**

The Company is exposed to equity price risk arising from investments held by the Company and classified in the balance sheet either as fair value through OCI .

To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio.

The majority of the Company's equity investments are listed on the BSE or the National Stock Exchange (NSE) in India.

**(b) Sensitivity analysis - Equity price risk**

The Company does not have any investment in equity shares as at March 31, 2020 and March 31, 2019. Hence, sensitivity analysis not performed.

**34. Maturity analysis of Assets and Liabilities :**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31st March, 2020			As at 31st March, 2019			As at 01st April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	1,73,715	-	1,73,715	31,10,788	-	31,10,788	1,06,92,308	-	1,06,92,308
Bank Balance other than above	-	-	-	20,25,00,000	-	20,25,00,000	4,85,00,000	-	4,85,00,000
Loans	20,85,95,571	-	20,85,95,571	-	-	-	7,26,00,000	-	7,26,00,000
Investments	-	52,20,022	52,20,022	-	70,93,643	70,93,643	77,84,129	6,67,15,528	7,44,99,657
Other Financial Assets	-	-	-	40,60,594	-	40,60,594	2,25,205	-	2,25,205
<b>Non-Financial Assets</b>									
Inventories	-	-	-	-	-	-	5,212	-	5,212
Property, Plant and Equipment	-	-	-	-	-	-	12,16,195	-	12,16,195
Other Non-Financial Assets	1,67,97,624	-	1,67,97,624	45,65,188	-	45,65,188	63,76,502	-	63,76,502
<b>TOTAL ASSETS</b>	<b>22,55,66,910</b>	<b>52,20,022</b>	<b>23,07,86,932</b>	<b>21,42,36,570</b>	<b>70,93,643</b>	<b>22,13,30,213</b>	<b>14,73,99,550</b>	<b>6,67,15,528</b>	<b>21,41,15,078</b>
<b>LIABILITIES</b>									
<b>Financial Liabilities</b>									
Other Financial Liabilities	1,48,365	-	1,48,365	5,14,303	-	5,14,303	3,10,499	-	3,10,499
<b>Non-Financial Liabilities</b>									
Current Tax Liabilities (Net)	1,28,59,920	-	1,28,59,920	22,57,619	-	22,57,619	42,88,358	-	42,88,358
Other Non-Financial Liabilities	2,100	-	2,100	36,160	-	36,160	6,000	-	6,000
<b>TOTAL LIABILITIES</b>	<b>1,30,10,385</b>	<b>-</b>	<b>1,30,10,385</b>	<b>28,08,082</b>	<b>-</b>	<b>28,08,082</b>	<b>46,04,857</b>	<b>-</b>	<b>46,04,857</b>

**SALEM ERODE INVESTMENTS LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2020**

**34. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has adequate cash and cash equivalents. The company monitors its capital by a careful scrutiny of the cash and cash equivalents, and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

**35. Events after Reporting date**

There have been no events after the reporting date that require disclosure in these financial statements

36. Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with current year's classification / disclosure.

In terms of our report attached

For **S. MANDAL & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 314188E

S/d

**H.C Dey**  
Partner  
Membership No. 050190

Place: Irinjalakuda  
Date: The 30th of July, 2020

For and on behalf of the Board of Directors

S/d

**K.G ANILKUMAR**  
Managing Director  
DIN : 00766739

S/d  
**SUBRAMANIAN**  
Chief Financial Officer

S/d

**UMADEVI ANILKUMAR**  
Director  
DIN : 06434467

S/d  
**MANISHA N MENON**  
Company Secretary