

**SALEM ERODE
INVESTMENTS LTD.**

A BSE Listed Company

A SUBSIDIARY OF *ICL Fincorp*

**SUCCESS
MEASURED IN
TRUST & RESPECT**



**ANNUAL REPORT
2021 - 2022**

SALEM ERODE INVESTMENTS LTD.

A BSE Listed Company



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ANNUAL REPORT

BOARD OF DIRECTORS



MR. K G ANILKUMAR
MANAGING DIRECTOR



MRS. UMADEVI ANILKUMAR
NON EXECUTIVE DIRECTOR



MR. T G BABU
INDEPENDENT DIRECTOR



MR. SASEENDRAN VELIYATH
INDEPENDENT DIRECTOR



MR. A A BALAN
INDEPENDENT DIRECTOR

BOARD OF DIRECTORS

KEY PARAMETERS

1. ASSET UNDER MANAGEMENT

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Gold Loan	862.52	116.66

2. NUMBER OF BRANCHES

Year	2021-22	2020-21
No. Branches	12	4

3. TURNOVER

(Rs. in Lakhs)

Year	2021-22	2020-21
Turnover	275.59	222.90

PRODUCT PORTFOLIO

A. GOLD LOAN

B. NON-CONVERTIBLE DEBENTURES



CORPORATE INFORMATION**SALEM ERODE INVESTMENTS LIMITED**

Registration No: L31200TN1931PLC145816

Registered on 16th May, 1931

AUTHORISED	CAPITAL	SUBSCRIBED
Rs 1,20,00,000	In equity shares of Re 1/-	Rs 1,14,65,520
Rs. 1,20,00,000		Rs 1,14,65,520

INDEPENDENT DIRECTORS

Saseendran Veliyath -- Independent director
T.G. Babu -- Independent Director
Ambadath Aiyyappan Balan

NON EXECUTIVE WOMAN DIRECTOR

Umadevi Anilkumar -- Non-Executive Director

EXECUTIVE DIRECTORS

K.G. Anilkumar -- Managing Director

OTHER KEY MANAGERIAL PERSONS

CA Madhavankutty T. - CFO
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 : 0480282 8071
E-mail : salemerodeinvestmentsltd@gmail.com/
cs@salemerode.com

REGISTERED OFFICE

Door No. 61/A8 (38/A8),
VJP Parijatham Apartments, 1st Avenue,
Ashok Nagar, Chennai, Tamil Nadu, India-600083
Telephone : 9497801053
E-mail : salemerodeinvestmentsltd@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

M/s Cameo Corporate Services Ltd
'Subramanian Building',
No 1 Club House Road,
Chennai - 600 002

STATUTORY AUDITOR

Mohandas & Associates,
Chartered Accountants. 3rd Floor,
Sree Residency, Press Club Road,
Thrissur, Kerala – 680001
E-mail: ma.auditors@gmail.com

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,
2nd Floor, 11/572, Kalarikkal Bldg,
Karingachira, Inumpanam P.O.,
Tripunithura, Ernakulam, Kerala- 682301
E mail : rajupo2012@gmail.com

BANKERS

HDFC Bank Ltd.
Axis Bank Ltd
Indian Overseas Bank Ltd.

STOCK EXCHANGE

Equity Shares Listed with BSE Ltd.,
ISIN NO: INE894E01028

VISION & MISSION



Vision

Our vision is to grow & establish ourselves globally and be recognized as the most acceptable and trusted financial institution, excelling in the customer service delivery with utmost satisfaction through committed, passionate, gentle and empowered employees.



Mission

Our mission is to provide the best and trusted financial solutions to our clients and strive to build long term relationships with them taking into account their needs as well as the changing market dynamics.

Our mission is to provide simply the best and trusted financial solutions to our esteemed clients and strive to formulate healthy & mutually rewarding long lasting relationships with them bearing in mind their necessities, aspirations with due substance to the impact of transforming market dynamics.



Core Values

OUR CORE VALUES:

- Customer satisfaction
- Passionate about excellence
- Fair to all
- Seeking excellence
- Accountability and ownership
- Teamwork and collaboration



OUR PRINCIPLES

Creative thinking is not necessarily the product of IQ or enlightenment via the proverbial apple falling on your head. It is a matter of constant schooling your imagination, practicing your powers of observation and dreaming big or small. Our principle is to dream wide enough for our people, our customers and realize their dreams.

We believe in fairness and equality, be it our clients, our channel partners, our employees, our stakeholders. We bench mark ourselves in implementing ethical systems only, for our existence, sustainability and excellence in the market place.

We believe that the best employees in any organization are always the ones enjoying their work with passion. Our relations are purely based on trust, co-existence and we work as a team for a common goal. We believe in recruiting appropriate human resources and talents for the right role and guarantee their job satisfaction.

We strongly believe in the fact that improved corporate recognition & reputation, will certainly lead to enhanced visibility. Acceptance of the brand among the potential & existing investors, peak up the employee's productivity and also will escalate the valued stakeholder's delight. We are "standing tall" purely because of your uninterrupted support and our widened market presence in the industry. We will join hands together in maintaining, uplifting this flagship achievement much higher for years to come.

We believe in the proverb "A GOOD LISTENER IS A GOOD LEARNER" Listening to customers is the initial step in building relationship by which we will be able to understand their needs, aspirations and goals. We will listen to you as we care for your concerns and we will do our best to find the right solution to see your smiling face.



BRANCH NETWORK

**NETWORK THAT CONNECTS PEOPLE
AND EMPOWERS ASPIRATIONS**

**WE AIM TO SPREAD OUR WINGS ALL ACROSS
THE STATES OF INDIA**



MD'S MESSAGE

Refinement Saga



Dear Valued Stakeholders,

On behalf of the Board of Directors, I am delighted to present to you Salem Erode Investment Limited's 91st Annual Report for the Financial Year ended 31st March, 2022 ("FY 2022")

This year has been a remarkable year for all of us, as the company gradually shifted its hardcore focus on operations rather than concentrating on the revenue & profits. The company has been changing its momentum more into exploring new localities, regions and new business horizons. When it comes to widening the reach in the market, we are glad to inform you that in this financial year we have opened 8 new branches thus summing up to a total of 12 branches in the southern part of the country. Moreover, the Company has started focusing more into

businesses like gold loans and secured non-convertible debentures on private placement basis for optimizing the revenue generating capacity.

We have emerged into being more resilient and rejuvenated and our confidence has been increasing day by day not only in the business numbers but also the kind of trust & confidence that we are experiencing from our very own valued customers. I am grateful to our clients, team members and other stakeholders for showering and bestowing upon us so much faith and trust to make this day happen.

**Trust &
Confidence**
of our valued customers

Last year we were able to steer through the challenges of the unpredictable, challenging, transforming, market conditions, then a shift of the registered office from the state of West Bengal to the state of Tamil Nadu, a sudden change-over from the erstwhile management of the company to the new management and over and above the critical situations caused by covid-19 pandemic.

Nevertheless, being in such a challenging atmosphere, our company managed to excel by sticking to the basics like satisfying our client's needs & aspirations to the best of their interests, focusing on the different possible options which could enhance our growth potentials and by maintaining a strong &

healthy operational platform. This fruitful outcome is the result of the strong determination, commitment showed by our team to outperform the company's growth on a larger horizon.

It is a fact that this Financial Year has been a year of opportunities and also something new & unique to learn for the financial sector, amidst ensuing challenges that arose from the pandemic. The Government of India along with other statutory, regulatory bodies has put tremendous effort to restore stability in the economic sector by implementing new supportive measures to gain confidence of millions of customers served by the Indian financial service industry. Now the negative impacts of the pandemic is narrowing day by day, the government and the regulatory bodies has accelerated their focus rigorously on the macro economic growth & stability of the country as a whole.

To tackle the challenges poised by the pandemic, business houses around the globe have started implementing their own tailor-made unique policies and plans to get back into track. Now, it's time for the next phase "to step out and seize the opportunities" that a post pandemic world has to offer.

As per RBI Publication dated 28.12.2021 "NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalized services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to under banked and unserved sections of the society." The above said achievement is enacted proof of these words combined with the persistent and dedicated work put forward by your Company as a team that has and will continue to, in the fullness of time, bear its fruits. It is milestones such as these that incite a rigorous resolve to aim higher, better and further, which will always be our mission and promise to our esteemed customers. We aim to serve your needs to your in-depth satisfaction. The joy in helping you realize your dreams has been the premier component in our achievement.

One of the most privileged milestones achieved by your Company in the current year has been the record rate of Rs. 122.45 per share on 24th March, 2022 at BSE Sensex which according to us is a big day as when the Company was acquired by the new management on 17th February, 2020, the market price with the stock exchange merely stood at Re. 0.80 paise. As the Company is in its growth stage we know that there will be tougher days ahead but as the saying goes "We don't grow when things are easy we grow when we face challenges."

Your Company plans to open more branches across India similar to its counterpart and Holding Company "ICL Fincorp Limited" and to step into the latest trend post pandemic of digitalization and of core banking concepts. The Company also aims to go for further public issue in the future after taking necessary permissions of the regulatory bodies.

India's GDP for FY 2021-22 was 8.7% against the estimated at 8.9% and the outlook for 2022 casts a grey shade with World Bank, Moody's and OECD, all lowering the growth rate for India. Even though the external environment remains ambiguous, the internal spirit and resilience remains unscathed leading to your company delivering an after-tax profit of Rs.71,22,881/- (Rupees Seventy-One Lakhs Twenty Two Thousand Eight Hundred and Eighty One Only). The allegiance, zeal and determination of our employees has always been precise. Our Government, Reserve Bank of India (RBI) and SEBI's proactive initiatives and policies has a major contribution in brightening the outlook for the future.

The union budget as presented for FY 2022-23 talks all about visions set out in previous budgets and blueprint for a sustained high-growth trajectory of the economy. In the budget, Finance Minister Nirmala Sitaraman has proposed new allotments for almost every sector to cultivate growth in the sub-continent. The alternate minimum tax paid by cooperatives has been lowered to 15% from the previous 18.5% also estimating the growth of credit by Rs.5.4 lakh. In an encapsulated form this year's budget focuses more on providing aid and development opportunities micro-economic level growth to an economy reeling from the stroke of the pandemic for the last 2 years. We have shifted our focus from surviving to rebuilding, emanating an optimistic view for a better future.

We have always considered our employees as one of the key stakeholders of our success and thus we value our employees to its maximum. There has been steady growth in the number of employees of our company. The workforce in the Company has also started increasing and as we plan to open new branches, the workforce will only increase year after year. I extend my sincere thanks and gratitude to each and everyone who made this day successful and will only say "together we can and together we will".

I would like to express my acknowledgement to each and every person who even in these difficult times have been the backbone of strength to us. I would also like to thank our acclaimed stakeholders for their irrevocable support and would also like to have them assured of the adherence to superior quality in corporate governance, customer service and value creation to all our stakeholders.

Last but not the least, I will conclude with the following words

"There are no negatives in life, only challenges to overcome that will make you stronger." - Eric Bates

K.G. Anilkumar
Managing Director

NOTICE OF 91ST ANNUAL GENERAL MEETING

Notice is hereby given that the 91st Annual General Meeting of the members of Salem Erode Investments Limited ("hereinafter referred to as "the Company") will be held on Saturday, the 24th day of September, 2022 at 11.00 a.m. IST ("hereinafter also referred to as AGM") through Video Conferencing (hereinafter referred to as "VC")/Other Audio Visual Means (hereinafter referred to as "OAVM") facility to transact the following businesses:

Ordinary Businesses:

1. ***Approval of audited financial statements of the Company for the financial year ended March 31, 2022***

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

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2022 including Balance Sheet as at March 31, 2022, Statement of Profit and Loss as at March 31, 2022 and Statement of Cash Flows for the year ended as on that date, together with other statements and notes forming part of financial statements and the reports of Auditors and Directors, as circulated to the members and laid before meeting, be and are hereby received, considered, approved and adopted."

2. ***Appointment of a Director in place of Ms. Umadevi Anilkumar, who retires by rotation and being eligible, offers herself for re-appointment***

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

"RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013, Ms. Umadevi Anilkumar (DIN: 06434467), who retires by rotation at the 91st Annual General Meeting and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Businesses:

- Appointment of Mr. A.A.Balan as an Independent Director of the Company.***

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

"RESOLVED THAT pursuant to the provisions of section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regulations issued by the Reserve Bank of India (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, Mr. A.A.Balan (DIN:01996253), who was appointed as an Additional Director of the Company with effect from 29th day of September, 2021 and holds office up to the date of 91st Annual General Meeting of the Company or the last date on which the 91st Annual General Meeting should have been held, whichever is earlier and being eligible for appointment and in respect of whom the Company has received a notice under the provisions of section 160 of the Act, proposing candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years i.e. from 29th day of September, 2021 to 28th day of September, 2026, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice;

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

4. Issue of Non-Convertible Securities on private placement basis.

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

"RESOLVED THAT pursuant to the provisions of section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to other applicable rules, regulations and guidelines issued by the Reserve Bank of India, as amended from time to time, the Memorandum and Articles of Association of the Company, any other applicable laws, rules, regulations and guidelines, for the time being in force and subject to such other approvals, as may be required from regulatory authorities from time to time, consent of the members of the Company be and is hereby accorded to the Board of Directors to offer, issue and allot from time to time, Non-Convertible Securities including but not limited to5. Non-Convertible Debentures, Bonds, Subordinate Debentures or such other similar debt instruments,

secured or unsecured, in one or more series/tranches aggregating upto an amount not exceeding Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only), on private placement basis, listed or unlisted, at par or at such premium or such discount and as may be decided by the Board, to such person or persons, including members, Debenture holders, one or more Companies, Bodies Corporate, Statutory Corporations, Commercial Banks, Lending Agencies, Financial Institutions, Insurance Companies, Mutual Funds, Pension/Provident Funds and Individuals, as the case may be or to such other person/persons as the Board may from time to time determine and consider proper and most beneficial to the Company, during a period of one year from the date of 91st Annual General Meeting and on such terms and conditions, as the Board may from time to time deem fit, proper and appropriate;

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

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

Approval of Inter Corporate Loans to ICL Fincorp Limited, Holding Company

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

“RESOLVED THAT pursuant to the provisions of section 188 (1) (d) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof for the time being in force), regulations issued by the Reserve Bank of India, as amended from time to time and pursuant to the provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), in the nature of inter-corporate (term) loans to ICL Fincorp Limited, Holding Company, bearing CIN: U65191TN1991PLC021815, having its registered office at No.61/1, VGP Complex, First Avenue, Ashok Nagar Chennai, Tamil Nadu - 600083 upto an aggregate amount not exceeding Rs.50,00,00,000/- (Rupees Fifty Crores Only), outstanding at any point of time, on such terms and conditions as may be decided by the Audit Committee and Board of Directors of the Company from time to time, in accordance with the terms and conditions set out in the Explanatory Statement annexed to the Notice;

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

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

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

Alteration of Memorandum of Association of the Company with respect to the Object Clause.

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

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof for the time being in force), subject to other applicable rules, regulations and guidelines issued by the Reserve Bank of India, as amended from time to time and subject to necessary approvals of Registrar of Companies and any other appropriate authorities, as may be required and subject to such conditions and modifications as may be prescribed by the said authorities, consent of members of the Company be and is hereby accorded to alter the Memorandum of Association of the Company by adding a new object in Clause 3(a): “The objects to be pursued by the Company on its incorporation are” as follows:

7. To carry on the business of issue and development of different type of credit cards, co-branded credit cards, add on cards etc. either independently or in collaboration/association with other eligible organizations and entering into agreements with any person, whether incorporated or not, who agrees to be a subscriber to any such cards; and provide facilitation of space for setting up Automated Teller Machines (ATM) or Cash Deposit

Machines (CDM) and related equipments of various banks or other entities, on rental or fee basis; and to carry on white labelled pre-paid card solution services, ATM/CDM management and related services either independently or in association with banks or other eligible organizations, subject to the approval of the Reserve Bank of India and other competent authorities, wherever necessary;

RESOLVED FURTHER THAT the Board of Directors of the Company may modify the aforesaid clauses

of Memorandum of Association, if the Registrar of Companies or any other appropriate authorities requires such terms, conditions, amendments or modifications etc;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers conferred on it by or under the aforesaid resolution to any Director or the Company Secretary, as it may consider appropriate in order to give effect to the resolution;

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

By Order of Board of Directors,
For **Salem Erode Investments Limited**

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
Manisha N. Menon
Company Secretary & Compliance Officer

NOTES & INSTRUCTIONS

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter also referred to as "the Act") read with rules setting out material facts pertaining to the proposed resolutions under item nos.3, 4, 5 & 6 and reasons thereof are annexed for your consideration and requisite action.
2. Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter also referred to as "Listing Regulations"), with respect to the proposed resolution under item no. 2 of this Notice under Ordinary Business, is also annexed to the AGM Notice.
3. The Annual Report of the AGM is being sent by e-mail to all the members, whose names appear in the Register of members/List of Beneficial Owners as furnished by the Depositories i.e. National Securities Depository Limited (hereinafter referred to as "NSDL") and Central Depository Services (India) Limited (hereinafter referred to as "CDSL") as at the close of business hours on **Friday, the 26th day of August, 2022** and who have registered their e-mail address in respect of electronic holdings with the depository through the concerned Depository Participants and in respect of physical holding with the Company's Registrar & Share Transfer Agent i.e. Niche Technologies Private Limited (hereinafter referred to as "RTA").
4. Members whose name appears on the Register of Members/List of Beneficial owners as on the cut-off (record) date i.e. **Saturday, the 17th day of September, 2022** will be considered for the purpose of remote e-voting and voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on that date. A person who is not a member as on the record date should treat this Notice for information purposes only. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, 17th day of September, 2022 to Saturday, the 24th day of September, 2022 (both days inclusive)** for annual closing. Transfers received during book closure will be considered only after reopening of the Register of Members.
5. The Board of Directors has appointed Niche Technologies Private Limited, having office at 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata, West Bengal - 700017 as the RTA of the Company for the Share Registry Work (Physical and Electronic).
6. The Board of Directors of the Company, vide meeting held on Tuesday, the 23rd day of August, 2022 has appointed Mr. K.G. Anilkumar, Managing Director (DIN: 00766739) of the Company, as the person responsible for the entire process of AGM and e-voting.
7. The Board of Directors of the Company, vide meeting held on Tuesday, the 23rd day of August, 2022 has appointed Mr. Yacob P.O., Practising Company Secretary having office at 02nd Floor, Kalarikkal Building, Karingachira, Tripunithura, Kerala - 682301 as the Scrutinizer for scrutinizing e-voting process in a fair and transparent manner.
8. The Company has issued paper notice on Thursday, the 25th day of August, 2022 in The New Indian Express, Tamil Nadu (English Newspaper) and Dinamani (Tamil Newspaper) requesting all the members to register their permanent e-mail address. It is clarified that members are required to register their e-mail address, in respect of electronic holdings with the Depositories/Depository Participant and in respect of physical holding with the RTA.
9. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (hereinafter

referred to as "MCA") vide its General Circular No. 02/2022 dated May 05, 2022 read together with General Circular Nos. 20/2020 dated May 05, 2020, 17/2020 dated April 13, 2020 & 14/2020 dated April 08, 2020 (hereinafter collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India vide. Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and other applicable circulars (hereinafter collectively referred to as "SEBI Circulars"), have permitted the holding of AGM through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM, without the physical presence of the members at a common venue.

10. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, regulation 44 of the Listing Regulations, the Secretarial Standard - 2 on General Meetings issued by the Institute of Companies Secretaries of India (hereinafter referred to as "ICSI") and in terms of SEBI Circular no. SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/ 2020/242 dated 09.12.2020 in relation to e-voting facility provided by Listed Entities and subject to MCA Circulars & SEBI Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged CDSL as the authorised agency for facilitating voting through electronic means. 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.
11. 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 facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. Member's log-in to the VC platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under section 103 of the Act.
13. Pursuant to the provisions of the section 105 of the Act, 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 and SEBI circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence, the proxy form and attendance slip are not annexed to this notice.
14. In line with the MCA Circulars and SEBI Circulars, AGM Notice and Annual Report is being sent through electronic mode to those members whose e-mail addresses are registered with the Company/RTA/ Depositories. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at www.salemerode.com. The AGM Notice and Annual Report is also disseminated on the website of Stock Exchange www.bseindia.com and CDSL i.e. www.evotingindia.com. In case a member is desirous of obtaining an e-mail of

- Annual Report, he/she may send an e-mail to cs@salemerode.com.
15. In accordance with the Secretarial Standard on General Meetings ("SS-2") issued by the ICSI read with Clarification/Guidance on applicability of Secretarial Standards – 1 and 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
 16. Corporate/Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of the Board Resolution/Authority Letter, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered email address to cse voting@gmail.com with a copy marked to cs@salemerode.com.
 17. The voting period shall commence on **Wednesday, the 21st day of September, 2022 at 10.00 a.m. IST** and ends on **Friday, the 23rd day of September, 2022 at 05.00 p.m. IST**. The remote e-voting facility shall be disabled by the CDSL for e-voting thereafter.
 18. The Scrutinizer will submit a consolidated Scrutinizer's Report to the Chairman/Director after the completion of scrutiny on remote e-voting as well as the venue e-voting at the AGM on Monday, the 26th day of September, 2022 at 11.00 a.m. at the corporate office of the Company at V.K.K. Building, Main Road, Irinjalakuda, Thrissur, Kerala – 680121 and will also be displayed on the website of the Company www.salemerode.com and on the website of CDSL www.evotingindia.com.
 19. The resolutions shall be deemed to be passed on the date of the meeting, i.e. 24th day of September, 2022, subject to receipt of the requisite number of votes in favour of the resolutions.
 20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act 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 up to the date of AGM. Members seeking to inspect such documents can send an email to cs@salemerode.com. The same will be replied by the Company suitably.
 21. As per sections 124 and 125 of the Act, the amount of unpaid or unclaimed dividend lying in unpaid dividend account for a period of seven (7) years from the date of its transfer to the unpaid dividend account and the underlying Equity Shares of such unpaid or unclaimed dividend, are required to be transferred to the Investor Education and Protection Fund established by the Central Government. The unclaimed dividend amount has already been transferred to Investor Education and Protection Fund. The shareholders may claim such dividend from Investor Education and Protection Fund authorities. In due course of time the Company will also be transferring underlying Equity Shares of such unpaid or unclaimed dividend. Once the shares are so transferred, no claim shall lie against the Company in respect of the transferred shares thereafter. Shareholders are requested to send their claims, if any before the shares are transferred to the above Fund. The Member(s) whose dividend/shares as transferred to the IEPF Authority can claim their dividend/shares from the IEPF Authority by following the refund procedures as detailed on

the website of IEPF Authority
<http://iepf.gov.in/IEPF/refund.html>.

22. As per the provisions of section 72 of the Act read with rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, members holding shares in physical form may file nomination in the prescribed form SH-13 with RTA. In respect of shares held in dematerialized form, the nomination may be filed with the respective Depository Participants.
23. Regulation 40 of the Listing Regulations has mandated that securities of Listed Companies can be transferred only in dematerialised, except in case of transmission and transposition of securities. In view of the same and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form and for ease in portfolio management.
24. In case of joint holders, the member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
25. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in

electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.

26. Members should notify the changes in their address immediately to the RTA of the Company/Depository Participants as the case may be. Members who are holding shares in dematerialised form are requested to keep their bank account details including IFSC and/or MICR updated with their respective Depository Participants and those members who are holding shares in physical form, by sending a request to the RTA by quoting their Folio No, PAN along with cancelled cheque or other acceptable bank account proof.
27. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nominations, bank details such as name of the bank and branch details, bank account number, MICR Code, IFSC Code, etc. to their Depository Participants, in case the shares are held by them in electronic form and to the RTA in case the shares are held by them in physical form. The process for registration of e-mail address is mentioned below:

Physical Holding	<p>Send an e-mail to the Company at cs@salemerode.com along with the scanned copy of the request letter duly signed by sole/first shareholder quoting the folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), Aadhar (self-attested scanned copy of Aadhar Card) for registering mobile number and e-mail address.</p> <p style="text-align: center;">or</p> <p>Visit web portal www.nichetechpl.com of RTA of the Company.</p>
Demat Holding	Please contact your Depository Participant and register your email address in your demat account, as per the process advised.

28. In case of any queries or grievances connected with the e-voting process, members may contact the following official:

Mr. K. G. Anilkumar
Managing Director,
Salem Erode Investments Limited,
V. K. K. Building, Main Road,
Irinjalakuda, Thrissur, Kerala – 680121
Ph: 85890 00342, E-mail: md@iclfincorp.com

29. The Instructions for shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:

a) The remote e-voting period begins on **Wednesday, the 21st day of September, 2022 at 10.00 a.m. IST** and ends on **Friday, the 23rd day of September, 2022 at 05.00 p.m. IST**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) ie. **Saturday, the 17th day of September, 2022** may cast their vote

electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- b) The voting rights of the members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company, as on the cut-off date ie. **Saturday, the 17th day of September, 2022**. Voting rights in the e-voting cannot be exercised by a proxy, though Corporate and Institutional Members shall be entitled to vote through authorized representatives with proof of their authorization. The voting right of the Equity Share is one vote per Equity Share, registered in the name of the member.
- c) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. Further, once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- d) Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL's Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi/Easiest user will be able to see the e-voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</p>

	<p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com /myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</p>
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Individual Shareholders holding securities in demat mode with NSDL	<p>If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>
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Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

e) Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no. 1800 1020 990 and 1800 22 44 30

f) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on "Shareholders" module.
- iii. Now enter your User ID
 - For CDSL: 16 digits beneficiary ID.
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). 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.
Dividend Bank details OR Date of Birth (DOB)	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. 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.

- vii. After entering these details appropriately, click on "SUBMIT" tab. assent to the Resolution and option NO implies that you dissent to the Resolution.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. xiii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- x. Click on the EVSN for the relevant **Salem Erode Investments Limited** on which you choose to vote. xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- xvi. If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

30. Facility for Non-Individual Shareholders and Custodians

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer csevoting@gmail.com and to the Company at the email address cs@salemerode.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

31. Process for those Shareholders whose e-mail addresses or mobile number are not registered with the Company/Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

- i. For Physical shareholders - please provide necessary details like folio no., name of

shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhaar Card) by e-mail to Company e-mail id cs@salemerode.com and to the RTA e-mail id nichetechpl@nichetechpl.com.

- ii. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant.
- iii. For Individual Demat shareholders - please update your email id & mobile no. with your respective Depository Participant which is mandatory while e-voting & joining virtual meetings through Depository.

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

- i. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- iii. 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.
- iv. Shareholders are encouraged to join the meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches.

- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **3 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id and mobile number at Company email id cs@salemerode.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **3 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id and mobile number at Company e-mail id cs@salemerode.com. These queries will be replied to by the Company suitably by e-mail.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- vii. 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.

- viii. 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.

33. 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, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or at toll free no. 1800 22 55 33

34. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no 1800 22 55 33.

Annexure to Notice

Item No. 2 - Appointment of a Director in place of Ms. Umadevi Anilkumar, who retires by rotation and being eligible, offers herself for re-appointment

Disclosures under regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by ICSI are detailed as below.

Sl. No.	Particulars	Response
01.	Full Name	Ms. Umadevi Anilkumar
02.	Director Identification Number (DIN)	06434467

03.	Terms & Conditions of appointment	Terms & Conditions of appointment has already been approved by the members vide postal ballot through e-voting process on 07 th day of August, 2020. Being present re-appointment is on retirement by rotation basis, there is no change in the terms and conditions of appointment.
04.	Nationality	Indian
05.	Date of Birth Age	06.04.1972 50 Years
06.	Business Address (along with Phone, Fax and E-mail)	V.K.K. Building, Main Road, Irinjalakuda, Thrissur, Kerala – 680121 Mob: 9605353125 E-mail: ceo@iclfincorp.com
07.	Residential Address (along with Phone, Fax and E-mail)	Errekhet House, Sugrtham, Santhi Nagar, Irinjalakuda, North P. O., Thrissur, Kerala - 680125, Mob: 9605353125 E-mail: ceo@iclfincorp.com
08.	Educational/professional qualifications	B.Com; MBA
09.	Experience if any, in the Financial Services Sector (including Banking Sector)	Having approximately 12 years of experience in the Non - Banking Financial Sector and other related areas.
10.	Details of remuneration for the financial year 2021-22	Sitting fees - Rs. 32,700/-
11.	Details of remuneration sought to be paid	Remuneration will be paid, subject to the recommendations of the Nomination and Remuneration Committee and Remuneration Policy of the Company.
12.	Designation and Date of first appointment on Board	Director w.e.f 17.02.2020
13.	Relation with other Directors, Managers or Key Managerial Personnel	Spouse of Mr. K.G. Anilkumar, Managing Director of the Company
14.	Number of Board Meetings attended during the financial year 2021-22	12 meetings

15.	Name(s) of other organizations or entities or associations or unincorporated entities in which the person has held the post of Chairman or Managing Director or Director or Chief Executive Officer or associated with the above entities in any other capacity. Indicating the activity of the Company and regulators, if any (nature of expertise in specific functional areas)	<ul style="list-style-type: none"> a. ICL Fincorp Limited (Wholetime Director) Activity – NBFC b. ICL Chits Limited (Director) Activity – Chits c. ICL Tours and Travels Private Limited (Director) Activity – Tours and Travels d. ICL Nidhi Limited (Director) Activity - Nidhi e. Snow View Tex Collections Private Limited (Director) Activity – Retail trade of textiles and garments f. ICL Medilab Private Limited (Director) Activity – Medical g. Laneseda Vanijya Private Limited (Director) Activity- NBFC
16.	Memberships/Chairmanships of Committees of the Board	<p><u>Salem Erode Investments Limited</u></p> <ul style="list-style-type: none"> a. Audit Committee (Member) b. Stakeholders Relationship Committee (Member) c. Nomination and Remuneration Committee (Member) d. Corporate Social Responsibility Committee (Member) e. Branch Authorisation Committee (Member) f. Debenture and Bond Committee (Member) g. IT Strategy Committee (Member) h. IT Steering Committee (Member) i. Internal Complaints Committee

		<p>(Chairman)</p> <p>j. Asset Liability Management Committee (Member)</p> <p><u>ICL Fincorp Limited</u></p> <p>a. Share Allotment Committee (Member)</p> <p>b. Stakeholders Relationship Committee (Member)</p> <p>c. Risk Management Committee (Member)</p> <p>d. Asset Liability Management Committee (Chairman)</p> <p>e. Branch Authorisation Committee (Member)</p> <p>f. Debenture and Bond Committee (Member)</p> <p>g. IT Steering Committee (Member)</p> <p>h. Internal Complaints Committee (Chairman)</p>
17.	Directorship and Membership of Committees of the Board in Listed entities	<p><u>Salem Erode Investments Limited</u></p> <p>a. Non – Executive Director</p> <p>b. Audit Committee (Member)</p> <p>c. Stakeholders Relationship Committee (Member)</p> <p>d. Nomination and Remuneration Committee (Member)</p> <p>e. Corporate Social Responsibility Committee (Member)</p> <p>f. Branch Authorisation Committee (Member)</p> <p>g. Debenture and Bond Committee (Member)</p> <p>h. IT Strategy Committee (Member)</p> <p>i. IT Steering Committee (Member)</p> <p>j. Internal Complaints Committee (Chairman)</p> <p>k. Asset Liability Management Committee (Member)</p>

18.	Listed entities from which the person has resigned in the past three years	Not Applicable
19.	Shareholding in the Company as on 31.03.2022 as on 19.08.2022	Nil Nil
20.	<p>Brief Resume</p> <p>Ms. Umadevi 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 the Wholtime Director of ICL Fincorp Limited, Holding Company and is strong backbone behind the success of the Holding 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. 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 time for the growth of the Company.</p>	
21.	<p>Performance Evaluation</p> <p>Ms. Umadevi Anilkumar has awarded with 100% attendance at Board Meetings, General Meeting and various Committee Meetings and actively participated throughout the meetings. The Board evaluated and confirmed that the said Director has exercised duties with due and reasonable care, skill and diligence, along with cent percent independent judgment and in the best in the interest of the Company. Ms. Umadevi Anilkumar has complied with all the guidelines with respect to the professional conduct, role, functions and duties, as mentioned in the Act.</p> <p>The performance evaluation criteria for accessing the appointment or regularization of Directors, inter-alia, includes factors like participation at Board/Committee Meetings, managing relationship with fellow Board Members, knowledge and skill, personal attributes like ethics and integrity, independent judgment with regard to corporate strategy, performance, risk management etc., corporate governance implementation, knowledge about the Company and external environment in which it operates, confidentiality level, adherence to the applicable code of conduct for Directors etc.</p>	

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

Item No. 3 - Appointment of Mr. A.A. Balan as an Independent Director of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee and Nomination & Remuneration Committee, had appointed Mr. A.A. Balan (DIN:01996253) as an Additional Director (Independent) of the Company with effect from 29th day of September, 2021. Pursuant to Section 161(1) of the Act, Mr. A.A. Balan shall hold office only upto the date of 91st AGM or the last date on which the 91st AGM should have been held, whichever is earlier. The Company has received notice under section 160 of the Act signifying candidature of Mr. A.A. Balan for directorship of the Company. The Company has also received consent to act as a Director of the Company in form DIR 2, declaration that he is not disqualified from being appointed as a Director of the Company in Form DIR 8 and declaration of independence and compliance under section 149 (6) of the Act.

Disclosures under regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by ICSI are detailed as below.

Sl. No.	Particulars	Response
01.	Full Name	Mr. Ambadath Aiyyappan Balan
02.	Director Identification Number (DIN)	01996253
03.	Terms & Conditions of appointment	Independent Director for a period of five consecutive years with effect from 29.09.2021 to 28.09.2026. During the tenure, Mr. A.A. Balan may receive sitting fees under section 197 (5) of the Companies Act, 2013 and other reimbursement of expenses for participation in the Board and other Committee Meetings.
04.	Nationality	Indian
05.	Date of Birth Age	28.06.1939 83 Years
06.	Business Address (along with Phone and E-mail)	Ambadath, Avittathur, Near SNDP, Kaduppassery, Thrissur, Kerala – 680683 Ph: 9447441899 Email: aabalan39@gmail.com
07.	Residential Address (along with Phone and E-mail)	Ambadath, Avittathur, Near SNDP, Kaduppassery, Thrissur, Kerala – 680683 Ph: 9447441899 Email: aabalan39@gmail.com
08.	Educational/professional qualifications	1. Diploma in Civil Engineering 2. SSLC
09.	Experience if any, in the Financial Services Sector (including Banking Sector)	Having approximately 5 years of experience in the Non - Banking Financial Sector and other related areas.
10.	Details of remuneration for the financial year 2021-22	Sitting fees – Rs.16,350/-
11.	Details of remuneration sought to be paid	Remuneration will be paid, subject to the recommendations of the Nomination and Remuneration Committee and Remuneration Policy of the Company.

12.	Designation and Date of first appointment on Board	Independent Director (Additional) w.e.f. 29.09.2021
13.	Relation with other Directors, Managers or Key Managerial Personnel	Not Applicable
14.	Number of Board Meetings attended during the financial year 2021-22	06
15.	Name(s) of other organizations or entities or associations or Unincorporated entities in which the person has held the post of Chairman or Managing Director or Director or Chief Executive Officer or associated with the above entities in any other capacity. Indicating the activity of the Company and regulators, if any (nature of expertise in specific functional areas)	Independent Director of ICL Fincorp Limited (NBFC)
16.	Memberships / Chairmanships of Committees of the Board	<u>ICL Fincorp Limited</u> a. Audit Committee (Member) b. Nomination and Remuneration Committee (Member)
17.	Directorship and Membership of Committees of the Board in Listed entities	Independent Director of the Company
18.	Listed entities from which the person has resigned in the past three years	Not Applicable
19.	Shareholding in the Company a) as on 31.03.2022 b) as on 19.08.2022	0 % 0 %
20.	<p>Brief Resume</p> <p>Mr. A.A. Balan passed his S.S.L.C. exam from Nadavaramb Government School in the year March, 1956. Thereafter he passed the Civil Engineering subject from Madras Govt. Technical Education Board in the year 1957 specialising in Surveying and Levelling, Building materials and constructions. He passed following exams of Civil Engineering subject conducted by "Technical Education Board of Kerala in the year 1958:</p> <ul style="list-style-type: none"> • Building, drawing and estimating. • Strength of Materials. • Applied Mechanics. 	

He had worked with Rivil Overseas of “Kalol District Municipality” for a period of 15 months.

Worked as Junior Engineer of Prabha Mills Ltd. at Viramgam for the extension work factory Building for a period of 3 years.

Worked as a Civil Site Engineer under Civil Contractors firm namely

M/s. Harilal Jethalal & Co., Ahmedabad for the construction work of State Bank of India, Head Office at Laldarwaja, Ahmedabad for a period of one year.

Worked as the Resident Engineer of M/s. Ajit Construction Co. for their contract works of Gujarat State Fertilizers Company at Baroda for a period of three years.

All these experiences were gained during the period of 1960 to 1970. In the year 1970, he then started his own Civil Engineering Partnership Firm Construction Company namely “Balan Construction Co.” with himself as the Managing Partner in it along with his two brothers and Father-in-Law as the Co-Partners. The major construction work executed during the period 1979 to 1999 are as follows:

- Meteorological Lab, Post Office Building, Garages work etc for GSFC, Baroda.
- Miscellaneous Civil Work for a Japanese Company, M/s. Hitachi Zenon, who was the turn key basis contractor of Ammonia Plant of GSFC Ltd., Baroda
- Work of Mechanical Workshop, Heavy Machinery Store, Internal Roads, Culverts and drain etc. for heavy water Project of Atomic Energy near GSFC Ltd., Baroda
- Construction of Russian Guest Building for Gujarat Refinery at Baroda.
- Construction work of Technical Lab, Staff Quarters, 104 tenements for IPCL Employees, Co. Operative Society etc. for Indian Petro Chemical Company Limited, Baroda.
- Construction of 64 Tenements for Gujarat Housing, Baroda.
- Construction of 84 Housing Tenements for Gujarat Industrial Development Corporation at Nandeswari, Baroda.
- Construction of “IKKAR MASJID at IKKAR near Palej. through famous Architect M/s. Karan Groover & Co., Baroda.
- Construction of Shree Baliadev Temple at POR near Baroda for Gujarat PWD.
- Construction of School Building for Gujarat Narmada Fertilizer Co (GNFC) at Baruch.

21.	<p>Performance Evaluation</p> <p>Mr. A.A. Balan has awarded with 85.71% attendance at Board Meetings and actively participated throughout the meetings. The Board evaluated and confirmed that the said Director has exercised duties with due and reasonable care, skill and diligence, along with cent percent independent judgment and in the best in the interest of the Company. Mr. A.A. Balan has complied with all the guidelines with respect to the professional conduct, role, functions and duties, as mentioned in the Act.</p> <p>The performance evaluation criteria for accessing the appointment or regularization of Directors, inter-alia, includes factors like participation at Board/Committee meetings, managing relationship with fellow Board Members, knowledge and skill, personal attributes like ethics and integrity, independent judgment with regard to corporate strategy, performance, risk management etc., corporate governance implementation, knowledge about the Company and external environment in which it operates, confidentiality level, adherence to the applicable code of conduct for Directors etc.</p>
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The Board is of the view that the continued association of Mr. A.A. Balan and rich experience and knowledge in the business sector would definitely benefit the Company and support the Board to discharge its functions and duties effectively. Further, Mr. A.A. Balan also possess appropriate skills, expertise and competencies in the context of the Company's present and proposed businesses. In the opinion of the Board, Mr. A.A. Balan fulfills the conditions specified in the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations for the proposed appointment as an Independent Director of the Company and is independent of the management. Further, Mr. A.A. Balan is not disqualified from being appointed as Director in terms of section 164 of the Act. The Board has verified credentials and satisfied with regard to integrity, expertise and experience, including the proficiency of the said person for the position of Independent Director. Further to the recommendation of Nomination & Remuneration Committee and consideration of performance evaluation covering various aspects including attendance and level of participation, interpersonal relationship, independent judgement, understanding of roles and responsibilities etc., Mr. A.A. Balan may be appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 29.09.2021 till 28.09.2026.

Mr. A.A. Balan shall be paid sitting fees for attending the meetings of the Board and Committees thereof, according to the Remuneration Policy of the Company. Pursuant to the provisions of section 152 (2) of the Act, every Director shall be appointed in a General Meeting by way of Ordinary Resolution. Further, manner of appointment as mentioned in para IV (2) of Schedule IV to the Act mandates the appointment of Independent Director to be approved in the General Meeting by way of Ordinary Resolution. Hence, the proposed resolution is recommended for the consideration and approval of the members of the Company.

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

Save and except Mr. A.A. Balan, none of the other Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 4 - Issue of Non-Convertible Securities on private placement basis.

The members vide. 2nd/2020-2021 Postal Ballot held on 23rd February, 2021, had approved ceiling limits with respect to issue of Non-Convertible Debentures on private placement basis as provided under Section 42 and 71 of the Act upto Rs.300,00,00,000/- (Rupees Three Hundred Crores only).

The members are hereby informed that the Company is in continuous requirement of working capital for meeting existing and future financial requirements to support its business operations and branch expansions. Your Board is of the view that the fund raising by way of Debt Securities is much easier and cost effective, as compared to credit facilities from Banks and Financial Institutions. Even though, the Banks have various credit schemes to promote the Non-Banking Financial activities like Lines of Credits, Term Loans for the purpose of on-lending to Priority Sector customers, Partial Credit Guarantee scheme etc., the benefits of the same to the small and mid – sized NBFCs are debatable. Considering the financial uncertainty generated due to COVID-19 pandemic through the Country, it is advisable to raise funds by issue of Debt Securities.

The members are further informed that the Board of Directors of the Company had proposed to offer, issue and allot 15,00,000 Non-Convertible Debentures, both Secured & Unsecured of face

value of Rs.1000/- (Rupees One Thousand Only) each or similar debt instruments for cash on private placement basis aggregating to Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only). The Company is on a growth phase and raising of funds by way of debt instruments will further help in evolution and expansion of networks. The source of finance through debt instruments helps in reduction of finance cost, expansion of lender base, improve debt maturity profile and reduction in exposure with the scheduled and commercial banks. Further, it will also strengthen the Company's balance sheet and reduce finance cost for the Company which in turn will improve the capability to obtain credit facilities at better terms and overall reduced cost.

The members are further informed that during the financial year 2021-22 the Company has raised Rs. 10,96,65,000/- (Rupees Ten Crores Ninety-Six Lakhs Sixty-Five Thousand only) by issue of Non-Convertible Debentures on private placement basis and the projected offer and issue of the same for the next one year shall be Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only). The outstanding Non-Convertible Debentures as on 31st day of March, 2022 stood at Rs. 10,96,65,000/- (Rupees Ten Crores Ninety-Six Lakhs Sixty-Five Thousand only). Considering the above requirements and future expectations of the Company, the ceiling limits of raising of funds by way of Non-Convertible Securities may be fixed at Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only).

Disclosures under section 42 of the Act read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is detailed as below.

Sl. No.	Particulars	Response
i.	Particulars of the offer including date of passing of Board Resolution	The Board of Directors vide meeting held on 23 rd day of August, 2022 has proposed to offer, issue and allot 15,00,000 Redeemable Non-Convertible Debentures or similar debt instruments, Secured or Unsecured, Listed or Unlisted of face value of Rs.1000/- (Rupees One Thousand Only) each for cash on private placement basis aggregating to Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) to various invitees, in one or more tranches for meeting the general corporate purposes, working capital requirements and to overcome the financial uncertainty generated due to COVID-19 pandemic throughout the Country.

ii.	Kinds of securities offered and the price at which security is being offered	Redeemable Non-Convertible Debentures or similar debt instruments, Secured or Unsecured, Listed or Unlisted of face value of Rs.1000/- (Rupees One Thousand Only) each.
iii.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not Applicable
iv.	Name and address of valuer who performed valuation	Not Applicable
v.	Amount which the Company intends to raise by way of such securities	Rs.150,00,00,000/-
vi.	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of objects principal terms of assets charged as securities.	<p><u>Material terms</u> The Company shall offer, issue and allot 15,00,000 Redeemable Non-Convertible Debentures or similar debt instruments, Secured or Unsecured, Listed or Unlisted of face value of Rs.1000/- (Rupees One Thousand Only) each for cash on private placement basis aggregating to Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) to the various invitees in various tranches, as decided by the Board.</p> <p><u>Proposed time schedule</u> Private Placement Offer shall be valid for one year and the allotment shall be completed within a period of twelve months from the date of passing of Special Resolution in one or more tranches. Private Placement Offers shall be according to the provisions of the Act, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Listing Regulations & regulations issued by the Reserve Bank of India from time to time.</p> <p><u>Objects of offer</u> General Corporate purposes and to meet working capital requirements and to overcome the financial uncertainty generated due to COVID-19 pandemic through the Country.</p> <p><u>Contribution being made by the Promoters & Directors</u> Promoters & Directors may subscribe in accordance with the provisions of the Act, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Listing Regulations & regulations issued by the Reserve Bank of India from time to time.</p>

		<p><u>Principle terms of assets charged as Securities</u> Fully secured by hypothecation of all loan receivables, advances, fixed assets and other unencumbered assets of the Company, both present and future.</p> <p>Unsecured Non-Convertible Debentures or similar debt instruments may be issued in compliance of the Act, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Listing Regulations & regulations issued by the Reserve Bank of India from time to time.</p>
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The Board of Directors is of view that the proposed issue of debt securities is in the best interest of the Company. Section 42 of the Act and rules made thereunder mandates that all the offer of securities or invitation to subscribe to securities on private placement basis shall be previously approved in the General Meeting by way of Special Resolution. Further the said Act stipulates that in case of an offer or invitation for Non – Convertible Debentures, it would be sufficient if the Company passes Special Resolution only once in a year for all offer(s) or invitation(s) for such Non – Convertible Debentures issued on a private placement basis during the year. Hence, the proposed resolution is recommended for the consideration and approval of the members of the Company.

Copy of draft PAS 4 along with application form and other allied documents, being referred in the resolution would be available for inspection by the members free of cost, in physical or electronic form during business hours ie, 09.30 a.m. to 05.30 p.m. at the Registered Office and Corporate Office of the Company and at the ensuing AGM.

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

Item No. 5 - Approval of Inter Corporate Loans to ICL Fincorp Limited, Holding Company

The members are hereby informed about the proposal of extension of further loans to ICL

Fincorp Limited, Promoter - Holding Company of the Company. The Company has provided loan amounting to Rs. 20,65,00,000/- (Rupees Twenty Crores and Sixty-Five Lakhs Only) to the Holding Company vide. loan agreements dated 18th day of February, 2020. The Company had also entered into a Term Loan Agreement with the Holding Company on 28th day of February, 2022 for further extension of loan not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores). On the basis of said agreement, the first tranche of loan of Rs.4,00,00,000/- (Rupees Four Crores only) was disbursed on 28th day of February, 2022 and the second tranche of loan of Rs. 2,00,00,000/- (Rupees Two Crores only) was disbursed on 15th day of March, 2022. The total outstanding loan amount as on 19.08.2022 is Rs. 19,89,16,582.30/- (Rupees Nineteen Crores Eighty Nine Lakhs Sixteen Thousand Five Hundred Eighty Two and Thirty Paise Only).

The members are hereby informed that post to the allotment of Secured Unlisted Non-Convertible Debentures on private placement basis, the Company has started generating excess liquid funds, which should be put to productive use in order to get extra revenue. The Company is at a stage where it becomes extremely essential to use those extra funds for increased revenue, which would draw a roadmap for the future success of the business. The members are also informed that it's a right time to reinvest the said excess fund in best available investment options after thoroughly considering both risk & return parameters. It is further informed that a comparison was made with all the investment options including Government

Bonds and other Scheduled Banks for the effective use of the said funds considering both risk & return parameters. A detailed comparison was made with various banks & lending institutions to study about the difference in their rate of interests against term deposits. Investment in capital market was also an available option, but considering, its volatility and market fluctuations and the associated risks involved in it, it would not be a viable decision to invest in any securities market instruments for the time being.

One of the main object of the Company as per the Memorandum of Association is lending business and it would be in the best interest of the Company, if those extra funds were provided as term loan to any corporate or individuals for better rate of interest after considering both risk & return parameters.

Considering the fact that the Holding Company has approached for further Term Loan not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) to meet their working capital and business requirements, the Management has conducted a detailed comparative study of various available investment options out of which one of the best option is to provide funding to Holding Company, which could possibly yield the optimum interest rate benefits when compared to savings in any other Financial Institutions. The members are also informed that there is no immediate requirement of surplus fund in the near future for meeting working capital requirements, so the best option is to invest surplus funds in maximum interest yielding investments. Considering the future requirement of loan and increased revenue generation, the ceiling may be fixed at Rs.50,00,00,000/- (Rupees Fifty Crores Only), outstanding at any point of time.

Disclosures under section 188 of the Act read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 is detailed as below.

Sl. No.	Particulars	Response
i.	Name of the related party	ICL Fincorp Limited
ii.	Name of the Director or Key Managerial Personnel who is related, if any	Mr. K.G. Anilkumar (Managing Director of the Company and Promoter & Managing Director of Holding Company) Ms. Umadevi Anilkumar (Non-Executive Director of the Company and Promoter & Wholetime Director of Holding Company)
iii.	Nature of relationship	ICL Fincorp Limited is the Promoter and Holding Company Mr. K.G. Anilkumar (Managing Director of the Company and Promoter & Managing Director of Holding Company) Ms. Umadevi Anilkumar (Non-Executive Director of the Company and Promoter & Wholetime Director of Holding Company)

iv.	Nature, material terms, monetary value and particulars of the contract or arrangement	Fund-based credit facilities in the form of Unsecured term loan to ICL Fincorp Limited, Promoter - Holding Company not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only), at an interest rate ranging between 12.00% to 14.50% per annum on monthly diminishing balance basis with other charges and repayable with a maximum tenure of 60 monthly installments, in different tranches on need basis, subject to capital adequacy and such other norms of Reserve Bank of India.
v.	Any other information relevant or important for the members to take a decision on the proposed resolution	The proposed loans are in the ordinary course of business and at arm's length basis.

Voluntary disclosure pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is provided hereunder:

Sl. No.	Particulars	Response
a.	Summary of information provided by the management to the Audit Committee	
	Type, material terms and particulars of the proposed transaction	Fund-based credit facilities in the form of Unsecured term loan to ICL Fincorp Limited, Promoter Holding Company not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only), at an interest rate ranging between 12.00% to 14.50% per annum on monthly diminishing balance basis with other charges and repayable with a maximum tenure of 60 monthly installments, in different tranches on need basis, subject to capital adequacy and such other norms of Reserve Bank of India.
	Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);	ICL Fincorp Limited Chief Promoter & Holding Company with 75% shareholding Mr. K.G. Anilkumar (Managing Director of the Company and Promoter & Managing Director of Holding Company) Ms. Umadevi Anilkumar (Non-Executive Director of the Company and Promoter & Wholetime Director of Holding Company)

	Tenure of the proposed transaction (particular tenure shall be specified);	Repayable in 60 monthly instalments (maximum tenure) from the date of disbursement of loans.
	Value of the proposed transaction	Outstanding amount of loan including existing limits shall not exceed Rs. 50,00,00,000/- (in one or more tranches) at any point of time
	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis)	1781.30% (Total Consolidated Revenue from operations for the financial year ended 31.03.2022 – Rs. 2,80,69,427)
	<p>If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:</p> <ol style="list-style-type: none"> details of the source of funds in connection with the proposed transaction; where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, <ul style="list-style-type: none"> nature of indebtedness cost of funds tenure applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT 	<p>Accumulated surplus & funds raised through debt securities</p> <p>Funds raised through Debentures with an interest rate ranging between 11.00% to 13.01% depends on various schemes.</p> <p>The Company is offering said Debentures in different tenures - 13 months, 24 months, 36 months and 68 months.</p> <p>Fund-based credit facilities in the form of Unsecured Term Loan not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only), at an interest rate ranging between 12.00% to 14.50% per annum on monthly diminishing balance basis with other charges and with a maximum tenure of 60 monthly installments, in different tranches on need basis.</p> <p>General Corporate purposes and to meet working capital requirements.</p>

b.	Justification as to why the RPT is in the interest of the Company	Efficient liquidity management within the Group and to use extra idle funds for increased revenue
c.	Copy of the valuation or other external party report, if any such report has been relied upon	<p>The proposed related party transaction has been evaluated in terms of pricing and other arm's length criteria and the report confirming that the proposed transactions are on arm's length basis is available on the Company's website at its weblink i.e. https://salemerode.com/downloads/External%20Report/External%20Report.pdf</p> <p>The said report, relied upon by the Company in relation to the proposed transaction will also be made available through registered email address of the shareholder, if requested</p>
d.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	56.50% (Total Consolidated Revenue from operations for the financial year ended 31.03.2022 – Rs. 88,50,16,280/-)
e.	Any other information that may be relevant	The proposed loans are in the ordinary course of business and at arm's length basis.

The Board of Directors is of view that the proposed loans are in the best interest of the Company. Pursuant to regulation 15 of Chapter IV of Listing Regulations Corporate Governance compliances including regulation 23 which deals with related party transactions are not applicable to the Listed Companies having paid up equity share capital not exceeding Rs. 10 crores and net worth not exceeding Rs. 25 crores, as on the last day of the previous financial year. As the paid-up share capital and the net worth of the Company is below the said threshold limit, regulations of related party transactions under Listing regulations are not applicable. Section 188 of the Act read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 mandates the approval of certain related party transactions by the members of the Company by way of Ordinary Resolution.

However, transactions are in ordinary course and at arm's length basis are exempted from the provisions section 188 of the Act. Even though, the said proposed transactions are in ordinary course and at arm's length basis, considering the materiality and being part of good corporate governance, the proposed resolution is recommended for the consideration and approval of the members of the Company.

Save and except Mr. K.G. Anilkumar, Managing Director and Ms. Umadevi Anilkumar, Non-Executive Director and relatives to the extent of shareholding interest in the Company, none of the other Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

Members may please note that in terms of the provisions of the Act and Listing Regulations, related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the resolution under item no. 5 of this notice.

Item No. 6 - Alteration of Memorandum of Association of the Company with respect to the Object Clause.

The members are informed that the Company is in the process of wide expansion of branches and services throughout the Country. The Company's sole intention is to satisfy the customers according to their needs and requirements and to provide them with innovative value added services. In this process, the Board has proposed to carry on the businesses of credit cards, co-branded credit cards, add on cards etc., facilitation of space for setting up ATM/CDM and related equipments, white labelled pre-paid card solution services, ATM/CDM management and related services. Being a Non-Banking Financial Company, the proposed business

activities as mentioned in the draft resolution can be conveniently and advantageously combined with the existing businesses of the Company. Further, it will also facilitate the Company to entry into new business areas, which is unexplored by other market participants, which will be more advantageous in the form of increased source of revenue.

Hence, to enable the Company to capitalize on these business opportunities and to make the main object clause of the Memorandum of Association comprehensive, the Board of Directors of the Company vide meeting held on 23rd day of August, 2022 has approved amendment in Clause 3 (a) of the Memorandum of Association of the Company by adding object clause no.7.

Section 13 of the Act prescribes that alteration of the Memorandum of Association of the Company, requires prior approval of the Shareholders by means of Special Resolution. Hence, the proposed resolution is recommended for consideration and approval of members of the Company.

Copy of existing Memorandum of Association of the Company and copy of Memorandum of Association, indicating the proposed amendments being referred in the resolution would be available for inspection by the members free of cost, in physical or electronic form during business hours i.e. 09.30 a.m to 05.30 p.m. at the Registered Office & Corporate Office of the Company, up to and including the date of Annual General Meeting. Members seeking to inspect such Memorandum of Association may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.

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

By Order of Board of Directors,
For **Salem Erode Investments Limited**

Sd/-
Manisha N. Menon
Company Secretary & Compliance Officer

Place: Irinjalakuda
Date: 23.08.2022

BOARD'S REPORT

To,
The Members,
Salem Erode Investments Limited

Your Directors present before you the 91st Annual Report of Salem Erode Investments Limited ("hereinafter referred to as "the Company") together with the audited financial statements for the financial year ended March 31, 2022.

I. Financial Summary and Highlights

a) Operations

The Company has opened 8 branches across South India during the financial year 2021-22 and is having 12 branches as on reporting date. The Company together with its Holding Company, ICL Fincorp Limited aims to open more branches across the Country in the coming years. Currently the workforce of the Company is 37 dedicated employees as on reporting date.

Further to an order from the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata confirming alteration in clause II of the Memorandum of Association of the Company for shifting of Registered Office from the State of West Bengal to the State of Tamil Nadu, the Registrar of Companies, Tamil Nadu has approved the said shifting vide. certificate of registration of regional director order for change of State on 31.08.2021.

The commercial operations during the year under report were progressive. The Company has earned an income of Rs.2,80,69,427/- (Rupees Two Crores

Eighty Lakhs Sixty Nine Thousand Four Hundred and Twenty Seven Only) as compared to Rs. 2,50,84,645/- (Rupees Two Crores Fifty Lakhs Eighty Four Thousand Six Hundred and Forty Five Only) during the previous year. The total expenditure of the Company for the year was Rs. 1,71,25,807/- (Rupees One Crore Seventy One Lakhs Twenty Five Thousand Eight Hundred and Seven Only) as compared to Rs. 60,05,299/- (Rupees Sixty Lakhs Five Thousand Two Hundred and Ninety Nine Only). The Company incurred a Net profit of Rs.71,22,881/- (Rupees Seventy One Lakhs Twenty Two Thousand Eight Hundred and Eighty One Only) as against net profit amounting to Rs. 1,37,19,450/- (Rupees One Crore Thirty Seven Lakhs Nineteen Thousand Four Hundred and Fifty Only) during the previous financial year. The reduction in profit of the Company as compared to previous financial year is mainly due to increase in finance cost, administrative and other normal expenses of the Company, which occurred due to expansion of branches and fund raising. Your Directors are hopeful to further expand the operations of the Company in the coming years.

Financial Summary

Particulars	For the year ended March 31, 2022 (Rs.)	For the year ended March 31, 2021 (Rs.)
Total Income	2,80,69,427	2,50,84,645
Total Expense	1,71,25,807	60,05,299
Profit/Loss before Tax	1,09,43,620	1,90,79,345
Less Current Income Tax	31,98,353	44,64,296
Less Deferred Tax	2,39,514	7,53,495
(Excess)/Short provision of previous years	3,82,872	1,42,104
Net Profit/Loss after Tax	71,22,881	1,37,19,450
Earnings per share (Basic)	0.62	1.20
Earnings per Share (Diluted)	0.62	1.20

b)

c) Reserves

During the year the Company had transferred an amount of Rs. 17,00,000/- (Rupees Seventeen Lakhs Only) and Rs. 1,36,550/- (Rupees One Lakh Thirty Six Thousand Five Hundred and Fifty Only) to the Statutory Reserve and Impairment Reserve respectively. An amount of Rs. 52,86,331/- (Rupees Fifty Two Lakhs Eighty Six Thousand Three Hundred and Thirty One Only) is proposed to be retained in the statement of Profit and Loss account.

d) Dividend

With a view to conserve profit for proposed expansion activities of the Company, the Board of Directors has not recommended any dividend on Equity Shares of the Company for the financial year ended March 31, 2022.

e) Change in Accounting Standards

The Company is following the Indian Accounting Standards during the year under report.

II. State of Company's affairs**a) Segment-wise position of business and its operations**

The Company has been mainly focussing on Gold Loans, which is secured by way of the gold jewellery provided as security by the customers. The Loan to Value ratio is restricted to a maximum of 75% as prescribed by the Reserve Bank of India ("hereinafter also referred to as "RBI"). The Company provides Loans at lesser Loan to Value ratios with lesser interest rates to the customers, so as to reduce the interest burden for needy customers.

During the year 2021-22 the Company has opened more new branches and thus there is a phenomenal increase in the Gold Loans. New schemes were introduced offering lesser interest rates considering the economic conditions after the raging pandemic hit the common man in its second wave during the year.

The following are the comparison of the Gold Loan schemes for the year 2020-21 & 2021-22:

Financial year 2020-21:

Scheme name	Rate of Interest	AVG Loan to Value Ratio	Amount Outstanding (In Rs.)
SEIL (60 Days Interest Payment Scheme)	18%	71.04%	1,16,66,266

Financial year 2021-22:

Scheme name	Rate of Interest	AVG Loan to Value Ratio	Amount Outstanding (In Rs.)
SEIL (60 Days Interest Payment Scheme)	18%	71.36%	64,92,813
SEIL 107 (Monthly Interest Payment Scheme)	14%	70.76%	4,17,07,011
SEIL 111 (Monthly Interest Payment Scheme)	16%	70.80%	48,32,367
SEIL 112 (60 Days Interest Payment Scheme)	14%	73.27%	3,42,388
SEIL 116 (30 Days Interest Payment Scheme)	8.33%	50.08%	4,29,882
SEIL 117 (30 Days Interest Payment Scheme)	8.33%	67.90%	3,24,47,251
Total			8,62,51,712

**** Actual LTV - 75%**

As the Company is in its nascent stage of expanding its business, the other loan categories are yet to be prioritised. This will be carried out in the coming years, as the Company starts new branches and more funds are raised through various sources such as Non-Convertible Debentures, Loan from banks etc.

b) Change in status of the Company

The Company has complied with provisions of the Companies Act, 2013 (hereinafter also referred to as "the Act") & rules made there under in respect of its status under the Act and is active.

c) Key Business Developments

i. Branch Network

ii.

During the year under report, 8 more branches were opened across South India besides four branches that were already opened in the last financial year. The Company aims to open more branches in the near future after doing a detailed research on the market structure and the experiences garnered from ICL Fincorp Limited (Holding Company). Having a widespread branch network will enable the Company to service and support the existing as well as fresh customers from proximate locations which gives easy access to services and also enables the Company to reach new potential customers.

iii. Merging, shifting or closure of branches

The Company is in the process of improving efficiency of operations of existing branches by identifying those branches which are below the Break Even Point in terms of revenue generation and taking appropriate actions like merging, shifting or closure through due statutory procedures. The Company had recently taken some crucial action like decision of shifting the branch after identifying the perfect location for business or immediate closure of the branch due to less profitability.

iv. Fund Raising

The Company had vide Postal Ballot through e-voting on 23rd day of February, 2021 approved borrowing powers not exceeding Rs.300,00,00,000/- (Rupees Three Hundred Crores Only). In accordance with said approval, the Company had raised an amount of Rs. 10,96,65,000/- (Rupees Ten Crores Ninety Six Lakhs and Sixty Five Thousand Only) by issuing Unlisted

Redeemable Secured Non-Convertible Debentures on private placement basis. Further discussions on public issue of Non-Convertible Debentures and Equity Shares are also in progressive mode.

d) Other material event having an impact on the affairs of the Company

i. Impact of third wave Coronavirus disease (COVID-19)

Your Board is of an opinion that Non Banking Finance Company (hereinafter also referred to as "NBFC") sector are likely to face minimal impact due to the third wave of COVID-19. However, the Company need to be more careful about Non-Performing Assets considering an aftermath of the COVID-19 in the near future. As the Company has navigated the periods of disruptions during the first two COVID-19 waves by taking sufficient measures to ensure adequate liquidity is available at all times during the pandemic period by proper Asset Liability Management, tweaking processes, digitizing certain operations, restricting operating hours and physical movement, slowing down disbursements, vaccinating the staff etc. the impact of COVID-19 in this financial year will remain bare minimum. Your Board expects a positive recovery or growth in the overall operating environment and the collection efficiencies will also tend to remain stable and there is also a possibility of exploring new areas and locations for a more profitable business market in the absence of major lockdowns.

ii. Disbursement & Recovery

As the COVID 19 continued to impact the normal life during the year there were lockdown measures but this hasn't affected the operations of the Company in the same way as last year. The Company has opened 8 new branches during the year which has resulted in increased disbursements in gold loans. Your Company managed the recovery effectively by offering customers the option to make remittances through online banking/phone transfers and other electronic modes. Since the Company is focusing on loan recovery efforts in a stringent manner, there was no adverse impact on the revenue of the Company during the year and also no impact is expected in the coming financial years also.

iii. Non-Performing Assets

The Company opened 8 new branches during the year thereby improving the Gold Loan portfolio, by maintaining the Loan to Value ratio within the prescribed norms. Due to the stringent recovery measures, the Company's Non-Performing Asset levels are at manageable levels. Your Company maintains that it will focus more on Gold Loan category in the future as market value of gold is expected to rise as usual as predicted by the experts.

The Company is maintaining a Loan to Value of 75%, keeping in mind the asset quality. The Company continues to focus on maintaining the gold inventory and also serving the existing customer base of your Company with optimum efficiency and also attain new customers through its branches.

Looking at the current scenario, your Management is predicting that as the economy is recovering from the Covid 19 impact, in the coming years the Company will grow at better levels by introducing new portfolios and branches, as the Holding Company, ICL Fincorp Limited has vast experience, exposure and expertise in handling this situation which has also guided to outclass performance in a most satisfactory manner.

As the Covid 19 related restrictions are being reduced, your Company has restarted the marketing activities including cluster marketing, road shows, brand value additions etc. in a more aggressive manner.

III. Change in the nature of business

There was no change in the nature of the business during the year under report.

IV. Material Changes and Commitments

There was no material changes or commitments, affecting the financial position of the Company having occurred during the year under report or having occurred since the end of the year and till the date of the report. Further, there was no changes in external and internal environment including technical, legal and financial, strikes, lockouts and breakdowns affecting the business of the Company, as on the reporting date.

V. Overview of the industry and important changes in the industry during the last year

Detailed in Management Discussion and Analysis Report as 'Annexure 1'.

VI. External environment and economic outlook

India's NBFCs are expected to see a rapid recovery in this financial year. There will most likely be a growth of 6% to 8% in the business of NBFC. The GDP is also expected to grow 9.5%. When high growth rates happen, the need for credit also improves, thus giving an expectation for a possible growth in the overall business of NBFC sector. The future of NBFCs is witnessing good growth in consumer lending. The liquidity position has improved and is gradually coming back to normal. In future also, NBFC will play a crucial role in economic development and in financial inclusion. These days the NBFCs are majorly focusing on the weaker sections of the society. NBFCs are offering a varied range of products, financing, leasing, housing finance, gold loans etc. Also it is now an alternative to the Banking sector as it yields more interest than interest received in Banks. More details are mentioned in Management Discussion and Analysis Report as 'Annexure 1'.

VII. Capital and Debt Structure

a) Share Capital of the Company

The Authorized Share Capital of the Company is Rs. 1,20,00,000/- (Rupees One Crore and Twenty Lakhs Only) consisting of 1,20,00,000 Equity Shares of Re.1/- (Rupee One Only) each. The Issued, Subscribed and Paid up Share Capital of the Company is Rs. 1,14,65,520/- (Rupees One Crore Fourteen Lakhs Sixty Five Thousand Five Hundred and Twenty Only) consisting of 1,14,65,520 Equity Shares of Re. 1/- (Rupee One Only) each. There was no change in the capital structure of the Company during the year under report.

b) Non-Convertible Debentures

During the year under review, your Company has issued Unlisted Secured Redeemable Non-Convertible Debentures and raised an amount aggregating to Rs.10,96,65,000/- (Rupees Ten Crores Ninety Six Lakhs and Sixty Five Thousand Only) on a private placement basis in various tranches. The funds raised from Non-Convertible Debentures were utilized for the purpose of meeting the working capital requirements and general

corporate purposes of the Company. The details of payment are as follows:
tenure, interest/coupon rate & periodicity of
Monthly Schemes

Particulars	General Category	Senior Citizens
13 months' Scheme	11.50 % p.a.	12.00 % p.a
24 months' Scheme	12.00 % p.a.	12.50 % p.a
36 months' Scheme	12.25 % p.a.	12.75 % p.a

Cumulative Schemes

Particulars	General Category	Senior Citizens
13 months' Scheme	12.00 % p.a	12.50 % p.a
24 months' Scheme	12.50 % p.a	13.00 % p.a.
36 months' Scheme	12.75 % p.a	13.25 % p.a.

Doubling Scheme (Cumulative)

Particulars	General Category	Senior Citizens
65 months' Scheme	13.66 % p.a.	13.66 % p.a.

The details on Non-Convertible Debentures issued and allotted during the year are as follows:

Date of issue	Date of allotment	Number of Securities allotted	Method of allotment	Issue Price	Amount raised
22.12.21	31.12.21	29,300	Private Placement	1,000	2,93,00,000
13.01.22	21.01.22	31,535	Private Placement	1,000	3,15,35,000
09.02.22	17.02.22	20,100	Private Placement	1,000	2,01,00,000
19.03.22	30.03.22	28,730	Private Placement	1,000	2,87,30,000

Events occurred after Balance Sheet date

The Board of Director of the Company vide meeting held on 30th day of April, 2022 has changed interest/coupon rate of issuing Unlisted Secured Redeemable Non-Convertible Debentures as follows:

Monthly Schemes

Particulars	General Category	Senior Citizens
13 months' Scheme	11.00 % p.a.	11.50 % p.a.
24 months' Scheme	11.50 % p.a.	12.00 % p.a.
36 months' Scheme	11.75 % p.a.	12.25 % p.a.

Cumulative Schemes

Particulars	General Category	Senior Citizens
13 months' Scheme	11.50 % p.a.	12.00 % p.a.
24 months' Scheme	12.00 % p.a.	12.50 % p.a.
36 months' Scheme	12.25 % p.a.	12.75 % p.a.

Doubling Scheme (Cumulative)

Particulars	General Category	Senior Citizens
68 months' Scheme	13.01 % p.a.	13.01 % p.a.

VIII. Credit rating

The Credit rating by Infomerics Valuation and Rating Private Limited is as follows:

Facilities	Amount (In Rs. Crores)	Ratings	Date on which the credit rating was obtained	Revision in the credit rating	Reasons provided by the rating agency for a downward revision, if any
Proposed Non - Convertible Debentures	100	IVR BB/Stable (IVR Double B with Stable Outlook)	21.03.2022	Nil	Not applicable

IX. Investor Education and Protection Fund

a) Details of the transfer/s to the Investor Education and Protection Fund (hereinafter also referred to as "IEPF") made during the year as mentioned below:

i. Amount of unclaimed/unpaid dividend and the corresponding shares

The Company has transferred unpaid and unclaimed dividend of Rs. 46,335/- (Rupees Forty Six Thousand Three Hundred and Thirty Five Only) to IEPF on 28th day of June, 2021. Due to the technical issues with the IEPF portal, the Company is unable to transfer few underlying shares as on date.

ii. Redemption amount of preference shares - Not Applicable

iii. Amount of matured deposits, for Companies other than Banking Companies,

along with interest accrued thereon - Not Applicable

iv. Amount of matured debentures along with interest accrued thereon - Not Applicable

v. Application money received for allotment of any securities and due for refund along with interest accrued - Not Applicable

vi. Sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation - Not Applicable

b) Details of the resultant benefits arising out of shares already transferred to the IEPF - Not Applicable

c) Year wise amount of unpaid/unclaimed dividend lying in the unpaid account upto the year and the corresponding shares, which are liable to be transferred to the IEPF and the due dates for such transfer

All unpaid/unclaimed dividend as on reporting date has been transferred to IEPF. The corresponding shares of underlying unpaid/unclaimed dividend to be transferred to IEPF account are as follows:

Sl.No.	Year of declaration of Dividend	Dividend declaration date	Due dates for transfer of shares to IEPF Account	Number of Equity Shares to be transferred	Current status
01.	2008-09	28.08.09	27.09.16	6,28,160	Transferred
02.	2009-10	27.08.10	26.09.17	64,160	Transferred
03.	2010-11	26.08.11	25.09.18	85,200	Transferred
04.	2011-12	31.08.12	30.09.19	1,54,880	Transferred
05.	2012-13	16.08.13	15.09.20	1,74,320	To be transferred

d) the amount of donation, if any, given by the Company to the IEPF – Nil

e) such other amounts transferred to the IEPF, if any, during the year - Nil

X. Management

a) Directors and Key Managerial Personnel

The changes in the constitution of the Board of Directors and Key Managerial Personnel of the Company during the year under report are as follows:-.

Your Board had appointed Mr. A.A. Balan (DIN: 01996253) as an Independent Director (Additional) with effect from 29th September, 2021 to hold office upto the date of 91st Annual General Meeting of the Company. The Board is of the view that association of Mr. A.A. Balan with his rich experience and knowledge would definitely benefit the Company and would support the Board to discharge its functions and duties effectively. Further, Mr. A.A.Balan also possess appropriate skills, expertise and competencies in the context of the Company's present and proposed businesses. In the opinion of the Board, Mr. A.A.Balan fulfills the conditions specified in the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter also referred to as "Listing Regulations") for the proposed appointment as an Independent Director of the Company and is independent of the management. Further, Mr. A.A.Balan is not disqualified from being appointed as a Director in terms of section 164 of the Act. The Board has verified credentials and satisfied with regard to integrity, expertise and experience,

including the proficiency of the said person for the position of Independent Director. Being eligible for appointment and in the best interest of the Company, your Board recommends the appointment of Mr. A.A.Balan as an Independent Director of the Company with effect from 29th September, 2021 for a term of 5 consecutive years i.e. from 29th day of September, 2021 to 28th day of September, 2026, not liable to retire by rotation.

Mr. Natarajan R., a Member of the Institute of Chartered Accountants of India (Membership No: A035898) was appointed as the Chief Financial Officer of the Company with effect from 30th day of June, 2021 in place of Mr. Subramanian R., (Membership No: 026299) former Chief Financial Officer of the Company, who resigned from the said position with effect from 21st day of June, 2021, due to personal reasons.

Thereafter Mr. Madhavankutty T., a Member of the Institute of Chartered Accountants of India (Membership No. 210870) was appointed as the Chief Financial Officer with effect from 13th day of January, 2022 in place of Mr. Natarajan R., (Membership No: A035898) former Chief Financial Officer of the Company, who resigned from the said position with effect from 24th September, 2021, due to difference of opinion on certain matters.

The members of the Company vide. 90th Annual General Meeting held on 25th day of September, 2021 had re-appointed Mr.K.G. Anilkumar, Managing Director (DIN: 00766739), who retires by rotation and being eligible offered himself for re-appointment.

Ms. Umadevi Anilkumar, Non-Executive Director (DIN: 06434467) of the Company, who retires by rotation and being eligible offered herself for re-appointment. Being eligible for re-appointment and in the best interest of the Company, your Board recommends the re-appointment of Ms. Umadevi Anilkumar as a Director of the Company, liable to retire by rotation.

There was no change in Directors or Key Managerial Personnel after the end of the year and up to the date of the report.

b) Declaration from Independent Directors on annual basis

The Company has received necessary declaration from all the Independent Directors of the Company as per section 149 (7) of the Companies Act, 2013 confirming that they meet with the criteria of Independence as laid down under section 149 (6) of Act and regulation 16 (1) (b) of the Listing Regulations. Further, the Independent Directors

have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and Code of Conduct for Directors and senior management personnel of the Company. Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are independent of the management of the Company. In terms of section 150 of the Act read with rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar and the said registration is renewed and active. All the independent Directors of the Company have passed online proficiency self-assessment test conducted by the said institute.

c) Meetings of the Board of Directors of the Company

During the year, the Board of Directors of the Company had convened 12 (twelve) meetings, details of the same as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	28.04.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V.	100%
02.	30.06.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V.	100%
03.	13.08.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V.	100%
04.	27.08.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V.	100%
05.	29.09.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V.	100%
06.	11.11.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A. A. Balan	100%

07.	22.12.2021	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A. A. Balan	100%
08.	13.01.2022	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V.	80%
09.	09.02.2022	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A. A. Balan	100%
10.	14.02.2022	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A. A. Balan	100%
11.	25.02.2022	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A. A. Balan	100%
12.	19.03.2022	Mr. K. G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A. A. Balan	100%

d) General Meetings held during the financial year

During the financial year one General Meeting through e-voting of the shareholders were held, details of the same are disclosed as below:

Nature of meeting	Date of meeting	Number of members attended	Percentage of attendance
90 th Annual General Meeting	25.09.2021	11	2.07%

e) Composition of the Board of Directors & Key Managerial Personnel

The Board of the Company is headed by Mr. T.G. Babu, Independent Director, an eminent person of high credentials and of considerable professional experience, who actively contributed in the deliberations of the Board. As on close of business hours of March 31, 2022, the Board comprised of 5 Directors and headed by 2 Key Managerial Personnel as mentioned below:

Sl. No.	Name	DIN/PAN	Designation
01.	Mr. K.G. Anilkumar	00766739	Managing Director (Executive)
02.	Ms. Umadevi Anilkumar	06434467	Director (Non-Executive)
03.	Mr. T.G. Babu	08315374	Independent Director (Non-Executive)
04.	Mr. Saseendran V.	08205871	Independent Director (Non-Executive)
05.	Mr. A.A.Balan	01996253	Independent Director

			(Additional Non-Executive)
06.	Mr. Madhavankutty T.	ACXPT7620E	Chief Financial Officer
07.	Ms. Manisha N.Menon.	BPFPM6140C	Company Secretary & Compliance Officer

f) Committees of the Board

The Company has various Committees which have been constituted as a part of good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

i. Audit Committee

i) Description & Terms of reference

The Company has constituted and maintained independent, competent and qualified Audit Committee by complying the provisions of section 177 of the Act, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and applicable regulations of the Listing Regulations and amendments made thereunder. The functions of the Audit Committee include the following:

- Review of financial statements and Auditors' report.
- Recommendation for appointment, retention, termination, remuneration and terms of appointment of Statutory Auditors of the Company and allied matters.
- Recommendation for appointment, retention, termination, remuneration and terms of appointment of Internal Auditors of the Company, review of Internal Auditors' report and allied matters.
- Recommendation for appointment, retention, termination, remuneration and terms of appointment of Chief Financial Officer of the Company.
- Statement of uses/application of funds.
- Approval of Related Party Transactions and such other subsequent related modifications.
- Such other matters envisaged in the aforesaid provisions of the Companies Act, 2013 and rules made thereunder.

ii) Composition

The Audit Committee of the Company comprised of following members:

Name & Designation	Nature of directorship	Position in Committee
Mr. T.G.Babu	Independent Director	Chairman
Mr. Saseendran V.	Independent Director	Member
Ms. Umadevi Anilkumar	Non-Executive Director	Member

iii) Meetings & Attendance

During the year, the Audit Committee of the Company had convened 11 (eleven) meetings, details of the same are as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	23.04.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
02.	21.06.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%

03.	30.06.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
04.	14.07.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
05.	26.07.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
06.	13.08.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
07.	27.08.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
08.	29.09.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
09.	11.11.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar	66.67%
10.	10.01.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
11.	14.02.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%

ii. **Nomination & Remuneration Committee**

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified Nomination and Remuneration Committee by complying the provisions of section 178 of the Act, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and applicable provisions of the Listing Regulations and amendments made thereunder. The functions of the Nomination and Remuneration Committee include the following:

- Review and approval of appointment, removal, resignation and retirement of Directors, Key Managerial Personnel and Senior Management Staff of the Company.
- Review and approval of remuneration of Directors, Key Managerial Personnel and Senior Management Staff of the Company.
- Evaluation of performance of Directors, Key Managerial Personnel, Senior Management Staff and Committees of Board.
- Review of the performance of Directors, Key Managerial Personnel and Senior Management.
- Such other matters envisaged in the aforesaid provisions of the Companies Act, 2013 and rules made thereunder.

ii) Composition

The members of the Nomination and Remuneration Committee are as follows:

Name & Designation	Nature of directorship	Position in Committee
Mr. T.G. Babu	Independent Director	Chairman
Mr. Saseendran V.	Independent Director	Member
Ms. Umadevi Anilkumar	Non-Executive Director	Member

iii) Meetings & Attendance

During the year, the Nomination and Remuneration Committee of the Company had convened 6 (six) meetings, details of the same as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	23.04.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
02.	21.06.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
03.	14.07.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
04.	27.08.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
05.	29.09.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
06.	10.01.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%

iii. Stakeholders Relationship Committee

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified Stakeholders Relationship Committee by complying the provisions of section 178 (5) of the Act, applicable regulations of the Listing Regulations and amendments made thereunder. The functions of the Stakeholders Relationship Committee include the following:

- Ensure that the views/concerns of the shareholders are highlighted to the Board at appropriate time and that the steps are taken to address such concerns.
- Resolve complaints related to transfer/transmission of shares, non-receipt of

annual report and non-receipt of declared dividends, General Meetings, issue of new/duplicate certificates and new certificates on split/consolidation/renewal etc., transfer/transmission, dematerialization and re-materialization of Equity Shares in a timely manner and oversee the performance of the Registrar and Transfer Agents.

- Review the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances
- Such other matters envisaged in the aforesaid provisions of the Companies Act, 2013 and rules made thereunder.

ii) Composition

The members of the Stakeholders Relationship Committee are as follows:

Name & Designation	Nature of directorship	Position in Committee
Mr. T.G. Babu	Independent Director	Chairman
Mr. Saseendran V.	Independent Director	Member
Ms. Umadevi Anilkumar	Non-Executive Director	Member

iii) Meetings & Attendance

During the year, the Stakeholders Relationship Committee of the Company had convened 3 (three) meetings, details of the same are as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	14.07.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
02.	10.08.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
03.	19.03.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%

iv. Corporate Social Responsibility Committee

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified Corporate Social Responsibility (hereinafter also referred to as "CSR") Committee by complying the provisions of section 135 of the Act and amendments made thereunder. The functions of the CSR Committee include the following:

- Prepare a detailed CSR Action Plan, delineating the CSR activities to be carried out

during the upcoming financial years, including the budgets thereof, manner of execution, implementation schedules, modalities of utilization of funds and monitoring & reporting mechanism for the CSR activities and submit before the Board for approval on annual basis.

- Formulation and recommend to the Board, a CSR Policy which shall indicate the projects/activities to be undertaken by the Company in areas or subject, as specified in Schedule VII.

ii) Composition

Corporate Social Responsibility Committee consists of following members:

Name & Designation	Nature of directorship	Position in Committee
Mr. T.G. Babu	Independent Director	Chairman
Mr. Saseendran V.	Independent Director	Member
Ms. Umadevi Anilkumar	Non-Executive Director	Member

iii) Meetings & Attendance

During the year, the Corporate Social Responsibility Committee of the Company had convened 2 (two) meetings, details of the same as mentioned below.

Sl. No.	Date of the Meeting	Present throughout the meeting	Percentage of attendance
01.	14.07.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
02.	19.03.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%

v. Debenture and Bond Committee

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified Debenture & Bond Committee by considering the provisions of the Companies Act, 2013 and amendments made thereunder. The functions of the Debenture & Bond Committee include the following:

- Processing, verifying and approving of Debenture, Bond or other debt instrument applications, offer letters, record of offers and such other related documents.

- Approval of issue and allotment of Secured Redeemable Non-Convertible Debentures, Bonds or Unsecured Redeemable Non-Convertible Debentures or such other debt instruments on private placement basis.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Such other matters envisaged in the applicable provisions of the Companies Act, 2013 and rules made thereunder.

ii) Composition

The Debenture & Bond Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship	Position in Committee
Mr. T. G. Babu	Independent Director	Chairman
Mr. K. G. Anilkumar	Managing Director	Member
Ms. Umadevi Anilkumar	Non-Executive Director	Member

iii) Meetings & Attendance

During the year, the Debenture & Bond Committee of the Company had convened 4 (four) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	31.12.2021	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
2.	21.01.2022	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
3.	17.02.2022	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
4.	30.03.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar	66.67%

vi. Risk Management Committee**i) Description & Terms of reference**

The Company has constituted and maintained competent and qualified Risk Management Committee by complying the provisions of the Companies Act, 2013, directions under Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and amendments made thereunder. The Committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate/adequate reporting to the Board, manage the integrated risk, review the functioning of the Risk Management Department and any other matter as the Committee may deem fit.

The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company.

ii) Composition

The Risk Management Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship	Position in Committee
Mr. T.G. Babu	Independent Director	Chairman
Mr. K.G. Anilkumar	Managing Director	Member
Mr. Saseendran V.	Independent Director	Member

iii) Meetings & Attendance

During the year, Risk Management Committee of the Company had convened 2 (two) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	15.09.2021	Mr. T.G. Babu Mr. K.G. Anilkumar Mr. Saseendran V.	100%
02.	19.03.2022	Mr. T.G. Babu Mr. K.G. Anilkumar Mr. Saseendran V.	100%

vii. Asset-Liability Management Committee**i) Description & Terms of reference**

The Company has constituted Asset-Liability Management Committee in line with provisions of Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The Committee ensures the adherence to the risk tolerance/limits set by the Risk Management Committee as well as implanting the risk management strategy, policies and procedures of the Company and will support the Risk Management Committee to establish a framework for the Company's risk management process and implementation.

ii) Composition

The Asset-Liability Management Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship	Position in Committee
Mr. K.G. Anilkumar	Managing Director	Chairman
Ms. Umadevi Anilkumar	Non-Executive Director	Member
Mr. T.G. Babu	Independent Director	Member

In addition to the above, persons holding the positions of the Finance Manager & Accounts Manager from time to time shall be the permanent members of the Committee.

iii) Meetings & Attendance

During the year, the Asset Liability Management Committee of the Company had convened 2 (two) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	15.09.2021	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu	75%
02.	19.03.2022	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu	75%

*Position of Finance Manager was vacant during the year under report.

viii. Branch Authorisation Committee

i) Description & Terms of reference

The Company has constituted Branch Authorisation Committee by complying the provisions of the Companies Act, 2013 and amendments made thereunder with powers to open new branches on PAN India basis, close, merge or shift the existing branches etc. and with ample powers for opening/closure of bank account/changes in signatories of bank accounts of all branches of the Company.

ii) Composition

The Branch Authorisation Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship	Position in Committee
Mr. K.G. Anilkumar	Managing Director	Chairman
Ms. Umadevi Anilkumar	Non-Executive Director	Member

Events occurred after Balance Sheet date

Mr. Saseendran V., Independent Director of the Company was inducted to the Branch Authorization Committee on 30th day of April, 2022.

iii) Meetings & Attendance

During the year, the Branch Authorisation Committee of the Company had convened only 1 (one) meeting, details of the same as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	03.02.2022	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%

ix. Internal Complaints Committee

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified Internal Complaints Committee by considering the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and amendments made thereunder. The functions of the Internal Complaints Committee include the following:

- Supervising the development and implementation of this policy, including the work of the Nodal Officer and Investigation Team, if any.
- Receive reports from the Nodal Officer concerning the conciliation, inquiry and resolution of complaints made pursuant to this policy on a quarterly basis.
- Responsibility for co-ordinating the conciliation and inquiry of any serious sexual harassment complaints concerning alleged violation of any laws, rules or regulations those apply to the Company.
- Ensure all employees are encouraged to reinforce the maintenance of a work environment free from sexual harassment.
- Organise workshops and awareness programmes at regular intervals for sensitising the employees with the provisions of the said Act and orientation programmes for the members of the Committee on periodical basis.
- Periodically review the policy to consider whether amendments are necessary, and if so revise the same and recommend to the Board for approval.
- Sign and submit copies of the reports of the investigations and such other supporting documents with any judicial, quasi judicial, regulatory, other government department or anyone concerned or interested in the matter signed by the Chairman of the Committee, whenever and wherever required
- Review and submit Annual Report for the approval of Board of Directors of the Company

ii) Composition

The Internal Complaints Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship/ designation	Position in Committee
Ms. Umadevi Anilkumar	Non-Executive Director	Chairman
Mr. Sam S. Maliakal	Human Resource Manager	Member
Ms. Simi Binil	Human Resource Administration Manager of ICL Fincorp Limited	Member
Adv. Sandhya Pran	External Member	Member

Events occurred after Balance Sheet date

Ms. Simi Binil who was a member of the Committee had resigned from the designation of Human Resource Administration Manager of ICL Fincorp Limited on 23rd day of April, 2022.

iii) Meetings & Attendance

During the year, the Internal Compliants Committee of the Company had convened 2 (two) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	15.09.2021	Ms. Umadevi Anilkumar Mr. Sam S. Maliakal Ms. Simi Binil Adv. Sandhya Pran	100%
2.	19.03.2022	Ms. Umadevi Anilkumar Mr. Sam S. Maliakal Adv. Sandhya Pran	75%

x. IT Strategy Committee

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified IT Strategy Committee by complying the provisions of the Companies Act, 2013, directions under Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and amendments made thereunder. The functions of the IT Strategy Committee include the following:

- Approving IT Strategy and Policy documents, implementation of process and practices, ensuring proper balance of IT investments for sustaining the Company's growth and identifying the potential risks and control of the Company.
- Develop internal framework, guidelines, plans of action and specimen formats supporting the implementation of IT policy by providing the best corporate practices and submit with the Board on annual basis for approval.
- Communicating significant IT risks to the Risk Management on periodic basis.
- Recommendation of a senior official in hierarchy of the Company, who possess adequate professional qualification and experience in the area of IT framework to the position of Chief Information Officer of the Company along with terms and conditions including a fixed tenure with the Board of Directors of the Company.
- Provide necessary directions to the Steering Committee from time to time to ensure orderly and efficient execution of the IT risk management measures in accordance with this Policy.
- Review and submit an Annual Report for the approval of Board of Directors of the Company along with such other roles and responsibilities of the Committee.

ii) Composition

The IT Strategy Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship/ designation	Position in Committee
Mr. T.G. Babu	Independent Director	Chairman
Ms. Umadevi Anilkumar	Non-Executive Director	Member
Mr. Saseendran V.	Independent Director	Member

In addition to the above, persons holding the positions of the Finance Manager, Accounts Manager and Information Technology Manager from time to time shall be the permanent members of the Committee.

iii) Meetings & Attendance

During the year, the IT Strategy Committee of the Company had convened 2 (two) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	15.09.2021	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	60%
2.	19.03.2022	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	60%

*Position of Finance Manager was vacant during the year under report.

xi. IT Steering Committee

i) Description & Terms of reference

The Company has constituted and maintained competent and qualified IT Steering Committee by complying the provisions of the Companies Act, 2013, directions under Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and amendments made thereunder. The functions of the IT Steering Committee include the following:

- To provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.
- Assist IT Strategy Committee in organizing IT training, awareness and orientation programmes

at regular intervals for sensitizing the members of the Board and all Committees and employees at all levels with the IT framework of the Company.

- Formulate teams like operational staff, staff from Information System, Technology Support, Systems Development, network and Operations Services, Voice Communications, Key Business Units etc. for effective implementation of IT Policy.
- Support IT Strategy Committee to establish a framework for the Company's risk management process and implementation.
- Assist IT Strategy Committee in maintaining a culture of co-operation and openness between the Board of Directors, management, Statutory Auditors, Internal Auditors, System Auditors etc.
- Review and submit quarterly reports and Annual Report before IT Strategy Committee.

ii) Composition

The IT Steering Committee had been constituted during the year 2021-22 and the members of the Committee during the year under report are as follows:

Name & Designation	Nature of directorship/ Designation	Position in Committee
Mr. K.G. Anilkumar	Managing Director	Chairman
Ms. Umadevi Anilkumar	Non-Executive Director	Member

In addition to the above, persons holding the positions of the Finance Manager, Accounts Manager, Information Technology Manager, Human Resource Manager and Operations Manager from time to time shall be the permanent members of the Committee.

iii) Meetings & Attendance

During the year, the IT Steering Committee of the Company had convened 2 (two) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	15.09.2021	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	40%
2.	19.03.2022	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	40%

*Position of Finance Manager and Operations Manager were vacant during the year under report.

xii. Meeting of Independent Directors

During the year, the Independent Directors of the Company had convened 1 (one) meeting, without presence of the Executive Director(s) and the Non-Executive Non-Independent Directors, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	19.03.2022	Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%

g) Policy on appointment of Directors and remuneration

Pursuant to the provisions of Section 134(3)(e), salient features of the Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) is annexed as 'Annexure 2'.

Your Board has adopted a revised Nomination and Remuneration Committee Policy on 27th day of August, 2021, which may be accessed on the Company's website at:

<https://www.salemerode.com/downloads/policies/Nomination%20and%20Remuneration%20Policy.pdf>

h) Board Evaluation

Your Board has in place a well-defined performance evaluation framework for evaluating the performance of the Board, its Committees and of individual Directors, inter-alia, includes factors like participation at Board/Committee meetings, managing relationship with fellow Board Members, knowledge and skill, personal attributes like ethics and integrity, independent judgment with regard to corporate strategy, performance, risk management, corporate governance implementation and knowledge about the Company and external environment in which it operates, confidentiality level, adherence to the applicable code of conduct for Directors etc. The questionnaires and self assessment sheets used for performance evaluation, which were further reviewed and improvised during financial year are comprehensive for evaluation.

i) Corporate Social Responsibility Initiatives

The CSR Policy of the Company has been developed in accordance with section 135 of the Companies Act, 2013 and Schedule VII of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other applicable rules, regulations and amendments made thereunder. The CSR Policy includes guiding principles for carrying out the CSR activities in accordance with the provisions contained in Act and for ensuring CSR activities are conducted in all respects according to ethical, professional & legal standards and enhancing social value of the Company. The CSR Policy of the Company outlines composition of CSR Committee, role and responsibilities of the CSR Committee, role and responsibilities of CSR Compliance Officer, CSR budget, designing & selection of CSR activities, implementation, evaluation, reporting etc.

The Company has contributed an amount of Rs. 8,48,000/- (Rupees Eight Lakhs and Forty Eight Thousand Only) to Covid related preventive measures like ventilators, vehicle services etc. to help Covid affected patients to get the treatment on emergency basis, which falls under item no. (i) of Schedule VII of the Act. The total amount to be spend towards CSR activities during the financial year was Rs.5,53,545/- (Rupees Five Lakhs Fifty Three Thousand Five Hundred and Forty Five Only), which is adjusted against the total contribution of Rs. 8,48,000/- (Rupees Eight Lakhs and Forty Eight

Thousand Only) and thereby created a surplus amount of Rs.2,94,455/- (Rupees Two Lakhs Ninety Four Thousand Four Hundred and Fifty Five Only) available for set off in succeeding financial years.

The Corporate Social Responsibility initiatives taken by the Company during the financial year is detailed in the report on CSR activity which is enclosed herewith as 'Annexure 3'. As reported by the CSR Committee, the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company. Your Board has adopted a revised Corporate Social Responsibility policy on 27th day of August, 2021, which can be accessed on the Company's website at:

<https://www.salemerode.com/downloads/policies/Corporate%20Social%20Responsibility%20Policy.pdf>

j) Directors' Responsibility Statement

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b. that the Directors 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 profit of the Company for that period;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the annual accounts for the year ended March 31, 2022 on a going concern basis;

- e. that the Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and were operating effectively; and
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

k) Internal Financial Control

The Company has in place adequate internal controls with reference to financial statements and operations, which is commensurate with the size and nature of its business. The internal control system is supported by an internal audit department which conducts regular internal audits. Your Board had appointed M/s. Saji Mathew and Associates, Chartered Accountants (FRN: 018048S), Kochi as the Internal Auditors of the Company. The 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. During the year under review, internal controls were evaluated and no significant weakness was identified either in the design or operation of the control.

l) Frauds reported during the year

There were no frauds reported during the financial year.

XI. 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. The Company has not accepted any loan from Directors or relative of Directors during the year under report.

XII. Details of subsidiary/joint ventures/associate Companies

No Company became or ceased to be Subsidiary or Joint Venture or Associate of the Company during the year and till the date of the report. ICL Fincorp Limited, holding 75% of the Equity Shares continues to be the Holding Company.

XIII. Loans, guarantees or investments of the Company

During the financial year 2019-2020, the Company has extended unsecured loan of Rs. 20,65,00,000/- (Rupees Twenty Crores and Sixty Five Lakhs Only) to its Holding Company, ICL Fincorp Limited as Inter Corporate loan. Out of the said unsecured loan, the Company has received an interest repayment of Rs. 1,79,24,389/- (Rupees One Crore Seventy Nine lakhs Twenty Four Thousand Three Hundred and Eighty Nine Only) by the end of March 31, 2022 and the remaining interest of Rs. 4,99,318/- (Rupees Four Lakhs Ninety Nine Thousand Three Hundred and Eighteen Only) for the financial year 2021-2022 was received by May 07, 2022, thereby making a total interest payment of Rs. 1,84,23,707/- (Rupees One Crore Eighty Four Lakhs Twenty Three Thousand Seven Hundred and Seven Only).

The Company has further extended Term Loan of Rs. 6,00,00,000/- (Rupees Six Crores Only) to its Holding Company, ICL Fincorp Limited on an interest of 12.50% p.a. on Equated Monthly Instalment basis. Out of the said Loan Amount, the Company has received an interest repayment of Rs. 4,16,667/- (Rupees Four Lakhs Sixteen Thousand Six Hundred and Sixty Seven Only) by the end of March 31, 2022 and the remaining interest of Rs. 1,47,362/- (Rupees One Lakh Forty Seven Three Hundred and Sixty Two Only) for the financial year 2021-2022 was received by April 28, 2022, thereby making a total interest payment of Rs. 5,64,029/- (Rupees Five Lakh Sixty Four Thousand and Twenty Nine Only). All loans are being utilized by the Holding Company for general corporate and working capital purposes of the Company.

The Company has not given any guarantee or provided a security in connection with a loan to any other body corporate or any person in respect of a loan availed by them as per the provisions of the Companies Act, 2013.

XIV. Particulars of contracts or arrangements with related parties

The Company has complied with the provisions of Section 188 (1) of the Companies Act, 2013 and rules made thereunder with respect to the contracts or arrangements with related parties, details of the same is enclosed as 'Annexure 4'.

XV. Particulars regarding conservation of energy, technology absorption and foreign exchange earnings & outflow

a) Conservation of Energy

Due to nature of business, energy conservation has limited applicability. However, the Company follows a practice of purchase and use of energy efficient electrical and electronic equipment and gadgets in its operations.

b) Technology Absorption

During the year under review there was no major technology absorption undertaken by the Company. However, the Company has been increasingly using information technology in its operations and promotes conservation of resources.

c) Foreign Exchange Earnings and Outgo

During the year under review, the Company has not entered into any transactions resulting in foreign exchange earnings or foreign exchange outflow.

XVI. Risk Management Policy

The Company has internal Risk Management Policy wherein all material risks faced by the Company are managed by competent personnel and the same is reviewed by Risk Management Committee on a periodic basis. The Company is generally exposed to the following types of risks.

a) Strategic Risks (External Risks)

Strategic Risks are potential business threats arising from events and trends that can adversely impact the Company's strategic growth trajectory and destroy shareholder value. Strategic risks includes the following:

- a. Political/Government related Risks
- b. Competition Risk
- c. Reputational Risk
- d. Force Majeure
- e. Legal Risk
- f. Regulatory & Compliance Risk
- g. Credit Rates Risk

b) Operating Risks (Internal Risks)

Operating risk is the level of uncertainty associated with the core operations of a business. Operating risks includes the following:

- a. Liquidity Risk
- b. Currency Risk
- c. Interest Rate risk
- d. Credit Risk
- e. Employee Risk
- f. Information Technology Risk
- g. Fraud Risk

The Risk Management Committee will periodically review these various risks faced by the Company and will advise the Board on risk mitigation plans on such risks. To cut it short, the risks and the mitigation plans are explained briefly as follows:

Political Government related risks

This includes changes in the government policies or any socio-political contingencies which may adversely affect the business of the Company.

Mitigation Plan: Reviewing and monitoring the changes in rules and regulations in relation to NBFCs by the Government will help the Company to oversee the consequences and act accordingly to a certain extend.

Competition Risks

Major competitions faced by the Company are from other NBFCs, different types of banking Companies including public sector/private sector banks, Co-operative banks, foreign banks, India Post, local money lenders and other unauthorized financiers.

Mitigation Plan: Your Company is having a good internal quality check mechanism to keep a close watch on competitor's strengths, weaknesses, competition dynamics etc. and focus on the awareness campaigns as per the directions of Reserve Bank of India among its employees, stakeholders etc. The marketing department will concentrate on these areas and ensure that these competitions do not affect the smooth functioning of the Company.

Reputational Risks

Damage to the trust and confidence of the stakeholders that may materially and adversely affect the business, future financial performance and results of operations of the Company constitute reputational risks of the Company.

Mitigation Plan: Ensures accuracy in its documents published through Website, Regulatory Bodies and Social media and keeping prompt compliance with regulatory directives and other laws both in letter and spirit.

Force Majeure

This includes Covid-19 outbreak in the society as well as within the Company's premises that adversely affect the financial position as well as the operating results of the Company

Mitigation Plan: Your Company developed a disaster management plan with delegation of responsibility and set up Nodal Disaster Management Committee to prevent any such loss.

Legal, Regulatory and Compliance Risk

Being a NBFC, the Company has to follow various acts and any non-compliance in relation to the above areas will lead to huge penalty and loss of reputation for the Company.

Mitigation Plan: Your Company retained well-structured professionals including Chartered Accountants, Company Secretaries, Cost Accountants, Advocates, high profile retired hands etc. to ensure all the compliances are being done in a fair and timely manner.

Credit Rates Risks

Any, downgrade of credit ratings would increase borrowing costs and constrain access to debt and bank lending markets and thus, would adversely affect business.

Mitigation Plan: Oversee the factors determining the credit ratings of the Company will prevent downgrading of credit ratings.

Liquidity Risks

This includes financial risk due to uncertain liquidity. Liquidity Risk management in NBFCs are defined as the risk of being unable either to meet their obligations to depositors or unable to invest to meet unacceptable costs or losses occurred.

Mitigation Plan: Your Company is having a reliable Management Information System to provide timely and forward-looking information on the liquidity position of the Company and report to the Asset Liability Management Committee, both under normal and stress situations.

Interest Rate Risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial condition.

Mitigation Plan: Your Company estimates the behavioral pattern of various components of assets and liabilities on the basis of past data/empirical studies to classify assets and liabilities in the appropriate time buckets.

Credit Risk

Credit Risk is one of the major inevitable financial risks charged with every NBFC. It may be defined as the potential that a borrower or counter party will fail to meet their obligations in accordance with agreed terms.

Mitigation Plan: Well structured customer verification, recovery management etc. will support reduction of credit risks of the Company.

Employee Risk

The Company rely significantly on the performance of Board of Directors, Key Managerial Personnel and Top Level Management. Loss of any member from the said category may adversely affect business and results of operation. Identifying potential and caliber candidatures in right position of the Company and maintain them for future is another employee related risk.

Mitigation Plan: Equal opportunity in terms of position & remuneration, continuous training and development programs etc. will prevent the employee turnover of the Company.

Fraud Risk

Fraudulent risks arises from different types of frauds involving Directors, employees of the Company, employees of subsidiary or Group Companies, security holders, other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location, contractors, vendors, suppliers or agencies.

Mitigation Plan: Security arrangements both physical & electronic form and periodically check of all areas of operations through gold audit, internal audit etc. will help the Company to reduce the fraudulent risks.

In the opinion of the Board there are no risks which may threaten the existence of the Company.

XVII. Vigil Mechanism and Whistle Blower Policy

The Company has established a vigil mechanism to promote ethical behavior in all its business activities and has in place a mechanism for employees to report any genuine grievances, illegal, unethical behaviors, suspected fraud, violation of laws, rules and regulation or conduct to the Whistle Blower Officer or Audit Committee or the Board of Directors of the Company. The policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices. Further, vigil mechanism ensures direct access to the higher levels of supervisors and/or to the Chairman of the Audit Committee, in appropriate or exceptional cases. The details of the Whistle Blower Policy are available on the website of the Company at www.salemerode.com.

XVIII. Significant and Material Orders passed by the Regulators

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

XIX. Statutory Auditors

The Company in its 90th Annual General Meeting held on 25th day of September, 2021 had re-appointed the Statutory Auditors, M/s Mohandas & Associates (Firm Registration No. 02116S), Chartered Accountants, Sree Residency, 3rd Floor, Press Club Road, Thrissur, Kerala - 680001 for 5 (five) consecutive financial years commencing from 2021-2022 to 2025-2026. M/s. Mohandas & Associates fulfills the conditions specified in the Act, read with the Companies (Audit and Auditors) Rules, 2014 and Listing Regulations, for continuing as the Statutory Auditors of the Company and is independent of the management.

XX. Comments by the Board on qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors

The Statutory Auditor has not made any qualification, reservation or adverse remark or disclaimer in the audit report for the financial year 2021-22.

XXI. Secretarial Auditor

Your Board has appointed Mr. Yacob P.O., Practising Company Secretary having office at 02nd Floor, Kalarikkal Building, Karingachira, Tripunithura, Kerala - 682301 as the Secretarial Auditor of the Company. The Secretarial Audit Report in form MR 3 is enclosed as 'Annexure 5' forms part of this report.

XXII. Comments by the Board on qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor:

The Secretarial Auditor has made few qualifications in the secretarial audit report for the financial year 2021-22. The said qualifications does not have any material adverse effect on the financial statements or on the functioning of the Company. However, your Board has taken a serious view and corrective measures has already been taken to avoid the same in future. Explanation to Secretarial Auditor's qualifications is enclosed as 'Annexure 6'.

XXIII. Compliance with Secretarial Standards

The Company has complied with all the provisions stipulated under Secretarial Standards issued by the Institute of Company Secretaries of India.

XXIV. Failure to implement any corporate action

The Company has completed corporate actions with respect to issue of Non-Convertible Debentures within the specified time limit. Other than the same, there was no other corporate actions like buy back of securities, payment of dividend declared, mergers and de-mergers, delisting, split and issue of any other securities occurred during the year under report.

XXV. Annual Return

The Annual Return in form MGT-7 as per Section 134(3)(a) & Section 92(3) of the Companies Act, 2013, read with rule 12 of Companies (Management & Administration) Rules, 2014 is available on the website of the Company at <https://www.salemerode.com/downloads/policies/MGT-7.pdf>.

XXVI. Other Disclosures

- a) The Consolidated Financial Statements will be presented by ICL Fincorp Limited, Holding Company.
- b) The Company has taken sufficient measures to maintain good and well-structured Stakeholder relationship, Customer relationship, Environment, Sustainability and Health and Safety and various Committees were constituted and maintained to monitor the same.
- c) The Company has convened its Annual General Meeting within stipulated time as specified under the Companies Act, 2013.
- d) The cost records required to be maintained by the Companies pursuant to an order of the Central Government is not applicable to the Company.
- e) General Disclosures
 - i. The Company has not issued any Equity Shares or Preference Shares or any other securities which carry a right or option to convert such securities into shares;
 - ii. There was no issue of Equity Shares with differential rights as to dividend, voting or otherwise;
 - iii. There was no issue of Sweat Equity Shares to Directors or employees of the Company under any scheme;
 - iv. There was no raising of funds/issue of shares through preferential allotment, rights issue or qualified institutional placement;
 - v. There was no options in respect of Employee Stock Options Scheme(s) granted, lapsed, exercised etc;
 - vi. There was no shares held in trust for the benefit of employees;
 - vii. The Company has not issued any warrants during the year;
 - viii. There were no voting rights which are not directly exercised by the

employees in respect of equity shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act);

- ix. There was no suspension of trading of securities of the Company;
- x. There was no revision made in financial statements or the Board's Report of the Company in respect of any of the three preceding financial years;
- xi. There was no change in financial year;
- xii. There was no activities carried out in relation to acquisition, merger, expansion, modernization and diversification;
- xiii. There was no activities carried out in relation to developments, acquisition and assignment of material Intellectual Property Rights;
- xiv. The Company has not inducted any strategic and financial partners during the year;
- xv. The Company has not delisted its Equity Shares, during the year or till the date of the report;
- xvi. The Company has not reclassified or sub-divided the Authorised Share Capital;
- xvii. There was no reduction of share capital or buy back of shares occurred during the year;
- xviii. There was no change in the capital structure resulting from restructuring; and
- xix. There was no change in voting rights of shareholders of the Company.

XXVII. Disclosure under the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaint of sexual harassment during the year under report.

XXVIII. Compliance with NBFC Regulations

Your Company has complied and continues to comply with all the regulatory requirements applicable to Non-Banking Financial Institutions as per Reserve Bank of India's guidelines pertaining to Non-Performing Assets, Know Your Customer, Loan to Value, Fair Practices Code, Capital Adequacy, Leverage Ratios etc.

XXIX. Particulars of Employees

The Company does not have any employee whose remuneration exceeding the limits prescribed under section 197 (12) of the Companies Act, 2013 read with rule 5 (2) of the Company's (Appointment and Remuneration of Managerial Personnel Rules), 2014. Further details are given in 'Annexure 7' forming part of the Board Report.

XXX. Remuneration received by Managing/Whole time Director from holding or subsidiary Company

Mr. K.G. Anilkumar, Managing Director was paid sitting fees of Rs. 32,700/- (Rupees Thirty-Two Thousand and Seven Hundred Only) as sitting fees for attending Board Meetings of the Company and was not paid any other commission or sitting fees for attending Committee Meetings of the Company and neither was he paid any remuneration in the previous financial year. The Managing Director of the Company is also the Managing Director of ICL Fincorp Limited, Holding Company and has received a total remuneration of Rs. 1,20,00,000/- (Rupees One Crore and Twenty Lakhs Only) and Rs.

57,000/- (Rupees Fifty Seven Thousand Only) as sitting fees for attending Board Meeting from the Holding Company during the financial year 2021-22.

XXXI. Other Matters**a) Statement of deviation or variation**

The Company has utilized the funds raised by way of issue of Unlisted Redeemable Secured Non-Convertible Debentures for the purpose as mentioned in the private placement offers.

b) Corporate Governance

Pursuant to regulation 15 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Corporate Governance compliances as specified in regulation 17 to regulation 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D, and E of Schedule V is not applicable to the Company and a declaration in this effect is submitted with the Stock Exchange at regular intervals. However, your Board ensures good corporate governance in the Company.

c) Details of auctions

There was no public auctions of gold pledged with the Company occurred during the year under report.

d) Capital Adequacy Ratio

The Company maintain Capital Adequacy Ratio ("CRAR") well above the statutory requirement and achieved a CRAR of 18.52% in financial year 2021-22 compared to 18.79% in the previous financial year. The CRAR for tier I assets stood at 18.50% in financial year 2021-22 compared to 18.79% in the previous financial year. The CRAR for tier II assets rose from 0% to 0.02% in financial year 2021-22.

e) Listing

Equity Shares of your Company are listed only on BSE Limited. Your Company has paid applicable listing fees to Stock Exchange.

f) Grievance Redressal

The Company has designated Ms. Rayanath Ali, Secretary to CMD as Customer Grievances Redressal Officer. The communication details for reporting grievances is as follows:

Ms. Rayanath Ali
Secretary to CMD
Salem Erode Investments Limited,
V.K.K. Building, Main Road, Irinjalakuda - 680121
Phn No.0480 2828071, E-mail id: grievanceredressal@salemerode.com

The Company has designated Mr. Sam S. Maliakal, Human Resources Manager as Employee Grievances Redressal Officer. The communication details for reporting grievances is as follows:

Mr. Sam S. Maliakal,
Human Resource Manager,
Salem Erode Investments Limited,
V.K.K Building, Main Road, Irinjalakuda - 680121
Phn No. 0480 2828071, Mail id: hrm@iclfincorp.com

XXXII. Acknowledgement

The Board wishes to place on record its sincere appreciation to the Company's Customers, Central and State Government Bodies, Auditors, Legal Advisors, Consultants, Registrar and Bankers for their continued support to the Company during the year under report. The Board also expresses its sincere gratitude to the members, other security holders and employees of the Company for their continued trust, co-operation and support.

By order of Board of Directors,
For **Salem Erode Investments Limited**

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. Industry structure and developments

a) *Economic review*

Global economic review

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Several shocks have hit world economy already weakened by the pandemic: higher-than-expected inflation worldwide especially in United States and major European economies triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID- 19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.

According to Word Economic Outlook, the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecasted to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies 1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and at the end control of the pandemic are essential.

Outlook

Despite the impact of the pandemic, unprecedented collective policy efforts by governments and central banks, paired with resilience and innovations of private enterprises, have helped to minimize lasting economic and physical damage across the world. While the direction of the Russia-Ukraine crisis

remains uncertain, its impact on the global economy is likely to subsist. Full economic revival seems to be further away, but if businesses and governments work in tandem, across borders and disciplines, economy can be stronger and more resilient.

Indian economic review

Indian economy is projected to grow 7.1 - 7.6 per cent in the current financial year despite shifting geopolitical realities across the world. As 2021 was coming to a close, there was optimism in the air but the optimism received a jolt early this year as a wave of Omicron infections swept through the Country and Russia's invasion of Ukraine happened in February. These events aggravated the pre-existing challenges such as surging inflation, supply shortages, and shifting geopolitical realities across the world with no definite end in sight.

And the subsequent confluence of headwinds such as surging commodity prices and disruption in trade and financial transactions quickly deteriorated economic fundamentals that were trending up a few months back. Rising commodity prices, surging inflation, supply shortages and shifting geopolitical realities across the world weigh on the growth outlook. Still, India will likely reign as the world's fastest-growing economy. India is expected to grow by 7.1 -7.6 per cent in 2022-23 and 6 - 6.7 per cent in 2023-24. This will ensure that India reigns as the world's fastest-growing economy over the next few years, driving world growth. Reserve Bank of India has projected a GDP growth of 7.2 per cent for the current fiscal year ending March, 2023. The inflation and supply chain disruptions may remain entrenched for some time. The domestic currency will likely recover some lost ground against the US dollar, but not before early next year. India's relatively strong recovery and the global slowdown will improve INR's strength. However, uncertainties in the global business ecosystem will pose significant risks in the future.

Outlook

A gradual subsidence of the impact of the pandemic will aid the growth of contact-intensive industries and support robust urban demand. A good rabi harvest bodes well for the farm sector and rural demand. Resilient exports, improving capacity utilization, higher capital expenditure to boost public infrastructure and increase in private investments will drive overall GDP growth. Monetary actions taken by the Reserve Bank of India would help contain inflation, the effect of which is expected to be seen in the second half. The Reserve Bank of India expects CPI inflation to be at 6.7% in the year 2023. Risks to the outlook include global financial market volatility, elevated commodity prices and continuing global demand-supply disruptions.

b) *Industry review*

Indian financial services industry

The ongoing pandemic has forced all sub-sectors within the banking and financial services industry to innovate. Digital Transformation is the most innovative technique that the Banks and NBFCs came up along with the pandemic. Today every person owns a smartphone and can digitally apply for a loan, complete e-KYC, open a bank account, order food, groceries and other essentials etc.

The Indian financial sector currently comprises several segments: commercial banks, new-age fintech startups, NBFCs, co-operatives, pension funds, mutual funds, small and medium financial entities and recently established payment banks. These varied financial services provide solutions to a wide range of customers based on their requirements and accessibility. These customers can be individuals, public organizations or private enterprises.

Role of Non-Banking Financial Companies

NBFCs are playing an integral role in promoting financial inclusion and their primary objective is to provide financial assistance to one and all. These financial intermediaries have recently grabbed the attention of the Indian populations, especially the economically weaker section that finds conventional banking institutions comparatively inaccessible and uneconomical.

NBFCs are also proving crucial for small and medium enterprises (SMEs), which are the backbone of the Indian economy. Due to their diverse and broader client base, NBFC credit growth is comparatively more significant than traditional banks and lending institutions.

A large chunk of the Indian population finds it difficult to get loan approval from banks due to low credit scores or incomplete documentation. NBFCs have emerged as a quintessential financial solution for more people to have access to financial services. As we move into the next year, NBFCs can continue to become prime loan facilitators apart from traditional lending institutions. NBFCs enjoy a competitive edge in their superior understanding of regional dynamics, well-developed collection systems, and personalized services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision-making, customer orientation, and prompt provision of services have typically differentiated NBFCs from banks. As a result, over the last decade, the NBFCs have become an increasingly important part of the Indian financial services sector. According to the RBI, NBFCs have slowly, but steadily increased their credit to GDP ratio from 8.6% in 2013 to reach 13.7% in 2021. The NBFCs are tightly regulated by the RBI, with regulatory guidelines mandating that operating NBFCs have minimum net owned funds of Rs. 2 crores. In terms of ownership, the dominant form of NBFCs in terms of liability structure was NBFCs-ND in comparison to other forms of ownership. Out of a total 9733 NBFCs in 2021, 9.7% had an asset size of Rs. 100 crores.

Gold market

In India, gold is considered to be a sign of social status, financial security and cultural legacy. As of 2019, households in India assembled about 25,000 tons of gold, making the country the largest holder of the yellow metal in the world. Rural communities account for 65% of the total gold demand in the country. Owing to the sentimental value that Indians associate with this indispensable item, people seldom sell it to meet financial emergencies. They prefer to pledge gold as collateral to secure short-term loans. Gold loans enjoy a relatively low interest rate that varies between 9.5% and 24%, and have a flexible tenure (ranging from a few days to 5 years).

The gold loan market in India was valued at Rs. 2,921.42 Bn in 2019 and is expected to reach Rs. 6,275.40 Bn by 2025, expanding at a compound annual growth rate (CAGR) of 12.75% during the 2020-25 period.

India's gold jewellery market

India's gold jewellery demand reported strong growth of 25% during the financial year 2022, despite a steep increase in gold prices. Gold consumption in financial year 2022 was spurred by pent-up demand in the second quarter and robust demand reported during the festive and wedding seasons. Further, the demand for gold jewellery in the fourth quarter also remained buoyant driven by limited impact of the third wave on store operations. The report further expects a steady 11% growth in gold jewellery demand on financial year 2023 despite a higher base, driven by a robust wedding season, and festive purchases, given Indian consumer's strong cultural affinity towards gold.

The Indian gold loan market is segmented into organized gold loan market, also known as formal gold loan market and unorganized gold loan market or the informal gold loan market. The organized gold loan segment includes public banks, private banks, small finance banks, co-operative banks, NBFCs and Nidhi companies. In contrast, the unorganized sector is dominated by money lenders and pawnbrokers.

The unorganized segment accounts for more than 60% of the gold loan market in the Country. Nevertheless, the organized sector is anticipated to expand exponentially during the forecast period.

NBFCs constitute the largest share of the organized market. Customers residing in rural parts of the country are gradually switching to these NBFCs, owing to quick loan processing, systematic gold valuation, auctioning and safe-keeping. Banks also offer gold loans, but they primarily consider these as their priority sector lending (PSL) requirements. Further, small finance and Nidhi Companies represent the co-operative segment in the Indian gold loan industry and account for 12.98% of the organized gold loan market. Private sector banks are gradually entering the Indian gold loan market with tech-driven offerings like online gold loan services.

Features of gold loans

- Secured: Loans are borrowed against the gold deposited by the applicant.
- Low disbursement times: NBFCs and the unorganised sector disburse loans at a much faster pace as compared with other sources which may take more time.
- Loan-to-value ratios: According to RBI guidelines, loans against gold ornaments have a maximum Loan-to-value ratio of 75%.
- Tenure: There is no minimum period for the loan and, if need be, one can return the loan amount the very next day. The average tenure of the loan is about 90 to 100 days. The tenure would normally do not exceed 1 year.
- Varied interest rates: The interest rate depends on the tenure and amount of loan. It varies from 12% to 18% in the case of banks, while for NBFCs, it could reach 24%.
- Multiple repayment options: Repayment can be structured with the interest amount and principal being repaid at the end of the period in one lump sum. Repayment through EMI, covering interest as well as principal, is also another frequently used option.

II. Opportunities and Threats

SWOT analysis of Indian NBFC sector are as follows:

Strength

NBFCs are permitted to offer numerous financial products and services including personal loans, vehicle loans, hire purchase loans, housing loans, infrastructure finance, gold loans, microfinance, money transfer, insurance, credit card services, education funding and other financial related services. The diversity of products and services offered enables them to focus on under-served populations of the economy and reach all parts of the Country within a short span of time.

Weakness

NBFCs are required to follow lot of acts, rules and regulations like Companies Act, 2013, various regulations issued by the Reserve Bank of India and

the Securities & Exchange Board of India, labour laws etc. and that too are changing in continuous manner. Rising competition from banks and retention of employees are another major weakness to every NBFCs.

Opportunity

NBFCs can provide diversified and innovative financial products and services to serve different needs of all the levels of the society. Further, NBFCs can save huge time and cost in near future, as all services are moving into digital world.

Threats

Cost of raising funds to run businesses are high for financial institutions. Further, the Act doesn't provide any option to take deposits from the public. Obviously, future waves of pandemic and global uncertainty due to war, politics etc. are another major threats to the NBFC sector.

III. Segment-wise or product-wise performance

The detailed information on gold loan segment of the Company is detailed in the Para II (a) of the Directors Report.

IV. Outlook

Your Company is confident that its existing capacities and investments would serve well to expand its businesses throughout India in coming years. Your Company is in the process of starting new vertical of businesses like vehicle finance, credit cards etc.

V. Risks and concerns

All material risks and mitigation measures are described in para XVI of the Directors Report.

VI. Internal control systems and their adequacy

Internal control systems and adequacy are detailed in para X (k) of the Directors Report as above.

VII. Financial performance with respect to operational performance

c) Operational review

As the COVID 19 continued to impact the normal life during the year there were lockdown measures but this hasn't affected the operations of the Company in the same way as last year. The Company has opened 8 new branches during the year which has resulted in increased disbursements in Gold Loans. The Gold Loan Business which is the core portfolio of the Company has seen a growth of 6.37 times compared to the previous year as result of new branch additions and increased operational activities.

The operational revenue increased due to the addition of new branches by 12% y.o.y. However, the expenses have also increased due to additional Manpower, Finance costs due to debenture allotment and higher depreciation due to new fixed assets addition. The expenses increased 1.73 times y.o.y compared to the previous year. As a result, the Net profit before tax has declined to Rs. 1.09 crores compared to Rs. 1.91 crores during the previous year.

During this financial year the Company started private placement of Secured Non-Convertible Debentures. The finance cost has increased during the year as result of the interest on Debentures.

d) Financial review

Gross Loans under management

The Company achieved a gross loan asset under management of Rs. 28.82 crores in financial year 2021-22 at a y-o-y rate of 32% compared to Rs. 21.82 crores in the previous year.

Gold Loan Assets under management

The Company achieved a gold loan asset under management of Rs. 8.63 crores at a y-o-y growth rate of 6.37 times in financial year 2021-22 compared to Rs. 1.17 crores in the previous year.

Revenue

The total income grew by 12% y-o-y to reach Rs. 2.81 Crores during the financial year compared to Rs. 2.51 crores in the previous year.

Profit before tax ("PBT")

The Company achieved PBT of Rs. 1.09 crores in financial year 2021-22 compared to 1.91 crores in the previous year.

Profit after tax ("PAT")

We achieved PAT of 71.22 lakhs in financial year 2021-22 compared to 1.37 crores in the previous year.

Earnings per Share ("EPS")

We recorded an EPS of 0.62 in financial year 2021-22 compared to 1.20 in the previous financial year.

VIII. 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. Number of permanent employees as on March 31, 2022 is 8 employees.

IX. Details of significant changes in key financial ratios

Ratios	As at 31.03.22	As at 31.03.21	% change	Reason for variance
Debtors Turnover	0.11	0.10	6.12	No significant change
Inventory Turnover	N.A.	N.A.	N.A.	-
Interest Coverage Ratio	7.14	216.41	-96.70	Additional Interest expenses due to NCDs issued
Current Ratio	1.59	1.05	52.02	Increase in Current Assets & Liabilities
Debt Equity Ratio	0.50	0.08	525.63	Increase in Debts due to NCDs issued
Operating Profit Margin (%)	70.87	93.78	-24.42	Increase in Finance cost & administration expenses
Net Profit Margin (%)	38.99	76.06	-48.74	Increase in Administrative costs & Depreciation
Leverage Ratio	0.54	0.09	500	Increase in liabilities due to NCDs issued
Capital Adequacy Ratio	18.52%	18.79%	-1.44	No significant change
Tier I Capital	6,07,12,162	4,73,16,134	28.31	Increase in Reserves & decrease in Loans to Companies in same group

X. Details of any change in Return on Net Worth

The net worth of the Company as on March 31, 2022 is Rs. 24,11,55,140/- when compared to Rs. 23,23,91,597/- and the percentage of change is 3.77%, the reason for the same being Net profit made during the year & increase in the assets (loans, cash & bank balances etc.)

XI. Cautionary Statement

In this Management Discussion and Analysis Report, certain forward-looking statements may be made based on various assumptions about the Company's present and future business strategies, the environment in which it operates and other factors. Risks and uncertainties can cause actual results and information to differ materially from those stated or implied. Among these risks and uncertainties are the effect of economic and political conditions in India and abroad, volatility in interest rates and the securities market, new government regulations and policies that may impact the Company's businesses and its ability to implement its strategies. The information contained herein is as of the date referenced and the Company has no obligation to update it. Market data and other information have been obtained from sources deemed trustworthy by the Company or it has been estimated internally, but the accuracy or completeness can't be guaranteed.

For **Salem Erode Investments Limited**

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Annexure 2

Salient features of Nomination and Remuneration Committee Policy of Salem Erode Investments Limited

1) Directors, Key Managerial Personnel and Senior Management staff

a) Appointment

The Nomination and Remuneration Committee shall recommend appointment of Directors, Key Managerial Personnel and Senior Management Staff of the Company by considering the following:

- i. Ensure the candidate possess adequate qualification, expertise and experience commensurate with the position.
- ii. Priority may be given to persons with professional qualifications and experience.
- iii. Persons with experience in similar line of business and holding positions in other Company's Board may be considered with added advantage.
- iv. Persons with experience and connection with Government Departments, Financial and Risk Management, Media, Public Relations, Marketing, Business Networks, Philanthropy etc shall be considered.
- v. Code of Conduct of Independent Directors and other Statutory compliances with respect to the appointment/remuneration of Independent Directors.
- vi. Code of Conduct of Senior Management with respect to the appointment/remuneration of Directors other than Independent Directors, Key Managerial Persons and other Senior Management.

b) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, thereunder, the Nomination and Remuneration Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

c) Retirement

The Directors, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel and Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

d) Remuneration

The Committee shall ensure:

- i. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- ii. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. The remuneration to Directors, Key Managerial Personnel and senior

management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

2) Evaluation of performance of Directors, Key Managerial Personnel, Senior Management staff and Committees of Board

- a) Ensure that all Directors have attended and actively participated in meetings.
- b) Ensure that the Directors have contributed own skills, experience and knowledge to

support the growth and success of the organisation.

- c) Ensure that the Directors have promoted constructive and respectful relations between the Board and Management.
- d) Ensure that the Directors worked with the Board to adopt an annual work plan that is consistent with the organisation's vision, mission and strategic directions.
- e) Review and monitor the independence and performance, and effectiveness of work process of Directors, Key Managerial Personnel, Senior Management Staff and Committees of Board.

For Salem Erode Investments Limited

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Annexure 3

ANNUAL REPORT ON CSR ACTIVITIES OF SALEM ERODE INVESTMENTS LIMITED FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility (hereinafter referred to as "CSR") Policy of Salem Erode Investments Limited (hereinafter referred to as "the Company") has been developed in accordance with Section 135 of the Companies Act, 2013 (hereinafter referred to as "the Act"), Schedule VII of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other applicable rules, regulations and amendments made thereunder. The CSR Policy includes guiding principles for carrying out the CSR

activities in accordance with the provisions contained in Act and for ensuring CSR activities are conducted in all respects according to ethical, professional and legal standards and enhancing social value of the Company. The CSR Policy of the Company outlines composition of CSR Committee, role and responsibilities of the CSR Committee, role and responsibilities of CSR Compliance Officer, CSR budget, designing & selection of CSR activities, implementation, evaluation, reporting etc.

2. Composition of the CSR Committee.

The CSR Committee of the Company comprises of following persons:

Sl. No.	Name of Director	Designation/ Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01.	Mr. T.G. Babu	Chairman (Independent Director)	2	2
02.	Ms. Umadevi Anilkumar	Member (Non-Executive Director)	2	2
03.	Mr. Saseendran V.	Member (Independent Director)	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

<https://www.salemerode.com/downloads/policies/Corporate%20Social%20Responsibility%20Policy.pdf>

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social

responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the Company as per section 135(5):

Rs. 2,76,77,261/-

7.

- a) Two percent of average net profit of the Company as per section 135(5):

Rs. 5,53,545/-

- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

- c) Amount required to be set off for the financial year, if any: Nil

- d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 5,53,545/-

8.

- a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year. (in Rs.)	Amount unspent (in Rs.):				
	Total amount transferred to Unspent CSR account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
8,48,000	Nil	-	-	Nil	-

- b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project State & District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency Name & CSR Registration Number

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the Project State & District	Amount spent for the Project (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name & CSR Registration Number
1.	Covid related preventive measures like ventilators, vehicle services etc. to help Covid affected patients to get the treatment on emergency basis	Spending of CSR funds for promoting health care including preventive health and being part of Covid related preventive measure, which falls under item no. (i) of Schedule VII of the Companies Act, 2013	Yes	Irinjalakuda, Thrissur, Kerala	8,48,000	Yes	-

- d) Amount spent in Administrative Overheads : Nil
- e) Amount spent on Impact Assessment, if applicable : Not Applicable
- f) Total amount spent for the financial year
(8b+8c+8d+8e) : Rs.8,48,000/-
- g) Excess amount for set off, if any : Rs.2,94,455/-

Sl. No.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the Company as per section 135(5)	5,53,545
ii.	Total amount spent for the financial year	8,48,000
iii.	Excess amount spent for the financial year [(ii)-(i)]	2,94,455
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,94,455

9.

a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR account under section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
01.	2020 - 21	-	-	PM Relief Fund	5,11,536	26.07.21	-
02.	2019 - 20	-	-	PM Relief Fund	5,38,660	16.07.21	-
03.	2018 - 19	-	-	-	-	-	-

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
Not Applicable

Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project – Completed /Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**) – Not Applicable

- a) Date of creation or acquisition of the capital asset(s) :
- b) Amount of CSR spent for creation or acquisition of capital asset :
- c) Details of the entity or public authority or Beneficiary under whose name such capital asset is registered, their address etc. :
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)

Not Applicable.

By order of Board of Directors,
For **Salem Erode Investments Limited**

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Sd/-
T.G. Babu
Chairman CSR Committee
(DIN: 08315374)

Annexure 4

Form AOC2

(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

1) Details of contracts or arrangements or transactions not at arm's length basis : Nil

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/ transactions	
c)	Duration of the contracts/ arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the Special Resolution was passed in General Meeting as required under first proviso to section 188	

2) Details of material contracts or arrangements or transactions at arm's length basis:

i.

a)	Name (s) of the related party & nature of relationship	ICL Fincorp Limited, Promoter & Holding Company
b)	Nature of contracts/ arrangements/ transactions	Term Loan Agreement
c)	Duration of the contracts/ arrangements/transactions	The loans are repayable in 60 monthly instalments from the respective date of disbursements
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Term Loan to ICL Fincorp Limited, not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) in various tranches at an interest rate of 12.50% per annum on monthly diminishing balance basis with other charges and repayable in 60 monthly installments in different tranches on need basis and on such terms and conditions as specified in the loan agreement dated 28 th day of February, 2022
e)	Date(s) of approval by the Board, if any	14.02.2022
f)	Amount paid as advances, if any	-

ii.

a)	Name (s) of the related party & nature of relationship	ICL Fincorp Limited, Promoter & Holding Company
b)	Nature of contracts/ arrangements/ transactions	Inter Corporate Loan Agreement
c)	Duration of the contracts/ arrangements/transactions	Against the demand letter by the lender but within a tenure of 5 (five) years.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Inter Corporate Loan to ICL Fincorp Limited, not exceeding Rs. 20,65,00,000/- (Rupees Twenty Crores and Sixty-Five Lakhs Only) as per the demand letter by the lender or within a tenure period of 5 (five) years at an interest rate of 10.5% p.a. and on such terms and conditions as specified in the loan agreement dated 18 th day of February, 2020 and further revised on 28 th day of August, 2021
e)	Date(s) of approval by the Board, if any	13.08.2021
f)	Amount paid as advances, if any	-

iii.

a)	Name (s) of the related party & nature of relationship	ICL Fincorp Limited, Promoter & Holding Company
b)	Nature of contracts/ arrangements/ transactions	Purchase of fixed assets.
c)	Duration of the contracts/ arrangements/transactions	Continuing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of fixed assets for an amount not exceeding Rs. 5,00,000/- (Rupees Five Lakhs Only)
e)	Date(s) of approval by the Board, if any	19.03.2022
f)	Amount paid as advances, if any	Nil

For Salem Erode Investments Limited

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)



Yacob Pothumuriyil Ouseph
Practicing Company Secretary

2nd Floor, 11/572, Kalarikkal Buildg.
Karingachira, Irumpanam P.O.,
Tripunithura, Ernakulam,
Kerala - 682301, Mob: 9447118386
Email: rajupo2012@gmail.com
Peer Review Certificate No. 1710/2022

SECRETARIAL AUDIT REPORT

(For the financial year ended March 31, 2022)

[Pursuant to section 204(1) of the Companies Act, 2013 & rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Salem Erode Investments Limited
CIN: L31200TN1931PLC145816,
Door No. 61/A8 (38/A8), VJP Parijatham Apartments,
1st Avenue, Ashok Nagar, Chennai, Tamil Nadu – 600083

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 March 31, 2022 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 March 31, 2022 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 (“SEBI Act”):-
 - 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, the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 & the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- 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 ("Listing Regulations");
- j) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.

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) The Reserve Bank of India Act, 1934.
- b) Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- c) 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:

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

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

1. *The Company has not complied with the provisions laid under section 124 (6) of the Act read with rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and regulation 39(4) of the Listing Regulations with respect to the transfer of Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to Investor Education and Protection Fund and related reportings.*
2. The Company has complied with the provisions of section 56 of the Act and regulation 40 (9) of Listing Regulations with respect to the transfer and transmission of Equity Shares and has delivered all security certificates in all instances, *except with respect to slight delay in issue of share*

certificates in case of transmission of Equity Shares approved as on 10.08.2021.

3. *The Company has not complied with para 86 of Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 with respect to submission of data to Credit Information Companies.*
4. *The Company has not complied with regulation 30 (2) read with sub para 12 of Para A of Part A of Schedule III of the Listing Regulations with respect to the disclosure of newspaper publications on 28.08.2021, intimating the process of registration of e-mail id and newspaper publications in respect of information related to quarterly financial results.*
5. *The Company has complied with regulation 30 (2) read with sub para 3 of Para A of Part A of Schedule III of the Listing Regulations with respect to the disclosure of assignment of credit rating, except within stipulated time.*
6. *The Company has complied with regulation 30 (2) read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations with respect to disclosure of outcome of Board Meetings held on 30.06.2021 & 13.01.2022, except within stipulated time.*
7. *The Company has not complied with regulation 30 (2) read with sub-para 14 & 7 of Para A of Part A of Schedule III of the Listing Regulations with respect to disclosure of proposed amendment to the Memorandum of Association and re-appointment of statutory auditors respectively as passed by the members vide Annual General Meeting held on 25.09.2021.*
8. *The Company has complied with 33(3)(d) of the Listing Regulations with respect to submission of financial results for the financial year ended 31.03.2021, except filing of financial results in XBRL mode within stipulated time.*

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 year 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 or with due consents for shorter notice from the Directors 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, wherever applicable.

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, following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. has taken place.

1. The Company has completed procedures of shifting of registered office from the State of West Bengal to the State of Tamil Nadu.
2. The Board of Directors of the Company had appointed Mr. A.A. Balan as an Independent Director (Additional) with effect from 29.09.2021 to hold office upto the date of 91st Annual General Meeting of the Company.
3. The Company vide. 90th Annual General Meeting held on 25.09.2021 has altered Memorandum of Association of the Company with respect to the Object Clause, Liability Clause and Capital Clause.

4. The Company had raised a sum of Rs.10,96,65,000/- by way of issue of Unlisted Redeemable Secured Non-

Convertible Debentures on a private placement basis during the financial year.

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

Sd/-

CS. Yacob Pothumuriyil Ouseph

Practising Company Secretary

02nd Floor, Kalarikkal Building,

Karingachira, Tripunithura,

Kochi, Ernakulam, Kerala – 682301

M. No. 50329 & COP No. 18503

UDIN: A050329D000822751

Place: Kochi

Date: 23.08.2022

Annexure to the Secretarial Audit Report of Salem Erode Investments Limited for financial year ended March 31, 2022.

To,
The Members,
Salem Erode Investments Limited
CIN: L31200TN1931PLC145816,
Door No. 61/A8 (38/A8), VJP Parijatham Apartments,
1st Avenue, Ashok Nagar, Chennai, Tamil Nadu – 600083

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. I have relied upon the registers, records and documents maintained by the Company, both in physical and electronic form.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
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.

Sd/-

CS. Yacob Pothumuriyil Ouseph
Practising Company Secretary
02nd Floor, Kalarikkal Building,
Karingachira, Tripunithura,
Kochi, Ernakulam, Kerala – 682301
M. No. 50329 & COP No. 18503
UDIN: A050329D000822751

Place: Kochi
Date: 23.08.2022

Annexure 6

EXPLANATION TO THE QUALIFICATIONS BY THE SECRETARIAL AUDITOR

1. The Company has not complied with the provisions laid under section 124 (6) of the Act read with rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and regulation 39(4) of the Listing Regulations with respect to the transfer of Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to Investor Education and Protection Fund and related reportings.

With respect to the transferring of shares to IEPF, necessary compliances and corporate actions for transfer of shares for previous financial years has already been initiated by the Company. Consequent to the shifting of registered office from the state of West Bengal to the state of Tamil Nadu, Corporate Identity Number of the Company with the records of Ministry of Corporate Affairs has been changed to L31200TN1931PLC145816 with effect from 31.08.2021. However, the said statutory amendment is not updated in the IEPF portal. In spite of repetitive grievances and queries, no solution was provided by the Ministry of Corporate Affairs or IEPF authorities. However, the Company has taken sufficient steps to aggravate the said technical issue with government authorities and hopeful to solve the same during the financial year 2022-23 itself.

2. The Company has complied with the provisions of section 56 of the Act and regulation 40 (9) of Listing Regulations with respect to the transfer and transmission of Equity Shares and has delivered all security certificates in all instances, except with respect to slight delay in issue of share certificates in case of transmission of Equity Shares approved as on 10.08.2021.

As reported, the Company has complied with the provisions of section 56 of the Act and regulation 40 (9) of Listing Regulations with respect to the approval of transmission of Equity Shares approved as on 10.08.2021. However, due to spread of Covid 19 pandemic in the various departments of the corporate office of the Company, slight delay of 4 days occurred, which is inadvertent and beyond the control of the Company.

3. The Company has not complied with para 86 of Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 with respect to submission of data to Credit Information Companies.

The Company is facing some practical and technical difficulties in filing of the data with Credit Information Companies. Continuous communications and measures are being carried out to resolve the same.

4. The Company has not complied with regulation 30 (2) read with sub para 12 of Para A of Part A of Schedule III of the Listing Regulations with respect to the disclosure of newspaper publications on 28.08.2021, intimating the process of registration of e-mail id and newspaper publications in respect of information related to quarterly financial results.

The Company has complied with the provisions of regulation 47 of Listing Regulations with respect to publication of information on quarterly financial results and notices given to shareholders by advertisement within stipulate time.

- In accordance with the Act and regulation 47 of Listing Regulations, the Company has published 2 notices in newspapers with respect to Annual General Meeting on 28.08.2021 and 03.09.2021 respectively. Notice published on 03.09.2021 was conclusive of all details regarding the Annual General Meeting, which also includes the details already provided in the Notice published on 28.08.2021. Being the main intention is to inform the shareholders, the Company is of the view that the disclosure of notice published on 03.09.2021 with the stock exchange will suffice the requirement.

Pursuant to regulation 30 (2) read with para 12 of Para A of Part A of Schedule III of the Listing Regulations, Listed Entities are required to disclose information related to issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in any media. Hence, it is implied that the said

regulation does not stipulate dissemination of newspaper publications on financial results with the stock exchange.

5. The Company has complied with regulation 30 (2) read with sub para 3 of Para A of Part A of Schedule III of the Listing Regulations with respect to the disclosure of assignment of credit rating, except within stipulated time.

Due to non-availability of information on assignment of credit rating on time, the Company was unable to disclose the same with stock exchange. Necessary measures are being taken by the management to avoid the same in future.

6. The Company has complied with regulation 30 (2) read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations with respect to disclosure of outcome of Board Meetings held on 30.06.2021 & 13.01.2022, except within stipulated time.

Due to technical failures, delay of few minutes occurred. The Company has taken sufficient measures to overcome the same in future.

7. The Company has not complied with regulation 30 (2) read with sub-para 14 & 7 of Para A of Part A of Schedule III of the Listing Regulations with respect to disclosure of proposed amendment to the Memorandum of Association and re-appointment of statutory auditors respectively as passed by the members vide Annual General Meeting held on 25.09.2021.

The Company has disclosed proposed Memorandum of Association in full vide acknowledgment number 3127403 on 29.08.2021 as passed by the Board of Directors vide meeting held on 27.08.2021. Considering the same as repetitive, subsequent compliance pursuant to regulation 30 had been misinterpreted as the said already disseminated Memorandum of Association was approved by the members vide Annual General Meeting held on 25.09.2021 without any modifications.

Further, proceedings and voting results of Annual General Meeting as submitted with stock exchange has mentioned in brief the details of said two businesses.

All necessary disclosures as stipulated by the Securities & Exchange Board of India with respect to re-appointment of statutory auditors were mentioned in the Explanatory Statement to Notice of 90th Annual General Meeting held on 25.09.2021. Since the main intention was disclosure of re-appointment of Statutory Auditor and proceedings & voting results of Annual General Meeting as submitted with stock exchange has mentioned in brief the details of re-appointment, it was assumed to be in compliance and repetitive. Hence, subsequent compliance under regulation 30 to upload the same separately had been grossly misinterpreted, but the intention of disclosure was totally in place. However necessary measures have been taken to avoid any such matters in future.

8. The Company has complied with 33(3)(d) of the Listing Regulations with respect to submission of financial results for the financial year ended 31.03.2021, except filing of financial results in XBRL mode within stipulated time.

The Company has filed financial results for the financial year ended 31.03.2021 in pdf mode within the stipulated time vide acknowledgment number 2937113 on 30.06.2021. However, due to technical errors, beyond the controls of the Company, financial results in XBRL mode got delayed and further to the technical support from Bombay Stock Exchange, the Company managed to file the same vide acknowledgment number 0307202112124833 on 03.07.2021. In addition to the said submission of financial results in pdf mode, the Company had also submitted outcome of respective Board Meeting along with said financial results. As the main intention was to disclose financial results with the public, the Company is of the view that the same is in compliance.

For Salem Erode Investments Limited

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Place: Irinjalakuda
Date: 23.08.2022

Annexure 7

Details of remuneration of Directors, KMPs and employees and comparatives

Pursuant to Section 197(12) and rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2021-22

Sl. No.	Name & Designation	Ratio of remuneration to median remuneration of employees of the Company	% increase in the remuneration
01.	Mr. K.G. Anilkumar Managing Director	0.54	(Not comparable) (*1)
02.	Ms. Umadevi Anilkumar Non-Executive Director	0.54	(Not comparable) (*2)
03.	Mr. T.G. Babu Independent Director	0.54	(Not comparable) (*3)
04.	Mr. Saseendran V. Independent Director	0.54	(Not comparable) (*4)
05.	Mr. A.A. Balan Independent Director	0.27	(Not comparable) (*5)
06.	Mr. Subramanain R. Chief Financial Officer	N.A.	(Not comparable) (*6)
07.	Mr. Natarajan R Chief Financial Officer	N.A.	(Not comparable) (*7)
08.	Mr. Madhavankutty T. Chief Financial Officer	N.A.	(Not comparable) (*8)
09.	Ms. Manisha N. Menon Company Secretary & Compliance Officer	N.A.	8.33% (*9)

*

- a. Mr.K.G.Anilkumar, Managing Director was paid sitting fees of Rs. 32,700/- (Rupees Thirty-Two Thousand and Seven Hundred Only) for attending 12 (twelve) Board Meetings of the Company and was not paid any other commission or sitting fees for attending Committee Meetings of the Company and neither was he paid any remuneration in the previous financial

year. Hence, comparison in % increase in the remuneration is not required.

- b. Ms. Umadevi Anilkumar, Non-Executive Director was paid sitting fees of Rs. 32,700/- (Rupees Thirty-Two Thousand and Seven Hundred Only) for attending 12 (twelve) Board Meetings of the Company and was not paid any other commission or sitting fees for attending Committee Meetings of the

- Company and neither was she paid any remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
- c. Mr. T.G. Babu, Independent Director was paid sitting fees of Rs. 32,700/- (Rupees Thirty-Two Thousand and Seven Hundred Only) for attending 12 (twelve) Board Meetings of the Company and was not paid any other commission or sitting fees for attending Committee Meetings of the Company and neither was he paid any remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
 - d. Mr. Saseendran V., Independent Director was paid sitting fees of Rs. 32,700/- (Rupees Thirty-Two Thousand and Seven Hundred Only) for attending 12 (twelve) Board Meetings of the Company and was not paid any other commission or sitting fees for attending Committee Meetings of the Company and neither was he paid any remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
 - e. Mr. A.A. Balan, Independent Director (Additional) was paid sitting fees of Rs. 16,350/- (Rupees Sixteen Thousand Three Hundred and Fifty Only) for attending 6 (six) Board Meetings of the Company and was not paid any other commission or sitting fees for attending Committee Meetings of the Company and neither was he paid any remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
 - f. Mr. Subramanian R. who was the Chief Financial Officer of the Company from 11th day of June, 2020 had resigned from the Company on 21st day of June, 2021. There was no increase in the remuneration of Mr. Subramanian R. in both financial years. Hence, comparison in % increase in the remuneration is not required.
 - g. Mr. Natrajan R. who was appointed as Chief Financial Officer in place of Mr. Subramanian R. on 30th day of June, 2021 resigned from the Company on 24th day of September, 2021. Hence, comparison in % increase in the remuneration is not required.
 - h. Mr. Madhavankutty T., Chief Financial Officer was appointed on 13th January, 2022. Hence comparison in the % increase in the remuneration is not required.
 - i. The remuneration of Ms. Manisha N. Menon, Company Secretary & Compliance Officer has increased by 8.33% in the financial year 2021-22.
2. Percentage increase in the median remuneration of employees in the financial year – 62.59%. In the financial year 2020-21, the branches were established towards the end of the financial year and the permanent employees at that time was only Chief Financial Officer and Company Secretary. Chief Financial Officer and Company Secretary were appointed in the month of June, 2020 and the remaining employees were appointed from the month of December, 2020 as per the opening of the branches, because of which there is a huge increase in the median remuneration from Rs. 37,106/- in the financial year 2020-21 to Rs. 60,331/- in the financial year 2021-22.
 3. Permanent employees on the rolls of Company as at the end of the financial year 2021-22 – 14.
 4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof

The average percentile in the salaries of employees other than the managerial personnel increased by 54.37%. The Managing Director of the Company was not provided with any remuneration or sitting fees or commission during financial year 2020-21 and in financial year 2021-22 the Managing Director was provided sitting fees

of Rs. 32,700/- (Rupees Thirty-Two Thousand and Seven Hundred Only) for attending 12 Board Meetings. As there was no managerial remuneration, justification with respect to increase in the managerial remuneration is not applicable.

5. It is hereby affirmed that the remuneration paid is as per the Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management.

6. The Managing Director of the Company is also the Managing Director of ICL Fincorp Limited (Holding Company) and has received a total remuneration of Rs. 1,20,00,000/- (Rupees One Crore and Twenty Lakhs Only) and Rs. 57,000/- (Rupees Fifty-Seven Thousand Only) as sitting fees for attending Board Meeting from ICL Fincorp Limited in the financial year 2021-2022.

7. Names of top ten employees of the Company in terms of remuneration drawn.

Sl. No.	Name, Designation, Age & Nature of employment	Remuneration received during 2021-22 (In Rs.)	Qualification & Experience	Date of commencement of employment & Last employment held	Percentage of equity shares held by the employee in the Company
*01.	Ms. Manisha N. Menon Company Secretary 38 years Permanent Employment	6,60,604	B.Com, LLB, ACS 7 years	11.06.2020 Horizon Promoters Ltd.	Nil
*02.	Mr. Ram Bhagwat Prasad Branch Head 32 years Permanent Employment	2,39,719	Msc. Computer Science 9 years	09.11.2020 ICICI Bank Ltd	Nil
*03.	Mr. Gnana Amala Jeba Assistant Branch Head 35 years Permanent Employment	2,17,314	Bsc. Mathematics 6 years experience	01.12.2020 Indel Money	Nil
04.	Ms. Rajeshwari S. Junior Officer, Sales Department 25 years Permanent Employment	1,74,306	M.A (History) Fresher	12.01.2021 Nil	Nil
05.	Mr. Arockia Joy Singh Chandran Junior Officer, Sales Department 29 years Permanent Employment	1,74,306	B.E (Civil Engineer) 4 years	13.01.2021 Value Engineering Solution	Nil

06.	Ms. Helen Sharmi C Junior Officer, Sales Department 25 years Permanent Employment	1,72,991	MCA 1.5 year experience	13.01.2021 1 year & 7 months as Asst. professor at St. Johns College of Arts and Science	Nil
*07.	Mr. Natarajan R Chief Financial Officer 66 years Relieved	1,70,054	CA 34 years	30.06.2021 CSB Bank	Nil
08.	Ms. Navaneethan S. Branch Head Sales Department 44 years, Permanent Employment	1,68,537	BSC Zoology 17 years	23.07.2021 Amudh Surabhi Thrift and Credit Co-Operative Society - Branch Manager	Nil
09.	Mr. Satish Kumar Mutham Perumal Pillai Junior Officer, Sales Department 30 years Relieved	1,64,860	MBA HR 4 years	16.11.2021 Kalachuvadu Publication Pvt Ltd - Marketing Executive	Nil
10.	Mr. Anto A. Junior Officer, Sales Department 24 years Permanent Employment	1,62,890	BBA 1.5 years	22.02.2021 Nil	Nil

*The remuneration of Ms. Manisha N. Menon, Company Secretary has increased by 8.33% in the financial year 2021-22.

*The remuneration of Ram Bhagwat Prasad, Branch Head has increased by 12.20% in the financial year 2021-22.

*The remuneration of Gnana Amala Jeba, Assistant Branch Head has increased by 10% in the financial year 2021-22.

*Mr. Natarajan R. was appointed as the Chief Financial Officer of the Company as on 30th day of June, 2021 and resigned on 24th day of September, 2021.

*Rest of the employees as above were recruited in financial year 2021-22 and comparison cannot be obtained.

8. Name of every employee, who employed throughout the year, was in receipt of remuneration not less than one crore and two lakh rupees in the aggregate – Not Applicable
9. Name of every employee, who employed for a part of the year, was in receipt of remuneration not less than eight lakhs and fifty thousand rupees per month in the aggregate - Not Applicable
10. Name of every employee who employed throughout the year or part thereof, was in receipt of remuneration which is in excess

- of that drawn by the Managing Director or Whole-time Director or Manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the Company - Not Applicable
11. Percentage of Equity Shares held by the employee along with his spouse and dependent children, if such shareholding is not less than two percent of the total Equity Shares - Not Applicable
12. Whether any such employee is a relative of any Director or Manager of the Company and if so, the name of such Director or Manager - Not Applicable
13. Particulars of employees posted and working in a country outside India, not being Directors or their relatives, drawing more than sixty lakh rupees per year or five lakh rupees per month - Not Applicable

For **Salem Erode Investments Limited**

Place: Irinjalakuda
Date: 23.08.2022

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

INDEPENDENT AUDITOR'S REPORT

To the members of

Salem Erode Investments Limited

Report on the Audit of the Standalone financial statements Opinion

We have audited the accompanying Standalone financial statements of **M/s. Salem Erode Investments Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, 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 with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit, 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 specified under section 143(10) of the Act

(SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 Companies Act 2013 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

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 Matters	Auditor's Response
1.	Provision for Expected Credit Losses (ECL)	We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company.

		<p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p>
2.	Due to the pervasive nature and complexity of the IT environment, we have ascertained IT systems and controls as a key audit matter.	Tested the Company's periodic review of access rights. Considered the control environment relate to various interfaces, configuration and other application layer controls identified as key to our audit.

Information other than the financial statements and auditor's report thereon.

The Company's Board of Directors is responsible for the other information. The other information comprises of information included in the Company's Annual Report, but does not include standalone financial statements, consolidated financial statements and our auditor's report thereon.

- Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance.
- In connection with our audit of the Standalone financial statements, our responsibility is to read the other information made available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, relevant to the preparation and presentation of the standalone 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.

Auditor's responsibility for the audit of the Standalone Financial Statements.

Our responsibilities are to design suitable audit procedure to obtain reasonable assurance about whether the Ind AS 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and 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 financial 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 the 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and 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, 2020("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act 2013, we give in "Annexure 1" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) 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.

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) 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 Report in "Annexure 2".

g) 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, in our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid or provided during the financial year.

h) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer note 32).
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of Section 123 of the Companies Act, 2013.

Place: Thrissur
Date: 27-05-2022

For Mohandas & Associates
Chartered Accountants
ICAI Firm Reg No: 02116S

Sd/-
Mohandas A
[Partner]
Membership No. 036726
UDIN: 22036726AJTIII7943

ANNEXURE 1

TO THE AUDITOR'S REPORT

The Annexure 1 referred to in our Report to the members of SALEM ERODE INVESTMENTS LIMITED (the Company) for the year ended on 31st March, 2022.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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| <p>i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets;</p> <p>b) All the Property, Plant and Equipment have not been physically verified by the management during the period but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification;</p> <p>c) The company does not hold any title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) in its name;</p> <p>d) The company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the year;</p> <p>e) There have been no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;</p> <p>ii) a) The Company is a Non-Banking Financial Company engaged in the business of making investments and providing loans and does not hold any type of physical</p> | <p>inventories. Therefore, the provisions of paragraph 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;</p> <p>b) During any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets; therefore, the provisions of paragraph 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;</p> <p>iii) During the year the Company has granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.</p> <p>a) The Company is a Non- Banking Financial Company engaged in the principal business of providing loans. Therefore, the provisions of paragraph 3(iii)(a) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;</p> <p>b) The terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the company's interest;</p> <p>c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the company has provided impairment allowance for expected credit losses on loans and advances where repayments or receipts are irregular. In addition to that the company has created impairment reserve as per Prudential Norms of RBI;</p> <p>d) Total amount overdue for more than ninety days is amounting to `31,93,082/-</p> |
|--|---|

and reasonable steps have been taken by the company for recovery of the principal and interest;

principal business of providing loans. Therefore, the provisions of paragraph 3(iii) (e) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;

e) The Company is a Non- Banking Financial Company engaged in the

f) The company has granted loans which are repayable on demand to Promoters as defined in clause (76) of section 2 of the Companies Act, 2013, which is provided below;

Name of Borrower	ICL Fincorp Ltd
Nature of Loan	Inter-Corporate Deposit
Relationship	Parent Company
Loan Amount granted	`20,65,00,000/-
Tenure	5 years, Repayment to be made on issue of demand letter by the lender
Percentage to total loans granted	58.39%
Loan Outstanding	`14,26,17,266/-
Percentage to total loans outstanding	49.45%

iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities made;

v) The Company has not accepted any Deposits from the public. Therefore the Directives issued by the Reserve Bank Of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company. The Company has not received any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard;

vi) Being a Non-Banking Finance Company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013;

vii) a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities wherever applicable to it. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable;

b) There are no statutory dues of Income Tax, Sales tax, Service tax, Goods and Service Tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute;

viii) There are no transactions which were not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix)	(a)	The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;	xii)	The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
	(b)	The Company isn't a declared willful defaulter by any bank or financial institution or other lender;	xiii)	All transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Standalone financial statements of the Company as required by the applicable Ind AS;
	(c)	The Company has not availed any term loan during the year;		
	(d)	The company has not utilized the funds raised on short term basis for long term purposes;		
	(e)	The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;	xiv)	a) The company has an internal audit system commensurate with the size and nature of its business;
	(f)	The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;		b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor;
			xv)	The Company has not entered into any non-cash transactions with directors or persons connected with them;
x)	a)	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year;	xvi)	(a) The Company has obtained the required registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);
	b)	The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year;		(b) The Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
xi)	(a)	Any fraud by the Company or any fraud on the company has not been noticed or reported during the course of our audit;		(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence paragraph 3(xvi)(c) & (d) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
	(b)	There is no report under sub-section (12) of section 143 of the Companies Act that is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;	xvii)	The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
	(c)	The company has not received any whistle-blower complaints during the year;	xviii)	There is no resignation of the statutory auditors during the year;
			xix)	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other

- information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheets and when they fall due, with in a period of one year from the balance sheet date;
- xx) a) The company has no such unspent amount to be transferred to the Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to Section 135(5) of said Act;
- b) The company has no such unspent amount under sub-section (5) of section 135 of the Companies Act, 2013, pursuant to any ongoing project to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;
- xxi) Since the CARO Report of component company (ICL Fincorp Limited) has not been issued till the date of this audit report, we are not in a position to comment on Paragraph 3 (xxi) of the Companies (Auditor's Report) Order, 2020.

For Mohandas & Associates

Chartered Accountants
ICAI Firm Reg No: 02116S

Sd/-

Mohandas A

[Partner]

Membership No.036726

UDIN: 22036726AJTIII7943

Place: Thrissur
Date:27-05-2022

ANNEXURE 2

Annexure 2 to the Independent Auditors' Report of **Salem Erode Investments Limited** for the period ended 31st March, 2022

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** ('the Company') as of 31st March, 2022 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 ('ICAI'). 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 (the 'Standards') 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. 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 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 Standalone 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 issued by the ICAI.

For Mohandas & Associates
Chartered Accountants
ICAI Firm Reg No: 02116S

Sd/-
Mohandas A
[Partner]
Membership No.036726
UDIN: 22036726AJTIII7943

Place: Thrissur
Date: 27-05-2022

SALEM ERODE INVESTMENTS LIMITED
BALANCE SHEET AS AT 31-MARCH-2022
(All amounts are in Indian Rupees unless otherwise stated)

ASSETS	Notes	31-Mar-22	31-Mar-21
Financial Assets			
Cash and Cash Equivalents	7	4,28,82,354	3,18,129
Bank Balance other than above	8	-	46,335
Loans	9	28,82,37,610	21,81,66,266
Investments	10	85,25,473	80,14,644
Other Financial Assets	11	53,87,066	23,31,115
		34,50,32,503	22,88,76,489
Non-Financial Assets			
Deferred Tax Assets (Net)	13	1,87,73,767	2,04,04,035
Property, Plant and Equipment	14A	41,36,358	36,68,200
Right-of-Use Asset	14B	46,92,291	25,27,084
Other Intangible Assets	15	3,95,480	4,74,595
Other Non-Financial Assets	12	1,72,04,592	1,71,01,658
		4,52,02,488	4,41,75,572
TOTAL ₹		39,02,34,991	27,30,52,061
LIABILITIES AND EQUITY			
Financial Liabilities			
Trade Payables	19		
<i>(A) total outstanding dues of micro enterprises and small enterprises; and</i>		-	17,680
<i>(B) total outstanding dues of creditors other than micro enterprises and small enterprises.</i>		8,00,582	5,76,280
Debt Securities	20	10,96,65,000	-
Lease Liability	14B	43,90,962	22,95,338
Other Financial Liabilities	17	16,89,340	3,78,777
		11,65,45,884	32,68,075
Non-Financial Liabilities			
Provisions	16	1,35,61,195	1,69,56,255
Other Non-Financial Liabilities	18	1,99,005	32,099
		1,37,60,200	1,69,88,354
Equity			
Equity Share Capital	21	1,14,65,595	1,14,65,595
Other Equity	22	24,84,63,312	24,13,30,037
		25,99,28,907	25,27,95,632
TOTAL ₹		39,02,34,991	27,30,52,061

Summary of significant accounting policies

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For Mohandas & Associates
Chartered Accountants
 ICAI Firm Reg No.: 02116S

 Sd/-
Mohandas A
 [Partner]
 Membership no.: 036726

 Place: Irinjalakuda
 Date: 27-05-2022

For and on behalf of the board of directors of
Salem Erode Investments Limited

 Sd/-
K G Anilkumar
 [Managing Director]
 (DIN: 00766739)

 Sd/-
Madhavankutty Thekkedath
 [Chief Financial Officer]

 Place: Irinjalakuda
 Date: 27-05-2022

 Sd/-
Umadevi Anilkumar
 [Director]
 (DIN: 06434467)

 Sd/-
Manisha N Menon
 [Company Secretary]

SALEM ERODE INVESTMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MARCH-2022
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	31-Mar-22	31-Mar-21
(I) Income			
Revenue from Operations			
(i) Interest Income	23	2,60,09,789	2,16,89,658
(ii) Dividend Income		7,80,871	5,56,376
(iii) Fees and Commission Income	23	4,85,975	5,966
Net gain on fair value changes	24	5,10,829	27,94,622
Other Income	25	2,81,964	38,023
Total Revenue(I)		2,80,69,427	2,50,84,645
(II) Expenses			
Finance Costs	26	22,79,874	91,248
Impairment on Financial Instruments (Net)	28	1,48,117	(7,43,370)
Employee Benefits Expenses	27	56,64,784	12,93,884
Depreciation, Amortisation and Impairment Expense	29	30,64,071	5,76,537
Administrative and Other Expenses	30	59,68,961	47,87,000
Total Expenses (II)		1,71,25,807	60,05,299
(III) Profit/(loss) before Exceptional Items & Tax (I-II)		1,09,43,620	1,90,79,345
(IV) Exceptional items		-	-
(V) Profit/(loss) before tax (III-IV)		1,09,43,620	1,90,79,345
(VI) Tax Expense:			
(a) Current Tax	33	31,98,353	44,64,296
(b) (Excess)/Short provision of Previous Years	33	3,82,872	1,42,104
(c) Deferred Tax	13	2,39,514	7,53,495
Total tax expense (VI)		38,20,739	53,59,895
(VII) Profit/(loss) for the year (V) - (VI)		71,22,881	1,37,19,450
(VIII) Other Comprehensive Income/(Expense)			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		14,400	-
(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		-	-
(ii) Tax related to above		(4,006)	-
Total Other Comprehensive Income/(Expense) (X)		10,394	-
(IX) Total Comprehensive Income/(Expense) for the period (IX+X)		71,33,275	1,37,19,450
<i>(Comprising profit and other comprehensive income for the year)</i>			
Earnings per Equity share			
<i>[nominal value of share ₹1]</i>			
(Basic)	31	0.62	1.20
(Diluted)		0.62	1.20
Summary of significant accounting policies			
Accompanying Notes are an integral part of the Financial Statements.			

As per our report of even date

For Mohandas & Associates
Chartered Accountants

ICAI Firm Reg No.: 02116S

Sd/-

Mohandas A

[Partner]

Membership no.: 036726

**For and on behalf of the board of directors of
Salem Erode Investments Limited**

Sd/-

K G Anilkumar

[Managing Director]

(DIN:00766739)

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Madhavankutty Thekkedath

[Chief Financial Officer]

Sd/-

Umadevi Anilkumar

[Director]

(DIN: 06434467)

Sd/-

Manisha N Menon

[Company Secretary]

Place: Irinjalakuda

Date: 27-05-2022

Place: Irinjalakuda

Date: 27-05-2022

SALEM ERODE INVESTMENTS LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)*

Particulars	31-Mar-22	31-Mar-21
Net Profit/(Loss) Before Tax	1,09,43,620	1,90,79,345
Adjustments for :		
Net unrealised fair value (gain) / loss	(5,10,829)	(27,94,622)
Finance cost	22,79,874	91,248
Provision for Gratuity	68,003	-
Dividend Income	(7,80,871)	(5,56,376)
Lease payments	16,64,634	5,05,000
Depreciation, Amortisation and Impairment Expense	30,64,071	5,76,537
Operating profit before working capital changes	1,67,28,503	1,69,01,132
Changes in Working Capital		
Decrease / (increase) in non-financial asset	(1,02,935)	(3,04,034)
(Increase) / Decrease in Trade Receivables and Others assets	(30,55,951)	(23,31,115)
Decrease / (increase) in investments	-	-
(Increase) / Decrease in Loans Assets	(7,00,71,344)	(95,70,695)
(Increase) / Decrease in Lease Liability	20,95,624	22,95,338
Increase / (Decrease) in Trade Payables and Others Liabilities	6,33,895	8,54,371
Cash Generated / (used) in operations	(5,37,72,208)	78,44,998
Net Income Taxes Paid	(45,92,944)	(3,67,961)
Net cash flow from/ (used in) operating activities (A)	(5,83,65,151)	74,77,036
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment, and Intangible Assets	(18,87,281)	(42,75,336)
Dividend Income	7,80,871	5,56,376
Net cash flow from/ (used in) investing activities (B)	(11,06,410)	(37,18,960)
Cash Flow from Financing Activities		
Proceeds from Debt Securities (Net)	10,96,65,000	-
Finance cost	(22,79,874)	(91,248)
Lease payments	(16,64,634)	(5,05,000)
Right to Use Asset (Net)	(37,31,040)	(29,71,080)
Net cash flow from/ (used in) in financing activities (C)	10,19,89,452	(35,67,328)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	4,25,17,890	1,90,749
Cash & Cash Equivalents at the beginning of the year	3,64,464	1,27,380
Cash and Cash Equivalents at the end of the year (refer Note No. 7)	4,28,82,354	3,18,129
Components of cash and cash equivalents:		
Cash and cash equivalents at the end of the year		
(a) Cash on hand	17,30,172	1,58,811
(b) Balances with Banks - in Current Account	4,11,52,182	1,59,318
(c) Fixed Deposits with original maturity period less than three months	-	-
Total cash and cash equivalents	4,28,82,354	3,18,129

As per our report of even date

For Mohandas & Associates**Chartered Accountants**

ICAI Firm Reg No.: 02116S

Sd/-

Mohandas A

[Partner]

Membership no.: 036726

**For and on behalf of the board of directors of
Salem Erode Investments Limited**

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K G Anilkumar

[Managing Director]

(DIN:00766739)

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Madhavankutty Thekkedath

[Chief Financial Officer]

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(DIN: 06434467)

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Manisha N Menon

[Company Secretary]

Place: Irinjalakuda

Date: 27-05-2022

Place: Irinjalakuda

Date: 27-05-2022

SALEM ERODE INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-MARCH-2022

(All amounts are in Indian Rupees unless otherwise stated)

A Equity Share Capital

Balance at the beginning of the period

Changes in Equity share capital during the year due to prior period errors

Restated balance at the beginning of the period

Changes in Equity share capital during the year

Balance at the end of the reporting period

B Other Equity

	As at 31-March-2022		As at 31-March-2021	
	Number	Amount	Number	Amount
	1,14,65,595	1,14,65,595.00	1,14,65,595	1,14,65,595.00
	-	-	-	-
	1,14,65,595	1,14,65,595.00	1,14,65,595	1,14,65,595.00
	-	-	-	-
	1,14,65,595	1,14,65,595.00	1,14,65,595	1,14,65,595.00

	Reserves and Surplus			Items of other comprehensive Income		Total
	Statutory Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Capital Reserve	Impairment Reserve	General Reserve	Retained Earnings	
Balance as at the 1st April, 2020	4,42,07,884	23,19,780	-	75,69,114	17,35,13,809	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the 1st April, 2020	4,42,07,884	23,19,780	-	75,69,114	17,35,13,809	-
Profit for the year	-	-	-	-	1,37,19,450	1,37,19,450
Other Comprehensive Income (net of tax)	-	-	-	-	-	-
Dividend and Corporate Dividend Tax	-	-	-	-	-	-
Transfer from retained earnings	39,00,000	-	-	5,45,458	(44,45,458)	-
MAT Credit for earlier years	-	-	-	-	-	-
Balance as at 31st March, 2021	4,81,07,884	23,19,780	5,45,458	75,69,114	18,27,87,801	24,13,30,037
Balance as at the 1st April, 2021	4,81,07,884	23,19,780	5,45,458	75,69,114	18,27,87,801	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the 1st April, 2021	4,81,07,884	23,19,780	5,45,458	75,69,114	18,27,87,801	-
Profit for the year	-	-	-	-	71,22,881	71,22,881
Other Comprehensive Income (net of tax)	-	-	-	-	-	-
Dividend and Corporate Dividend Tax	-	-	-	-	-	-
Transfer from retained earnings	17,00,000	-	-	1,36,550	(18,36,550)	-
MAT Credit for earlier years	-	-	-	-	-	-
Balance as at 31st March, 2022	4,98,07,884	23,19,780	6,82,008	75,69,114	18,80,74,132	24,84,63,312

As per our report of even date

For Mohandas & Associates

Chartered Accountants

ICAI Firm Reg No.: 02116S

Sd/-

Mohandas A

[Partner]

Membership no.: 036726

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K G Anilkumar

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Madhavankutty Thekkedath

[Chief Financial Officer]

Place: Irinjalakuda

Date: 27-05-2022

Sd/-

Manisha N Menon

[Company Secretary]

For and on behalf of the board of directors of

Salem Erode Investments Limited

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***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.

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 equity shares of company are listed on the Bombay Stock Exchange.

BASIS OF PREPARATION OF FINANCIAL**2 STATEMENTS**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules , 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards and on accrual basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in accounting policies below.

The above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – ND.

The financial statements are presented in Indian Rupees (INR) except when otherwise indicated.

3 PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- (i) The normal course of business
- (ii) The event of default
- (iii) The event of insolvency or bankruptcy of the Company and/or its counterparties.

4 STATEMENT OF COMPLIANCE

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

5 SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies adopted in the Preparation and Presentation of Financial Statements are as under:-

A. FINANCIAL INSTRUMENTS**(I) Classification of financial instruments**

The Company classifies its financial assets into the following measurement categories:

- i) Financial assets to be measured at amortised cost.
- ii) Financial assets to be measured at fair value through other comprehensive income.
- iii) Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets. The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets.
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof.
- The compensation of the managing teams (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 trades. The business model assessment is based on reasonably expected scenarios without taking ' worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. 'Principal' s defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(II) 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.

(III) 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.

(IV) 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.

(V) 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.

(VI) Impairment of Financial Assets

The company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. In addition to that the Company has provided for Non-Performing Assets (NPA) as per Prudential Norms of RBI.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account. The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, ECL associated with the probability of default events is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised

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.

(VII) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower /debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(VIII) 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.

(IX) 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.

B. REVENUE FROM OPERATIONS**(I) 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.

(II) 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.

(III) Fees and Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

(IV) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised as Revenue and if there is a net loss the same is disclosed under as Expense in the statement of Profit and Loss.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

C. EXPENSES

(I) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed

- a) As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b) By considering all the contractual terms of the financial instrument in estimating the cash flows
- c) Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent change the estimation of the future cash flows is recognised in interest with the corresponding adjustment to the carrying amount of the assets.

(II) Employee Benefits

Short term employee benefit

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits**a) Defined contribution schemes**

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

(III) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. 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. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(IV) Other Income and Expenses

All Other income and expense are recognized in the period they occur.

(V) 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.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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.

(VI) Taxes Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternative Tax (MAT)

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

D. 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. They are held for the purposes of meeting short term cash commitments (rather than for investment or other purposes).

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.

E. PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred. Depreciation is calculated using the Written Down Value (WDV) method to write down the cost of property and equipment to their residual values over their estimated useful lives.

The estimated useful lives as follows:

Particulars	Useful life estimated by company (Years)
Furniture And Fixtures	10
Electrical Installations & Equipments	10
Office Equipments	5
Computer And Accessories	3

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. 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.

F. INTANGIBLE ASSETS

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life. Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

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. 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.

I. EARNING PER SHARE

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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.

A. BUSINESS MODEL ASSESSMENT

Classification and measurement of financial assets depends on the results of the SPPI and the business model 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 assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

B. DEFINED EMPLOYEE BENEFIT ASSETS AND LIABILITIES

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

C. FAIR VALUE MEASUREMENT

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

D. IMPAIRMENT OF LOANS PORTFOLIO

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 9 Overview of ECL principles. In case, higher provisions are to be considered as per the prudential norms of the Reserve Bank of India, they are considered and routed through Impairment Reserves.

E. CONTINGENT LIABILITIES AND PROVISIONS OTHER THAN IMPAIRMENT ON LOAN PORTFOLIO

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

F. EFFECTIVE INTEREST RATE (EIR) METHOD

The Company's EIR methodology, recognises interest income /expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

G. OTHER ESTIMATES

These include contingent liabilities, useful lives of tangible and intangible assets etc.

H. SEGMENT REPORTING

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.

7 Cash and Cash Equivalents

	As at 31-March-2022	As at 31-March-2021
Cash on hand	17,30,172	1,58,811
Balances with Banks - in Current Account	4,11,52,182	1,59,318
Total ₹	4,28,82,354	3,18,129

8 Bank Balance other than above

	As at 31-March-2022	As at 31-March-2021
Bank Deposit with more than 3 months maturity but less than 12 months	-	-
Earmarked balances with banks:		
For unpaid dividend	-	46,335
Total ₹	-	46,335

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***9. Loans**

		As at 31-March-2022				
Particulars	Amortised cost	At Fair Value			Sub total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
Loans						
(A)						
(i) Loans repayable on demand						
Gold Loan	8,62,51,712	-	-	-	-	8,62,51,712
(ii) Term Loans						
ICL Fincorp Term Loan	5,95,16,749	-	-	-	-	5,95,16,749
(iii) Other Loans:						
Corporate Loans	-	-	-	-	-	-
Intercorporate Deposit	14,26,17,266	-	-	-	-	14,26,17,266
Letter of Credit	-	-	-	-	-	-
Total (A) - Gross	28,83,85,727	-	-	-	-	28,83,85,727
Less: Impairment loss allowance	1,48,117	-	-	-	-	1,48,117
Total (A) - Net	28,82,37,610	-	-	-	-	28,82,37,610
(B)						
(i) Secured by tangible assets	8,62,51,712	-	-	-	-	8,62,51,712
(ii) Secured by intangible assets	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	20,21,34,015	-	-	-	-	20,21,34,015
Total (B) Gross	28,83,85,727	-	-	-	-	28,83,85,727
Less: Impairment loss allowance	1,48,117	-	-	-	-	1,48,117
Total (B) Net	28,82,37,610	-	-	-	-	28,82,37,610
(C)						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	28,83,85,727	-	-	-	-	28,83,85,727
Total (C) Gross	28,83,85,727	-	-	-	-	28,83,85,727
Less: Impairment loss allowance	1,48,117	-	-	-	-	1,48,117
Total (C) (I) Net	28,82,37,610	-	-	-	-	28,82,37,610
(II) Loans outside India						
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) Net	-	-	-	-	-	-
Total (C) (I) and C (II)	28,82,37,610	-	-	-	-	28,82,37,610
Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons	Nil	Nil	Nil	Nil		Nil
Amounts due by firms or private companies in which any director is a partner or a director or a member	Nil	Nil	Nil	Nil		Nil

As at 31-March-2021						
Particulars	Amortised cost	At Fair Value			Subt otal	Total
		Through Other Compre hensive Income	Throu gh profit or loss	Designate d at fair value through profit or loss		
Loans						
(A)						
(i) Loans repayable on demand						
Gold Loan	1,16,66,266	-	-	-	-	1,16,66,266
(ii) Term Loans	-	-	-	-	-	-
ICL Fincorp Term Loan	-	-	-	-	-	-
(ii) Other Loans:						
Corporate Loans	-	-	-	-	-	-
Intercompany Deposit	20,65,00,000	-	-	-	-	20,65,00,000
Letter of Credit	-	-	-	-	-	-
Total (A) - Gross	21,81,66,266	-	-	-	-	21,81,66,266
Less: Impairment loss allowance	-	-	-	-	-	-
Total (A) - Net	21,81,66,266	-	-	-	-	21,81,66,266
(B)						
(i) Secured by tangible assets	1,16,66,266	-	-	-	-	1,16,66,266
(ii) Secured by intangible assets	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	20,65,00,000	-	-	-	-	20,65,00,000
Total (B) Gross	21,81,66,266	-	-	-	-	21,81,66,266
Less: Impairment loss allowance	-	-	-	-	-	-
Total (B) Net	21,81,66,266	-	-	-	-	21,81,66,266
(C)						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	21,81,66,266	-	-	-	-	21,81,66,266
Total (C) Gross	21,81,66,266	-	-	-	-	21,81,66,266
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (I) Net	21,81,66,266	-	-	-	-	21,81,66,266
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) Net	-	-	-	-	-	-
Total (C) (I) and C (II)	21,81,66,266	-	-	-	-	21,81,66,266
Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons	Nil	Nil	Nil	Nil		Nil
Amounts due by firms or private companies in which any director is a partner or a director or a member	Nil	Nil	Nil	Nil		Nil

Summary of ECL Provisions

Particulars	FY 2021-2022			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	30,135	26,917	91,065	1,48,117
ICL Fincorp Term Loan				
Other Loans:				
Intercorporate Deposit	-	-	-	-
Total Closing ECL Provisions	30,135	26,917	91,065	1,48,117
Particulars	FY 2020-2021			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	-	-	-	-
ICL Fincorp Term Loan	-	-	-	-
Other Loans:				
Intercorporate Deposit	-	-	-	-
Total Closing ECL Provisions	-	-	-	-

As at 31-March-2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	28,47,83,426	30,135	28,47,53,291	7,12,143	(6,82,008)
	Stage 2	26,91,651	26,917	26,64,734	6,738	-
Subtotal		28,74,75,077	57,052	28,74,18,025	7,18,881	(6,82,008)
Non-Performing Assets (NPA)						
Substandard	Stage 3	9,10,650	91,065	8,19,585	91,065	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		9,10,650	91,065	8,19,585	91,065	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	28,47,83,426	30,135	28,47,53,291	7,12,143	(6,82,008)
	Stage 2	26,91,651	26,917	26,64,734	6,738	-
	Stage 3	9,10,650	91,065	8,19,585.00	91,065	-
	Total ₹	28,83,85,727	1,48,117	28,82,37,610	8,09,946	(6,82,008)

As at 31-March-2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	21,81,66,266	-	21,81,66,266	5,45,458	(5,45,458)
	Stage 2	-	-	-	-	-
Subtotal		21,81,66,266	-	21,81,66,266	5,45,458	(5,45,458)
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	21,81,66,266	-	21,81,66,266	5,45,458	(5,45,458)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total ₹	21,81,66,266	-	21,81,66,266	5,45,458	(5,45,458)

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)*

10. <u>Investments</u>	At Fair Value				Subtotal	Total
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss		
As at 31-March-2022						
Mutual funds	-	-	85,25,473	-	85,25,473	85,25,473
Debt securities	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Associates	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	-	-	-	-	-
Others (Deemed Investment)	-	-	-	-	-	-
Total – Gross A	-	-	85,25,473	-	85,25,473	85,25,473
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	85,25,473	-	85,25,473	85,25,473
Total – B	-	-	85,25,473	-	85,25,473	85,25,473
Less: Impairment loss allowance (C)	-	-	-	-	-	-
Total – Net D =(A)-(C)	-	-	85,25,473	-	85,25,473	85,25,473
As at 31-March-2021						
Mutual funds	-	-	80,14,644	-	80,14,644	80,14,644
Debt securities	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Associates	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	-	-	-	-	-
Others (Deemed Investment)	-	-	-	-	-	-
Total – Gross A	-	-	80,14,644	-	80,14,644	80,14,644
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	80,14,644	-	80,14,644	80,14,644
Total – B	-	-	80,14,644	-	80,14,644	80,14,644
Less: Impairment loss allowance (C)	-	-	-	-	-	-
Total – Net D =(A)-(C)	-	-	80,14,644	-	80,14,644	80,14,644

Details of Investments in Equity Instruments and Mutual Funds

Name of Body Corporate	As at 31-March-2022		As at 31-March-2021	
	Quantity of Shares	Market value	Quantity of Shares	Market value
DSP BLACK ROCK Tax Saver Fund (D) (FV: Rs. 10/-)	2,00,797	39,10,722	2,00,797	34,84,430
AXIS LONG TERM EQUITY FUND (D) (FV: Rs. 10/-)	1,50,706	36,39,113	1,50,706	35,36,166
Aditya Birla Sun Life Tax Relief'96 (D) (FV: Rs. 10/-)	6,157	9,75,638	6,157	9,94,048
TOTAL	3,57,660	85,25,473	3,57,660	80,14,644

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***11 Other Financial Assets**

	As at 31-March-2022	As at 31-March-2021
GST Receivable	6,58,930	4,79,393
Interest accrued on loan portfolio	26,18,321	7,26,359
Security deposits	21,09,815	11,25,363
Total ₹	53,87,066	23,31,115

12 Other Non-Financial Assets

	As at 31-March-2022	As at 31-March-2021
Advance for Fixed Asset Purchase	-	75,866
Balances with Government Authorities	1,69,77,624	1,69,77,624
Prepaid Expenses	2,26,968	48,168
Total ₹	1,72,04,592	1,71,01,658

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***13. Deferred Tax Assets / (Deferred Tax Liability) (Net)**

	As at 1st April, 2021	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehens ive Income	As at 31- March-2022
MAT Credit Entitlement	2,02,50,267	(13,86,748)	-	1,88,63,519
Financial Assets and Liabilities at FVTPL	2,08,085	(4,12,790)	-	(2,04,705)
Receivables, Financial Assets and Liabilities at Amortised Cost	-	-	-	-
Unrealised gain on Investment carried at Fair Value	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	-	-	(4,006)	(4,006)
Carried Forward of Losses & Unabsorbed Depreciation	-	-	-	-
Property, Plant and Equipment and Intangible Assets	(49,862)	1,85,513	-	1,35,651
Other Timing Differences	(4,455)	(12,237)	-	(16,692)
Net Deferred Tax Assets/(Liabilities)	2,04,04,035	(16,26,262)	(4,006)	1,87,73,767

	As at 1st April, 2020	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensi ve Income	As at 31- March-2021
MAT Credit Entitlement	2,03,92,371	(1,42,104)	-	2,02,50,267
Financial Assets and Liabilities at FVTPL	7,15,844	(5,07,759)	-	2,08,085
Receivables, Financial Assets and Liabilities at Amortised Cost	1,91,418	(1,91,418)	-	-
Unrealised gain on Investment carried at Fair Value	-	-	-	-
Carried Forward of Losses & Unabsorbed Depreciation	-	-	-	-
Property, Plant and Equipment and Intangible Assets	-	(49,862)	-	(49,862)
Other Timing Differences	-	(4,455)	-	(4,455)
Net Deferred Tax Assets/(Liabilities)	2,12,99,634	(8,95,599)	-	2,04,04,035

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***14 A. Property, Plant and Equipment**

	Electrical installations & Equipments	Furniture and fixtures	Office Equipments	Computer and accessories	Total ₹
Cost or valuation					
At 1 April 2020	-	-	-	-	-
Additions	3,77,288	27,12,483	4,27,746	2,67,319	37,84,836
Disposals	-	-	-	-	-
Write off	-	-	-	-	-
As at 31-March-2021	3,77,288	27,12,483	4,27,746	2,67,319	37,84,836
Additions	2,35,578	12,67,783	2,24,366	1,59,554	18,87,281
Disposals	-	-	-	-	-
Write off	-	-	-	-	-
As at 31-March-2022	6,12,866	39,80,266	6,52,112	4,26,873	56,72,117
Depreciation					
At 1 April 2020					-
Charge for the year	11,754	77,472	14,570	12,840	1,16,636
Disposals	-	-	-	-	-
Write off	-	-	-	-	-
As at 31-March-2021	11,754	77,472	14,570	12,840	1,16,636
Charge for the period	1,27,170	8,40,065	2,37,872	2,14,016	14,19,123
Disposals	-	-	-	-	-
Write off	-	-	-	-	-
As at 31-March-2022	1,38,924	9,17,537	2,52,442	2,26,856	15,35,759
Net Block					
As at 31-March-2021	3,65,534	26,35,011	4,13,176	2,54,479	36,68,200
As at 31-March-2022	4,73,942	30,62,729	3,99,670	2,00,017	41,36,358

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***14B Right-of-Use Asset**

	Total
Building	
At 1 April 2020	-
Additions	29,71,080
Disposals	-
As at 31-March-2021	29,71,080
Additions	37,31,040
Disposals	-
As at 31-March-2022	67,02,120
Depreciation	
At 1 April 2020	-
Charge for the year	4,43,996
Disposals	-
As at 31-March-2021	4,43,996
Charge for the year	15,65,833
Disposals	-
As at 31-March-2022	20,09,829
Net Right-of-use asset	
As at 31-March-2021	25,27,084
As at 31-March-2022	46,92,291

14B Lease Liability

At 1 April 2020	-
Additions	27,09,090
Finance cost accrued during the year	91,248
Deletions	-
Payment of lease liabilities	5,05,000
As at 31-March-2021	22,95,338
Additions	34,39,021
Finance cost accrued during the year	3,21,237
Deletions	-
Payment of lease liabilities	16,64,634
As at 31-March-2022	43,90,962
Lease Liability	43,90,962
Particulars	As at 31-March-2022
Less than one year	19,92,317
One to five years	23,98,645
More than five years	-
Total ₹	43,90,962

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***15 Intangible Assets****(In ₹)**

	Software
Cost	
At 1 April 2020	-
Additions	4,90,500
Disposals	-
As at 31-March-2021	4,90,500
Additions	-
Disposals	-
As at 31-March-2022	4,90,500
Amortization	
At 1 April 2020	-
Charge for the year	15,905
Disposals	-
As at 31-March-2021	15,905
Charge for the year	79,115
Disposals	-
As at 31-March-2022	95,020
As at 31-March-2021	4,74,595
As at 31-March-2022	3,95,480

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***16 Provisions**

	As at 31-March-2022	As at 31-March-2021
Employee Benefits		
- Gratuity	76,581	22,978
Provision for Taxation	1,34,84,614	1,58,83,081
Provision for CSR Expenditure	-	10,50,196
Total ₹	1,35,61,195	1,69,56,255

17 Other Financial Liabilities

	As at 31-March-2022	As at 31-March-2021
Interest accrued on borrowings	6,94,972	-
Unpaid Dividends *	-	46,335
Employee Related Payables	9,94,311	3,32,442
Others	57	-
Total ₹	16,89,340	3,78,777

*Amount to be credited to Investor Education and Protection Fund towards unpaid dividends

- 46,335

18 Other Non-financial liabilities

	As at 31-March-2022	As at 31-March-2021
Statutory Dues Payable	1,99,005	32,099
Total ₹	1,99,005	32,099

19. Trade Payables

	As at 31-March-2022	As at 31-March-2021
Total outstanding dues of micro enterprises and small enterprises; and	-	17,680
Total outstanding dues of creditors other than micro enterprises and small enterprises.	8,00,582	5,76,280
TOTAL ₹	8,00,582	5,93,960

Trade Payables aging schedule**As at 31-March-2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	7,43,134	34,178	23,270	-	8,00,582
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-

As at 31-March-2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	17,680	-	-	-	17,680
ii) Others	5,53,010	23,270	-	-	5,76,280
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-

Disclosure:- Micro, Small and Medium Enterprises

a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

Nil

Nil

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

Nil

Nil

(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

Nil

Nil

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

Nil

Nil

(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Nil

Nil

Dues to Micro and Small Enterprises have been determined to the extend such parties have been identified on the basis of information collected by the Management.

SALEM ERODE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022
(All amounts are in Indian Rupees unless otherwise stated)
20 Debt Securities

	As at 31-March-2022	As at 31-March-2021
At Amortised Cost		
Privately placed redeemable non-convertible debentures (Secured)	10,96,65,000	-
Others - Non-convertible Debentures - Public issue(Secured)	-	-
Total (A)	10,96,65,000	-
Debt securities in India	10,96,65,000	-
Debt securities outside India	-	-
Total (B)	10,96,65,000	-

Nature of Security

Secured by a hypothecation of all loan receivables, advances, fixed assets and other unencumbered assets of the Company, both present and future, having a minimum security cover of 110% of outstanding balance of Debentures and accrued interest thereon. The Company has executed a separate deed of hypothecation in favour of Trustees for creation of this security.

Debentures are offered for a period of 13 months to 65 months.

20 Debt Securities (contd.)
A] Non Convertible Debentures (Secured)

Non Convertible Debentures of ₹1,000/- each. Details of rate of interest and maturity pattern as on the date of the balance sheet is as under:

As at 31-March-2022

Redeemable at par within	Rate of interest							
	>= 10% < 12%		>= 12% < 14%		>= 14%		Total ₹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 1 year	5,900	59,00,000	17,250	1,72,50,000	-	-	23,150	2,31,50,000
Due within 1-2 years	2,000	20,00,000	48,755	4,87,55,000	-	-	50,755	5,07,55,000
Due within 2-3 years	-	-	29,560	2,95,60,000	-	-	29,560	2,95,60,000
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 5-6 years	-	-	6,200	62,00,000	-	-	6,200	62,00,000
Grand Total ₹	7,900	79,00,000	1,01,765	10,17,65,000	-	-	1,09,665	10,96,65,000

As at 31-March-2021

Redeemable at par within	Rate of interest							
	>= 10% < 12%		>= 12% < 14%		>= 14%		Total ₹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 1 year	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 5-6 years	-	-	-	-	-	-	-	-
Grand Total ₹	-	-	-	-	-	-	-	-

20 Debt Securities (contd.)

B/ Non Convertible Debentures of ₹1,000/- each - series-wise classification

As at 31-March-2022

Sl. No.	Date of Allotment	Outstanding	Interest Rate	Tenure(months)
1	31-12-2021	2,93,00,000	11.5%-13.66%	13-65
2	21-01-2022	3,15,35,000	11.5%-13.66%	13-65
3	17-02-2022	2,01,00,000	11.5%-13.66%	13-65
4	30-03-2022	2,87,30,000	11.5%-13.66%	13-65
		10,96,65,000		

21 Equity Share Capital

	As at 31-March-2022		As at 31-March-2021	
	No. of Shares	₹	No. of Shares	₹
Authorised				
Equity Shares, ₹ 1/- par value per share	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000
Total ₹		1,20,00,000		1,20,00,000
Issued and subscribed				
Equity Shares, ₹ 1/- par value per share	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520
Fully Paid-up				
Equity Shares, ₹ 1/- par value per share	1,14,65,520	1,14,65,520	1,14,65,520	1,14,65,520
Forfeited Shares		75		75
Total ₹		1,14,65,595		1,14,65,595

21.1 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 31-March-2022		As at 31-March-2021	
	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
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

21.2 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 and ₹ 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.

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

Name of the shareholder (Promotor)	As at 31-March-2022		As at 31-March-2021	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
M/s ICL Fincorp Ltd	85,99,140	75.00%	85,99,140	75.00%

21.4 Details of Shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of total shares	% Change during the year
M/s ICL Fincorp Ltd	85,99,140	75.00%	-

SALEM ERODE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022
(All amounts are in Indian Rupees unless otherwise stated)
22 Other Equity

	As at 31-March-2022	As at 31-March-2021
Statutory Reserve (pursuant to Section 451C of the Reserve Bank of India Act, 1934)		
Opening balance	4,81,07,884	4,42,07,884
Add: Transfer from retained earnings	17,00,000	39,00,000
Closing balance	4,98,07,884	4,81,07,884
Capital Reserve		
Opening balance	23,19,780	23,19,780
Closing balance	23,19,780	23,19,780
Impairment Reserve		
Opening balance	5,45,458	-
Add: Transferred from statement of Profit and loss account	1,36,550	5,45,458
Closing balance	6,82,008	5,45,458
General Reserve		
Opening balance	75,69,114	75,69,114
Closing balance	75,69,114	75,69,114
Retained Earnings		
Opening balance	18,27,87,801	17,35,13,809
Add: Profit for the year	71,22,881	1,37,19,450
Add/ Less: Appropriations		
Transferred to Statutory Reserve	17,00,000	39,00,000
Transferred to Impairment Reserve	1,36,550	5,45,458
Total appropriations	18,36,550	44,45,458
Closing balance	18,80,74,132	18,27,87,801
Other Comprehensive Income		
Balance as per last financial statements	-	-
Add: Additions during the period	10,394	-
Net surplus in the statement of profit and loss	10,394	-
Total ₹	24,84,63,312	24,13,30,037

(i) Statutory 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) Impairment Reserve:

Where impairment allowance under Ind As 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the differential amount is transferred to impairment reserve. The balance in the impairment reserve shall not be reckoned for regulatory capital.

(iv) General Reserve:

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

(v) 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.

(vi) Other comprehensive income:

Other items of other comprehensive income consist of remeasurement of net defined benefit liability/asset.

23. Revenue from operations

I) Interest Income:

	For the year ended 31-March-2022			For the year ended 31-March-2021		
	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	-	2,60,09,789	-	-	2,16,89,658	-
Interest on deposits with Banks	-	-	-	-	-	-
Total ₹	-	2,60,09,789	-	-	2,16,89,658	-

(III) Fees and Commission Income

	For the year ended 31-March-2022	For the year ended 31-March-2021
Fees and Service Charges Received	4,85,975	5,966

Total ₹

4,85,975

5,966

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***24 Net gain on fair value changes**

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(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	5,10,829	27,94,622
(B) Others	-	-
Total Net gain/(loss) on fair value changes (C)	5,10,829	27,94,622
Fair Value changes:		
-Realised	-	-
-Unrealised	5,10,829	27,94,622
Total Net gain/(loss) on fair value changes (D) to tally with (C)	5,10,829	27,94,622

25 Other Income

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
Interest on Rent Deposit	1,26,471	37,353
Interest on Income Tax Refund	6,560	-
Concession on Lease Rent	38,126	-
Other Income	1,10,807	670
Total ₹	2,81,964	38,023

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***26. Finance Costs**

	For the year ended 31-March-2022		For the year ended 31-March-2021	
	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 Debt securities	19,58,637	-	-	-
Interest on lease liability	3,21,237	-	91,248	-
Total ₹	22,79,874	-	91,248	-

27. Employee Benefits Expenses

	For the year ended 31-March-2022	For the year ended 31-March-2021
Salaries and wages	53,07,343	12,80,415
Contribution to provident and other funds	3,57,441	13,469
Total ₹	56,64,784	12,93,884

28. Impairment on Financial Instruments (net)

	For the year ended 31-March-2022		For the year ended 31-March-2021	
	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	-	1,48,117	-	(7,43,370)
Total ₹	-	1,48,117	-	(7,43,370)

28.1 Impairment on Loans

	For the year ended 31-March-2022		For the year ended 31-March-2021	
	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
Provision for Impairment	-	1,48,117	-	(7,43,370)
Total ₹	-	1,48,117	-	(7,43,370)

SALEM ERODE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022
(All amounts are in Indian Rupees unless otherwise stated)
29 Depreciation and amortization expense

	For the year ended 31-March- 2022	For the year ended 31-March- 2021
Depreciation of tangible assets	14,19,123	1,16,636.00
Depreciation of right-of- use asset	15,65,833	4,43,996.19
Amortization of intangible assets	79,115	15,905.00
Total ₹	30,64,071	5,76,537

30. Administrative and Other Expenses

	For the year ended 31-March- 2022	For the year ended 31-March- 2021
Advertising and sales promotion	10,62,267	55,802
Bad debt written off	-	5,39,185
Bank Charges	51,604	997
Corporate Social Responsibility Expenses	8,48,000	10,50,196
Director's Fees, Allowances and Expenses	1,47,150	-
Insurance	69,958	4,479
Meeting Expense	-	21,240
Office Expense	3,18,165	1,84,406
Other Expenditure	31,491	-
Payment to auditor (Refer details below)	4,43,800	2,61,650
Postage and Telephone	1,88,799	15,263
Printing and Stationery	3,45,119	17,500
Professional Charges	9,48,790	20,35,051
Rent	4,44,015	43,600
Round Off	-	8
Subscription charges	3,27,000	3,54,000
Tax and Fee	4,14,821	1,90,864
Travelling & Conveyance	1,02,764	4,914
Water & Electricity	2,25,219	7,846
Total ₹	59,68,961	47,87,000

30.1 Payments to the Auditor (Excluding GST)

	For the year ended 31-March- 2022	For the year ended 31-March- 2021
as auditor	2,30,000	1,50,000
for taxation matters	50,000	60,000
for company law matters	-	-
for other services	1,35,000	44,000
for reimbursement of expenses	-	-

Total ₹

4,15,000

2,54,000

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***30.2 Corporate Social Responsibility Expenses**

	For the year ended 31- March-2022	For the year ended 31- March-2021
Amount required to be spent by the company during the year	5,59,985	10,50,196
Amount of expenditure incurred	8,48,000	-
Shortfall at the end of the year	-	10,50,196
Total of previous years shortfall	-	10,50,196
Reason for shortfall	-	Due to impact of Coivd-19 Pandemic
Nature of CSR activities	Covid-19 relief and health care activities	Prime Minister's National Relief Fund
Details of related party transactions	-	-
<u>Movement of CSR Provision:</u>		
Provision as on 31.03.2021	10,50,196	-
Less: Contribution to Prime Minister's National Relief Fund	10,50,196	-
Provision as on 31.03.2022	-	-

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

		For the year ended 31-March- 2022	For the year ended 31- March- 2021
Profit after Tax attributable to the Equity Shareholders (₹)	(A)		
Basic and Diluted		71,22,881	1,37,19,450
Number of Equity Shares at the beginning of the year		1,14,65,520	1,14,65,520
Number of Equity Shares issued during the year		-	-
Number of Equity Shares at the end of the year		1,14,65,520	1,14,65,520
Weighted average number of Equity Shares outstanding during the year	(B)	1,14,65,520	1,14,65,520
Nominal Value of each Equity Share (₹)		1	1
Basic and Diluted Earnings per Share (₹)	(A/B)	0.62	1.20

SALEM ERODE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022

(All amounts are in Indian Rupees unless otherwise stated)

32. Contingent Liabilities and Commitments (To the extent not provided for)

	As at 31-March-2022	As at 31-March-2021
Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts:		
Income Tax ¹	-	8,39,146
(b) Guarantees excluding financial guarantees; and	-	-
(c) Other money for which the company is contingently liable.	-	-
Total ₹	-	8,39,146

Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments	-	-

¹ 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 department has adjusted the refund amount related to several years with demand and case is till date is pending with the department. At present the outstanding demand is Rs. Nil (Previous year: Rs.8,39,146/-). The Company has filed an appeal with The Income Tax Appellate Tribunal, Kolkata Benches, Kolkata for the refund of adjusted amount.

33. Income Tax

The components of income tax expense for the year ended 31 March 2021 and year ended 31 March 2020 are:

	For the year ended 31-March- 2022	For the year ended 31- March-2021
Current tax	31,98,353	44,64,296
Adjustment in respect of current income tax of prior years	3,82,872	1,42,104
Deferred tax relating to origination and reversal of temporary differences	2,39,514	7,53,495
Total tax charge	38,20,739	53,59,895
Current tax	35,81,225	46,06,400
Deferred tax	2,39,514	7,53,495

Reconciliation of Income tax expense:

	For the year ended 31-March-2022	For the year ended 31-March-2021
Accounting profit before tax as per Ind AS	1,09,43,620	1,90,79,345
Add/(Less) : Ind AS Adjustments on PBT	(2,66,747)	(7,109)
Accounting profit before tax for IT Computation	1,06,76,873	1,90,72,236
Allowances / Disallowances and other adjustments (Net)	8,19,724	(19,01,866)
Adjusted profit / (Loss) before tax for Income Tax	1,14,96,597	1,71,70,370
Current Tax as per Books		
Tax at Normal Rate (Effective rate of 27.82%, March 2021: 26%)	31,98,353	44,64,296
Adjustment of prior year tax / MAT Credit	3,82,872	1,42,104
Total Tax as given in Books	35,81,225	46,06,400
All India Statutory income tax rate of 27.82%, March 2021: 26%)	31,98,353	44,64,296

34. Retirement Benefit Plan
Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹1,23,563/- (Previous Year: ₹13,469/-) for Employee State Insurance Scheme contributions and ₹2,33,878/- (Previous Year: Nil) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

i) Gratuity

Actuarial assumptions	As at 31-March-2022	As at 31-March-2021
Mortality table	IALM 2012-14 Ult	IALM 2012-14 Ult
Superannuation age	65	65
Early retirement and disablement	5% p.a	5% p.a
Discount rate	7.20%	6.6%
Inflation rate	5%	5%
Return on asset	N/A	N/A
Remaining working life	15.1	14.7
Formula used	Projected unit credit Method with control period of one year	Projected unit credit Method with control period of one year

Reconciliation of PBO	As at 31-March-2022	As at 31-March-2021
Projected Benefit Obligation at Beginning of Year	22,978	-
Current Service Cost	62,370	21,425
Interest Cost	5,633	1,553
Contributions by plan participants	-	-
Actuarial (Gain)/Loss due to change in assumptions and experience deviation	(14,400)	-
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Benefits Paid	-	-
Past service cost	-	-
Amalgamations	-	-
Curtailements	-	-
Settlements	-	-
Projected Benefit Obligation at End of Year	76,581	22,978

Changes in fair value of plan assets

Not applicable as scheme is unfunded

Funded status

Not applicable as scheme is unfunded

Amount to be Recognised in Balance sheet:	As at 31-March-2022	As at 31-March-2021
Projected Benefit Obligation at End or year	76,581	22,978
Ending Asset	-	-
Funded Status asset / (liability)	(76,581)	(22,978)
Unrecognised past service cost - non vested benefits (-)	-	-
Liability(-)/Asset(+) recognised in Balance Sheet	(76,581)	(22,978)

Statement of Profit/Loss	As at 31-March-2022	As at 31-March-2021
Current service cost	62,370	21,425
Interest cost	5,633	1,553
Expected return of plan asset	-	-
Curtailement cost	-	-
Net actuarial (gain)/loss to be recognised in year	-	-
Past Service Cost Recognised	-	-
Effect of Curtailements	-	-
Income (-)/Expense(+) recognised in the statement of P&L	68,003	22,978
Current Liability	194	50
Non-Current Liability	76,387	22,928

Further Reconciliation	As at 31-March-2022	As at 31-March-2021
-------------------------------	----------------------------	----------------------------

Expenses As above	68,003	22,978
Less ERContrib/Direct ben paid	0	-
Less included in OCI	(14,400)	-
Balance to be recognised in P&L	53,603	22,978
Increase in Funded Status	(53,603)	(22,978)
Actual gain/(loss) due to assumption changes	7,394	-
Experience adjustments[Gain/(Loss)]:Liability	7,006	-
Total Actl gain/(loss) : liability	14,400	-
Asset gain / (loss)	-	-
Total gain / (loss)	14,400	-

Amounts recognised in Other Comprehensive Income	As at 31-March-2022	As at 31-March-2021
Actual gain / (loss) due to assumption changes	7,394	-
Experience adjustments[Gain/(Loss)]:Liability	7,006	-
Total Actl gain/(loss) on liability side	14,400	-
Asset gain / (loss)	-	-
Total to be recognised in OCI for the year	14,400	-
Total b/f balance [gains/(loss)]	-	-
Total recognised in OCI at EoY	14,400	-

Sensitivity Analysis (Proj.Ben. Obligations)	As at 31-March-2022	As at 31-March-2021
Current year basis	76,581	22,978
Last years basis	83,975	-
Discount rate increased by 0.25%	73,764	22,139
Discount rate decreased by 0.25%	79,544	23,861
Salary Escalation rate increased by2%	1,04,611	31,335
Salary Escalation rate decreased by2%	57,527	17,347
Employee Turnover rate increased by2%	75,174	22,286
Employee Turnover rate decreased by2%	77,567	23,602

Categories of Plan Assets	As at 31-March-2022	As at 31-March-2021
Government of India Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Funds managed by Insurer	0%	0%

Details of experience adjustment on plan assets and liabilities	As at 31-March-2022	As at 31-March-2021
F Y 2022	-	50
F Y 2023	194	52
F Y 2024	204	55
F Y 2025	215	58
F Y 2026	228	62
F Y 2027	4,423	9,979
FY 2028-2032	36,994	-

SALEM ERODE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022

(All amounts are in Indian Rupees unless otherwise stated)

35. 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 31-March-2022			As at 31-March-2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	4,28,82,354	-	4,28,82,354	3,18,129	-	3,18,129
Bank Balance other than above	-	-	-	46,335	-	46,335
Loans	28,82,37,610	-	28,82,37,610	21,81,66,266	-	21,81,66,266
Investments	85,25,473	-	85,25,473	80,14,644.00	-	80,14,644
Other Financial Assets	53,87,066	-	53,87,066	23,31,115	-	23,31,115
Total (A)	34,50,32,503	-	34,50,32,503	22,88,76,489	-	22,88,76,489
Non-Financial Assets						
Deferred Tax Assets (Net)	-	1,87,73,767	1,87,73,767	-	2,04,04,035	2,04,04,035
Property, Plant and Equipment	-	41,36,358	41,36,358	-	36,68,200	36,68,200
Right-of-Use Asset	-	46,92,291	46,92,291	-	25,27,084	25,27,084
Other Intangible Assets	-	3,95,480	3,95,480	-	4,74,595	4,74,595
Other Non-Financial Assets	1,72,04,592	-	1,72,04,592	1,71,01,658	-	1,71,01,658
Total (B)	1,72,04,592	2,79,97,896	4,52,02,488	1,71,01,658	2,70,73,914	4,41,75,572
Total Assets (A+B)	36,22,37,096	2,79,97,896	39,02,34,991	24,59,78,147	2,70,73,914	27,30,52,061

Liabilities and Equity						
Financial Liabilities						
Trade Payables						
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	17,680	-	17,680
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.						
Debt Securities	8,00,582	-	8,00,582	5,76,280	-	5,76,280
Lease Liability	2,31,50,000	8,65,15,000	10,96,65,000	-	-	-
Other Financial Liabilities	19,92,317	23,98,645	43,90,962	-	22,95,338	22,95,338
	16,89,340	-	16,89,340	3,78,777	-	3,78,777
Total (C)	2,76,32,239	8,89,13,645	11,65,45,884	9,72,737	22,95,338	32,68,075
Non-Financial Liabilities						
Provisions	1,34,84,808	76,387	1,35,61,195	1,69,33,277	22,978	1,69,56,255
Other Non-Financial Liabilities	1,99,005	-	1,99,005	-	32,099	32,099
Total (D)	1,36,83,813	76,387	1,37,60,200	1,69,33,277	55,077	1,69,88,354
Total Liabilities (C+D)	4,13,16,052	8,89,90,032	13,03,06,084	1,79,06,014	23,50,415	2,02,56,429
Net	32,09,21,044	-6,09,92,136	25,99,28,907	22,80,72,133	2,47,23,499	25,27,95,632

36 Related Parties Disclosures
Name of the Related Party

Relationship	Name of the party
Key Management Personnel	<p>Kuzhupilly Govindamenon Anilkumar (Managing Director)</p> <p>Umadevi Anilkumar (Non-Executive Director)</p> <p>Saseendran Veliyath (Independent Director)</p> <p>Thainakathu Govindankutty Babu (Independent Director)</p> <p>Ambadath Aiyappan Balan (Additional/Independent Director) (Appointed on 29/09/2021)</p> <p>Subramanian R (CFO) (Resigned on 21/06/2021)</p> <p>Natarajan Renganathan (CFO)(Appointed on 30/06/2021, Resigned on 24/09/2021)</p> <p>Madhavankutty Thekkedath (CFO) (Appointed on 13/01/2022)</p> <p>Manisha Menon (CS)</p>
Subsidiary/Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	<p>ICL Fincorp Limited</p> <p>ICL Tours And Travels Private Limited</p> <p>ICL Chits Limited</p> <p>ICL Nidhi Limited</p> <p>ICL Medilab Private Limited</p> <p>Snow View Tex Collections Private Ltd</p> <p>Kichappus Entertainment</p>

Particulars	Key management Personal / Directors	
	31 March 2022	31 March 2021
Income recorded in the books: <i>ICL Fincorp Ltd</i>	1,89,87,736 1,89,87,736	2,15,04,287 2,15,04,287
Expenses recorded in the books: <u>Remuneration to Directors</u> <i>Ashok Kumar Hamirbasia (MD)</i>	- -	13,02,833 13,02,833
<u>Remuneration to KMP</u> <i>Subramanian R (CFO)</i> <i>Manisha Menon (CS)</i> <i>Madhavankutty Thekkedath (CFO)</i> <i>Natarajan Renganathan (CFO)</i>	9,99,404 50,844 6,55,104 81,451 2,12,005	6,02,259 1,59,942 4,42,317 - -
<u>Sitting Fees paid to Directors</u> <i>Kuzhupilly Govindamenon Anilkumar</i> <i>Umadevi Anilkumar</i> <i>Saseendran Veliyath</i> <i>Thainakathu Govindankutty Babu</i> <i>Ambadath Aiyyappa Balan</i>	1,47,150 32,700 32,700 32,700 32,700 16,350	- - - - - -
<u>Purchase of Fixed Asset</u> <i>ICL Fincorp Ltd</i>	1,59,939 1,59,939	4,37,542 4,37,542

SALEM ERODE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Subsidiary/ Associates/ Enterprises owned or significantly influenced by key management personnel or their relatives	
	31 March 2022	31 March 2021
<u>Advance with interest receivables</u>		
ICL Fincorp Limited		
<u>Inter-corporate Deposit</u>		
Balance outstanding at the beginning	20,71,31,760	20,87,45,476
Amount Advanced	-	-
Interest Accrued	1,84,23,707	2,15,04,287
Amount Repayment	8,24,38,883	2,31,18,003
Balance outstanding with Interest Receivable at the period end	14,31,16,584	20,71,31,760
<u>Term-Loan</u>		
Balance outstanding at the beginning	-	-
Amount Advanced	6,00,00,000	-
Interest Accrued	5,64,029	-
Amount Repayment	8,99,918	-
Balance outstanding with Interest Receivable at the period end	5,96,64,111	-

Note:

- Related parties have been identified on the basis of declaration received by the management and other records available.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity, as they are determined on actuarial basis for the company as a whole.

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***37. Draw Down From Reserves**

Details of Draw down from reserves, if any, are provided in Statement of Changes in Equity to these financial statements.

38. Additional Disclosures**a) As Required by the Reserve Bank of India**

	As at 31-March-2022	As at 31-March-2021
Total Gold loan portfolio	8,62,51,712	1,16,66,266
Total Assets	39,02,34,991	27,30,52,061
Gold loan portfolio as a percentage of total assets	22%	4%

b) Additional Regulatory Information

Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are a) Repayable on demand or b) Without specifying any terms or period of repayment

	As at 31-March-2022		As at 31-March-2021	
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loan	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loan
Promoter	14,26,17,266	49.45%	20,65,00,000	94.65%
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-

Ratios

Particulars	As at 31-March-2022	As at 31-March-2021
a)Capital to risk-weighted assets ratio (CRAR)	18.52%	18.79%
b)Tier I CRAR	18.50%	0%
c)Tier II CRAR	0.02%	18.79%
d)Liquidity Coverage Ratio:		
Current Ratio	8.77%	13.74%
Quick Ratio	1.37%	0.63%
Cash Ratio	1.24%	0.47%

SALEM ERODE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022***(All amounts are in Indian Rupees unless otherwise stated)***39 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.

40 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.

41 Events after Reporting date

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

42 Utilisation of Proceeds

During the period, the Company has raised ₹ 10,96,65,000/- (Previous Year: Nil) by way of secured non-convertible debenture and same has been utilised to meet the working capital requirements of the Company.

Details of resolution plan implemented under the Resolution framework for Covid-19 related stress as per RBI notification dated August 6, 2020 and May 5, 2021 are given below:

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan position as at the end of previous half year (A)	Of (A), aggregate debt that slipped in to NPA during the half year	Of (A), amount written off during the half year	Of (A), amount paid by borrowers during the half year	Exposures to accounts classified as standard consequent to implementation of resolution plan position as at the end of this half year
Personal Loans	-	-	-	-	-
Corporate Persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

44 Impact of Covid-19

During FY 2021, the Covid-19 pandemic resulted in a nation-wide lockdown in April-May 2020 which substantially impacted economic activity. The subsequent easing of lockdown measures led to gradual improvement in economic activity and progress towards normalcy from the second half of FY 2021. Currently, while the number of new Covid cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Company. Basis of above mentioned, the Company's management believes, no Covid-19 related provisions required as on March 31, 2022.

SALEM ERODE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2022

(All amounts are in Indian Rupees unless otherwise stated)

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

As per our report of even date

**For Mohandas & Associates
Chartered Accountants**

ICAI Firm Reg No.: 02116S

Sd/-

Mohandas A

[Partner]

Membership no.: 036726

**For and on behalf of the board of directors of
Salem Erode Investments Limited**

Sd/-

K G Anilkumar

[Managing Director]

(DIN:00766739)

Sd/-

Umadevi Anilkumar

[Director]

(DIN: 06434467)

Sd/-

Madhavankutty Thekkedath

[Chief Financial Officer]

Sd/-

Manisha N Menon

[Company Secretary]

Place: Irinjalakuda

Date:27-05-2022

Place: Irinjalakuda

Date:27-05-2022

SALEM ERODE INVESTMENTS LIMITED
SCHEDULE TO THE STANDALONE BALANCE SHEET OF A NBFC

Sl. No	Particulars		
	Liabilities side:		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures : Secured	1,103.60	-
	: Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (specify nature)	-	-
	(i) Subordinated Bond	-	-
	(ii) Overdraft	-	-
	(iii) Loan against deposit	-	-
	(iv) Loan from Director	-	-
	*Please see Note 1 below		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	* Please see Note 1 below		
	Assets side:	Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		863
	(b) Unsecured		2,021
(4)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on Hire including hire charges under sundry debtors:		
	(a) Asset on Hire		-
	(b) Repossessed assets		-
	(iii) Other loan counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-

(5)	Break-up of Investments:		
	<u>Current Investments :</u> 1. Quoted (i) Shares: (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of Mutual funds 85 (iv) Government securities - (v) Others (please specify) - 2. Unquoted: (i) Shares: (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of Mutual funds - (iv) Government securities - (v) Others (please specify) -		
(6)	<u>Long term Investments:</u> 1. Quoted (i) Shares: (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of Mutual funds - (iv) Government securities - (v) Others (please specify) - 2. Unquoted: (i) Shares: (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of Mutual funds - (iv) Government securities - (v) Others (please specify) -		
	Borrower Group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below		
	Category	Amount net of provisions	
		Secured	Unsecured
	1. Related Parties**		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	2,021.34
	(c) Other related Parties	-	-
	2. Other than related parties	861	-
	Total	861	2,882
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	Market value/Break-up or fair value or NAV	Book value (net of Provisions)
	1. Related Parties**		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related Parties	Nil	Nil
	2. Other than related parties	85	85
	Total	85	85
**As per Accounting Standard of ICAI (Please see Note 3)			

(8)	Other information	
	Particulars	Amount
	(i) Gross Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	9.11
	(ii) Net Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	8.20
	(iii) Asset acquired in Satisfaction of Debt	-

Notes:

- 1) As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- 2) Provisioning norms shall be applicable as prescribed in these Directions.
- 3) All Relevant Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, Market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report of even date
For Mohandas & Associates
Chartered Accountants
 ICAI Firm Reg No.: 02116S

Sd/-
Mohandas A
 [Partner]
 Membership no.: 036726

**For and on behalf of the board of directors of
 Salem Erode Investments Limited**

Sd/-
K G Anilkumar
 [Managing Director]
 (DIN:00766739)

Sd/-
Umadevi Anilkumar
 [Director]
 (DIN: 06434467)

Sd/-
Madhavankutty Thekkedath
 [Chief Financial Officer]

Sd/-
Manisha N Menon
 [Company Secretary]

Place: Irinjalakuda
 Date:27-05-2022

**SALEM ERODE
INVESTMENTS LTD.**

Awards & **ACCOLADES**



BUSINESS EXCELLENCE AWARD 2019

Hon' Vice President of India, Shri Venkaiah Naidu, presents Business Excellence Award 2019 to Mr. K G Anilkumar, CMD of ICL Fincorp Ltd, for exceptional contribution in finance sector, in a ceremony held at Sardar Patel Hall, official residence of Vice President, New Delhi, on 26th March 2019.



GLOBAL EXCELLENCE AWARD

Global Excellence Award 2018 honoured by Sri. Rakesh Sharma M.P & Meenakshi Lekhi M.P



UWA ADMIRABLE ACHIEVER AWARD

UWA Admirable Achiever Award for the year 2018 honoured by Shri. Suresh Prabhu, Union Minister for Commerce & Industry



Awards & ACCOLADES



GLOBAL EXCELLENCE AWARD

ICL Fincorp CEO Smt. Uma Anilkumar receives Global Excellence Award for her entrepreneurial achievements in various fields from Smt. Meenakshi Lekhi MP in the presence of Sri. Rakesh Sharma MP in a function held in Delhi.



BEST BUSINESS WOMEN OF THE YEAR AWARD

Hon'ble Lt Governor of Puducherry, Ms. Kiran Bedi Presenting "Best Business Women of the Year" Award to Mrs. Uma Anilkumar, CEO & Director of ICL Fincorp Ltd.



WORLD WOMEN'S DAY

World Women's Day - 2018 Memento Presented by Dr. Sandhya I.P.S ADGP Kerala & Director Kerala Police Academy



BRANCH INAUGURATION



ICL GROUP OF COMPANIES



GOLD LOAN | DEBENTURES | MONEY TRANSFER | FOREX | BUSINESS LOAN
| HP LOAN | VEHICLE LOAN | HEALTH INSURANCE

SALEM ERODE INVESTMENTS LTD.

Corporate Office: Main Road, Irinjalakuda, Kerala Branches: Tamil Nadu
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