

SALEM ERODE INVESTMENTS LTD.

Reg. Office: Door No. 61/A8
(38/A8), VJPParijatham Apartments,
1st Avenue,
AshokNagar, Chennai, TamilNadu-
600083

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

CINNO.L31200TN1931PLC145816

Date: 05.09.2024

To,
BSE Ltd
P.J Tower, Dalal Street,
Mumbai – 400 001
Scrip Code: 540181

Sir,

Sub: Annual Report of Salem Erode Investments Limited (“the Company”)

Pursuant to regulation 30 & 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice and Annual Report of the Company for the financial year 2023-24 is enclosed for your records and dissemination.

Thanking you,

Yours faithfully,

For **Salem Erode Investments Limited**

Manisha
Nandakumar
Menon

Digitally signed by Manisha Nandakumar Menon
DN: c=IN, o=Personal, postalCode=421501, st=Thane,
st=Maharashtra, street=LOKAMBER K-1 ROOM NO. 004
LOWAGSRI, Ambarnath, Maharashtra India, 421501,
title=0460,
2.5.4.20+69796d9f199b4c42952c900cd159de9b758aff
9a020d1b4c8fa68dcd64aee65,
serialNumber=eb5e82d66c7c5619041e5e260999603
9f7c4f1f21805d6ca283695aee3ed,
email=advmanisha3@gmail.com, cn=Manisha
Nandakumar Menon
Date: 2024.09.05 08:50:45 +05'30'

Manisha N. Menon
Company Secretary & Compliance Officer
(M. No. A33083)



+9104802828071



salemerodeinvestmentsltd@gmail.com

cs@salemerode.com

A Heritage of Excellence. A Promise of Performance!



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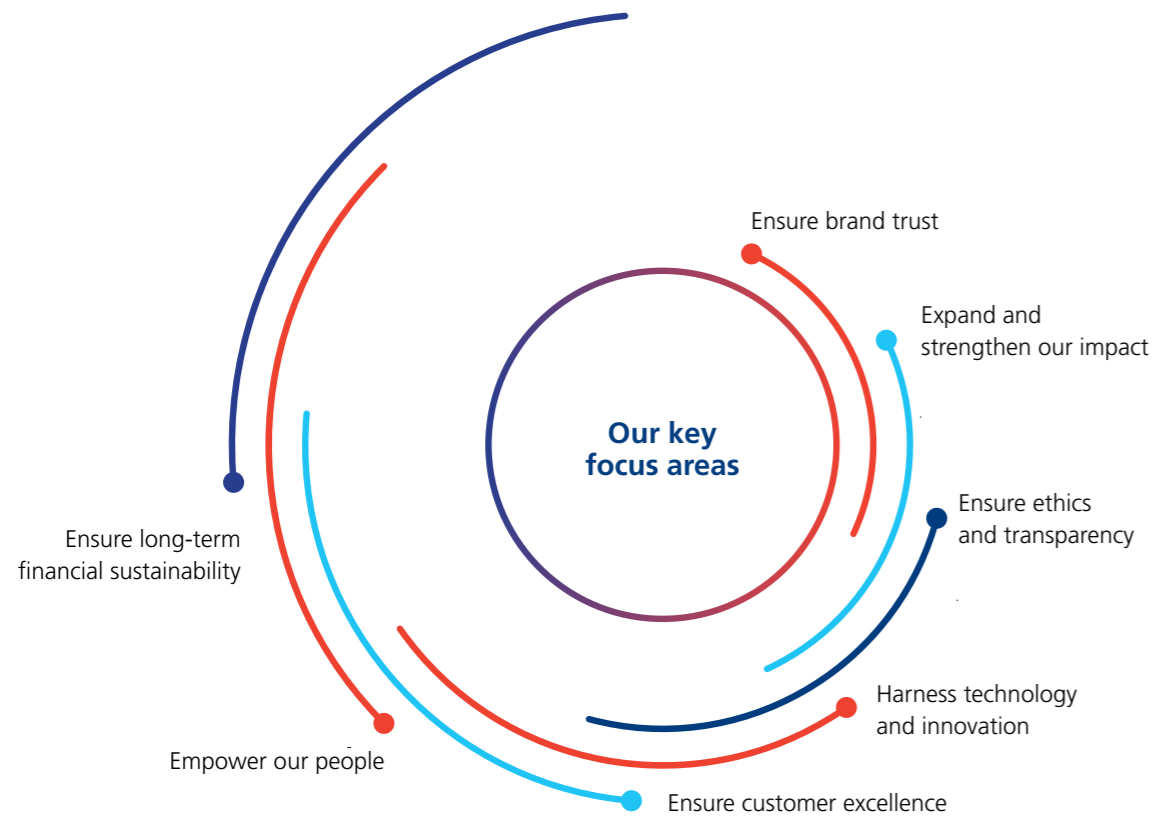
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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks and uncertainties. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



<https://www.salemerode.com>

A Heritage of Excellence. A Promise of Performance!

At Salem Erode Investments Limited, trust is the cornerstone of our brand. Through unwavering transparency, integrity and ethical practices, we have established a strong reputation for trust and credibility among our customers and stakeholders. Our commitment to operational excellence and customer service distinguishes us from the others, while our ambition represents our drive for scaling the business and achieving accelerated growth. Our strategy revolves around prioritising the needs and ensuring utmost satisfaction of our customers.

Through proactive identification of customer demands and analysis of market trends and by strategic risk-taking, we enhance our competitive position and continuously push the boundaries of our capabilities. Our brand is defined by trust, sincerity and a steadfast commitment to fulfilling the needs of our stakeholders, fostering enduring relationships and attaining shared prosperity.

19

New branches established in FY2024



On Solid Foundations



Our Vision

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



Our 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 and mutually rewarding long-lasting relationships with them, bearing in mind their necessities and aspirations with due substance to the impact of transforming market dynamics.

Our Core Values



Customer Satisfaction



Passionate about Excellence



Fair to All



Seeking Excellence



Accountability and Ownership



Teamwork and Collaboration

Business Profile

Salem Erode Investments Limited is a BSE-listed Non-Banking Financial Company (NBFC) engaged in gold loan financing.



is the hallmark of the company. Furthermore, being listed on the BSE provides the company with enhanced visibility, credibility and access to the capital markets.

The core service offering of SEIL is gold loan financing, providing short- and medium-term loans against gold, with competitive interest rates and flexible repayment options. The company also offers allied financial services.

SEIL is building a pan-India presence, reflected in the company establishing 19 new branches in 2023-24, in states such as Tamil Nadu, Odisha, etc. A robust network of branches, strategically located in both urban and semi-urban areas, enable the company to meet the growing demand for gold loans.

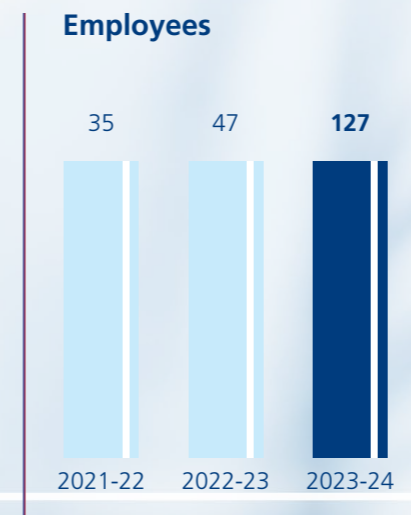
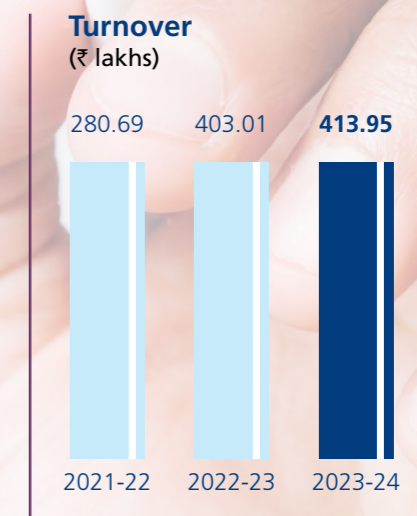
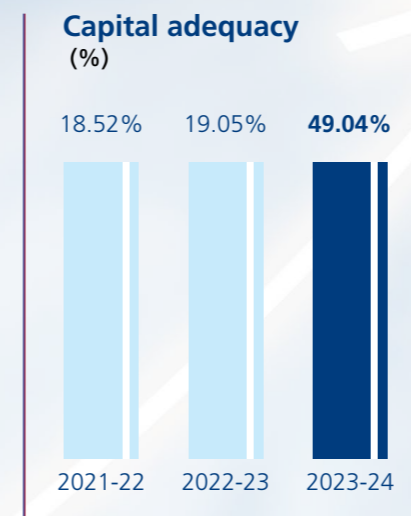
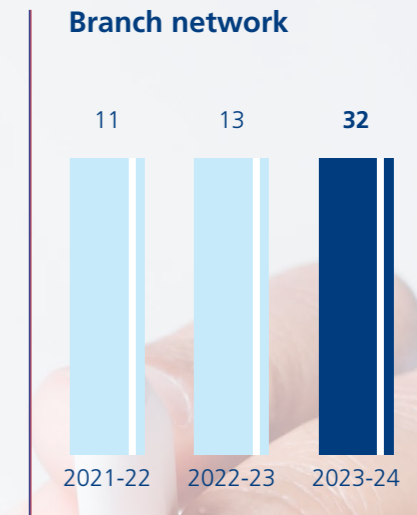
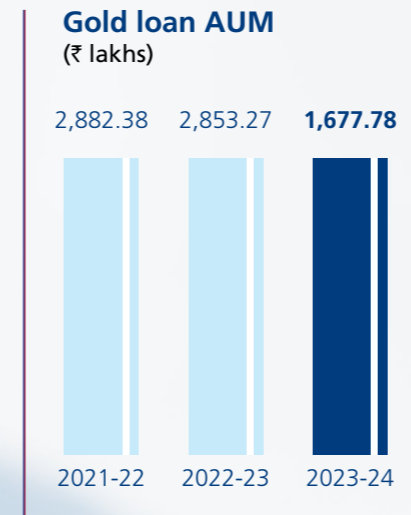
SEIL's strong value system, deep customer trust, operational excellence and employee loyalty are the key pillars of its success and these will be instrumental in the company accomplishing its growth and value creation objectives, going forward.

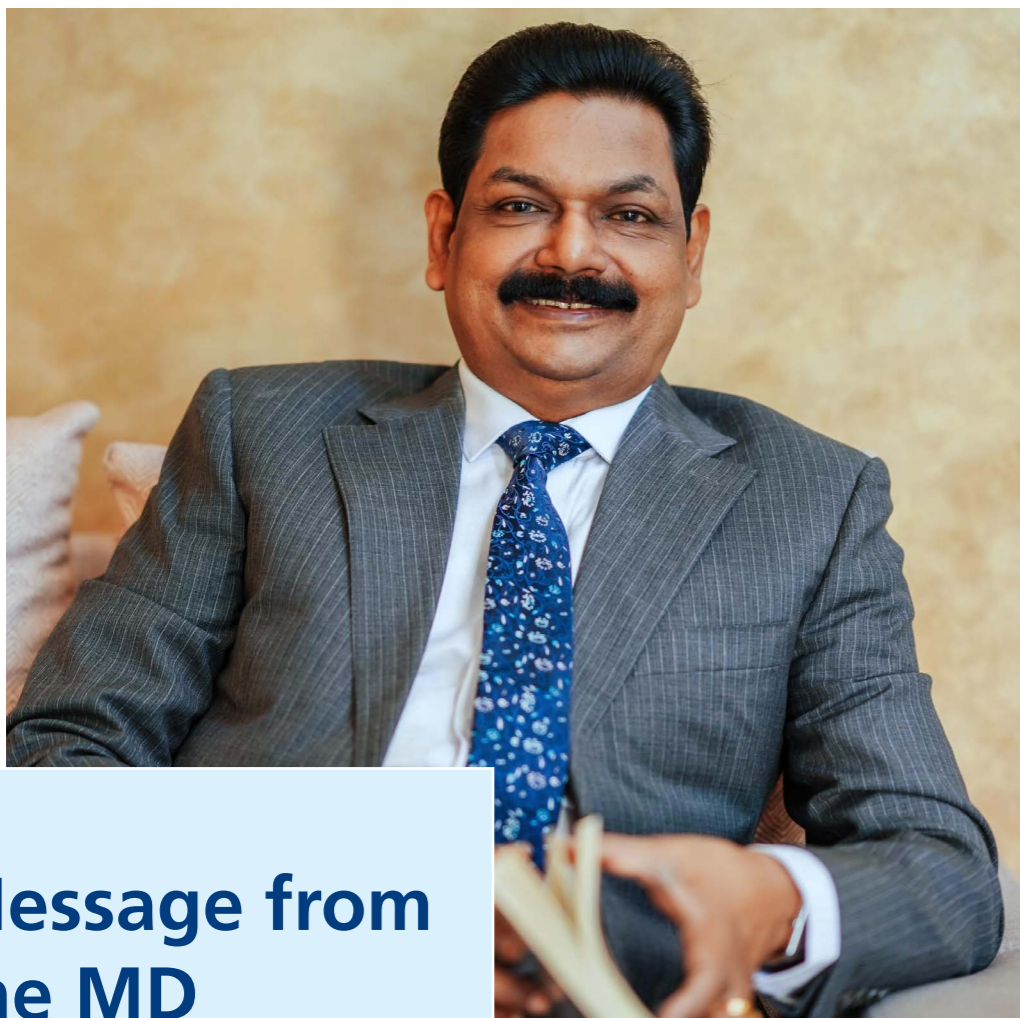
Company Overview

Salem Erode Investments Limited (SEIL) is a reputed financial services company offering gold loan financing to a diverse customer base. Operating predominantly in South India, the company leverages its deep regional expertise and strong customer base in the region.

With a primary focus on providing short-term loans against gold collateral, the company has established itself as a trusted brand, catering to both rural and urban customers. Offering secure, swift, accessible and convenient gold loan financing solutions in the true spirit of financial inclusion and empowerment

Key performance indicators





Message from the MD

With a strong growth mindset, the Company is in the stage of expanding its business and has opened 19 new branches in the financial year 2023-24 across the states of Tamil Nadu and Odisha.

- K.G. Anilkumar, MD



Dear Shareholders,

It is my honour and a privilege to stand before you as the MD of Salem Erode Investments Limited, a company that has not only weathered the challenges of the gold loan financing industry but has also positioned itself on the precipice of growth and sustainability. We are a growing company focused on expanding our branch network and operations and I am proud how we have built the business edifice with a steadfast commitment to innovation, customer trust, operational excellence and sound governance principles.

While there have been near macro-term challenges, we are focused on ensuring the fundamentals of our business remain strong. We continue to expand our branch network and customer touchpoints and believe in the vast potential of the gold loan industry that is penetration-driven as we focus on unlocking the potential of the country's vast hinterlands. This steadfast focus has enabled us to remain in good stead in the year 2023-24.

Being on an expansion stage, the business launched 19 new branches in the year 2023-24 across the states of Tamil Nadu and Odisha, taking our total network to 32 branches at the close of the year. Business volumes have also increased as a result of the expansion in the branch footprint. Considering the opportunities at hand, more branches will be established in the current financial year and we are committed to execute on our branch expansion strategy.

Given that the organisation is currently in a phase of investment and growth, it is expected that expenses will be high. Therefore, the net loss reported during the year in review was mostly due to high operating expenses.

To support the anticipated growth in the years ahead, the company focused on further bolstering its operations and, to this effect, professionals have been on-boarded to oversee the responsibility of sales and operative functions of the company. We are committed to professionalising the business and this is a step in that direction. Further, additional manpower was also recruited with the extension of the company's operations into new geographical regions and locations.

As part of our focus on deepening our penetration in our existing markets, we established new branches, focusing on the areas of Madurai and Dindigul in Tamil Nadu. Recruitment for these branches was done on a head-hunt model by way of understanding the local market and

The company's Board comprises of esteemed individuals and represents an optimum mix of Executive, Non-Executive and Independent Directors who bring a variety of experience and core competence.

identifying suitable candidates for these branches. Since all the new branches were focused on Tier-3 and 4 regions, we had to ensure that our employees are not only well-versed with the local culture, etc., but also mirror the diversity and aspirations of the customers they serve.

Technology is a very important part of our business. Company is in the process of switching over to better computerized environment that will be fruitful in the years ahead. In a concrete step, we upgraded our core banking system hardware, while also modernising the operating system and memory of our HRMS server. These initiatives will strengthen our operations and customer service capabilities.

We are committed to the principles of ESG across our organisation. With regards to the environmental factor, being a part of the service industry, our carbon footprint is low. Yet, we have initiated replacement of all high-power consuming equipment with environment-friendly equipment, resulting in significant savings in power consumption.

With respect to the Social lens, the company has pledged gender diversity and equality with respect to hiring, and thus we as management have given increasing importance to improving our HR policies, practices, etc.

On the governance side, we have tightened our policies regarding data protection and privacy by restricting access to data, while ensuring control over the implementation of new releases of packaged software applications that could change financial data or records without leaving an audit trail. Furthermore, the company's Board comprises of esteemed individuals and represents an optimum mix of Executive, Non-Executive and Independent Directors who bring a variety of experience and core competence. The company has also implemented a whistle-blower mechanism which can be easily accessed through the website.

We are clear on our forward path and are committed to executing our strategy with care and diligence. We are focused on consolidating the growth by improving business in our branches and also by expanding into newer areas through setting up branches at strategic locations. The company is also focused on cost optimisation through optimal resource utilisation, which will aid in profit recovery during the current financial year.

Over to three-year period, our aim is to achieve Rs. 100 crore in gold loan outstanding and establish a pan-India presence with 200 branches in the next five years.

I thank all our shareholders and investors for their trust and support in the growth of the company. I am very optimistic about the future and in the growth story of the company.

Best wishes,
K.G. Anilkumar

Our Board

The Board of SEIL consists of distinguished directors who have extensive expertise in areas pertinent to the organisation. The Board is dedicated to ensuring the company's long-term success by guiding the management in formulating the strategy and supervising its execution.

6 Board Members

4 Independent Directors



K.G. Anilkumar, MD

K.G. Anilkumar is the son of veteran freedom fighter, Shri Erekaath Govindan Menon. Mr. Anilkumar has been imbued with fighting spirit by his father since childhood, which later helped him to succeed in the competitive field of financing.

Mr. Anilkumar is a passionate business person and with his experience and strong backing of the Directors, he acquired Salem Erode Investments Limited in the

year 2020 and has great future optimism for the Company in the field of financial sector, like a holding company for ICL Fincorp Limited. Since then, the company has been growing at a steady pace under his visionary leadership.

His vision and passion have also been instrumental in the Group venturing into real estate, chits, tours and travel business, fashion boutique and healthcare business through separate group companies.



Umadevi Anilkumar
Non-Executive Director

T.G. Babu
Independent Director

Saseendran Veliyath
Independent Director

A.A. Balan
Independent Director

Shinto Stanly
Independent Director

Corporate Information

Independent Directors

- Saseendran Veliyath
- T.G. Babu
- A. A. Balan
- Shinto Stanly

Non-Executive Woman Director

- Umadevi Anilkumar

Executive Director

- 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
- Shinto Stanly – Independent Director

Nomination & Remuneration Committee

- T.G. Babu – Independent Director
- Saseendran Veliyath – Independent Director
- Umadevi Anilkumar – Non-Executive Director
- Shinto Stanly – Independent Director

Stakeholders' Relationship Committee

- T.G. Babu – Independent Director
- Saseendran Veliyath – Independent Director
- Umadevi Anilkumar – Non-Executive Director
- Shinto Stanly – Independent Director

CSR Committee

- T.G. Babu – Independent Director
- Saseendran Veliyath – Independent Director
- Umadevi Anilkumar – Non-Executive Director
- Shinto Stanly – Independent Director

Corporate Office

V.K.K. Building, Irinjalakuda Main Road
Thrissur (Dist.), Kerala – 680121
Tel: 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
Tel: 9497801053
E-mail: salemerodeinvestmentsltd@gmail.com

Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited
3A, Auckland Place, 7th Floor
Room No. 7A & 7B, Kolkata – 700017
Tel: 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

Manikandan & Associates,
FRN. 0085205, Chartered Accountants,
Krishna Arcade, Near Marathompilly Krishna Temple,
KSRTC Road, Chalakudy, Thrissur, Kerala – 680307
E-mail: manikandan_ck@yahoo.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

Debenture Trustee

Vistra ITCL India Limited
IL&FS Financial Centre
Plot No. C 22, G Block
Bandra Kurla Complex
Bandra East
Mumbai, Maharashtra – 400051
Email: complianceitcl@vistra.com

Bankers

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

Stock Exchange

Equity Shares Listed with BSE Ltd.
ISIN NO: INE894E01028
RBI Registration No.: B-07-00882

Notice of 93rd Annual General Meeting

Notice is hereby given that 93rd Annual General Meeting of the members of Salem Erode Investments Limited ("hereinafter referred to as "the Company") will be held on Saturday, 28th day of September, 2024 at 10.30 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 following businesses:

Ordinary Businesses:

1. Approval of audited financial statements of the Company for the financial year ended March 31, 2024

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

"RESOLVED THAT audited financial statements of the Company for the financial year ended March 31, 2024 including balance sheet as at March 31, 2024, statement of profit and loss as at March 31, 2024 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 93rd 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."

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

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

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended, regulations issued by the Reserve Bank of India from time to time and pursuant to the recommendation of the Audit Committee and approval of the Board of Directors, consent of the members of the Company be and is hereby accorded to the appointment of M/s. Mohandas & Associates, Firm Registration No. 002116S, Chartered Accountants, 3rd Floor, Sree Residency, Press Club Road, Thrissur, Kerala - 680001 as the Statutory Auditors of the Company in place of resigning Auditors, M/s. Manikandan & Associates, FRN. 008520S, Chartered Accountants, Krishna Arcade, Near Marathompilly Krishna Temple, KSRTC Road, Chalakudy, Thrissur, Kerala - 680307, for 5 (five) consecutive financial years commencing from 2024-25 to 2028-29 and to hold office from the conclusion of 93rd Annual General Meeting to the conclusion of 98th Annual General Meeting for the financial year ending March 31, 2029, at a consolidated fixed remuneration of Rs.3,50,000/- (Rupees Three Lakhs and Fifty Thousand Only) for the financial year 2024-25 for statutory audit and interim review of quarters, with an annual increment of 10% p.a. for the rest of the tenure of appointment, payable in one or more installments, exclusive of other certifications, applicable taxes thereon and reimbursement of out of pocket expenses incurred and such remuneration may be increased upto 20% for respective financial years, depending upon the volume of work and as may be mutually decided between the auditors and Board of Directors of the Company;

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

Special Businesses:

4. Re-appointment of Mr. K.G. Anilkumar (DIN: 00766739) as the Managing 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 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the

Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time read with Schedule V to the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, regulations issued by the Reserve Bank of India (including any statutory modifications(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, consent of members of the Company be and is hereby accorded to the re-appointment of Mr. K.G. Anilkumar (DIN: 00766739) as the Managing Director of the Company for a period of 5 years with effect from 18th day of February, 2025 to 17th day of February, 2030, 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, Bombay Stock Exchange and other concerned authorities and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution."

5. Appointment of Mr. Shinto Stanly (DIN: 06534505) 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, 150, 152, 161, 164 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 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, Mr. Shinto Stanly (DIN: 06534505), who was appointed as an Additional Director with effect from 05th day of February, 2024 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 05th day of February, 2024 to 04th day of February, 2029, 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, Bombay Stock Exchange and other concerned authorities and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution."

6. Alteration of Articles of Association of the Company.

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 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and subject to necessary approvals as may be necessary, consent of the members of the Company be and is hereby accorded for alteration of the Articles of Association of the Company by inserting new clause 112A regarding "Appointment of Nominee Director" as follow:

112 A. Appointment of Nominee Director

Notwithstanding anything contained in these Articles, the Board shall have the power, on receipt of a nomination by the debenture trustee to consider the proposal for appointment of a Nominee Director on the Board of the Company, in the following circumstances prescribed under regulation 15(1) (e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time:

- i. 2 (two) consecutive defaults in payment of interest to the debenture holders; or
- ii. default in creation of security for debentures or
- iii. default in redemption of the debentures.

Such Nominee Director may not be liable to retire by rotation nor be required to hold any qualification shares and shall hold office so long as the default subsists. Any vacancy in the office of such Nominee Director during the term shall be filled in by the debenture trustee by nominating another person. Provided however, if more than one debenture trustee(s) is entitled to appoint a director, all such debenture trustees shall jointly nominate only one person to be appointed as a Nominee Director on the Board of the Company in terms of this Article.

The appointment of the Nominee Director shall be subject to receipt of all necessary and requisite approvals as the Company may require to obtain from any regulatory or statutory authority (ies) under any existing or new license or permission held or obtained by the Company from time to time;

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

7. Increase in Authorized Share Capital and amendment in the Capital clause of Memorandum of Association of the Company.

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

RESOLVED THAT pursuant to the provisions of section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and in terms of Articles of Association of the Company and subject to applicable permissions, sanctions and approvals as may be required, consent of the members of the Company be and is hereby accorded to increase the present Authorized Share Capital of the Company amounting to Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) consisting of 1,20,00,000 equity shares of Rs.1/- (Rupees One Only) each to Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,00,000 equity shares of Rs.1/- (Rupees One Only) each, which would rank paripassu in all respect with the existing equity shares;

RESOLVED FURTHER THAT pursuant to the provisions of section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013, the existing clause 5 of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting in place thereof the following clause:-

5. The Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,00,000 equity shares of Rs.1/- (Rupees One Only) each."

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

By order of Board of Directors,
For Salem Erod Investments Limited

Sd/-

Manisha N. Menon

Company Secretary & Compliance Officer

Place: Irinjalakuda

Date: 03.09.2024

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 Special Business and reason 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 & 3 falls under Ordinary Business and 4,5,6 & 7 of this Notice under Special Businesses, 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 30th day of August, 2024** 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 21st day of September, 2024** 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 **Monday, 23rd day of September, 2024 to Saturday, the 28th day of September, 2024 (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 27th day of August, 2024 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 27th day of August, 2024 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 Wednesday, the 28th day of August, 2024 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. 09/2023 dated September 25, 2023 read together with general circular no. 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/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 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/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 atleast 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 csevoing@gmail.com with a copy marked to cs@salemerode.com.
 17. The voting period shall commence on **Wednesday, the 25th day of September, 2024 at 10.00 a.m. IST** and ends on **Friday, the 27th day of September, 2024 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 30th day of September, 2024 at 11.00 a.m. at the corporate office of the Company at 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. 28th day of September, 2024, 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 and underlying equity shares has already been transferred to Investor Education and Protection 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. Norms for furnishing of PAN, KYC, Bank details and Nomination: Pursuant to the Securities and Exchange Board of India (hereinafter also referred to as "SEBI") circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSDPoD-1/P/ CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/ 2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has now deleted the words freezing/frozen and referral of folios by the

RTA/ listed company to the administrating authority under the Benami transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, which was as per the earlier circular instructed to mandatorily freeze those folios wherein any one of the cited documents/details is not available on or after October 1, 2023. However, it is still mandatory for all listed companies to record PAN, nomination, contact details, bank a/c details and specimen signature for their corresponding folio numbers of holders of physical securities.

The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website <https://www.salemerode.com/corporate-information.html> In view of the above, Members holding shares in physical form has to submit the required forms along with the supporting documents at the earliest. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs. Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar.

23. 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 dematerialize form, the nomination may be filed with the respective Depository Participants.
24. Regulation 40 of the Listing Regulations has mandated that securities of Listed Companies can be transferred, transmitted or transposed only in dematerialised form. 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.
25. 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.
26. SEBI 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.
27. 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.

28. 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	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. or Visit web portal www.nichetechpl.com of RTA of the Company.
Demat Holding	Please contact your Depository Participant and register your email address in your demat account, as per the process advised.

29. 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,
Main Road, Irinjalakuda, Thrissur, Kerala – 680121
Ph: 85890 00342, E-mail: cs@salemerode.com
30. 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 25th day of September, 2024 at 10.00 a.m. IST** and ends on **Friday, the 27th day of September, 2024 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 21st day of September, 2024** 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 21st day of September, 2024**. 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 is www.cdslindia.com and click on Login icon and select My Easi New (Token).</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 www.cdslindia.com</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 by giving the Beneficial Owner ID and PAN the system will authenticate the user. 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>
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 near "Login" which is available under 'IDeAS' section. A new screen will open. You 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" 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/creditor' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold 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>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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.</p>

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 21 09911.
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. 022-4886 7000 and 022-2499 7000

- 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/ Members" 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.
 - viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - x. Click on the EVSN for the relevant **Salem Erode Investments Limited** on which you choose to vote.
 - xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xiii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
 - xvi. If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xvii. 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@salemmerode.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
32. 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), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to Company e-mail id cs@salemmerode.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.
33. 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 at least **3 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id and mobile number at Company email id cs@salemmerode.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@salemmerode.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.
34. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.
35. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

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 52 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.	Nature of expertise/Experience if any, in the Financial Services Sector (including banking sector)	Having approximately 11 + years of experience in the Non - Banking Financial Sector and other related areas.
10.	Details of remuneration for the financial year 2023-24	Sitting fees - Rs. 15,000/-
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 2023-24	9 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 & CEO) Activity – NBFC (Debt Listed) 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

Sl. No.	Particulars	Response
		<ul style="list-style-type: none"> f. ICL Medilab Private Limited (Director) Activity – Medical g. Laneseda Vanijya Private Limited (Director) Activity- NBFC
16.	Membership/ Chairmanship of Committees of the Board	<p>Salem Erode Investments Limited</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 (Chairman) j. Asset Liability Management Committee (Member) <p>ICL Fincorp Limited</p> <ul style="list-style-type: none"> a. Share Allotment Committee (Member) b. Stakeholders Relationship Committee (Member) c. Risk Management Committee (Member) d. Asset Liability Management Committee (Chairman) e. Branch Authorisation Committee (Member) f. Debenture Issue Committee (Member) g. IT Steering Committee (Member) h. Internal Complaints Committee (Chairman)
17.	Directorship and Membership/ Chairmanship of Committees of the Board in Listed entities	<ul style="list-style-type: none"> 1. Non-Executive Director of Salem Erode Investments Limited 2. Wholetime Director & CEO of ICL Fincorp Limited <p>Salem Erode Investments Limited</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)

Sl. No.	Particulars	Response
		<ul style="list-style-type: none"> 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 (Chairman) j. Asset Liability Management Committee (Member) <p>ICL Fincorp Limited</p> <ul style="list-style-type: none"> a. Share Allotment Committee (Member) b. Stakeholders Relationship Committee (Member) c. Risk Management Committee (Member) d. Asset Liability Management Committee (Chairman) e. Branch Authorisation Committee (Member) f. Debenture Issue Committee (Member) g. IT Steering Committee (Member) h. Internal Complaints Committee (Chairman)
18.	Listed entities from which the person has resigned in the past three years	Not applicable
19.	Shareholding in the Company as on 31.03.2024	Nil
20.	Brief Resume	<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 and post-graduation in business management. She is the Wholetime Director & CEO 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.	Performance Evaluation	<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, 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 Companies Act, 2013.</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>

Item no.3 - Appointment of M/s. Mohandas & Associates, Chartered Accountants, Thrissur as the Statutory Auditors of the Company and fixation of remuneration.

The Board of Directors of the Company, on the recommendation of the Audit Committee, vide meeting held on 27th day of August, 2024 has appointed M/s. Mohandas & Associates, Firm Registration No. 002116S, Chartered Accountants, 3rd Floor, Sree Residency, Press Club Road, Thrissur, Kerala - 680001 as the Statutory Auditors of the Company in place of resigning Auditors, M/s. Manikandan & Associates, FRN. 008520S, Chartered Accountants, Krishna Arcade, Near Marathompilly Krishna Temple, KSRTC Road, Chalakudy, Thrissur, Kerala – 680307, for 5 (five) consecutive financial years commencing from 2024-25 to 2028-29 and to hold office from the conclusion of 93rd Annual General Meeting to the conclusion of 98th Annual General Meeting for the financial year ending March 31, 2029, at a consolidated fixed remuneration of Rs.3,50,000/- (Rupees Three Lakhs and Fifty Thousand Only) for the financial year 2024-25 for statutory audit and interim review of quarters, with an annual increment of 10% p.a. for the rest of the tenure of appointment,

payable in one or more installments, exclusive of other certifications, applicable taxes thereon and reimbursement of out of pocket expenses incurred and such remuneration may be increased upto 20% for respective financial years, depending upon the volume of work and as may be mutually decided between the auditors and Board of Directors of the Company;

In accordance with section 139(2) of the Companies Act, 2013 read with rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. Mohandas & Associates is eligible for appointment for a term of 5 (five) financial years. The Company has also received consent and eligibility letter to act as the Statutory Auditors of the Company, in accordance with the provisions of section 139 & section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, other applicable provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and regulations issued by the Reserve Bank of India from time to time.

Information required under regulation 36 (5) of Listing Regulations are as under:

Proposed fees payable to the statutory auditors	Fixed remuneration of Rs.3,50,000/- (Rupees Three Lakhs and Fifty Thousand Only) for the financial year 2024-25 for statutory audit and interim review of quarters, with an annual increment of 10% p.a. for the rest of the tenure of appointment, payable in one or more instalments, exclusive of other certifications, applicable taxes thereon and reimbursement of out of pocket expenses incurred and such remuneration may be increased upto 20% for respective financial years, depending upon the volume of work and as may be mutually decided between the auditors and Board of Directors of the Company
Terms of appointment	5 (five) consecutive financial years commencing from 2024-25 to 2028-29
Material change in the fee payable to auditor from that paid to the outgoing auditor along with the rationale for such change	There are no material changes in the fee payable to new statutory auditors from that paid to the outgoing statutory auditors.
Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s)	Detailed as below

The Company is in the process of wide expansion of branches throughout the Country and consequent to the same the volume of business would also increase accordingly. The Company is projecting increased volume of operations in coming financial years. Hence, proposed audit fees as compared to the audit fees for the previous year was reasonable and acceptable. Further, the proposed fees was based on knowledge, expertise, industry experience, time

and efforts required to be put in by the auditors during association with the Company. The proposed fees were also in line with the industry benchmarks. The fees for services in the nature of statutory certifications and other professional work would be in addition to the audit fee as above and would be decided by the management in consultation with the auditors.

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

Sl. No.	Particulars	Response
01.	Name and address of the Firm	M/s. Mohandas & Associates, Chartered Accountants, Sree Residency, 3 rd Floor, Press Club Road, Thrissur, Kerala – 680001 Ph: 0487 2333124, 2321290 Email: ma.auditors@gmail.com
02.	PAN of Firm	AADFM8074D
03.	Firm Registration Number	002116S
04.	Peer Review Certificate No. & period of validity	016256 24.01.2024 – 31.01.2027
05.	Terms & conditions of appointment	As explained above
06.	Nationality	Indian
07.	Date of establishment	01.09.1986
08.	Details of Partners and educational/ professional qualifications	1) Mr. Mohandas A FCA 2) Mr. G. Anoop FCA, DISA(ICAI) 3) Ms. Mini Chandran Kaipulli FCA, CIFR, DISA(ICAI) 4) Mr. Rakhi K. R. ACA 5) Mr. Geethu .M.D ACA 6) Mr. Asish Vincent ACA
09.	Experience	38 years of experience in accounts, audit, taxation and allied matters
10.	Details of remuneration for the financial year 2023-24	Nil
11.	Date of first appointment as Statutory Auditors	Not applicable M/s. Mohandas & Associates was previous statutory auditors of the Company
12.	Relation with other Directors, Managers or Key Managerial Personnel	Not applicable
13.	Shareholding in the Company a) As on 31.03.2024 b) As on 27.08.2024	Nil Nil
14.	Brief Resume	M/s. Mohandas & Associates is an old and well established Chartered Accountancy firm, having been set up in the year 1986. The firm is head-quartered in Thrissur District of Kerala. All the partners are equipped with adequate professional qualification, skill and knowledge and are in full time practice. With a track record of over three decades, the firm is providing services in the field of accounting, audit (statutory/internal), taxation, management consultancy and other allied areas. The firm has been statutory auditors of large reputed companies including non-banking finance companies, listed companies, banks, government companies etc. and carries a good professional track-record. Multi-disciplinary experience, timely service, online interaction/solutions, ethical values, professional excellence, integrity, confidentiality etc. paves the firm to a strong standing and brand name in Kerala

The Board is of the view that the association with M/s. Mohandas & Associates and their rich experience in the audit field would definitely benefit the Company. Being previous auditor of the Company, your board is familiar and comfortable with said auditors. Further, M/s. Mohandas & Associates are also in possession of appropriate skills, expertise and competencies in the context of the Company's present and proposed businesses. M/s. Mohandas & Associates has fulfilled the conditions specified in the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions under the Reserve Bank of India Act, 1934 &

the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed appointment as the statutory auditors of the Company and are independent of the management. Hence, your Board recommends the appointment of M/s. Mohandas & Associates as the statutory auditors of the Company for 5 (five) consecutive financial years commencing from 2024-25 to 2028-29 and to hold office from the conclusion of 93rd Annual General Meeting to the conclusion of 98th Annual General Meeting for the financial year ending March 31, 2029, at a consolidated fixed remuneration of Rs.3,50,000/- (Rupees

Three Lakhs and Fifty Thousand Only) for the financial year 2024-25 for statutory audit and interim review of quarters, with an annual increment of 10% p.a. for the rest of the tenure of appointment, payable in one or more installments, exclusive of other certifications, applicable taxes thereon and reimbursement of out of pocket expenses incurred and such remuneration may be increased upto 20% for respective financial years, depending upon the volume of work and as may be mutually decided.

Pursuant to the provisions of section 139 (1) of the Companies Act 2013, an individual or a firm shall be appointed as the statutory auditors of the Company in a 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 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 last date of Annual General Meeting. Members seeking to inspect such documents may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.

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

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

Item no. 4 - Re-appointment of Mr. K.G. Anilkumar (DIN: 00766739) as the Managing Director of the Company.

The members of the Company vide postal ballot approved as on 07th day of August, 2020 has appointed Mr. K.G. Anilkumar (DIN: 00766739) as the Managing Director of the Company for a period of 5 years effective from 18th day of February, 2020. Tenure of holding office of Managing Director as approved by the members is getting expired on 17th day of February, 2025.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has approved the re-appointment of Mr. K.G. Anilkumar as the Managing Director of the Company for second term of 5 years. Pursuant to section 196 of the Companies Act, 2013 a Managing Director shall hold office for a term upto 5 consecutive years only and he or she may be re-appointed not earlier than one year before the expiry of tenure.

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.	Name	Mr. K.G. Anilkumar
02.	Director Identification Number (DIN)	00766739
03.	Terms & conditions of appointment	To be appointed as Managing Director of the Company for a term of 5 financial years. During the tenure, Mr. K.G. Anilkumar 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	28.06.1963 61 Years
06.	Business address (along with phone, fax and e-mail)	ICL Fincorp Limited Main Road, Irinjalakuda, Thrissur, Kerala – 680121 Mob: 9605353135, Email: md@iclfincorp.com
07.	Residential address (along with phone, fax and e-mail)	Errekheth House, Sugrtham, Santhi Nagar, Irinjalakuda, North P. O., Thrissur, Kerala - 680125, Mob: 9605353135, Email: md@iclfincorp.com
08.	Educational/professional qualifications	BA; MBA; LLB
09.	Nature of expertise/Experience if any, in the financial services sector (including banking sector)	Having approximately 20+ years of experience in the non-banking financial sector and other related areas.
10.	Details of remuneration for the financial year 2023-24	Sitting fees – Rs.15,000/-
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

Sl. No.	Particulars	Response
13.	Relation with other Directors, Managers or Key Managerial Personnel	Spouse of Ms. Umadevi Anilkumar, Non-Executive Director of the Company
14.	Number of board meetings attended during the financial year 2023-24	9 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 (Managing 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>ICL Fincorp Limited</p> <ul style="list-style-type: none"> a. Debenture and Bond Committee (Chairman) b. Stakeholders Relationship Committee (Member) c. Risk Management Committee (Chairman) d. Share Allotment Committee (Chairman) e. IT Steering Committee (Chairman) f. Branch Authorization Committee (Chairman) <p>Salem Erode Investments Limited</p> <ul style="list-style-type: none"> a. Debenture and Bond Committee (Member) b. Risk Management Committee (Member) c. Asset Liability Management Committee (Chairman) d. IT Steering Committee (Chairman) e. Branch Authorisation Committee (Member)

Sl. No.	Particulars	Response
17.	Directorship and Membership of Committees of the Board in Listed entities	<p>Managing Director of Salem Erod Investments Limited & ICL Fincorp Limited</p> <p>Salem Erod Investments Limited</p> <ul style="list-style-type: none"> a. Debenture and Bond Committee (Member) b. Risk Management Committee (Member) c. Asset Liability Management Committee (Chairman) d. IT Steering Committee (Chairman) e. Branch Authorisation Committee (Member) <p>ICL Fincorp Limited</p> <ul style="list-style-type: none"> a. Debenture and Bond Committee (Chairman) b. Stakeholders Relationship Committee (Member) c. Risk Management Committee (Chairman) d. Share Allotment Committee (Chairman) e. IT Steering Committee (Chairman) Branch Authorization Committee (Chairman)
18.	Resignations from listed entities for past three years	Nil
19.	Shareholding in the Company as on 31.03.2024	Nil
20.	Brief Resume	<p>Mr. K.G. Anilkumar belongs to Irinjalakuda, a place of cultural and historical importance in the State of Kerala. His better half, friend and life time companion is Ms. Umadevi Anilkumar. His father, late Mr. Errektheth Govindamenon was a famous freedom fighter in Kerala. He has done graduation in B.A, Post-Graduation in Business Management (MBA) as well as an LLB holder. He is the Managing Director of ICL Fincorp Limited since 14.07.2004. It's his great business acumen and quiet strength that led ICL group to grow into a nationally known brand. He was appointed as Trade Commissioner of Cuba by the Latin American Caribbean Federation of India in India Cuba Conference during the Cuba Business Summit held in the month of January, 2023. Later on in the month of May, 2024, the Latin American Caribbean Trade Council (LACTC) appointed him as Goodwill Ambassador marking a significant advancement in the relationship between India and the LAC region also highlighting his ongoing efforts to strengthen trade and tourism ties between India, the Middle East and the LAC region through him. His unique capabilities have won him several awards and accolades, to name a few:</p> <ul style="list-style-type: none"> • 'Excellence in Finance Sector Award' for the year 2019 from His Excellency, the Vice President of India, Mr. M. Venkaiah Naidu. • "Bharat Excellence Award" for the year 2015 from His Excellency the Governor of Tamil Nadu, Mr. Rosaiah. • "Zee Hindusthan – Udaan dare to dream business excellence award" for the year 2022 in New Delhi • Consumer Protection Award for the year 2015 by Kerala Chief Whip Adv. Thomas Unniyadan, MLA. • JCI group "Business Excellence Award" for the year 2015 by Mr. P.K. Kunhalikutty (Minister of Industries and Information Technology, Kerala). • Business Excellence Award 2016 – Mangalalosalavam – by Mr. A.C. Moideen, Minister for Industries, Sports and Youth Affairs. • Business Reliability Award 2016 – Reporter Channel. • Dharmamudhra Award, 2016. • Karma Sreshta Puraskaram, 2016 - Kerala Kaladeepam. • Best Achiever Award, 2016 - Lions International.

Sl. No.	Particulars	Response	
	<ul style="list-style-type: none"> Phoenix Award, 2016 - Kairali TV by Padma Shri. Bharat Mammooty, Film Actor. Jeevan TV Felicitation Award, 2017 by Ms. Nirmala Sitharaman, Defence Minister together with Mr. Ravi Shankar Prasad, Minister of Electronics and Information Technology. Kerala Kaladeepam Felicitation Award, 2017 for the Best Performing NBFC of the year. Consumer Protection Award. <p>He oversees the planning, designing and funding of new projects, with a view to directing the Company towards the optimum utilization of resources and funds. Under his leadership ICL Group has made substantial efforts to strengthen and improve customer relationship and established its strong presence in retail finance. His operations and management skills have been crucial in the smooth transition of the ICL Group from being a local player to one with a pan-India presence. His inputs are central to the structure and has aided in the financial inclusion of giving gold loans to the masses, especially the economically weaker sections of society and the lower middle classes living in rural and semi-urban areas.</p> <p>Today, ICL Fincorp Limited, Holding Company has emerged as one among the profitable NBFCs in the regions of Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Odisha, Maharashtra, Gujarat and Karnataka. It is a fast growing entity and has branches all over the regions of Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Odisha, Maharashtra, Gujarat and Karnataka and is continuously striving to expand its wings by opening branches all over India. There are eight Companies falling under the umbrella of ICL Group viz. Salem Erode Investments Limited, ICL Fincorp Limited, ICL Tours & Travels Private Limited, ICL Chits Limited, ICL Nidhi Limited, Snow View Tex Collections Private Limited, ICL Medilab Private Limited and Laneseda Vanijya Private Limited.</p> <p>The contribution of Mr. K.G. Anilkumar to the social services sector assumes immense value in today's not so broadminded world and his efforts are much acclaimed. Even during his busy schedule, he found time and energy to pursue his philanthropic work to help poor and needy and also help promoting cultural activities and artists. To support his efforts he has established ICL Cultural & Charitable Trust which undertakes various charitable activities like helping/sponsoring students who are economically backward by distributing educational help, adopting needy children and ensuring that their wellbeing and educational needs are fulfilled, conducting blood donation camps, helping palliative care units etc.</p>		
21.	Performance evaluation	<p>Mr. K.G. 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 appropriate independent judgment and in the best in the interest of the Company. Mr. K. G. Anilkumar has complied with all the guidelines with respect to the professional conduct, role, functions and duties, as mentioned in the Companies Act, 2013.</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> <p>The Board is of the view that the continued association of Mr. K.G. Anilkumar and his rich experience in the financial sector would benefit the Company. Further, he also possesses appropriate skills, expertise and competencies in the context of the Company's present and proposed businesses. Being the Company is into initial expansion process only, the Board does not propose any remuneration to the Managing Director for the time being.</p> <p>Section 196 (4) of the Companies Act, 2013 mandates the regularization of Managing Director along with the terms and conditions of appointment shall 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.</p> <p>Copy of draft letter of appointment constituting terms and conditions of appointment and other allied documents, being referred in the resolution would be available for inspection by the members free of cost, in physical or electronic form during business hours i.e, 09.30 a.m. to 05.30 p.m. at the registered office & corporate office of the Company, up to and including the last date of Annual</p>	<p>General Meeting. Members seeking to inspect such documents may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.</p> <p>Save and except Mr. K.G. Anilkumar and Ms. Umadevi Anilkumar, wife of Mr. K.G. Anilkumar and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Managers or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.</p> <p>Item no. 5 – Appointment of Mr. Shinto Stanly (DIN: 06534505) as an Independent Director of the Company.</p> <p>The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee, had appointed Mr Shinto Stanly (DIN: 06534505) as an Additional Director (Independent) of the Company with effect from 05th day of February, 2024. Pursuant to section 161(1) of the Act, Mr. Shinto Stanly shall hold office only upto the date of 93rd AGM or the last date on which the 93rd AGM should have been held, whichever is earlier. The Company has received notice under section 160 of the</p>

Act signifying candidature of Mr. Shinto Stanly 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.	Name	Mr. Shinto Stanly
02.	Director Identification Number (DIN)	06534505
03.	Terms & conditions of appointment	Independent Director for a period of five consecutive years with effect from 05.02.2024 to 04.02.2029. During the tenure, Mr. Shinto Stanly 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	17.01.1986 38 Years
06.	Business address (along with phone, fax and email)	Elenjickal House, Edavilangu P.O., Thrissur, Kerala - 680671
07.	Residential address (along with phone, fax and email)	Elenjickal House, Edavilangu P.O., Thrissur, Kerala - 680671
08.	Educational/professional qualifications	<ul style="list-style-type: none"> Company Secretary (Membership no. ACS 30860) from the Institute of Company Secretaries of India. Chartered Financial Analyst (CFA, ICFAI) from the Institute of Chartered Financial Analysts of India. Master of Financial Analysis (MFA) from the Institute of Chartered Financial Analysts of India. Master of Business Administration (HRM) from the Institute of Chartered Financial Analysts of India. B. Com from Christ College, Irinjalakuda, Thrissur, Kerala.
09.	Nature of expertise/ Experience if any, in the financial services sector (including banking sector)	Independent Director at ICL Fincorp Limited, Non-Banking Financial Company effective from 03.12.2019 Independent Director at Meenachil Finance Limited, Non-Banking Financial Company effective from 13.01.2024
10.	Details of remuneration for the financial year 2023-24	Nil
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	05.02.2024
13.	Relation with other Directors, Managers or Key Managerial Personnel	Not applicable
14.	Number of Board Meetings attended during the financial year 2023-24	1 (One)
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	<ul style="list-style-type: none"> ICL Fincorp Limited - NBFC (Independent Director) Meenachil Finance Limited - NBFC (Independent Director)

Sl. No.	Particulars	Response
16.	Memberships/ Chairmanships of Committees of the Board	<p>Salem Erode Investments Limited Audit Committee: Chairman Nomination and Remuneration Committee: Chairman Stakeholders Relationship Committee: Chairman Debenture and Bond Committee: Chairman IT Strategy Committee: Chairman Risk Management Committee: Chairman Corporate Social Responsibility Committee: Chairman</p> <p>ICL Fincorp Limited Audit Committee: Chairman Nomination and Remuneration Committee: Chairman Stakeholders Relationship Committee: Chairman IT Strategy Committee: Chairman Risk Management Committee: Member Share Allotment Committee: Member</p>
17.	Directorship and Membership of Committees of the Board in Listed entities	Independent Director at: <ul style="list-style-type: none"> • ICL Fincorp Limited • Salem Erode Investments Limited Membership of Committees of the Board in Listed entities as mentioned in sl.no.16
18.	Resignations from listed entities for past three years	Nil
19.	Shareholding in the Company as on 31.03.2024	0 %
20.	Brief Resume	<p>Shinto Stanly is an Independent Director of ICL Fincorp Limited. He has an experience of 12 years in the corporate field, is a member of the Institute of Company Secretaries of India and also a member of the Institute of Chartered Financial Analysts of India, Tripura. He also holds post graduate degrees in Master of Financial Analysis (MFA) and Master of Business Administration (HRM). He has vast experience and expertise in the field of corporate secretarial, accounts and allied businesses of non-banking financial companies, manufacturing companies, multi-national companies etc. Presently, he is a strategic consultant to various finance companies and multi-national business oriented Companies in Kerala.</p>
21.	Performance evaluation	<p>Mr. Shinto Stanly 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 appropriate independent judgment and in the best in the interest of the Company. Mr. Shinto Stanly has complied with all the guidelines with respect to the professional conduct, role, functions and duties, as mentioned in the Companies Act, 2013.</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>

The Board is of the view that the continued association of Mr. Shinto Stanly 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. Shinto Stanly 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. Shinto Stanly 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. Shinto Stanly 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. Shinto Stanly 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 05th day of February, 2024 to 04th day of February, 2029.

Mr. Shinto Stanly 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 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 last date of Annual General Meeting. Members seeking to inspect such documents may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.

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

Item no. 6 - Alteration of Articles of Association of the Company.

Your Board is planning to issue listed Non-Convertible Debentures in the coming financial years. The Securities and Exchange Board of India vide its notification no. SEBI/LAD-NRO/GN/2023/119 dated February 2, 2023, had amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 thereby mandating the issuers of debt securities to suitably amend their Articles of Association thereby inserting a clause authorising the Board of Directors of the listed entities to appoint a person nominated by the debenture trustee(s) in terms of regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Director on its Board. Also the Company is of the view that the appointment of Nominee Director would ensure that the interest of the financial institution/interested parties would be taken into account and adequate transparency would be maintained on the affairs of the Company.

However the right to appoint a nominee director shall be exercised by the debenture trustee(s) only in the event of default as per

regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as provided below:

1. Two consecutive defaults in payment of interest to the debenture holders; or
2. Default in creation of security for debentures; or
3. Default in redemption of debentures.

If more than one debenture trustee(s) is entitled to appoint a director, all such debenture trustees shall jointly nominate only one person to be appointed as a Nominee Director on the Board of the Company.

In order to make the Articles of Association of the Company to comply with the above mentioned requirements, it is proposed to insert new clause w.r.t. the appointment of Nominee Director. Section 14 of the Companies Act, 2013, prescribes that alteration of the Articles of Association of the Company requires prior approval of the members by means of special resolution. Hence the proposed resolution is recommended for consideration and approval of the members of the Company.

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

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

Item no. – 7 Increase in Authorized Share Capital and amendment in the Capital clause of Memorandum of Association of the Company.

Your Board is in the process of wide expansion of branches throughout the Country. Considering expansion plans, the Company has to raise funds by way of issue of equity shares in various modes. The present Authorised share capital of the Company is Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs Only). Considering the above requirements and in order to avoid any delay in raising fund during any unforeseen exigencies on account of breach of Authorized Share Capital limit, the same may be enhanced from Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only) divided into 1,20,00,000 equity shares of Re. 1/- each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 10,00,00,000 equity shares of Re. 1/- each, ranking pari passu in all respect with the existing equity shares of the Company.

Consequent to the same, Memorandum of Association of the Company has also to be amended accordingly.

Pursuant to the provisions of section 61 of the Companies Act, 2013, the increase in Authorized Capital and the consequential changes in clause of the Memorandum of Association requires approval of members by way of ordinary resolution. Hence, the proposed resolution is recommended for the consideration and approval of the members of the Company.

Copy of the existing Memorandum of Association of the Company and copy of Memorandum of Association, indicating the proposed amendments, being referred in this resolution would be available for inspection by the members free of cost, in physical or electronic form during business hours i.e., 09.30 a.m. to 05.30 p.m. at the registered office and corporate office of the Company up to and including the

last date of Annual General Meeting. Members seeking to inspect such documents may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.

None of the Directors, Managers 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: 03.09.2024

Board's Report

To,
The Members,
Salem Erod Investments Limited

Your Directors present before you the 93rd Annual Report of Salem Erod Investments Limited (hereinafter referred to as "the Company") together with the audited financial statements for the financial year ended March 31, 2024.

I. Financial summary and highlights

a) Operations

The Company has set up 3 new branches in the state of Odisha along with 16 new branches in the state of Tamil Nadu with additional 6 more branches in Tamil Nadu in the current financial year thus making total branch strength of 38 branches across India as compared to 16 branches in the last financial year. The Company has achieved an increase of 50% branches and will be setting up more branches in various parts of the Country. In the last financial year the Company had planned a target of setting 50 branches across the Country, however the Company was able to set 38 branches only but as there are more branches lined up in new states other than Tamil Nadu and Odisha, the Company expects to achieve the said target in the near future. The total employee strength has increased from 46 employees in the last financial year to 144 employees at present, thus resulting to an increase of almost 100% of its total workforce. The operations of the Company is increasing day by day thereby increasing the business simultaneously. The Company is slowly trying to establish and make its own identity instead of working under the shade and name of its Holding Company, ICL Fincorp Limited.

The commercial operations during the year under report were progressive. The Company has earned an income of Rs. 4,13,95,010/- (Rupees Four Crores Thirteen Lakhs Ninety Five Thousand and Ten Only) as compared to Rs. 4,03,01,278/- (Rupees Four Crores Three Lakhs One Thousand Two Hundred and Seventy Eight Only) during the previous year. The total expenditure of the Company for the year was Rs. 5,91,04,835/- (Rupees Five Crores Ninety One Lakhs Four Thousand Eight Hundred and Thirty Five Only) as compared to Rs. 4,11,44,020/- (Rupees Four Crores Eleven Lakhs Forty Four Thousand and Twenty Only). The Company incurred net loss of Rs. 1,82,25,205/- (Rupees One Crore Eighty Two Lakhs Twenty Five Thousand Two Hundred and Five Only) as against net loss of Rs.9,66,755/- (Rupees Nine Lakhs Sixty Six Thousand Seven Hundred and Fifty Five Only) during the previous financial year. The Company had to incur loss in this financial year in comparison to previous financial year due to increase in the operations of the Company which led to opening of more branches and employees resulting into finance cost, administrative and other normal expenses of the Company. Your Directors are targeting more growth and expansion in future due to which certain expenses are unavoidable at present. Moreover the Company believes in sacrificing today for a better tomorrow.

Financial Summary

Particulars	For the year ended March 31, 2024 (Rs.)	For the year ended March 31, 2023 (Rs.)
Total Income	4,13,95,010	4,03,01,278
Total Expense	5,91,04,835	4,11,44,020
Profit/Loss before Tax	(1,77,09,825)	(8,42,742)
Less Current Income Tax	-	35,275
Less Deferred Tax	4,62,242	(5,15,230)
(Excess)/Short provision of previous years	53,139	6,03,968
Net Profit/Loss after Tax	(1,82,25,205)	(9,66,755)
Earnings per share (Basic)	(1.59)	(0.08)
Earnings per Share (Diluted)	(1.59)	(0.08)

b) Reserves

During the year the Company has reported losses and hence no amount is transferred to the statutory reserves and Impairment Reserve which is the differential amount between impairment allowance as per IND AS 109 and provisioning as per IRACP norms. After these adjustments the Retained Earnings during

the year is Rs. 16,81,09,862/- (Rupees Sixteen Crores Eighty One Lakhs Nine Thousand Eight Hundred and Sixty Two Only).

c) Dividend

As the Company has incurred loss and 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, 2024.

d) 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 details of the gold loans and other loans

The Company has been mainly focusing on gold loans, which is secured by way of the gold jewellery provided as security

by the customers. The Loan to Value (hereinafter referred to as "LTV") ratio is restricted to a maximum of 75% as prescribed by the Reserve Bank of India (hereinafter referred to as "RBI"). The Company provides loans at lesser LTVs with lesser interest rates to the customers, so as to reduce the interest burden for needy customers.

During the year 2023-24 the Company has opened new branches. As most of the branches were opened at the fag end of the financial year, the Gold Loans growth is limited. The Company has come up with fresh set of schemes for its customers.

The following are the comparison of the gold loan schemes for the year 2022 -23 & 2023-24:

Scheme name	Amount outstanding for the year ended 2023-24 (in Rs)	Amount outstanding for the year ended 2022-23 (in Rs)	Increment	% increase/ (decrease) outstanding compared to previous year
SEIL (60 Days Interest Payment Scheme)	5,67,67,920	7,57,75,918	-1,90,07,998	-25%
SEIL 107 (Monthly Interest Payment Scheme)	37,92,127	42,58,574	-4,66,447	-11%
SEIL 111 (Monthly Interest Payment Scheme)	27,61,326	61,39,031	-33,77,705	-55%
SEIL 117 (30 Days Interest Payment Scheme)	0	2,05,600	-2,05,600	-100%
SEIL 116 (30 Days Interest Payment Scheme)	0	0		0
SEIL 112 (60 Days Interest Payment Scheme)	0	0		0
SEIL Sukrutham	21,45,833	12,64,828	8,81,005	70%
Total	6,54,67,206.28	8,76,43,951	2,21,76,744.72	

Events occurred after closing of the Financial Year

The Company has started new set of schemes of gold loan in the current financial year and the outstanding of the said schemes as on 30.06.2024 are as follows:

New scheme outstanding as on 30.06.2024	
Scheme	Outstanding 30.06.2024
SEIL 141 (30 Days Interest Payment Scheme)	5,55,89,462.00
SEIL Mahila (30 Days Interest Payment Scheme)	2,19,25,934.00
SEIL 138 (30 Days Interest Payment Scheme)	63,02,100.00
SEIL 136 (30 Days Interest Payment Scheme)	18,35,500.00
SEIL 137 (30 Days Interest Payment Scheme)	39,07,887.00
SEIL Senior (30 Days Interest Payment Scheme)	6,42,671.00
SEIL 142 (18 Months Installment Payment Scheme)	12,30,584.00
SEIL 140 (24 Months Installment Payment Scheme)	2,68,000.00

The fresh gold loan cases are taken under the new schemes adopted in this financial year and previous schemes will be closed upon the completion of its tenure.

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

During this financial year the company has opened 3 branches in the state of Odisha and 16 branches in Tamil Nadu, thus making the total branch strength of the

Company to 32 branches across India as on 31.03.2024. And later on the Company opened 6 more branches in the current financial year and at present the total branch strength is 38 branches across the country. The Company had set a target of opening 50 branches throughout the Country in the last financial year, out of which the Company could open only 38 branches till date, but there are more branches yet to be opened and will be opened soon in the current financial year. 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.

ii. 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. No branch was closed in the reporting year.

iii. 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.13,45,05,000/- (Rupees Thirteen Crores Forty Five Lakhs Five Thousand Only) during the financial year under report by issuing Unlisted Redeemable Secured Non-Convertible Debentures on private placement basis.

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

i. Business - Post Covid

The impact of COVID-19 on business was negligible during the financial year 2023-24, despite a few new cases being reported across the country. However, global political developments, including the Russia-Ukraine war and the conflict between Hamas and Israel in West Asia, led to fluctuations in oil prices and increased inflation, which in turn caused interest rates to rise. These factors created some challenges for the Company's growth. Nevertheless, the Company successfully opened 16 new branches in Tamil Nadu and three in Odisha, doubling its gold loan portfolio while maintaining the loan-to-value ratio within the prescribed norms.

The Company has successfully navigated previous challenges and the Board expects positive growth in the coming years. The overall operating environment and collection efficiencies are expected to remain stable. The Company plans to open new branches at various locations and introduce new loan products.

ii. Disbursement & Recovery

Gold loan disbursements were normal throughout the year, and the Company effectively managed recoveries by offering customers the option to make remittances through online banking, phone transfers, and other electronic modes. Due to stringent loan recovery efforts, there was no adverse impact on the Company's revenue during the year, and no negative impact is anticipated in the coming financial years.

iii. Non-Performing Assets

The Company has maintained Non-Performing Assets (NPAs) at minimal levels through stringent recovery measures. It will continue to focus on the gold loan category, as the market value of gold is expected to rise according to expert predictions.

The Company maintains a loan-to-value ratio of 65% to 75% to ensure asset quality. It remains focused on maintaining its gold inventory, serving its existing customer base efficiently, and acquiring new customers through its branches.

Given the current economic recovery, the Management predicts better growth in the coming years by introducing new portfolios and opening new branches. The Holding Company, the ICL Fincorp Limited, brings extensive experience and expertise, contributing to exceptional performance. Marketing activities, including cluster marketing, roadshows, and brand value additions, are being conducted more aggressively.

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

NBFCs remain an important constituent of India's financial sector, and continue to leverage their superior understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transaction costs, innovative products, quick decision making, customer orientation and prompt service standards have differentiated NBFCs from banks. Considering the reach and expansion of

NBFCs, these entities are well-suited to bridge the financing gap in a large country like India. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians. The sector has undergone remarkable growth and has established itself as a significant player in the country's financial landscape. As of FY2023, the NBFC sector reached an impressive size of US\$ 326 billion, underscoring its influence in the financial domain. Growth in the business of NBFCs is primarily attributed to a substantial increase in the demand for specialised financial services, particularly from Micro, Small, and Medium Enterprises (MSMEs), which typically face challenges in obtaining loans from traditional banks. Moreover, the rise of digitisation has been a driving force behind the NBFC sector's growth. Adoption of digital platforms has enabled NBFCs to broaden their customer base, streamline operations, reduce costs and enhance overall customer experience. This transformation is further accentuated by the role of emerging technologies like artificial intelligence, machine learning, robotic process automation and big data. The latest edition of the RBI's Financial Stability Report notes that aggregate lending by NBFCs rose by 20.8% (y-o-y) in September 2023 from 10.8% a year ago, primarily led by personal loans and loans to industry. The gross nonperforming assets (GNPA) and net non-performing assets (NNPA) ratios of NBFCs continued on their downward trajectory. The overall GNPA ratio in September 2023 was 4.6% versus 5.9% in September 2022; and NNPA ratio was 1.5% compared to 3.2% across the same period. Capital adequacy has also improved to 27.6% from 27.4% during this period. So too has the profitability- as evident from increase in the return on assets (RoA) to 2.9% from 2.5%. Over the past two years, banks and NBFCs have seen rapid and persistent growth in retail loans, especially unsecured lending. Between September 2021 to September 2023, banks' retail loans grew at a compound annual growth rate (CAGR) of 25.5%, which exceeded the headline credit growth of 18.6%. Consequently, the share of retail lending in gross advances increased from 37.7% in September 2021 to 42.2% in September 2023. Alongside, unsecured retail lending grew by 27% during the same period, taking its share in total retail lending to 23.3% (or 9.8% of total gross advances of the banks). Despite the sharp growth in retail lending, underlying asset quality has improved. The GNPA ratio of total retail advances improved to 1.6% in September 2023 from 2% in September 2022; and that of unsecured retail advances improved to 2% in September 2023 from 2.5% a year earlier.

A related development which has facilitated rapid growth in retail loans is bank lending to NBFCs, which constituted 9.9% of total bank credit at the end of June 2023. Bank lending to NBFCs increased at a CAGR of 26.3% during the past two years (i.e., from June 2021 to June 2023), which has been well above the growth of 14.8% in overall bank credit. However, such lending is mostly limited to top-rated NBFCs with close to 80% of credit given to those with AA-rating and above. Although there are

no imminent signs of stress in the retail credit segment, its rapid growth amidst the disinflationary monetary policy stance raises concerns in terms of procyclicality of lending and higher debt servicing costs.

Recognising the importance of NBFCs, a series of measures have been implemented which have played an important role in strengthening the NBFCs. For instance, considering the growing size, complexity and interconnectedness of NBFCs, a revised scale-based regulatory framework has been implemented to harmonise the regulations of NBFCs with those of banks, wherever appropriate. In addition, the formal Prompt Corrective Action (PCA) framework was extended to NBFCs which enables supervisory intervention at appropriate times and requires the supervised entity to initiate and implement remedial measures in a timely manner. As banks and NBFCs have entered into various co-lending models with divergent underwriting practices and banks have been the major lender to NBFCs, this rising interconnectedness raises risks emanating from cross-sectional dimensions. Thus, on 16 November 2023, the RBI increased risk weight on unsecured retail loans from 100% to 125% and also increased risk weight on bank exposures to NBFCs by 25% subject to a cap of 100%. The RBI's Financial Stability Report states that "the Reserve Bank took proactive regulatory measures, such as increase in risk weights on certain segments of consumer credit by banks and NBFCs as well as bank credit to NBFCs, along with a strengthening of credit standards in respect of various sub-segments under consumer credit, to prevent build-up of risks and spill-over to the wider financial system."

As NBFCs have become more significant, the RBI has enhanced its regulation of the sector in recent years to address the industry specific issues such as contagion risk in the financial system, oversimplified underwriting processes, concentration of credit risk, exposure towards technology related risks, etc. Accordingly, the RBI, over last few years, has issued various guidelines such as (i) vigil over asset-liability management practices, (ii) maintaining liquidity ratios, (iii) increased reporting requirements, and (iv) scale-based regulations. These have led to NBFCs adopting practices in line with banks. The regulatory vigil is based on four key cornerstones of: (i) responsible financial innovation, (ii) accountable conduct, (iii) responsible governance, and (iv) centrality of the customer.

The NBFC sector is an important stakeholder of the Indian financial sector. Strengthened regulation and enhanced oversight are in place to further strengthen the resilience of this key sector. We believe that NBFCs with superior capital adequacy, better margins, frugal cost and prudent risk management, and those incorporating above four key cornerstones in their business models will continue to deliver sustainable growth in the foreseeable future.

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. 13,45,05,000/- (Rupees Thirteen Crores Forty Five Lakhs 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

tenure, interest/coupon rate & periodicity of payment are 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.

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
13.06.23	20.06.23	5,750	Private Placement	1,000	57,50,000
21.09.23	29.09.23	2,800	Private Placement	1,000	28,00,000
04.01.24	12.01.24	81,193	Private Placement	1,000	8,11,93,000
05.02.24	13.02.24	44,762	Private Placement	1,000	4,47,62,000

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
Non-Convertible Debentures (NCDs)	0.59	IVR BB/Stable(IVR Double B with Stable Outlook)	13.07.2023	Nil	Not applicable
Proposed Non-Convertible Debentures	99.41	IVR BB/Stable (IVR Double B with Stable Outlook)	13.07.2023	Nil	Not applicable

Events occurred after closing of the financial year

However on 03rd July, 2024, the credit rating was revised by Infomerics Valuation and Rating Private Limited as below:

Facilities	Amount (Rs. Crore)	Current ratings	Previous ratings	Rating action
Non-Convertible Debentures (NCDs)	0.59	IVR BB-/ Negative; Issuer not cooperating(IVR Double B Minus with negative outlook issuer not cooperating)	IVR BB/Stable Outlook (IVR Double B with stable outlook)OPERATING)	Downgraded and moved to issuer not cooperating
Non-Convertible Debentures (NCDs)	99.41	IVR BB-/ Negative; Issuer not cooperating(IVR Double B Minus with negative outlook issuer not cooperating)	IVR BB/ Stable (IVR Double Bwith StableOutlook)	Downgraded and moved to issuer not cooperating

IX. Investor Education and Protection Fund

- a) The reporting of transfer of shares of the unclaimed dividend for Financial Years 2008-09, 2009-10, 2010-11 and 2011-12 has been filed through Form IEPF-4 and filing of Form IEPF- 4 for the Financial Year 2012-13 is under process. However all the the shares of unclaimed dividend holders till date has been transferred to IEPF.
- Amount of unclaimed/unpaid dividend and the corresponding Shares
 - Redemption amount of preference shares - Not applicable
 - Amount of matured deposits, for Companies other than Banking Companies, along with interest accrued thereon - Not applicable
 - Amount of matured debentures along with interest accrued thereon - Not applicable
 - Application money received for allotment of any securities and due for refund along with interest accrued - Not applicable
 - 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	1,14,320	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:-

The members of the Company vide. 92nd Annual General Meeting held on 15th day of July, 2023 had re-appointed Mr. K.G. Anilkumar, Managing Director (DIN: 00766739), who retires by rotation and being eligible offered himself for re-appointment.

Appointment of Mr. Shinto Stanly as Additional Independent Director

Your Board had appointed Mr. Shinto Stanly (DIN: 06534505) as an Independent Director (Additional) with effect from 05th February, 2024 to hold office upto the date of 93rd Annual General Meeting of the Company. The Board is of the view that association of Mr. Shinto Stanly 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. Shinto Stanly 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. Shinto Stanly 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. Shinto Stanly 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. Shinto Stanly as an Independent Director of the Company for a term of 5 consecutive years, not liable to retire by rotation.

Ms. Umadevi Anilkumar, Non Executive Director (DIN: 06434467) of the Company, who retires by rotation and being eligible offers 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 were no other 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 9 (nine) meetings, details of the same as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	28.04.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
02.	29.05.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
03.	13.06.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
04.	10.08.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
05.	21.09.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
06.	11.11.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
07.	04.01.2024	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
08.	05.02.2024	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan	100%
09.	28.02.2024	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan Mr. Shinto Stanly	100%

d) General Meetings held during the financial year

During the financial year two General Meetings 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
Postal Ballot	02.05.2023	-	-
92 nd Annual General Meeting	15.07.2023	20	1.77%

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, 2024, the Board comprised of 6 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)

Sl. No.	Name	DIN/PAN	Designation
05.	Mr. A.A.Balan	01996253	Independent Director(Non-Executive)
06.	Mr. Shinto Stanly	06534505	Additional Independent Director(Non-Executive)
07.	Mr. Madhavankutty T.	ACXPT7620E	Chief Financial Officer
08.	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

- Mr. Shinto Stanly, Independent Director was inducted to the Audit Committee on 29th day of May, 2024.

iii) Meetings & Attendance

During the year, the Audit Committee of the Company had convened 7 (seven) meetings, details of the same are as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	25.04.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
02.	29.05.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
03.	13.06.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
04.	10.08.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
05.	11.11.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
06.	05.02.2024	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
07.	28.02.2024	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

- Mr. Shinto Stanly, Independent Director was inducted to the Nomination and Remuneration Committee on 29th day of May, 2024.

iii) Meetings & Attendance

During the year, the Nomination and Remuneration Committee of the Company had convened 3 (three) meetings, details of the same as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	17.05.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
02.	13.06.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
03.	05.02.2024	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

- Mr. Shinto Stanly, Independent Director was inducted to the Stakeholders Relationship Committee on 29th day of May, 2024.

iii) Meetings & Attendance

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

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	17.05.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
02.	30.06.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V.	100%
03.	22.11.2023	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

- Mr. Shinto Stanly, Independent Director was inducted to the Corporate Social Responsibility Committee on 29th day of May, 2024.

iii) Meetings & Attendance

During the year, the Corporate Social Responsibility Committee of the Company had convened 1 (one) meeting, details of the same as mentioned below.

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	17.05.2023	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 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

- Mr. Shinto Stanly, Independent Director was inducted to the Debenture and Bond Committee on 29th day of May, 2024.

iii) Meetings & Attendance

During the year, the Debenture & Bond Committee of the Company had convened 5 (five) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	22.04.2023	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
2.	20.06.2023	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
3.	29.09.2023	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
4.	12.01.2024	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
05.	13.02.2024	Mr. T.G. Babu Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%

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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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 members of the Risk Management 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

- Mr. Shinto Stanly, Independent Director was inducted to the Risk Management Committee on 29th day of May, 2024.

iii) Meetings & Attendance

During the year, Risk Management Committee of the Company had convened 1 (one) meeting, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	17.05.2023	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 compiled Asset-Liability Management Committee in line with provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. 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 members of the Asset Liability Management 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 1 (one) meeting, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	17.05.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Mr. T.G. Babu Mrs. Nikitha Binoy	100%

*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 members of the Branch Authorisation Committee during the year under report are as follows:

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

iii) Meetings & Attendance

During the year, the Branch Authorisation Committee of the Company had convened only 3 (three) meeting, details of the same as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
01.	19.04.2023	Mr. Saseendran V. Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
02.	17.05.2023	Mr. Saseendran V. Mr. K.G. Anilkumar Ms. Umadevi Anilkumar	100%
03.	18.01.2024	Mr. Saseendran V. 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.
- 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

ii) Composition

The members of the Internal Complaints 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
Adv. Sandhya Pran	External Member	Member
Ms. Nikitha Binoy	Accounts Manager	Member

iii) Meetings & Attendance

During the year, the Internal Complaints Committee of the Company had convened 1 (one) meeting, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	17.05.2023	Ms. Umadevi Anilkumar Mr. Sam S. Maliakal Adv. Sandhya Pran Ms. Nikitha Binoy	100%

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, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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.

ii) Composition

The members of the IT Strategy 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

- Mr. Shinto Stanly, Independent Director was inducted to the IT Strategy Committee on 29th May, 2024
- 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 1 (one) meeting, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	17.05.2023	Mr. T.G. Babu Ms. Umadevi Anilkumar Mr. Saseendran V. Ms. Nikitha Binoy	80%

*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, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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.

ii) Composition

The members of IT Steering 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 1 (one) meetings, details of the same are as mentioned below:

Sl. No.	Date of the meeting	Present throughout the meeting	Percentage of attendance
1.	17.05.2023	Mr. K.G. Anilkumar Ms. Umadevi Anilkumar Ms. Nikitha Binoy	60%

*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.	14.03.2024	Mr. T.G. Babu Mr. Saseendran V. Mr. A.A. Balan Mr. Shinto Stanly	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'.

Nomination and Remuneration Committee Policy of the Company 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.

Pursuant to section 135 of the Companies Act, 2013, every Company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one Director shall be an Independent Director. Every Company coming under the aforesaid category has to spend, at least, 2% of the average net profits of the Company made during the three immediately preceding financial years.

The Company had no mandatory requirement to contribute CSR fund during financial year 2023-24.

The Corporate Social Responsibility 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. Corporate Social Responsibility policy of the Company 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:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- 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 loss of the Company for that period;
- 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, 2024 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, 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 were identified either in the design or operation of the control.

l) Frauds reported during the year

A fraud of Rs. 14,00,000/- (Rupees Fourteen Lakhs Only) was reported in one of the branch of the Company, which was intimated to RBI. Other than the same, no other fraud was reported during the year under report.

Events occurred after the close of the Financial Year

A new fraud of Rs. 1,83,000/- (Rupees One Lakh Eighty Three Thousand Only) was detected during the current financial year in one of the branches of the Company which was then reported to RBI.

XI. Deposits

Your Company has not accepted any Deposits from public within the meaning of section 73 of the Companies Act, 2013 read with the 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. During the Financial Year 2023-2024, the Company received interest repayment of Rs. 1,29,11,204/- (Rupees One Crore Twenty Nine Lakhs Eleven Thousand Two Hundred and Four Only).

The Company extended term loan of Rs. 10,00,00,000/- (Rupees Ten Crores Only) in tranches to the Holding Company, ICL Fincorp Limited at an interest rate of 12.5% as EMI loans.

Out of the said loan amount, the Company has received an interest repayment of Rs. 69,30,783.50/- (Rupees Sixty Nine Lakhs Thirty Thousand Seven Hundred Eighty Three and Fifty Paise Only) by the end of March 31, 2024 and the remaining interest of Rs. 26,492.67/- (Rupees Twenty Six Thousand Four Hundred Ninety Two and Sixty Seven Paise only) for the financial year 2023-2024 was received on April 28, 2024, thereby making a total interest payment of Rs. 69,57,276.17/- (Rupees Sixty Nine Lakhs Fifty Seven Thousand Two Hundred Seventy Six and Seventeen Paise Only). All loans are being utilized by the Holding Company for general corporate and working capital purposes of the Company. Classification of said loans are made under note no. 8 to the financial statements.

The Company also had extended an unsecured loan of Rs. 6,00,00,000/- (Rupees Six Crores Only) to ICL Tours and Travels Private Limited at an interest rate of 18% p.a. The said loan was granted to ICL Tours & Travels Private Limited on 29th January, 2024 which was then repaid by the Company on 31st March, 2024 along with the interest of Rs. 18,34,521/- (Rupees Eighteen Lakhs Thirty Four Thousand Five Hundred and Twenty One Only) .

Except for those mentioned above, the Company has not given any other guarantee or provided security in connection with loan to any other body corporate or any person in respect of loan availed by them as per the provisions of section 186 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. The Company's operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. The Company has taken various steps to Conserve energy. Consumption of electricity and its efficient utilization is an important area of Environmental Management System and the Company has taken many steps to reduce its carbon footprint on this front. The Company has intitated to replace all high power consuming equipments with environment friendly equipments, resulting significant savings in power consumption. Discussions on

utilizing alternate sources of energy like solar are in process. For the time being the Company has not incurred any capital investment on energy conservation equipments.

b) Technology absorption

Your Company being a NBFC, has no activities involving adoption of any specific technology. However, your Company is trying its best in implementing latest information technology and tools towards enhancing our customer convenience. The Company has started initiating various digital transformations during the year providing a great customer experience, improved business efficiencies, ease of operations and effective risk management. The Company believes in extending the digital interface to customers through various channels for better reach and convenience. The Company is trying to take initiative towards an end-to-end online home loan application and fulfillment platform, doing away with the traditional pen and paper process which also involves physical transfer of loan application files.

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 92nd Annual General Meeting held on 15th day of July, 2023 had re-appointed the Statutory Auditors, M/s. Manikandan & Associates, FRN. 0085205, Chartered Accountants, Krishna Arcade, Near Marathompilly Krishna Temple, KSRTC Road, Chalakudy, Thrissur, Kerala – 680307 for 5 (five) consecutive financial years commencing from from 2023-2024 to 2027-2028 and to hold office from the conclusion of 92nd Annual General Meeting to the conclusion of 97th Annual General Meeting for the financial year ending March 31, 2028.

Events occurred after the close of the financial year

However M/s. Manikandan & Associates has on 22nd day of August, 2024 resigned from the position of Statutory Auditors of the Company with effect from the conclusion of 93rd Annual General Meeting of the Company citing following reasons:

"Substantial increase in scalability of operations in our firm and due to the heavy work load and tight schedule nature of the firm, we are not in a position to take up the assignment of the Company".

Your Board has approved the appointment of M/s. Mohandas & Associates, Firm Registration No. 0021165, Chartered Accountants, 3rd Floor, Sree Residency, Press Club Road, Thrissur, Kerala - 680001 as the Statutory Auditors of the Company in place of resigning Auditors. M/s. Mohandas & Associates has fulfilled the conditions specified in the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions under the Reserve Bank of India Act, 1934 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed appointment as the Statutory Auditors of the Company and are independent of the management. Hence, your Board recommends the appointment of M/s. Mohandas & Associates as the Statutory Auditors of the Company for 5 (five) consecutive financial years commencing from 2024-25 to 2028-29.

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 2023-24.

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 in his secretarial audit report for the financial year 2023-24 qualified as follows:

"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 its related reportings."

Your Board hereby states that even though the unclaimed dividend holders shares were transferred to IEPF, the same were not reported via IEPF-4 forms but after the migration of IEPF-4 form into MCA V3 portal, the Company has successfully filed IEPF-4 forms for the financial years 2008-09, 2009-10, 2010-11 and 2011-12 The filing of IEPF - 4 for the Financial year 2012-13 is under process. Further, the said qualification does not have any material adverse effect on the financial statements or on the functioning of the Company.

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 on time. Other than the said Non-Convertible Debentures, 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/Form%20MGT7_2023-2024.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 major capital expenditure programmes carried out during the year.
- xiii. There was no activities carried out in relation to acquisition, merger, expansion, modernization and diversification;
- xiv. There was no activities carried out in relation to developments, acquisition and assignment of material Intellectual Property Rights;
- xv. The Company has not inducted any strategic and financial partners during the year;
- xvi. The Company has not delisted its equity shares, during the year or till the date of the report;
- xvii. The Company has not reclassified or sub-divided the Authorised Share Capital;
- xviii. There was no reduction of share capital or buy back of shares occurred during the year;
- xix. There was no change in the capital structure resulting from restructuring; and
- xx. 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. However, due to delay in finalization of financial statements of all Companies falls under common promoter group, the Company was unable

to complete filings or compliances as stipulated under Scale Based Regulations 2023 - Non-Banking Financial Company within stipulated time. The Company has taken sufficient measures to comply the same on war footing basis.

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 6' 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. 15,000/- (Rupees Fifteen Thousand Only) for attending 6 (six) Board Meetings of the Company during financial year 2023-24 and after the close of the financial year Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) was paid for attending 3 (three) more meetings of the Board for the financial year 2023-24 and was not paid any other commission or sitting fees for attending Committee Meetings of the Company. The Managing Director of the Company is also the Managing Director of ICL Fincorp Limited, Holding Company and has received a remuneration of Rs. 96,000.00/- (Rupees Ninety Six Thousand Only) as sitting fees for attending Board Meetings from the Holding Company during the financial year 2023-24.

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 Listing Regulations 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 ensure 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 49.04% in financial year 2023-24 compared to 19.05% in the previous financial year. The CRAR for tier I assets stood at 49.04% in financial year 2023-24 compared to 19.04% in the previous financial year. The CRAR for tier II assets reduced from 0.01% to 0.00% in financial year 2023-24.

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 Mr. Anoop K.P. as Customer Grievances Redressal Officer. The communication details for reporting grievances is as follows:

Mr. Anoop KP
Grievance Redressal Officer
Salem Erode Investments Limited,
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,
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**

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

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Place: Chennai
Date: 27.08.2024

Management Discussion and Analysis Report

Macroeconomic Overview

Despite three turbulent years which witnessed a global pandemic, supply chain disruptions, conflict in Ukraine and elevated interest rates to counter high inflation, India emerged as the fastest growing major economy of the world. Notwithstanding conflicts in Europe and Gaza and rising tensions in West Asia, a global recession that experts thought was imminent has not occurred. Indeed, the key indicators have turned positive: inflation is falling across all major countries; unemployment has not risen as economists thought it would; and the major central banks have put an end to monetary tightening, though they have not yet begun reducing their key interest rates.

According to the IMF's World Economic Outlook (April 2024), inflation is falling faster than expected in most regions; and it has forecasted global headline inflation to fall to 5.9% in 2024 and further to 4.5% in 2025, with the possibility of the 2025 forecast being further revised downwards.

In a milieu where the IMF has projected the world's real GDP growth at 3.2% in 2024 and 3.2% in 2025, its forecasts for India are impressive: 6.8% in 2024 followed by yet another stint of 6.5% in 2025. Indeed, the IMF has placed India as the fastest growing major economy in the world.

With a fair degree of control over retail inflation despite high and growing domestic demand and significant government led capital expenditure, India has recorded robust growth in financial year 2024. The second advance estimate of national income released by the national statistics office (NSO) on 29th day of February 2024 has pegged real GDP growth in FY2024 to be 7.6% versus 7% (first revised estimate) in financial year 2023.

I. Industry structure and developments

a) Economic review

Global economic review & Outlook

The global economy is stabilizing, following several years of negative shocks. Global growth is projected to hold steady at 2.6 percent this year, despite flaring geopolitical tensions and high interest rates, before edging up to 2.7 percent in 2025-26 alongside modest expansions of trade and investment. Global inflation is expected to moderate at a slower clip than previously assumed, averaging 3.5 percent this year. Central banks in both advanced economies and emerging market and developing economies (EMDEs) are likely to remain cautious in easing policy. As such, markedly higher interest rates than prior to the pandemic are set to sustain for an extended period. Despite some improvement, the outlook remains subdued. Global growth over the forecast horizon is expected to be

nearly half a percentage point below its 2010-19 average, with a slower pace of expansion in economies comprising over 80 percent of the global population. EMDE growth is projected to moderate from 4.2 percent in 2023 to 4 percent in 2024. Amid heightened conflict and violence, prospects remain especially lackluster in many vulnerable economies—over half of fragile and conflict-affected economies will still be poorer in 2024 than on the eve of the pandemic. Risks have become more balanced but remain tilted to the downside. Escalating geopolitical tensions could lead to volatile commodity prices. In a context of elevated trade policy uncertainty, further trade fragmentation risks additional disruptions to trade networks. More persistent inflation could lead to higher-for-longer interest rates. Other risks include weaker-than anticipated activity in key economies and disasters related to climate change. Against this backdrop, policy makers face daunting challenges. Global efforts are needed to safeguard trade, support green and digital transitions, deliver debt relief, and improve food security. Still-pronounced inflation risks underscore the need for EMDE monetary policies to remain focused on price stability. High debt and elevated debt-servicing costs will require EMDE policy makers to balance sizable investment needs with fiscal sustainability. To meet development goals, policies are needed to raise productivity growth, improve the efficiency of public investment, build human capital, and close gender gaps in the labor market.

The unique structural characteristics of small states constrain their fiscal policy. They include high trade openness, limited economic diversification, narrow tax bases, obstacles to providing public goods and services at scale, and vulnerability to external shocks—particularly those arising from climate-change-related natural disasters and global recessions. Many small states, particularly micro states, rely heavily on external grants and non-tax sources for revenue. Meanwhile, government expenditure is skewed toward public wage bills and consumption of goods and services. As a result, small states experience higher fiscal volatility than other EMDEs, which heightens their policy challenges.

The pandemic and subsequent global shocks have compounded long-standing fiscal challenges by widening fiscal deficits and increasing public debt across small states. Government revenues in small states took a hit during the pandemic, especially in countries dependent on tourism. These revenues have been much slower to recover than in other EMDEs. Government spending also rose more in small states in the years following the pandemic than in other EMDEs. Thus, in

2020-23, around three-quarters of small states reported weaker primary balance-to-GDP ratios than their 5-year pre-pandemic average. Government debt-to-GDP ratios also increased from already high levels in most small states, reflecting sustained fiscal deficits and large economic contractions followed by sluggish recoveries.

Worsening fiscal and debt positions in small states, coupled with increased vulnerability to external shocks, including from climate change, and the need to address long-standing development needs, demand action through both domestic policy measures and international support.

These obstacles are not insurmountable, however. Governments in small states retain the capacity to build fiscal resilience, with support from the international community. There is ample room to boost domestic revenues and improve spending efficiencies. Raising tax revenues requires small states to broaden tax bases; in some cases, introduce taxes that are widely used in other EMDEs; strengthen tax collection; and consider raising tax rates. Strengthening fiscal governance and financial management, and improving transparency and accountability frameworks, can significantly enhance expenditure efficiency, particularly in the large state-enterprise sectors in many of these countries. Better targeted social spending and subsidies could further increase fiscal space for governments to invest in human capital and build resilience to external shocks.

Small states should prioritize the establishment of rules-based fiscal frameworks tailored to their distinct characteristics and vulnerabilities. These frameworks should include fiscal rules that not only establish discipline but also allow countercyclical policy to manage the effects of frequent external shocks, especially those arising from natural disasters; fiscal councils to bolster fiscal discipline; and sovereign wealth funds that provide buffers against large shocks. Small states currently lacking access to adequate natural disaster insurance facilities could benefit from them to cushion the fiscal impact of natural disasters.

Small states will continue to require access to well-coordinated and tailored financial and technical assistance from the international community. These include financial support to help address debt challenges and support investment in climate change resilience, and technical assistance to help improve fiscal policy management, and the implementation of reforms.

Indian economic review & Outlook

The Indian economy is set to achieve nearly 7% growth in the financial year 2024-25, according to a report released by the Ministry of Finance. The report attributes this positive outlook to the robust domestic demand that has propelled the country to a growth rate exceeding 7% over the past three years.

India's economic performance in recent years demonstrates substantial growth, with a 7.2% expansion in 2022-23 and an

impressive 8.7% growth in 2021-22. The last financial year 2023-24, witnessed a growth rate of 7.3%, securing India's position as the fastest-growing major economy.

The report credits the strength in domestic demand, driven by private consumption and investment, to government reforms and initiatives implemented over the past decade. Investments in both physical and digital infrastructure, along with measures to boost manufacturing, have bolstered the supply side, providing a significant boost to economic activity in the country.

According to the report, "In FY25, real GDP growth will likely be closer to 7 per cent," with the potential for the growth rate to surpass 7% by 2030.

The report highlights the ongoing expansion of digital infrastructure, improvements in institutional efficiency, technological progress through collaboration with foreign partners, accelerated human capital formation, and an increasingly favorable investment climate.

It projects that India is poised to become the third-largest economy globally in the next three years, reaching a GDP of USD 5 trillion.

The report states that "India can aspire to become a USD 7 trillion economy in the next six to seven years (by 2030)."

"This will be a significant milestone in the journey to delivering a quality of life and standard of living that match and exceed the aspirations of the Indian people."

Factors contributing to the optimistic economic outlook include firm GDP growth forecasts, manageable inflation levels, political stability at the central government level, and indications that the central bank has concluded its tightening of monetary policy.

b) Industry review

India's diversified financial services sector is undergoing rapid expansion and evolution as new companies enter the market with distinct offerings. The industry expansion is supported by rising income, technological innovations in fintech, and digital payments domain, reforms by the government and growing opportunities for higher penetration. However, challenges remain in terms of financial literacy and access and utilization of formal credit.

NBFCs have emerged as the crucial source of finance for a large segment of the population, including SMEs and economically unserved and underserved people. They have managed to cater to the diverse needs of the borrowers in the fastest and most efficient manner, considering their vast geographical scope, understanding of the various financial requirements of the people, and extremely fast turnaround times.

NBFCs play an important role in credit intermediation, providing last-mile credit delivery with the help of technology. They

are critical to the financial inclusion process, complementing the banking system by supporting the growth of millions of MSMEs, and independently employing people. Over the years, NBFCs have seen a rising credit-to-GDP ratio ("credit intensity") and a growing role in credit provisioning vis-à-vis scheduled commercial banks.

The NBFC sector continued to witness an upward trend in credit growth between September 2022 and September 2023. The gross advances grew by 20.8% a substantial increase from 10.8% a year ago. This growth was predominantly fuelled by a strong increase in personal loans (32.5% growth) and lending to agriculture industry (43.7% growth).

Credit growth of NBFCs outpaced that of banks. Disbursements by NBFCs (excluding Infra-NBFCs) remained higher than pre-pandemic levels for the first half of FY2024 on the back of strong consumption demand. Moreover, collection efficiency of NBFCs was healthy in the first half of FY2024 and is expected to stay robust on the back of improved economic activity and a favourable outlook for most sectors. Further, the NBFC sector's momentum has been augmented by the proliferation of digital lenders offering alternative financing options.

GNPA (Gross Non Performing Assets) of NBFCs improved by 110 bps (Basis Point) to 4.6% in FY2024 from 5.7% in FY2023 driven by higher credit demand and improved collection efficiencies. In line with the decline in GNPA, the capital position of NBFCs remained robust. NBFCs remained comfortably capitalized despite a fall in overall levels due to strong business growth. The Capital to Risk (Weighted) Assets Ratio (CRAR) of 27.6% at the end of September 2023 rose 20 bps from September 2022 levels. This remains well above the regulatory requirement of 15%. NIMs (net interest margin) grew to 4.3% in FY2024 vs 4.1% in FY2023.

As per RBI data, NBFCs have achieved a marked improvement in its key financial ratios in FY2023. Return on Asset has improved by 80 bps to 2.6% in March 2023 from 1.8% in March 2022. Similarly, it witnessed 320 bps improvement in ROE. NIM has seen a positive upward trend from 4.1% in March 2022 to 4.3% in March 2023.

II. Opportunities and Threats

Analysis of Indian NBFC sector are as follows:

Opportunity

NBFCs can offer loans to those individuals/entities that cannot get loans from a traditional bank

NBFCs have their own unique way to assess the creditworthiness of the people and grant them loans with light paperwork. In case of micro, small, and medium enterprises, loans are granted to them based on their invoices due for payment. Nowadays, banks are very cautious about creditworthiness of the customers and do not easily provide loans due to the rise in Non-Performing Assets (NPA). Due to this, NBFCs have seen a hike in the loan requests and they can charge higher interest

rates while providing loan to the customers. In order to skip the complications of complying with the requisites banks put on the customers, they are ready to pay the additional interest charges to NBFCs for loans.

New Credit Customers

New credit customers are one of the biggest opportunities for NBFCs. New credit customers are those individuals who belong to the rural sector and have not borrowed from any financial institution previously. The ground presence of banks and other credit financial services are limited in the rural areas. The banks which are present in rural areas are regulated by legislation. Therefore, the individuals in rural areas have to rely on banking and credit history while applying for a loan. The banks cannot offer loan facilities to individuals who do not qualify for it. For such individuals, NBFCs are a blessing. The new credit customers have emerged as a lucrative segment for the NBFCs.

GOI has less strict rules for NBFCs due to which they can enjoy flexibility

GOI has exempted NBFCs from the hard rules and regulations which are mandatory for the traditional banks, keeping in mind the financial needs of the people. NBFCs get to enjoy flexibility in the rules for paperwork and other restrictions due to which many entrepreneurs put their interest in these financial institutions. GOI has provided many opportunities for the establishment of NBFCs in the Indian market. The NBFCs are eligible for a foreign investment of up to 100%. The SARFAESI Act powers NBFCs to take the hypothecated assets in possession and sell them. If already sold, the third party has to surrender the hypothecated asset.

NBFCs are contributing to India's GDP by facilitating credit access, supporting investment, and contributing to various sectors. The diverse range of services offered by NBFCs have contributed to the overall growth and resilience of the Indian economy. This is why the Indian Government has taken many initiatives to protect the interests of NBFCs and help them to emerge. NBFCs are in the business of profit. The contributions made by the NBFCs in the growth of the Indian economy highlights how well NBFCs have been functioning.

Threats

NBFC seems like a profitable business idea but setting it up isn't easy. It can be really complicated. In addition to this, despite the opportunities and support received by the NBFCs, the challenges faced by these institutional organizations are numerous. Some of the problems faced by the NBFCs are mentioned below:

Refinancing NBFCs

Many NBFCs face challenges when it comes to refinancing. Banks, capital markets and sometimes the competitors are the major sources of refinancing. Refinancing is an important element for NBFCs efficient working as well as the sustainability of growth. But in the present scenario, refinancing is not a

favorable option for the sustainability of growth for the NBFCs. Many banks are unwilling to fund NBFCs because they're afraid that the funds will be used for refinancing the debt and not for business.

NBFC License

Another major challenge faced is the process for NBFC license. It is not an easy process to obtain this license and requires approvals and a lot of documents and paperwork. The required documentation differs for each kind of NBFC and the process of obtaining this license requires compliance with multiple regulations. Many restrictions and limitations have been put forth by RBI before this license can be obtained.

Even though GOI has shown its support for NBFCs on numerous occasions, the process for setting up an NBFC is complex since such a financial institution directly affects the general masses and so, the government cannot permit any imperfections and flaws in this field. The Board of Directors must contain experienced persons with financial background and not have a criminal record. Another criterion to obtain this license involves having a minimum owned fund of Rs. 2 crores which shouldn't be borrowed.

New to Credit Customers

There is no doubt that the new to credit customers provide opportunities for NBFCs. But they can also be a challenge for these financial institutions. There's always risk associated with doing business with customers who are indulging in services for the first time. Also, manpower is necessary for NBFCs to educate and regulate these customers.

Statutory Tools

Another challenge faced by NBFCs is that there are no tools available for statutory recovery. Due to this, there is a negative impact on NBFCs functioning.

Limited Leverage Ratio

Small NBFCs do not have to maintain CRAR (Capital Adequacy Ratio) but they do have some restrictions upon them. They cannot exceed the leverage ratio beyond 7. Due to this, NBFCs have to depend on banks and other financial institutions to comply with the financial demand which creates a hassle to them. In lieu of this borrowed money, these financial institutions and banks carry out due diligence on the NBFCs which can be very challenging.

Several Bodies

At present, NBFCs have many representative bodies. Since the NBFC sector is still in the stage of development, the presence of representative bodies poses a challenge for the NBFCs. It is necessary to ensure that all the segments of NBFCs are represented adequately in an apex body in a manner that promotes NBFCs' balanced growth. The various segments of NBFC must be developed in a harmonized manner which can be achieved through the set up of a single representative body.

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.

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

a) Operational review

The Company has set up 3 new branches in the state of Odisha along with 16 new branches in the state of Tamil Nadu with additional 6 more branches in Tamil Nadu in the current financial year thus making total branch strength of 38 branches across India as compared to 16 branches in the last financial year. The Company has achieved an increase of 50% branches and will be setting up more branches in various parts of the Country. In the last financial year the Company had planned a target of setting 50 branches across the Country, however the Company was able to set 38 branches only but as there are more branches lined up in new states other than Tamil Nadu and Odisha, the Company expects to achieve the said target in the near future. The total employee strength has increased from 46 employees in the last financial year to 144 employees at present, thus resulting to an increase of three times more than 100% of its total workforce. The operations of the Company is increasing day by day thereby increasing the business simultaneously. The Company is slowly trying to establish and make its own identity instead of working under the shade and name of its Holding Company, ICL Fincorp Limited.

The commercial operations during the year under report were progressive. The Company has earned an income of Rs. 4,13,95,010/- (Rupees Four Crores Thirteen Lakhs Ninety Five Thousand and Ten Only) as compared to Rs. 4,03,01,278/- (Rupees Four Crores Three Lakhs One Thousand and Two Hundred and Seventy Eight Only) during the previous year. The total expenditure of the Company for the year was Rs. 5,91,04,835/- (Rupees Five Crores Ninety One Lakhs Four Thousand Eight hundred and Thirty Five Only) as compared to Rs. 4,11,44,020/- (Rupees Four Crores Eleven Lakhs Forty Four Thousand and Twenty Only). The Company incurred net loss of Rs. 1,82,25,205/- (Rupees One Crore Eighty Two Lakhs Twenty Five Thousand Two Hundred and Five Only) as against net loss of Rs.9,66,755/- (Rupees Nine Lakhs Sixty Six Thousand Seven Hundred and Fifty Five Only) during the previous

financial year. The Company had to incur loss in this financial year in comparison to previous financial year due to increase in the operations of the Company which led to opening of more branches and employees resulting into finance cost, administrative and other normal expenses of the Company. Your Directors are targeting more growth and expansion in future due to which certain expenses are unavoidable at present. Moreover the Company believes in sacrificing today for a better tomorrow.

The Gold Loan Business which is the core portfolio of the Company has seen a nominal growth compared to the previous year as result of new branch additions and increased operational activities.

The operational revenue increased by 2.71% 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 43.65% y.o.y compared to the previous year.

During this financial year also the Company continued the private placement of Secured Non-Convertible Debentures for fund sourcing.

Financial review

Gross Loans under management

The Company has a gross loan asset under management of Rs. 16.78 crores in financial year 2023-24 compared to Rs. 28.53

crores in the previous year.

Gold Loan Assets under management

The Company achieved a gold loan asset under management of Rs. 8.80 crores during the financial year compared to Rs. 8.76 crores in the previous year.

Revenue

The total income grew by 2.71% to reach Rs. 4.14 Crores during the financial year compared to Rs. 4.03 crores in the previous year.

Profit/Loss after tax ("PAT")

There is a nominal Net Loss of Rs. 182.25 lakhs during the year compared to Net Loss after Tax of Rs. 9.67 lakhs in the previous year.

Earnings per Share ("EPS")

As it is a Net loss there were no EPS during the 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, 2024 is 128 employees.

IX. Details of significant changes in key financial ratios

Ratios	As at 31.03.24	As at 31.03.23	% change	Reason for variance
Debtors Turnover	0.18	0.14	30.51	Variation due to decrease in debtors
Inventory Turnover	N.A.	N.A.	N.A.	-
Interest Coverage Ratio	0.43	1.21	-63.96	Loss during the year 23-24 has resulted in the variance
Current Ratio	3.50	4.77	-26.62	Increase in Current Liabilities
Debt Equity Ratio	0.97	0.53	84.91	Increase on the Total Debt
Operating Profit Margin (%)	-0.04	0.36	-111.96	Reduced profit (loss) during the year
Net Profit Margin (%)	-0.43	-0.02	1945.93	Loss reported during the year
Leverage Ratio	1.06	0.57	85.96	Increase in financial liabilities
Capital Adequacy Ratio	49.04	19.05	157.43	Increase in Tier I capital
Tier I Capital	16,36,08,555.53	65318747.10	150.48	Increase in Tier I capital/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, 2024 is Rs. 22.15 Crores when compared to Rs. 23.92 Crores in the previous year and the percentage of change is (7.32)%, the reason for the same being Net loss made during the year & increase in the Liabilities (Trade Payables, Debt Securities, Other Financial Liabilities 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.

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

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

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Place: Chennai
Date: 27.08.2024

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.

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

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

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Place: Chennai
Date: 27.08.2024

Annual Report on CSR activities of Salem Erode Investments Limited for the financial year 2023-24

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)	1	1
02.	Ms. Umadevi Anilkumar	Member (Non-Executive Director)	1	1
03.	Mr. Saseendran V.	Member (Independent Director)	1	1

Events occurred after closure of financial year

The Board of Directors of the Company vide meeting held on 29.05.2024 has inducted Mr. Shinto Stanly, Independent Director (DIN:06534505) to the Committee.

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. Executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
The Company did not indulge in any CSR activities during the financial year as the Company has incurred loss continuously down the line for last three years.
5.
 - a) Average net profit of the Company as per sub-section (5) of section 135: The Company does not have profit for last three financial years.
 - b) Two percent of average net profit of the Company as per sub-section (5) of section 135: Not applicable
 - c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - d) Amount required to be set off for the financial year, if any:
Not applicable
 - e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil
6.
 - a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil
 - b) Amount spent in administrative overheads: Nil
 - c) Amount spent on impact assessment, if applicable: Not applicable
 - d) Total amount spent for the financial year [(a)+(b)+(c)]: Nil
 - e) CSR amount spent or unspent for the financial year: Not applicable

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

f) Excess amount for set-off, if any: Not applicable

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

Surplus arised during financial year 2021-22 amounting to Rs.2,94,455/- can be set off against CSR expenditure upto financial year 2024-25

Surplus arised during financial year 2022-23 amounting to Rs.10,00,000/- can be set off against CSR expenditure upto financial year 2024-25 and 2025-26.

7.

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

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR account under subsection (6) of section 135 (in Rs.)	Balance amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the financial year (in Rs.)	Amount transferred to a fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
01.	2023 - 24	-	-	-	-	-	-	-
02.	2022 - 23	-	-	10,00,000	-	-	-	-
03.	2021 - 22	-	-	8,48,000	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:
No

If Yes, enter the number of capital assets created/ acquired:

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per as per subsection (5) of section 135:
Not applicable.

By order of Board of Directors,
For Salem Erod Investments Limited

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

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Sd/-
Shinto Stanly
Chairman CSR Committee
(DIN: 06534505)

Place: Chennai
Date: 27.08.2024

Annexure 4

Form AOC 2

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

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

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 Outstanding Term Loan	Nil Rs. 4,47,07,676.50/-

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 Outstanding Term Loan	Nil Rs. 3,53,26,448/-

iii.

a)	Name (s) of the related party & nature of relationship	ICL Tours & Travels Private Limited (Associate Company)
b)	Nature of contracts/ arrangements/ transactions	Loan Agreement
c)	Duration of the contracts/ arrangements/ transactions	Repayable on demand
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Loan to ICL Tours & Travels Private Limited, not exceeding Rs. 6,50,00,000/- (Rupees Six Crores Fifty Lakhs Only) Repayable on demand by the lender at an interest rate of 18% p.a. and on such terms and conditions as specified on 1 st December, 2023
e)	Date(s) of approval by the Board, if any	11.11.2023
f)	Amount paid as advances, if any	Nil Fully repaid as on 31.03.2024

By order of Board of Directors,
For Salem Erod Investments Limited

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

Sd/-
Umadevi Anilkumar
Director
(DIN: 06434467)

Place: Chennai
Date: 27.08.2024

Annexure 5

Secretarial Audit Report

(For the financial year ended March 31, 2024)

[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, 2024 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, 2024 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and rules made there under;
- iii. The Depositories Act, 1996 and regulations and bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings - (Not applicable for the year under review);
- 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 and Sweat Equity) Regulations, 2021 - (Not applicable for the year under review);
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - (Not applicable as the Company has not issued any listed debt securities during the year under review);
- 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 - (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the Company has Niche Technologies Private Limited as its Share Transfer Agent);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - (Not applicable as the Company has not delisted/ proposed to delist its equity shares during the year under review);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review);
- 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 ("Depository Regulations")

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) Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

- 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 observation:

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 its related reportings.

I further report that:

- a) the Board of Director 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 had raised a sum of Rs. 13,45,05,000/- by way of issue of Unlisted Redeemable Secured Non-Convertible Debentures on a private placement basis during the financial year.
2. The Board of Directors of the Company vide meeting held on 05.02.2024 has appointed Mr. Shinto Stanly (DIN: 06534505) as an Additional Director (Independent and Non-Executive) of the Company with effect from 05.02.2024.

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

Place: Kochi

Date: 18.06.2024

M. No. 50329 & COP No. 18503

UDIN: A050329F000583059

Annexure to the Secretarial Audit Report of Salem Erode Investments Limited for financial year ended March 31, 2024.

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

Auditor's Responsibility

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 the compliance with the applicable laws and maintenance of records based on audit.
2. The audit was conducted in accordance with the guidelines and auditing standards issued by the Institute of Company Secretaries of India and with the provisions laid down under the Act. Those Standards require that I comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
3. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the standards.
4. 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.
5. I have relied upon the registers, records and documents maintained by the Company, both in physical and electronic form.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
8. 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.
9. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kochi
Date: 18.06.2024

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: A050329F000583059

Annexure 6

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 remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2023-24

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	N.A.	(Not comparable)(*1)
02.	Ms. Umadevi Anilkumar, Non-Executive Director	N.A.	(Not comparable)(*2)
03.	Mr. T.G. Babu, Independent Director	N.A.	(Not comparable)(*3)
04.	Mr. Saseendran V., Independent Director	N.A.	(Not comparable)(*4)
05.	Mr. A.A. Balan, Independent Director	N.A.	(Not comparable)(*5)
06.	Shinto Stanly, Independent Director	N.A.	(Not comparable)(*6)
07.	Mr. Madhavankutty T., Chief Financial Officer	8.10	(100%)(*7)
08.	Ms. Manisha N. Menon, Company Secretary & Compliance Officer	14.50	28.57%(*8)

*

- 1) Mr.K.G.Anilkumar, Managing Director was paid sitting fees of Rs. 15,000/- (Rupees Fifteen Thousand Only) for attending 6 (six) Board Meetings and Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) for attending 3 (three) more Board Meetings in FY 2023-24 after the closure of the Financial Year 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 managerial remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
- 2) Ms. Umadevi Anilkumar, Non-Executive Director was paid sitting fees of Rs. 15,000/- (Rupees Fifteen Thousand Only) for attending 6 (six) Board Meetings and Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) for attending 3 (three) more Board Meetings in FY 2023-24 after the closure of the Financial Year 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 managerial remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
- 3) Mr. T.G. Babu, Independent Director was paid sitting fees of Rs. 15,000/- (Rupees Fifteen Thousand Only) for attending 6 (six) Board Meetings of the Company and Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) for attending 3 (three) more Board Meetings in FY 2023-24 after the closure of the Financial Year 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 managerial remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.

- 4) Mr. Saseendran V., Independent Director was paid sitting fees of Rs. 15,000/- (Rupees Fifteen Thousand Only) for attending 6 (six) Board Meetings of the Company and Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) for attending 3 (three) more Board Meetings in FY 2023-24 after the closure of the Financial Year 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 managerial remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
- 5) Mr. A.A. Balan, Independent Director was paid sitting fees of Rs. 15,000/- (Rupees Fifteen Thousand Only) for attending 6 (six) Board Meetings of the Company and Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) for attending 3 (three) more Board Meetings in FY 2023-24 after the closure of the Financial Year 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 managerial remuneration in the previous financial year. Hence, comparison in % increase in the remuneration is not required.
- 6) Mr. Shinto Stanly, Independent Director was paid Rs. 2,500/- (Rupees Two Thousand Five Hundred only) as sitting fees for attending 1(one) Board Meeting after the close of the FY 2023-24.

- 7) The remuneration of Mr. Madhavankutty T., Chief Financial Officer has increased by 100% in the financial year 2023-24.
- 8) The remuneration of Ms. Manisha N. Menon, Company Secretary & Compliance Officer has increased by 28.57% in the financial year 2023-24.
2. Percentage increase in the median remuneration of employees in the financial year (18.70%). The reason for decrease in the median remuneration is because of the increase in the number of employees in operation level.
3. Permanent employees on the rolls of Company as at the end of the financial year 2023-24 – 128.
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:
7. Names of top ten employees of the Company in terms of remuneration drawn.
- The average percentile in the salaries of employees other than the managerial personnel increased by (10.01%). The Managing Director of the Company was provided sitting fees of Rs. 25,000/- (Rupees Twenty Five Thousand Only) in the financial year 2022-2023 and Rs. 15,000/- (Rupees Fifteen Thousand Only) in the financial year 2023-24. No remuneration or commission other than sitting fees were provided to the Managing Director in any of the financial years. As there was no managerial remuneration, justification with respect to increase in 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 only sitting fees of Rs. 96,000/- (Rupees Ninety Six Thousand Only) for attending Board Meeting of ICL Fincorp Limited in the financial year 2023-24.

Sl. No.	Name, Designation, Age & Nature of employment	Remuneration received during 2023-24 (In Rs.)	Qualification & Experience	Date of commencement of employment & Last employment held	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	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
01.	Mr. Madhavankutty T., Chief Financial Officer, 50 Years, Permanent Employment	5,98,333	Chartered Accountant , 19 Years	24.12.2021 Al Sahari Oil Services Co. SAOC	Nil	No
02.	Ms. Manisha N. Menon, Company Secretary, 40 Years, Permanent Employment	10,74,097	B.Com, LLB, ACS, 7 Years	11.06.2020 Horizon Promoters Ltd.	Nil	No
03.	Mr. Raju E R, Assistant General Manager, 56 Years, (On Contract Basis)	1,96,551	M. Phil Madurai Kamaraj University	17-08-2017 to 22-01-2024 Worked as Director at Kerala University of Fisheries & Ocean Studies.	Nil	No
04.	Mr. Shanmuga Subramanian B, Manager (Business Debenture), 59 Years, Permanent Employment	3,86,400	B.Sc. MATHS, CAIID, 23 Years	12.01.2022 Muthoot Mini	Nil	No
05.	Mr. Kamal Krishna R, Business Development Officer, 42 Years, Permanent Employment	3,38,926	B.Sc. 12 Years	12.01.2022 Go Capital Finance Ltd	Nil	No
06.	Ms. A Manjula, Branch Head, 51 Years, Permanent Employment	3,35,493	MCom 28 Years	10.05.2022 Indian Medi Latex	Nil	No
07.	Ms. Sasirekha S, Assistant Branch Head, 34 Years, Permanent Employment	2,79,568	MBA 8 Years	12.01.2022 Fedbank	Nil	No

Sl. No.	Name, Designation, Age & Nature of employment	Remuneration received during 2023-24 (In Rs.)	Qualification & Experience	Date of commencement of employment & Last employment held	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	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
08.	Ms. Helan Sharmi C, Assistant Branch Head, 27 Years, Permanent Employment	3,19,361	MCA, 1 Year	13.01.2021 St. Johns College of Arts & Science	Nil	No
09.	Mr. Suseendar Arul Selvan, Assistant Branch Head, 27 Years, Permanent Employment	2,72,290	M.Sc Chemistry, 2.6 Years	12.01.2022 Mahle Auto mobiles Pvt Ltd	Nil	No
10.	Ms. Amrutha T R, Receptionist 30 Years, Permanent Employment	1,33,548	MBA HR 2018	Ousadhi The Pharmaceutical Corporation (Adv. Assistant) 2 Years	Nil	No

*The remuneration of Ms. Manisha N. Menon, Company Secretary has increased by 28.57% in the financial year 2023-24.

*The remuneration of Mr. Madhavankutty Thekkedath, Chief Financial Officer of the Company has increased by 100% in the financial year 2023-24.

*For the existing employees, the remuneration has increased by more than 15% in the FY 2023-24 and for those who were employed in the FY 2023-24 itself the remuneration remained same.

- | | |
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| <p>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 aggregate – Not applicable</p> <p>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 aggregate - Not applicable</p> <p>10. Name of every employee who employed throughout the financial 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</p> | <p>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</p> <p>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</p> <p>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</p> |
|--|--|

For Salem Erode Investments Limited

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

Sd/-
Umadevi Anilkumar
 Director
 (DIN: 06434467)

Place: Chennai
 Date: 27.08.2024

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, 2024, 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, 2024, its loss, 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.

SI No.	Key Audit Matters	Auditor's Response
1.	Provision for Expected Credit Losses (ECL)	<p>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> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL.</p> <p>We also 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.	<p>We performed the following audit procedures:</p> <ol style="list-style-type: none"> 1. Tested the Company's periodic review of access rights. 2. 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.

Other Matter

The management of the company identified fraud involving an amount of Rs. 14,00,000/-and the company has created provision for the same in the books of accounts. Since it is already identified and reported by the management we have not filed form ADT - 4 in this regard.

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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2024 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 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 31).
 - 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.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instance of audit trail feature being tampered with.
3. 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.

For **Manikandan & Associates**
Chartered Accountants
ICAI Firm Reg No: 0085205

Sd/-

C K Manikandan

[Partner]

Membership No.208654

UDIN: 24208654BKACAL4037

Place: Chalakudy

Date: 29-05-2024

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, 2024.

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:

- i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company has maintained proper records showing full particulars of intangible assets;
- 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;
- c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- d) The company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the year;
- 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;
- 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 inventories. Therefore, the provisions of paragraph 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
- 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;
- 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.
 - 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;
 - 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;
 - 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;
- d) Total amount overdue for more than ninety days is amounting to `56,02,271/- and reasonable steps have been taken by the company for recovery of the principal and interest;

Type of Loan	No of Loans	Principal Overdue	Interest Overdue	Total Overdue	Remarks
Gold Loan	65	41,37,618.44	14,64,652.88	56,02,271.32	Since it's a NBFC their principal business is to give loans. The loans for which overdue for more than 90 days are treated as irregular and these cases are classified as NPA as per RBI IRACP norms. The income recognition of the above has been done as per RBI IRACP norms.

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

- 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
Date of Loan granted	18/02/2020
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	57.73%
Loan Outstanding	₹3,53,26,448/-
Percentage to total loans outstanding	21.03%

- 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;
- (b) The Company isn't a declared willful defaulter by any bank or financial institution or other lender;
- (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;
- (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;
- 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;
- 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;
- xi) (a) During the period the Company has reported a fraud case, where gold loan related misappropriations have occurred for amounts aggregating Rs. 14,00,000 and the Company has created provision for the same in the books of accounts.
- (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;
- (c) The company has not received any whistle-blower complaints during the year;
- 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;
- 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;
- xiv) a) The company has an internal audit system commensurate with the size and nature of its business;

- 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;
- 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 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;
- (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;
- xvii) The company has incurred cash losses of Rs. 79,03,592/- during the financial year and Rs. Nil in the immediately preceding financial year;
- xviii) There has not been any 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 sheet as and when they fall due, with in a period of one year from the balance sheet date;
- xx) a) The company has no 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 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 **Manikandan & Associates**

Chartered Accountants
ICAI Firm Reg No: 008520S

Sd/-
Manikandan C K
[Partner]

Place: Chalakudy Membership No.208654
Date : 29-05-2024 UDIN: 24208654BKACAL4037

ANNEXURE 2

Annexure 2 to the Independent Auditors' Report of Salem Erode Investments Limited for the period ended 31st March, 2024

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, 2024 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, 2024, 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 **Manikandan & Associates**

Chartered Accountants

ICAI Firm Reg No: 008520S

Sd/-

Manikandan C K

[Partner]

Membership No.208654

UDIN: 24208654BKACAL4037

Place: Chalakudy

Date : 29-05-2024

Balance Sheet as at 31st March, 2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

ASSETS	Notes	31-Mar-24	31-Mar-23
Financial Assets			
Cash and Cash Equivalents	7	144,214.05	34,733.02
Loans	8	167,778.44	285,327.33
Investments	9	9,319.81	7,345.10
Other Financial Assets	10	6,586.71	4,786.50
		327,899.00	332,191.94
Non-Financial Assets			
Deferred Tax Assets (Net)	12	16,755.69	17,313.46
Property, Plant and Equipment	13A	86,010.62	5,503.03
Right-of-Use Asset	13B	18,530.84	9,574.86
Other Intangible Assets	14	687.27	329.55
Other Non-Financial Assets	11	25,384.23	30,443.50
		147,368.65	63,164.40
TOTAL		475,267.65	395,356.34
LIABILITIES AND EQUITY			
Financial Liabilities			
Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		2,084.08	269.69
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		9,300.97	2,510.45
Debt Securities	19	182,415.00	107,515.00
Lease Liability	13B	17,793.82	9,155.64
Other Financial Liabilities	16	9,643.58	5,138.94
		221,237.44	124,589.72
Non-Financial Liabilities			
Provisions	15	12,734.00	11,536.07
Other Non-Financial Liabilities	17	494.20	247.95
		13,228.21	11,784.02
Equity			
Equity Share Capital	20	11,465.60	11,465.60
Other Equity	21	229,336.41	247,517.00
		240,802.00	258,982.60
TOTAL		475,267.65	395,356.34

Summary of significant accounting policies

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For Manikandan and Associates

Chartered Accountants

ICAI Firm Reg No.: 008520S

Sd/-

C K Manikandan

[Partner]

Membership no.: 208654

Place: Chalakudy

Date: 29-05-2024

For and on behalf of the board of directors of

Salem Erod Investments Limited

Sd/-

K G Anilkumar

[Managing Director]

(DIN:00766739)

Sd/-

Madhavankutty Thekkedath

[Chief Financial Officer]

Place: Irinjalakuda

Date: 29-05-2024

Sd/-

Umadevi Anilkumar

[Director]

(DIN: 06434467)

Sd/-

Manisha N Menon

[Company Secretary]

Statement of profit and loss as at 31st March, 2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Particulars	Notes	31-Mar-24	31-Mar-23
(I) Income			
Revenue from Operations			
(i) Interest Income	22	38,202.04	40,141.12
(ii) Dividend Income		403.57	662.64
(iii) Fees and Commission Income		341.62	420.70
Net gain on fair value changes	23	1,974.72	(1,180.38)
Other Income	24	473.06	257.19
Total Revenue(I)		41,395.01	40,301.28
(II) Expenses			
Finance Costs	25	16,017.99	15,816.14
Impairment on Financial Instruments (Net)	27	131.78	(49.50)
Employee Benefits Expenses	26	20,049.31	9,231.93
Depreciation, Amortisation and Impairment Expense	28	8,652.37	4,097.45
Administrative and Other Expenses	29	14,253.38	12,048.01
Total Expenses (II)		59,104.84	41,144.02
(III) Profit/(loss) before Exceptional Items & Tax (I-II)		(17,709.83)	(842.74)
(IV) Exceptional items		-	-
(V) Profit/(loss) before tax (III-IV)		(17,709.83)	(842.74)
(VI) Tax Expense:			
(a) Current Tax	32	-	35.28
(b) (Excess)/Short provision of Previous Years		53.14	603.97
(c) Deferred Tax (Income)/Expense	12	462.24	(515.23)
Total tax expense (VI)		515.38	124.01
(VII) Profit/(loss) for the year (V) - (VI)		(18,225.21)	(966.76)
(VIII) Other Comprehensive Income/(Expense)			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		51.72	22.77
(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		-	-
(ii) Tax related to above		(7.11)	(2.33)
Total Other Comprehensive Income/(Expense) (X)		44.61	20.44
(IX) Total Comprehensive Income/(Expense) for the period (IX+X)		(18,180.60)	(946.31)
(Comprising profit and other comprehensive income for the year)			
Earnings per Equity share			
[nominal value of share ₹1]			
(Basic) ₹	30	(1.59)	(0.08)
(Diluted) ₹		(1.59)	(0.08)

Summary of significant accounting policies

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For Manikandan and Associates

Chartered Accountants

ICAI Firm Reg No.: 0085205

Sd/-

C K Manikandan

[Partner]

Membership no.: 208654

Place: Chalakudy

Date: 29-05-2024

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: 29-05-2024

Sd/-

Umadevi Anilkumar

[Director]

(DIN: 06434467)

Sd/-

Manisha N Menon

[Company Secretary]

Statement of Cash Flows as at 31st March, 2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Particulars	31-Mar-24	31-Mar-23
Net Profit/(Loss) Before Tax	(17,709.83)	(842.74)
Adjustments for :		
Net unrealised fair value (gain) / loss	(1,974.72)	1,180.38
Finance cost	16,017.99	15,816.14
Provision for Gratuity	278.98	126.56
Provision for loss on account of fraud	1,400.00	-
Dividend Income	(403.57)	(662.64)
Lease payments	6,074.65	2,786.70
Depreciation, Amortisation and Impairment Expense	8,652.37	4,097.45
Operating profit before working capital changes	12,335.88	22,501.85
Changes in Working Capital		
Decrease / (increase) in non-financial asset	5,059.27	(12,579.98)
(Increase) / Decrease in Trade Receivables and Others assets	(1,800.21)	(58.36)
Decrease / (increase) in investments	-	-
(Increase) / Decrease in Loans Assets	117,548.89	2,910.28
Increase / (Decrease) in Lease Liability	8,638.18	4,764.68
Increase / (Decrease) in Trade Payables and Others Liabilities	13,355.79	5,478.11
Cash Generated / (used) in operations	155,137.80	23,016.57
Net Income Taxes Paid	(394.04)	(794.95)
Net cash flow from/ (used in) operating activities (A)	154,743.76	22,221.62
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment, and Intangible Assets	(84,191.05)	(2,891.50)
Dividend Income	403.57	662.64
Net cash flow from/ (used in) investing activities (B)	(83,787.48)	(2,228.86)
Cash Flow from Financing Activities		
Proceeds from Debt Securities(Net)	74,900.00	(2,150.00)
Finance cost	(16,017.99)	(15,816.14)
Lease payments	(6,074.65)	(2,786.70)
Right to Use Asset (Net)	(14,282.61)	(7,389.27)
Net cash flow from/ (used in) in financing activities (C)	38,524.75	(28,142.11)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	109,481.03	8,149.33
Cash & Cash Equivalents at the beginning of the year	34,733.02	42,882.35
Cash and Cash Equivalents at the end of the year (refer Note No. 7)	144,214.05	34,733.02
Components of cash and cash equivalents:		
Cash and cash equivalents at the end of the year		
(a) Cash on hand	6,745.21	887.57
(b) Balances with Banks - in Current Account	137,468.84	33,845.45
(c) Fixed Deposits with original maturity period less than three months	-	-
Total cash and cash equivalents	144,214.05	34,733.02

As per our report of even date
For Manikandan and Associates
Chartered Accountants
ICAI Firm Reg No.: 0085205

Sd/-
C K Manikandan
[Partner]
Membership no.: 208654

Place: Chalakudy
Date: 29-05-2024

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

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

Sd/-
Madhavankutty Thekkedath
[Chief Financial Officer]
Place: Irinjalakuda
Date: 29-05-2024

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

Sd/-
Manisha N Menon
[Company Secretary]

Statement of changes in equity as at 31st March, 2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

A Equity Share Capital

	As at 31-March-2024		As at 31-March-2023	
	Number	Amount	Number	Amount
Balance at the beginning of the period	11,465,595	11,465.60	11,465,595	11,465.60
Changes in Equity share capital during the year due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	11,465,595	11,465.60	11,465,595	11,465.60
Changes in Equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	11,465,595	11,465.60	11,465,595	11,465.60

B Other Equity

	Reserves and Surplus					Items of other comprehensive Income Equity Instruments through Other Comprehensive Income	Total
	Statutory Reserve (pursuant to Section 451C of the Reserve Bank of India Act, 1934)	Capital Reserve	Impairment Reserve	General Reserve	Retained Earnings		
Balance as at the 1 st April, 2022	49,807.88	2,319.78	682.01	7,569.11	188,073.97	10.39	248,463.15
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the 1 st April, 2022	49,807.88	2,319.78	682.01	7,569.11	188,073.97	10.39	248,463.15
Profit for the year	-	-	-	-	(966.60)	-	(966.60)
Other Comprehensive Income (net of tax)	-	-	-	-	-	20.44	20.44
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	772.31	-	(772.31)	-	-
MAT Credit for earlier years	-	-	-	-	-	-	-
Balance as at 31st March, 2023	49,807.88	2,319.78	1,454.32	7,569.11	186,335.07	30.84	247,517.00
Balance as at the 1 st April, 2023	49,807.88	2,319.78	1,454.32	7,569.11	186,335.07	30.84	247,517.00
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the 1 st April, 2023	49,807.88	2,319.78	1,454.32	7,569.11	186,335.07	30.84	247,517.00
Profit for the year	-	-	-	-	(18,225.21)	-	(18,225.21)
Other Comprehensive Income (net of tax)	-	-	-	-	-	44.61	44.61
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-
MAT Credit for earlier years	-	-	-	-	-	-	-
Balance as at 31st March, 2024	49,807.88	2,319.78	1,454.32	7,569.11	168,109.86	75.45	229,336.41

As per our report of even date
For Manikandan and Associates
Chartered Accountants
ICAI Firm Reg No.: 0085205

Sd/-
C K Manikandan
[Partner]
Membership no.: 208654

Place: Chalakudy
Date: 29-05-2024

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: 29-05-2024

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

Sd/-
Manisha N Menon
[Company Secretary]

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

1 BACKGROUND INFORMATION

Salem Erod Investments Limited (CIN:- L31200TN1931PLC145816) having its registered office at Door No.61/A8 (38/A8), VJP Parijatham Apartments, 1st Avenue, Ashok Nagar, Chennai, Tamil Nadu, India, 600083 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 comprise of to carry on and undertake the business of finance, whether by making loans or advances or otherwise, gold loan, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment that the company may think fit. The Company also lends money with or without security. The equity shares of company are listed on the Bombay Stock Exchange.

2 BASIS OF PREPARATION OF FINANCIAL 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.

All amounts included in the financial statements are reported in thousands of Indian rupees (Rupees in Thousands) except share and per share data unless otherwise stated. Due to rounding off, the numbers presented throughout the document may be added up precisely to the totals and percentages may not precisely reflect the absolute figures.

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.

Notes to the Financial Statements

for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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' is 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 designate 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.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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

The company has identified the following stage classification to be the most appropriate for its loans:

Stage 1: 0 to 60 DPD

Stage 2: 61 to 90 DPD

Stage 3: above 90 DPD

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.

Notes to the Financial Statements

for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

(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 forming part of effective interest rate has been recognised as and when it is accrued.

(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.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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 (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

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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

Notes to the Financial Statements

for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

7 Cash and Cash Equivalents

	As at 31-March-2024	As at 31-March-2023
Cash on hand	6,745.21	887.57
Balances with Banks - in Current Account	137,468.84	33,845.45
Total	144,214.05	34,733.02

8 Loans

Particulars	As at 31-March-2024					Total
	Amortised cost	At Fair Value			Subtotal	
		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	85,828.87	-	-	-	-	85,828.87
(ii) Term Loans						
ICL Fincorp Term Loan	44,707.68	-	-	-	-	44,707.68
Gold Loan	2,145.83	-	-	-	-	2,145.83
(iii) Other Loans:						
Corporate Loans	-	-	-	-	-	-
Intercorporate Deposit	35,326.45	-	-	-	-	35,326.45
Letter of Credit	-	-	-	-	-	-
Total (A) - Gross	168,008.83	-	-	-	-	168,008.83
Less: Impairment loss allowance	230.39	-	-	-	-	230.39
Total (A) - Net	167,778.44	-	-	-	-	167,778.44
(B)						
(i) Secured by tangible assets	87,974.71	-	-	-	-	87,974.71
(ii) Secured by intangible assets	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	80,034.12	-	-	-	-	80,034.12
Total (B) Gross	168,008.83	-	-	-	-	168,008.83
Less: Impairment loss allowance	230.39	-	-	-	-	230.39
Total (B) Net	167,778.44	-	-	-	-	167,778.44
(C)						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	168,008.83	-	-	-	-	168,008.83
Total (C) Gross	168,008.83	-	-	-	-	168,008.83
Less: Impairment loss allowance	230.39	-	-	-	-	230.39
Total (C) (I) Net	167,778.44	-	-	-	-	167,778.44

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Particulars	As at 31-March-2024					Total
	Amortised cost	At Fair Value			Subtotal	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) Net	-	-	-	-	-	-
Total (C) (I) and C (II)	167,778.44	-	-	-	-	167,778.44
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

Particulars	As at 31-March-2023					Total
	Amortised cost	At Fair Value			Subtotal	
		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	87,643.95	-	-	-	-	87,643.95
(ii) Term Loans						
ICL Fincorp Term Loan	55,264.72	-	-	-	-	55,264.72
(ii) Other Loans:						
Corporate Loans	-	-	-	-	-	-
Intercompany Deposit	142,517.27	-	-	-	-	142,517.27
Letter of Credit	-	-	-	-	-	-
Total (A) - Gross	285,425.94	-	-	-	-	285,425.94
Less: Impairment loss allowance	98.61	-	-	-	-	98.61
Total (A) - Net	285,327.33	-	-	-	-	285,327.33
(B)						
(i) Secured by tangible assets	87,643.95	-	-	-	-	87,643.95
(ii) Secured by intangible assets	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	197,781.99	-	-	-	-	197,781.99
Total (B) Gross	285,425.94	-	-	-	-	285,425.94
Less: Impairment loss allowance	98.61	-	-	-	-	98.61
Total (B) Net	285,327.33	-	-	-	-	285,327.33

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Particulars	As at 31-March-2023					Total
	Amortised cost	Through Comprehensive Income	Other Through profit or loss	At Fair Value Through profit or loss	Designated at fair value through profit or loss	
(C)						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	285,425.94	-	-	-	-	285,425.94
Total (C) Gross	285,425.94	-	-	-	-	285,425.94
Less: Impairment loss allowance	98.61	-	-	-	-	98.61
Total (C) (I) Net	285,327.33	-	-	-	-	285,327.33
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) Net	-	-	-	-	-	-
Total (C) (I) and C (II)	285,327.33	-	-	-	-	285,327.33
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	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	Nil

Summary of ECL Provisions

Particulars	FY 2023-2024			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	10.40	3.67	216.32	230.39
ICL Fincorp Term Loan	-	-	-	-
Other Loans:				
Intercorporate Deposit	-	-	-	-
Total Closing ECL Provisions	10.40	3.67	216.32	230.39

Particulars	FY 2022-2023			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	24.13	9.81	64.68	98.61
ICL Fincorp Term Loan	-	-	-	-
Other Loans:				
Intercorporate Deposit	-	-	-	-
Total Closing ECL Provisions	24.13	9.81	64.68	98.61

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

As at 31-March-2024

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	163,504.59	10.40	163,494.19	654.02	(643.62)
	Stage 2	366.62	3.67	362.95	1.47	-
Subtotal		163,871.21	14.07	163,857.14	655.49	(643.62)
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,856.17	88.18	2,767.99	285.62	(197.44)
Doubtful - up to 1 year	Stage 3	1,281.45	128.15	1,153.31	256.29	(128.15)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,281.45	128.15	1,153.31	256.29	(128.15)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		4,137.62	216.32	3,921.29	541.91	(325.58)
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	163,504.59	10.40	163,494.19	654.02	(643.62)
	Stage 2	366.62	3.67	362.95	1.47	-
	Stage 3	4,137.62	216.32	3,921.29	541.91	(325.58)
	Total	168,008.83	230.39	167,778.44	1,197.40	(969.20)

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

As at 31-March-2023

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	280,226.97	24.13	280,202.84	1,120.91	(1,096.78)
	Stage 2	980.87	9.81	971.06	3.92	-
Subtotal		281,207.83	33.94	281,173.89	1,124.84	(1,096.78)
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,218.11	64.68	4,153.44	421.81	(357.14)
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		4,218.11	64.68	4,153.44	421.81	(357.14)
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	280,226.97	24.13	280,202.84	1,120.91	(1,096.78)
	Stage 2	980.87	9.81	971.06	3.92	-
	Stage 3	4,218.11	64.68	4,153.44	421.81	(357.14)
	Total	285,425.94	98.61	285,327.33	1,546.65	(1,453.92)

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

	Year ended 31 st march 2024			
	Stage 1	Stage 2	Stage 3	Total
Opening Gross carrying amount	280,226.97	980.87	4,218.11	285,425.94
Add:- New Assets	83,375.39	366.62	2,137.80	85,879.81
Less:- Assets repaid	(199,686.35)	(673.91)	(2,936.66)	(203,296.92)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(411.41)	(306.96)	718.37	-
Less:- Write off	-	-	-	-
Closing Gross carrying amount	163,504.59	366.62	4,137.62	168,008.83

Reconciliation of ECL Balance

ECL Provision	Year ended 31 st march 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	24.13	9.81	64.68	98.61
Add:- New Assets	10.23	3.67	21.15	35.05
Less:- Repaid	(22.00)	(6.74)	(35.66)	(64.40)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(36.33)	(30.70)	67.03	-
Less:- Write off	-	-	-	-
Impact of changes in credit risk on account of stage movements	34.37	27.63	99.13	161.13
Closing carrying amount	10.40	3.67	216.32	230.39

Credit Quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification

As on 31-03-2024

Internal Rating	Stage 1	Stage 2	Stage 3	Total
High Grade	162,225.10	-	704.51	162,929.61
Medium Grade	617.25	108.82	880.50	1,606.57
Low Grade	662.24	257.80	2,552.61	3,472.64
Total	163,504.59	366.62	4,137.62	168,008.83

As on 31-03-2023

Internal Rating	Stage 1	Stage 2	Stage 3	Total
High Grade	277,814.27	614.46	2,120.06	280,548.79
Medium Grade	1,028.89	259.15	1,618.25	2,906.29
Low Grade	1,383.80	107.26	479.80	1,970.86
Total	280,226.97	980.87	4,218.11	285,425.94

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

9 Investments

Investments	Amortised cost	At Fair Value			Subtotal	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss		
As at 31-March-2024						
Mutual funds	-	-	9,319.81	-	9,319.81	9,319.81
Debt securities	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Associates	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	-	-	-	-	-
Others (Deemed Investment)	-	-	-	-	-	-
Total – Gross A	-	-	9,319.81	-	9,319.81	9,319.81
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	9,319.81	-	9,319.81	9,319.81
Total – B	-	-	9,319.81	-	9,319.81	9,319.81
Less: Impairment loss allowance (C)	-	-	-	-	-	-
Total – Net D =(A)-(C)	-	-	9,319.81	-	9,319.81	9,319.81
As at 31-March-2023						
Mutual funds	-	-	7,345.10	-	7,345.10	7,345.10
Debt securities	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Associates	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	-	-	-	-	-
Others (Deemed Investment)	-	-	-	-	-	-
Total – Gross A	-	-	7,345.10	-	7,345.10	7,345.10
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	7,345.10	-	7,345.10	7,345.10
Total – B	-	-	7,345.10	-	7,345.10	7,345.10
Less: Impairment loss allowance (C)	-	-	-	-	-	-
Total – Net D =(A)-(C)	-	-	7,345.10	-	7,345.10	7,345.10

Details of Investments in Equity Instruments and Mutual Funds

Name of Body Corporate	As at 31-March-2024		As at 31-March-2023	
	Quantity of Shares	Market value	Quantity of Shares	Market value
DSP BLACK ROCK Tax Saver Fund (D) (FV: ₹10/-)	200,797	4,500.46	200,797	3,545.27
AXIS LONG TERM EQUITY FUND (D) (FV: ₹10/-)	150,706	3,714.66	150,706	2,904.90
Aditya Birla Sun Life Tax Relief'96 (D) (FV: ₹10/-)	6,157	1,104.69	6,157	894.92
TOTAL	357,660	9,319.81	357,660	7,345.10

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

10 Other Financial Assets

	As at 31-March-2024	As at 31-March-2023
Interest accrued on loan portfolio	1,407.60	1,953.79
Security deposits	5,179.11	2,832.71
Total	6,586.71	4,786.50

11 Other Non-Financial Assets

	As at 31-March-2024	As at 31-March-2023
GST Receivable	1,162.21	703.21
Advance for Capital Expenditure	6,247.43	2,334.04
Property Advance	-	10,000.00
Balances with Government Authorities	16,977.62	16,977.62
Prepaid Expenses	311.85	222.18
Other Advances	685.12	206.45
Total	25,384.23	30,443.50

12 Deferred Tax Assets / (Deferred Tax Liability) (Net)

	As at 1 st April, 2023	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31-March-2024
MAT Credit Entitlement	16,890.31	(88.42)	-	16,801.89
Financial Assets and Liabilities at FVTPL	114.51	(529.86)	-	(415.35)
Receivables, Financial Assets and Liabilities at Amortised Cost	-	-	-	-
Unrealised gain on Investment carried at Fair Value	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	(6.34)	-	(7.11)	(13.45)
Carried Forward of Losses & Unabsorbed Depreciation	-	-	-	-
Property, Plant and Equipment and Intangible Assets	314.98	172.10	-	487.09
Other Timing Differences	-	(104.49)	-	(104.49)
Net Deferred Tax Assets/(Liabilities)	17,313.46	(550.66)	(7.11)	16,755.69

	As at 1 st April, 2022	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31-March-2023
MAT Credit Entitlement	18,863.52	(1,973.21)	-	16,890.31
Financial Assets and Liabilities at FVTPL	(204.71)	319.21	-	114.51
Receivables, Financial Assets and Liabilities at Amortised Cost	-	-	-	-
Unrealised gain on Investment carried at Fair Value	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	(4.01)	-	(2.33)	(6.34)
Carried Forward of Losses & Unabsorbed Depreciation	-	-	-	-
Property, Plant and Equipment and Intangible Assets	135.65	179.33	-	314.98
Other Timing Differences	(16.69)	16.69	-	-
Net Deferred Tax Assets/(Liabilities)	18,773.77	(1,457.97)	(2.33)	17,313.46

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

13A Property, Plant and Equipment

	Land	Building	Electrical installations & Equipments	Furniture and fixtures	Office Equipments	Computer and accessories	Total
Cost or valuation							
At 1 st April 2022	-	-	612.87	3,980.27	652.11	426.87	5,672.12
Additions	-	-	142.83	2,069.11	350.97	328.58	2,891.50
Disposals	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
As at 31-March-2023	-	-	755.70	6,049.38	1,003.09	755.45	8,563.61
Additions	61,764.70	2,110.00	2,629.62	12,445.59	3,070.34	1,724.75	83,745.01
Disposals	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
As at 31-March-2024	61,764.70	2,110.00	3,385.32	18,494.97	4,073.42	2,480.20	92,308.62
Depreciation							
At 1 st April 2022	-	-	138.92	917.54	252.44	226.86	1,535.76
Charge for the year	-	-	134.56	983.41	213.86	193.00	1,524.83
Disposals	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
As at 31-March-2023	-	-	273.48	1,900.95	466.30	419.86	3,060.59
Charge for the period	-	9.35	276.73	1,947.64	499.71	503.99	3,237.42
Disposals	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
As at 31-March-2024	-	9.35	550.21	3,848.58	966.01	923.85	6,298.00
Net Block							
As at 31-March-2023	-	-	482.22	4,148.44	536.78	335.59	5,503.03
As at 31-March-2024	61,764.70	2,100.66	2,835.11	14,646.39	3,107.41	1,556.35	86,010.62

13B Right-of-Use Asset

	Total
Building	
At 1 st April 2022	6,702.12
Additions	7,760.91
Disposals	371.65
As at 31-March-2023	14,091.39
Additions	14,282.61
Disposals	-
As at 31-March-2024	28,373.99
Depreciation	
At 1 st April 2022	2,009.83
Charge for the year	2,506.69
Disposals	-
As at 31-March-2023	4,516.52
Charge for the year	5,326.63
Disposals	-
As at 31-March-2024	9,843.16
Net Right-of-use asset	
As at 31-March-2023	9,574.86
As at 31-March-2024	18,530.84

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

13B Lease Liability

	Total
At 1 st April 2022	4,390.96
Additions	7,306.00
Finance cost accrued during the year	626.96
Deletions	381.57
Payment of lease liabilities	2,786.70
As at 31-March-2023	9,155.64
Additions	12,991.07
Finance cost accrued during the year	1,721.76
Deletions	-
Payment of lease liabilities	6,074.65
As at 31-March-2024	17,793.82
Lease Liability	17,793.82

Particulars	As at 31-March-2024
Less than one year	575.46
One to five years	10,717.33
More than five years	6,501.03
Total	17,793.82

14 Intangible Assets

	Software
Cost	
At 1 st April 2022	490.50
Additions	-
Disposals	-
As at 31-March-2023	490.50
Additions	446.04
Disposals	-
As at 31-March-2024	936.54
Amortization	
At 1 st April 2022	95.02
Charge for the year	65.93
Disposals	-
As at 31-March-2023	160.95
Charge for the year	88.32
Disposals	-
As at 31-March-2024	249.27
As at 31-March-2023	329.55
As at 31-March-2024	687.27

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

15 Provisions

	As at 31-March-2024	As at 31-March-2023
Employee Benefits		
- Gratuity	407.63	180.37
Provision for Taxation	10,926.38	11,355.70
Provision for loss on account of fraud.	1,400.00	-
Total	12,734.00	11,536.07

16 Other Financial Liabilities

	As at 31-March-2024	As at 31-March-2023
Interest accrued on borrowings	5,131.59	3,760.36
Unpaid Matured Debentures and Interest accrued thereon;	300.00	-
Employee Related Payables	3,957.83	1,367.59
Others	254.16	11.00
Total	9,643.58	5,138.94
Amount to be credited to Investor Education and Protection Fund towards unpaid dividends	Nil	Nil

17 Other Non-financial liabilities

	As at 31-March-2024	As at 31-March-2023
Statutory Dues Payable	494.20	247.95
Total	494.20	247.95

18 Trade Payables

	As at 31-March-2024	As at 31-March-2023
Total outstanding dues of micro enterprises and small enterprises; and	2,084.08	269.69
Total outstanding dues of creditors other than micro enterprises and small enterprises.	9,300.97	2,510.45
TOTAL	11,385.04	2,780.14

Trade Payables aging schedule

As at 31-March-2024

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	2,084.08	-	-	-	2,084.08
ii) Others	9,180.34	114.73	-	5.90	9,300.97
iii) Disputed dues- MSME	-	-	-	-	-
iv) Disputed dues- Others	-	-	-	-	-

As at 31-March-2023

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	269.69	-	-	-	269.69
ii) Others	2,106.83	352.00	51.62	-	2,510.45
iii) Disputed dues- MSME	-	-	-	-	-
iv) Disputed dues- Others	-	-	-	-	-

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Disclosure:- Micro, Small and Medium Enterprises

	As at 31-March-2024	As at 31-March-2023
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;	719.72	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 extent such parties have been identified on the basis of information collected by the Management.

19 Debt Securities

	As at 31-March-2024	As at 31-March-2023
At Amortised Cost		
Privately placed redeemable non-convertible debentures (Secured)	182,415.00	107,515.00
Others - Non-convertible Debentures - Public issue(Secured)	-	-
Total (A)	182,415.00	107,515.00
Debt securities in India	182,415.00	107,515.00
Debt securities outside India	-	-
Total (B)	182,415.00	107,515.00

Nature of Security

Secured by a hypothecation of all current assets, loans and advances, including standard gold loan receivables, and other unencumbered assets of the Company excluding fixed assets, both present and future and with 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 68 months.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

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-2024

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	27,855	27,855.00	38,960	38,960.00	-	-	66,815	66,815.00
Due within 1-2 years	17,393	17,393.00	33,524	33,524.00	-	-	50,917	50,917.00
Due within 2-3 years	15,854	15,854.00	22,606	22,606.00	-	-	38,460	38,460.00
Due within 3-4 years	-	-	7,200	7,200.00	-	-	7,200	7,200.00
Due within 4-5 years	-	-	800	800.00	-	-	800	800.00
Due within 5-6 years	-	-	18,223	18,223.00	-	-	18,223	18,223.00
Grand Total ₹	61,102	61,102.00	121,313	121,313.00	-	-	182,415	182,415.00

As at 31-March-2023

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	9,050	9,050.00	50,555	50,555.00	-	-	59,605	59,605.00
Due within 1-2 years	1,000	1,000.00	30,810	30,810.00	-	-	31,810	31,810.00
Due within 2-3 years	2,340	2,340.00	6,560	6,560.00	-	-	8,900	8,900.00
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	7,200	7,200.00	-	-	7,200	7,200.00
Due within 5-6 years	-	-	-	-	-	-	-	-
Grand Total ₹	12,390	12,390.00	95,125	95,125.00	-	-	107,515	107,515.00

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

As at 31-March-2024

Sl. No.	Date of Allotment	Outstanding	Interest Rate	Tenure(months)
1	31/12/2021	5,350.00	12.25%-13.66%	36-65
2	21/1/2022	6,810.00	12.25%-13.66%	36-65
3	17/2/2022	12,700.00	12.25%-13.66%	36-65
4	30/3/2022	10,900.00	12.25%-13.66%	36-65
5	7/5/2022	6,850.00	11.75%-13.01%	24-68
6	2/6/2022	3,400.00	11.50%-13.01%	24-68
7	22/8/2022	1,900.00	11.75%-12.75%	24-36
8	20/6/2023	5,750.00	11.00%-13.01%	13-68
9	29/9/2023	2,800.00	11.50%-12.00%	13-24
10	12/1/2024	81,193.00	11.00%-13.01%	13-68
11	13/2/2024	44,762.00	11.00%-13.01%	13-68
		182,415.00		

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

As at 31-March-2023

Sl. No.	Date of Allotment	Outstanding	Interest Rate	Tenure(months)
1	31/12/2021	20,950.00	12%-13.66%	24-65
2	21/1/2022	18,735.00	12%-13.66%	24-65
3	17/2/2022	17,600.00	12%-13.66%	24-65
4	30/3/2022	28,730.00	11.5%-13.66%	13-65
5	7/5/2022	9,050.00	11%-13.01%	13-68
6	2/6/2022	6,600.00	11%-13.01%	13-68
7	22/8/2022	5,850.00	11%-12.75%	13-36
		107,515.00		

20 Equity Share Capital

	As at 31-March-2024		As at 31-March-2023	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares, ₹ 1/- par value per share	12,000,000	12,000.00	12,000,000	12,000.00
Total		12,000.00		12,000.00
Issued and subscribed				
Equity Shares, ₹ 1/- par value per share	11,465,520	11,465.52	11,465,520	11,465.52
Fully Paid-up				
Equity Shares, ₹ 1/- par value per share	11,465,520	11,465.52	11,465,520	11,465.52
Forfeited Shares		0.08		0.08
Total		11,465.60		11,465.60

20.1 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-2024		As at 31-March-2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	11,465,520	11,465.52	11,465,520	11,465.52
Add: Issued during the year	-	-	-	-
At the end of the year	11,465,520	11,465.52	11,465,520	11,465.52

20.2 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.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

20.3 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-2024		As at 31-March-2023	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
M/s ICL Fincorp Ltd	8,599,140	75.00%	8,599,140	75.00%

20.4 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	8,599,140	75.00%	-

21 Other Equity

	As at 31-March-2024	As at 31-March-2023
Statutory Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)		
Opening balance	49,807.88	49,807.88
Add: Transfer from retained earnings	-	-
Closing balance	49,807.88	49,807.88
Capital Reserve		
Opening balance	2,319.78	2,319.78
Closing balance	2,319.78	2,319.78
Impairment Reserve		
Opening balance	1,454.32	682.01
Add: Transferred from statement of Profit and loss account	-	772.31
Closing balance	1,454.32	1,454.32
General Reserve		
Opening balance	7,569.11	7,569.11
Closing balance	7,569.11	7,569.11
Retained Earnings		
Opening balance	186,335.07	188,074.13
Add: Profit for the year	(18,225.21)	(966.76)
Add/ Less: Appropriations		
Transferred to Statutory Reserve	-	-
Transferred to Impairment Reserve	-	772.31
Total appropriations	-	772.31
Closing balance	168,109.86	186,335.07
Other Comprehensive Income		
Balance as per last financial statements	30.84	10.39
Add: Additions during the period	44.61	20.44
Net surplus in the statement of profit and loss	75.44	30.84
Total	229,336.41	247,517.00

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

(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. Since there is a loss during the year, no amount is transferred to statutory reserve.

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.

22 Revenue from operations

I) Interest Income:

	For the year ended 31-March-2024			For the year ended 31-March-2023		
	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	-	38,202.04	-	-	40,141.12	-
Interest on deposits with Banks	-	-	-	-	-	-
Total	-	38,202.04	-	-	40,141.12	-

(II) Dividend Income

	For the year ended 31-March-2024	For the year ended 31-March-2023
Dividend from Mutual Funds	403.57	662.64
	403.57	662.64

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

(III) Fees and Commission Income

	For the year ended 31-March-2024	For the year ended 31-March-2023
Fees and Service Charges Received	341.62	420.70
Total	341.62	420.70

23 Net gain on fair value changes

Particulars	For the year ended 31-March-2024	For the year ended 31-March-2023
(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	1,974.72	(1,180.38)
(B) Others	-	-
Total Net gain/(loss) on fair value changes (C)	1,974.72	(1,180.38)
Fair Value changes:		
-Realised	-	-
-Unrealised	1,974.72	(1,180.38)
Total Net gain/(loss) on fair value changes (D) to tally with (C)	1,974.72	(1,180.38)

24 Other Income

Particulars	For the year ended 31-March-2024	For the year ended 31-March-2023
Interest on Rent Deposit	403.94	220.81
Interest on Income Tax Refund	69.12	35.47
Concession on Lease Rent	-	-
Other Income	-	0.92
Total	473.06	257.19

25 Finance Costs

	For the year ended 31-March-2024		For the year ended 31-March-2023	
	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	14,296.23	-	15,199.11	-
Interest on lease liability	1,721.76	-	617.03	-
Total	16,017.99	-	15,816.14	-

26 Employee Benefits Expenses

	For the year ended 31-March-2024	For the year ended 31-March-2023
Salaries and wages	18,862.34	8,607.64
Contribution to provident and other funds	1,186.96	624.29
Total	20,049.31	9,231.93

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

27 Impairment on Financial Instruments (net)

	For the year ended 31-March-2024		For the year ended 31-March-2023	
	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	-	131.78	-	(49.50)
Total	-	131.78	-	(49.50)

27.1 Impairment on Loans

	For the year ended 31-March-2024		For the year ended 31-March-2023	
	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	-	131.78	-	(49.50)
Total	-	131.78	-	(49.50)

28 Depreciation and amortization expense

	For the year ended 31-March-2024	For the year ended 31-March-2023
Depreciation of tangible assets	3,237.42	1,524.83
Depreciation of right-of- use asset	5,326.63	2,506.69
Amortization of intangible assets	88.32	65.93
Total	8,652.37	4,097.45

29 Administrative and Other Expenses

	For the year ended 31-March-2024	For the year ended 31-March-2023
Advertising and sales promotion	3,021.37	1,326.06
Bank Charges	115.04	93.67
Corporate Social Responsibility Expenses	-	1,000.00
Director's Fees, Allowances and Expenses	81.75	117.18
Insurance	331.30	252.91
Office Expense	740.24	496.05
Other Expenditure	257.39	75.44
Payment to auditor (Refer details below)	437.15	470.25
Postage and Telephone	485.88	255.94
Printing and Stationery	488.41	466.81
Professional Charges	3,865.08	5,756.19
Rent	506.52	360.23
Repair & Maintenance	1,199.02	260.03
Provision for loss on account of fraud	1,400.00	-
Tax and Fee	539.62	415.84
Travelling & Conveyance	204.68	274.22
Water & Electricity	579.93	427.21
Total	14,253.38	12,048.01

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

29.1 Payments to the Auditor (Excluding GST)

	For the year ended 31-March-2024	For the year ended 31-March-2023
as auditor	320.00	310.00
for taxation matters	82.50	75.00
for company law matters	-	-
for other services	25.00	40.00
for reimbursement of expenses	-	-
Total	427.50	425.00

29.2 Corporate Social Responsibility Expenses

	For the year ended 31-March-2024	For the year ended 31-March-2023
Amount required to be spent by the company during the year	-	519.92
Amount of expenditure incurred	-	1,000.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	-	Educational and Entertainment Purposes
Details of related party transactions	-	-
Movement of CSR Provision:		
Provision as on 31.03.2023	-	-
Less: Contribution to Prime Minister's National Relief Fund	-	-
Provision as on 31.03.2024	-	-

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

		For the year ended 31-March-2024	For the year ended 31-March-2023
Profit after Tax attributable to the Equity Shareholders	(A)		
Basic and Diluted		(18,225.21)	(966.76)
Number of Equity Shares at the beginning of the year		11,466	11,466
Number of Equity Shares issued during the year		-	-
Number of Equity Shares at the end of the year		11,466	11,466
Weighted average number of Equity Shares outstanding during the year	(B)	11,466	11,466
Nominal Value of each Equity Share (₹)		1	1
Basic and Diluted Earnings per Share (₹)	(A/B)	(1.59)	(0.08)

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

	As at 31/March/2024	As at 31/March/2023
Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts:		
Income Tax*	46.80	46.80
(b) Guarantees excluding financial guarantees; and	-	-

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

	As at 31/March/2024	As at 31/March/2023
(c) Other money for which the company is contingently liable.	-	-
Total	46.80	46.80
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;#	-	42,500.00
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments	-	-

*The Income Tax department raised demand of ₹46,800/- on account of TDS default for the financial year 2022-23. This happens due to clerical error in quarterly TDS return and the company proposes to revise the return to abolish errors. Since the company doesn't expect any liability after revising the return, no provision has been made in the books of accounts of the company.

Balance amount payable to Albert Pattiala as per the Agreement for purchase of land executed on 18th November 2022.

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. Company is expecting a favourable order in this regard.

32 Income Tax

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. Company is expecting a favourable order in this regard.

The components of income tax expense for the year ended 31 March 2024 and year ended 31 March 2023 are:

	For the year ended 31-March-2024	For the year ended 31-March-2023
Current tax	-	35.28
Adjustment in respect of current income tax of prior years	53.14	603.97
Deferred tax relating to origination and reversal of temporary differences	462.24	(515.23)
Total tax charge	515.38	124.01
Current tax	53.14	639.24
Deferred tax	462.24	(515.23)

Reconciliation of Income tax expense:

	For the year ended 31-March-2024	For the year ended 31-March-2023
Accounting profit before tax as per Ind AS	(17,709.83)	(842.74)
Add/(Less) : Ind AS Adjustments on PBT	701.59	66.71
Accounting profit before tax for IT Computation	(17,008.24)	(776.03)
Allowances / Disallowances and other adjustments (Net)	2,723.27	911.72
Adjusted profit / (Loss) before tax for Income Tax	(14,284.97)	135.69
Current Tax as per Books		
Tax at Normal Rate (Effective rate of 26%, March 2023: 26%)	-	35.28
Adjustment of prior year tax / MAT Credit	53.14	603.97
Total Tax as given in Books	53.14	639.25
All India Statutory income tax rate of 26%, March 2023: 26%	-	35.28

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

33 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 ₹2,43,439/- (Previous Year: ₹1,63,486/-) for Employee State Insurance Scheme contributions and ₹9,43,525/- (Previous Year: ₹4,60,803/-) 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. The components of income tax expense for the year ended 31 March 2024 and year ended 31 March 2023 are:

i) Gratuity

Actuarial assumptions	As at 31-March-2024	As at 31-March-2023
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%	7.50%
Inflation rate	5%	5%
Return on asset	N/A	N/A
Remaining working life	15.6	15.1
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-2024	As at 31-March-2023
Projected Benefit Obligation at Beginning of Year	180.37	76.58
Current Service Cost	246.93	112.92
Interest Cost	32.05	13.64
Contributions by plan participants	-	-
Actuarial (Gain)/Loss due to change in assumptions and experience deviation	(51.72)	(22.77)
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Benefits Paid	-	-
Past service cost	-	-
Amalgamations	-	-
Curtailments	-	-
Settlements	-	-
Projected Benefit Obligation at End of Year	407.63	180.37

Changes in fair value of plan assets

Not applicable as scheme is unfunded

Funded status

Not applicable as scheme is unfunded

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Amount to be Recognised in Balancesheet:	As at 31-March-2024	As at 31-March-2023
Projected Benefit Obligation at End or year	407.63	180.37
Ending Asset	-	-
Funded Status asset / (liability)	(407.63)	(180.37)
Unrecognised past service cost - non vested benefits (-)	-	-
Liability(-)/Asset(+) recognised in Balance Sheet	(407.63)	(180.37)

Statement of Profit/Loss	As at 31-March-2024	As at 31-March-2023
Current service cost	246.93	112.92
Interest cost	32.05	13.64
Expected return of plan asset	-	-
Curtailement cost	-	-
Net actuarial (gain)/loss to be recognised in year	-	-
Past Service Cost Recognised	-	-
Effect of Curtailments	-	-
Income (-)/Expense(+) recognised in the statement of P&L	278.98	126.56
Current Liability	1.39	0.63
Non-Current Liability	406.24	179.74

Further Reconciliation	As at 31-March-2024	As at 31-March-2023
Expenses As above	278.98	126.56
Less ER Contribution/Direct benefits paid	-	-
Less included in OCI	(51.72)	(22.77)
Balance to be recognised in P&L	227.26	103.79
Increase in Funded Status	(227.26)	(103.79)
Actuarial gain/(loss) due to assumption changes	(16.17)	7.61
Experience adjustments[Gain/(Loss)]:Liability	67.89	15.17
Total Actuarial gain/(loss) : liability	51.72	22.77
Asset gain / (loss)	-	-
Total gain / (loss)	51.72	22.77

Amounts recognised in Other Comprehensive Income	As at 31-March-2024	As at 31-March-2023
Actuaial gain /(loss) due to assumption changes	(16.17)	7.61
Experience adjustments[Gain/(Loss)]:Liability	67.89	15.17
Total Actuarial gain/(loss) on liability side	51.72	22.77
Asset gain / (loss)	-	-
Total to be recognised in OCI for the year	51.72	22.77
Total b/f balance [gains/(loss)]	37.17	14.40
Total recognised in OCI at EoY	88.89	37.17

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Sensitivity Analysis (Proj. Ben. Obligations)	As at 31-March-2024	As at 31-March-2023
Current year basis	407.63	180.37
Last years basis	391.46	187.98
Discount rate increased by 0.25%	394.09	174.38
Discount rate decreased by 0.25%	421.87	186.68
Salary Escalation rate increased by 2%	540.51	239.36
Salary Escalation rate decreased by 2%	315.51	139.40
Employee Turnover rate increased by 2%	403.04	178.75
Employee Turnover rate decreased by 2%	410.24	180.95

Categories of Plan Assets	As at 31-March-2024	As at 31-March-2023
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-2024	As at 31-March-2023
FY 2025	1.39	0.63
FY 2026	1.48	0.67
FY 2027	10.54	0.71
FY 2028	19.24	8.69
FY 2029	23.21	14.13
FY 2030-2034	198.70	90.50

34 Maturity analysis of Assets and Liabilities :

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

Particulars	As at 31-March-2024			As at 31-March-2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	144,214.05	-	144,214.05	34,733.02	-	34,733.02
Bank Balance other than above	-	-	-	-	-	-
Loans	167,778.44	-	167,778.44	285,327.33	-	285,327.33
Investments	9,319.81	-	9,319.81	7,345.10	-	7,345.10
Other Financial Assets	6,586.71	-	6,586.71	4,786.50	-	4,786.50
Total (A)	327,899.00	-	327,899.00	332,191.94	-	332,191.94
Non-Financial Assets						
Deferred Tax Assets (Net)	-	16,755.69	16,755.69	-	17,313.46	17,313.46
Property, Plant and Equipment	-	86,010.62	86,010.62	-	5,503.03	5,503.03
Right-of-Use Asset	565.53	17,965.30	18,530.84	-	9,574.86	9,574.86

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Particulars	As at 31-March-2024			As at 31-March-2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other Intangible Assets	-	687.27	687.27	-	329.55	329.55
Other Non-Financial Assets	25,384.23	-	25,384.23	30,443.50	-	30,443.50
Total (B)	25,949.77	121,418.88	147,368.65	30,443.50	32,720.91	63,164.40
Total Assets (A+B)	353,848.77	121,418.88	475,267.65	362,635.44	32,720.91	395,356.34
Liabilities						
Financial Liabilities						
Trade Payables						
(A) total outstanding dues of micro enterprises and small enterprises; and	2,084.08	-	2,084.08	269.69	-	269.69
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	9,300.97	-	9,300.97	2,510.45	-	2,510.45
Debt Securities	66,815.00	115,600.00	182,415.00	59,605.00	47,910.00	107,515.00
Lease Liability	575.46	17,218.36	17,793.82	1,957.59	7,198.05	9,155.64
Other Financial Liabilities	9,643.58	-	9,643.58	5,138.94	-	5,138.94
Total (C)	88,419.08	132,818.36	221,237.44	69,481.68	55,108.05	124,589.72
Non-Financial Liabilities						
Provisions	12,326.38	407.63	12,734.00	11,355.70	180.37	11,536.07
Other Non-Financial Liabilities	494.20	-	494.20	247.95	-	247.95
Total (D)	12,820.58	407.63	13,228.21	11,603.65	180.37	11,784.02
Total Liabilities (C+D)	101,239.66	133,225.99	234,465.65	81,085.32	55,288.42	136,373.74
Net	252,609.11	(11,807.11)	240,802.00	281,550.12	(22,567.51)	258,982.60

35 Related Parties Disclosures

Name of the Related Party

Relationship	Name of the party
Key Management Personnel	Kuzhupilly Govindamenon Anilkumar (Managing Director)
	Umadevi Anilkumar (Non-Executive Director)
	Saseendran Veliyath (Independent Director)
	Thainakathu Govindankutty Babu (Independent Director)
	Ambadath Aiyappan Balan (Independent Director)
	Shinto Stanly (Additional Independent Director)
	Madhavankutty Thekkedath (CFO)
	Manisha Menon (CS)
Subsidiary/Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	ICL Fincorp Limited
	ICL Tours And Travels Private Limited
	ICL Chits Limited
	ICL Nidhi Limited
	ICL Medilab Private Limited
	Snow View Tex Collections Private Ltd
	Kichappus Entertainments
	Laneseda Vanijya Private Limited

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

Particulars	Key management Personal / Directors	
	31/03/2024	31/03/2023
Income recorded in the books:	20,186.39	22,802.63
ICL Fincorp Ltd	20,186.39	22,802.63
Expenses recorded in the books:		
Remuneration to KMP	1,672.43	1,303.79
Manisha Menon (CS)	1,074.10	830.00
Madhavankutty Thekkedath (CFO)	598.33	473.79
Sitting Fees paid to Directors	75.00	107.50
Kuzhupilly Govindamenon Anilkumar	15.00	25.00
Umadevi Anilkumar	15.00	20.00
Saseendran Veliyath	15.00	25.00
Thainakathu Govindankutty Babu	15.00	25.00
Ambadath Aiyappan Balan	15.00	12.50

Particulars	Subsidiary/ Associates/ Enterprises owned or significantly influenced by key management personnel or their relatives	
	31/03/2024	31/03/2023
Advance with interest receivables		
ICL Fincorp Limited		
Inter-corporate Deposit		
Balance outstanding at the beginning	142,517.27	143,116.58
Amount Advanced	-	-
Interest Accrued	12,911.20	14,974.81
Amount Repayment	120,102.02	15,574.13
Balance outstanding with Interest Receivable at the period end	35,326.45	142,517.27
Term-Loan		
Balance outstanding at the beginning	55,298.30	59,664.11
Amount Advanced	81,500	40,000.00
Interest Accrued	7,275.19	7,827.82
Amount Repayment	99,339.32	52,193.62
Balance outstanding with Interest Receivable at the period end	44,734.17	55,298.30
ICL Tours and Travels Pvt Ltd.		
Term-Loan		
Balance outstanding at the beginning	-	-
Amount Advanced	60,000.00	-
Interest Accrued	1,834.52	-
Amount Repayment	61,834.52	-
Balance outstanding with Interest Receivable at the period end	-	-

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 doesnot include the provisions made for gratuity, as they are determined on actuarial basis for the company as a whole.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

36 Draw Down From Reserves

Details of Draw down from reserves, if any, are provided in Statement of Changes in Equity to these financial statements.

37 Additional Disclosures

a) As Required by the Reserve Bank of India

	As at 31-March-2024	As at 31-March-2023
Total Gold loan portfolio	87,974.71	87,643.95
Total Assets	475,267.65	395,356.34
Gold loan portfolio as a percentage of total assets	18.51%	22.17%

i) Investments

Particulars	As at 31-March-2024	As at 31-March-2023
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	9,319.81	7,345.10
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	9,319.81	7,345.10
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	-

ii) Derivatives

a) Forward Rate Agreement / Interest Rate Swap

Sl. No.	Particulars	As at 31-March-2024	As at 31-March-2023
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the applicable NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

b) Exchange Traded Interest Rate (IR) Derivatives

Sl. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 st March 2024 (instrument-wise)	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

c) Disclosures on Risk Exposure in Derivatives

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For Hedging	Nil	Nil
(ii)	Marked to Market Positions		
	a) Asset (+)	Nil	Nil
	b) Liability (-)	Nil	Nil
(iii)	Credit Exposure	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

iii) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

	1 to 7 days	8 to 14 days	15 days to 30/31 days	over 1 month upto 2 month	over 2 months upto 3 months	Over 3 month upto 6 month	Over 6 month & upto 1 year	Over 1 year & 3 year	Over 3 years & upto 5 years	Over 5 Years	Total
Debentures	-	-	-	350.00	1,000.00	2,000.00	63,465.00	89,377.00	8,000.00	18,223.00	182,415.00
Advances	5,906.77	425.92	2,037.69	4,297.89	64,127.09	50,058.74	6,286.33	34,868.40	-	-	168,008.83
Investments	-	-	-	-	-	-	-	9,319.81	-	-	9,319.81
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

iv) Exposures

a) Exposure to Real Estate Sector

Category	As at 31-March-2024	As at 31-March-2023
a) Direct Exposure		
i) Residential Mortgages -	Nil	Nil
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
ii) Commercial Real Estate -	Nil	Nil
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall include non-fund based limits		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	Nil	Nil
a. Residential		
b. Commercial Real Estate		
Total Exposure to Real Estate Sector	Nil	Nil

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

b) Exposure to Capital Market

Particulars	As at 31-March-2024	As at 31-March-2023
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	9,319.81	7,345.10
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	Nil	Nil
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv) advances for any other purposes to the extent secured by collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii) bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	Nil	Nil

c) Unsecured Advances

Customer Name	Nature	Loan Amount	Loan Outstanding
ICL Fincorp Limited	Inter-corporate loan	206,500.00	35,326.45
ICL Fincorp Limited	Term Loan	100,000.00	44,707.68

v) Miscellaneous

a) Disclosure of penalties imposed by RBI and other regulators - NIL

b) Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument / Facility	Amount (₹ Crore)	Ratings
Non-Convertible Debentures (NCDs)	0.59	IVR BB Stable (IVR Double B with Stable Outlook)
Proposed Non-Convertible Debentures (NCDs)	99.41	IVR BB Stable (IVR Double B with Stable Outlook)
Total	100.00	

vi) Additional Disclosures

a) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account	As at 31-March-2024	As at 31-March-2023
Provision for depreciation on Investment	-	-
Provision towards NPA	216.32	64.68
Provision made towards Income tax	-	35.28
Other Provision and Contingencies (with details) -		
(a) Provision for depreciation on Property, Plant and Equipment & Intangible Assets	3,325.74	1,590.75
(b) Provision for Gratuity	278.98	126.56
Provision for Standard Assets	14.07	33.94

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

b) Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits (for deposit taking NBFCs)	
(i) Total Deposits of twenty largest depositors	
(ii) Percentage of Deposits of twenty largest depositors to Total Deposits of the deposit taking NBFC.	
Concentration of Advances	
(i) Total Advances to twenty largest borrowers	273,751.23
(ii) Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	76.53%
Concentration of Exposures	
(i) Total Exposure to twenty largest borrowers / customers	
(ii) Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	
Concentration of NPAs	
(i) Total Exposure to top four NPA accounts	1,008.00

Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	Nil
2	MSME	Nil
3	Corporate borrowers	Nil
4	Services	Nil
5	Unsecured personal loans	Nil
6	Auto loans	Nil
7	Gold Loans	4.96%

c) Movement of NPAs (As per IRACP norms)

Particulars	As at 31-March-2024	As at 31-March-2023
(i) Net NPAs to Net Advances (%)	2.16%	1.34%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	4,218.11	910.65
(b) Additions during the year	2,856.17	4,218.11
(c) Reductions during the year	2,936.66	910.65
(d) Closing Balance	4,137.62	4,218.11
(iii) Movement of Net NPAs		
(a) Opening Balance	3,796.30	819.59
(b) Additions during the year	2,570.55	3,796.30
(c) Reductions during the year	2,771.14	819.59
(d) Closing Balance	3,595.71	3,796.30
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening Balance	421.81	91.07
(b) Provisions made during the year	413.76	421.81
(c) Write-off / write back of excess provisions	293.67	91.07
(d) Closing Balance	541.91	421.81

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

d) Disclosure of Complaints

(a)	No. of compliants pending at the beginning of the year	Nil
(b)	No. of compliants received during the year	Nil
(c)	No. of compliants redressed during the year	Nil
(d)	No. of compliants pending at the end of the year	Nil

37 Additional Disclosures

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

Type of Borrower	As at 31-March-2024		As at 31-March-2023	
	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	35,326.45	21.03%	142,517.27	49.93%
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-

Capital

Particulars	As at 31-March-2024	As at 31-March-2023
a) Capital to risk-weighted assets ratio (CRAR)	49.04%	18.52%
b) Tier I CRAR	49.04%	18.50%
c) Tier II CRAR	0.00%	0.02%
d) Liquidity Coverage Ratio:		
Current Ratio	3.50%	4.47%
Quick Ratio	1.58%	0.59%
Cash Ratio	1.52%	0.52%
e) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
f) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

38 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.

39 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.

Notes to the Financial Statements for the year ended 31-March-2024

(All amounts are in Thousands of Indian Rupees unless otherwise stated)

40 Events after Reporting date

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

41 Utilisation of Proceeds

During the period, the Company has raised ₹ 13,45,05,000/- (Previous Year: ₹2,15,00,000/-) by way of secured non-convertible debenture and same has been utilised to meet the working capital requirements of the Company.

42 Disclosure on the following matters required under schedule III as amended not being applicable in case of the company, same are not covered such as :

- No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- No registration or satisfaction of charges are pending to be filed with ROC.
- The company has not entered into any scheme of arrangement.
- There are no transactions which have not been recorded in the books.
- The company has not traded or invested in crypto currency or virtual currency during the financial year.
- The company does not have any transaction with companies struck off under section 248 or the Companies Act 2013.
- Utilisation of Borrowed funds or share premium :

No funds have been advanced or loaned or invested (either 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 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 to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the company from any person(s) or entity(ies), including foreign entities (Funding Party) 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.

43 Fraud

During the period the company has reported a fraud case, where gold loan related misappropriations have occurred for amounts aggregating Rs. 14,00,000 and the company has created provision for the same in the books of accounts.

44 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 Manikandan and Associates

Chartered Accountants

ICAI Firm Reg No.: 0085205

Sd/-

C K Manikandan

[Partner]

Membership no.: 208654

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]

Sd/-

Umadevi Anilkumar

[Director]

(DIN: 06434467)

Sd/-

Manisha N Menon

[Company Secretary]

Place: Chalakudy

Date: 29-05-2024

Schedule to the Standalone Balance Sheet of a NBFC

		(₹ in lakhs)	
Sl. No	Particulars	Amount outstanding	Amount overdue
	Liabilities side:		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	1,875.47	-
	: 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	858.29	
	(b) Unsecured	800.34	
(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	-	

Schedule to the Standalone Balance Sheet of a NBFC

		(₹ in lakhs)	
Sl. No	Particulars	Amount outstanding	Amount overdue
	Liabilities side:		
(5)	Break-up of Investments:		
	Current Investments :		
1.	Quoted		
	(i) Shares: (a) Equity	-	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of Mutual funds	93.20	
	(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)	-	
	Long term Investments:		
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)	-	

(6) 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	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	797.14	797.14
(c) Other related Parties	-	-	-
2. Other than related parties	870.97	-	870.97
Total	870.97	797.14	1668.11

Schedule to the Standalone Balance Sheet of a NBFC

(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	93.20	93.20
Total	93.20	93.20

**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	41.38
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	35.96
(iii) Asset acquired in Satisfaction of Debt	-

Notes:

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- 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 Manikandan and Associates
Chartered Accountants
 ICAI Firm Reg No.: 0085205

Sd/-
C K Manikandan
 [Partner]
 Membership no.: 208654

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

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

Sd/-
Madhavankutty Thekkedath
 [Chief Financial Officer]

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

Sd/-
Manisha N Menon
 [Company Secretary]

Place: Chalakudy
 Date: 29-05-2024



Salem Erode Investments Limited

Registered Office:

Door No. 61/A8 (38/A8)

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