
SALEM ERODE INVESTMENTS LIMITED

2018

ANNUAL REPORT

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SALEM ERODE INVESTMENTS LIMITED

Registration no : L 31200 WB 1931 PLC 007116

Registered on 16th May, 1931

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

DIRECTORS AND KMP

V N PUROHIT -- Independent director
ASHOK KUMAR HAMIRBASIA -- Managing Director
PRASHANT GUPTA -- Independent director
SUNIL KUMAR KANORIA -- Non Executive Director
HARSH V BHARDWAJ -- Independent Director
EKTA GOSWAMI -- Women Non Executive Director
ARINDAM SAHA -- Chief Financial Officer
DOLLY PRASAD - Company Secretary &
Compliance Officer

REGISTERED OFFICE

14, MOTILAL NEHRU ROAD,
KOLKATA 700 029.
Telephone : (033) 2475-6029 / 2475 2834
E-mail : salemeroideinvestmentsltd@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

NICHE TECHNOLOGIES PVT LTD
D511, BAGRI MARKET, KOLKATA 700 001.
Telephone : 2235 7270 / 71
E-mail : nichetechpl@nichetechpl.com

STATUTORY AUDITOR

S MANDAL & CO.
29D, Seven Tank Lane,
KOLKATA 700030.
E-mail : s_mondal_co@yahoo.co.in

INTERNAL AUDITOR

HAMIRBASIA & ASSOCIATES
51, Bhupen Bose Avenue,
Kolkata - 700 004
E-mail : hamirbasia.associates@gmail.com

AUDIT COMMITTEE

V N PUROHIT -- Independent director
PRASHANT GUPTA -- Independent director
HARSH V BHARDWAJ -- Independent Director

NOMINATION & REMUNERATION COMMITTEE

V N PUROHIT -- Independent director
PRASHANT GUPTA -- Independent director
EKTA GOSWAMI -- Women Non Executive Director

SHAREHOLDERS' GREVIANCE COMMITTEE

V N PUROHIT -- Independent director
PRASHANT GUPTA -- Independent director
HARSH V BHARDWAJ -- Independent Director

SHARE TRANSFER COMMITTEE

V N PUROHIT -- Independent director
ASHOK KUMAR HAMIRBASIA -- Managing Director
SUNIL KUMAR KANORIA -- Non Executive Director

SECRETARIAL AUDITOR

H M CHORERIA & CO.
14/2, Old China bazar Street,
4th Floor, R/no 401,
KOLKATA 700 001.
E mail : hmchorira@gmail.com

BANKERS

HDFC BANK LTD.
UNITED BANK OF INDIA

STOCK EXCHANGE

Listed with BSE Ltd.,
ISIN NO: INE894E01028

SALEM ERODE INVESTMENTS LIMITED

Regd Off: 1st Floor, 14 Motilal Nehru road, Kolkata – 700029
Tel: (033) 2475 – 2834. E-mail : salemeroedinvestmentsltd@gmail.com
CIN: L31200WB1931PLC007116
Website : www.salemerode.com

NOTICE IS HEREBY GIVEN that the 87th Annual General Meeting (herein after refer to as “AGM”) of the Members of SALEM ERODE INVESTMENTS LIMITED is scheduled to be held at BHARATIYA BHASHA PARISHAD, 36A, Shakespeare Sarani, Kolkata – 700 017 on Wednesday, the 26th day of September, 2018 at 11.00 A.M to transact the following Business:

ORDINARY BUSINESS

1. To Consider; approve and adopt the Standalone and Consolidated Balance Sheets as on 31st March, 2018, the profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2018 together with the Auditors Report thereon and the report of the Board.
2. To appoint Mr. Ashok Kumar Hamirbasia, who retire by rotation at this meeting and being eligible offer himself for re-appointment.
3. 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 139 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any modification(s) and or re-enactment(s) thereof, for the time being in force) and subject to the approval of the members of the company, **M/s. S. Mandal & Co., Chartered Accountants (FRN 314188E)** who was appointed as the Statutory auditor of the company at its 85th Annual General Meeting to hold office for 3 (three) conclusive years up to the conclusion of the 88th Annual General Meeting subject to ratification by the members of the company at every Annual General Meeting, is put in place for ratification by the members of the Company at such remuneration plus GST, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed upon between the Board of Directors of the Company and the statutory auditor."

For and on Behalf of the Board

Dolly Prasad
Company Secretary & Compliance officer.
Membership no : 49842

Place: Kolkata
Date: August 03, 2018.

NOTES

- 1. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote in his/her behalf. A proxy need not be a Member of the Company.**

Proxies, in order to be effective, must be received at the registered office of the company at 14, Motilal Nehru Road, Kolkata – 700 029, at least forty eight hours before the commencement of the AGM i.e. by 11.00 A.M. on 24th September, 2018.

2. Corporate Members are requested to send to the registered office at 14 Motilal Nehru Road, Kolkata – 700 029 a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
3. Members are requested to bring their admission slips to the AGM. Kindly note that duplicate admission Slips or copies of the Report and Accounts will not be provided at the AGM.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from 20th day of September, 2018 to 26th day of September, 2018 (both days inclusive).
5. Members who wish to update or register their e-mail addresses and / or any other relevant detail may do so by writing to the Registrar and Share Transfer Agent (RTA) and / or to the Company.
6. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
7. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to **Niche Technologies Private Limited**, Registrar and Share Transfer Agent of the Company and / or to the company, at its registered address.

8. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited ("CDSL").
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

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III. The process and manner for remote e-voting are as under:

- (i) The remote e-voting period commences on 23rd September, 2018 at 10:00 am and ends on 25th September, 2018 at 5:00 pm. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting [website www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form 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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Bank Account Number (DBD)	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio. <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 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.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant Company Name i.e. **SALEM ERODE INVESTMENTS LIMITED** on which you choose to vote.

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- (v) 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.
 - (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (vii) 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.
 - (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (x) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xi) Note for Institutional Shareholders & Custodians :
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533
 - (xiii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
1. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at choraria123@vsnl.net with a copy marked to helpdesk.evoting@cdslindia.com on or before 25th September, 2018 up to 5:00 pm without which the vote shall not be treated as valid.
 2. **The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2018. A person who is not a member as on cut off date should treat this notice for information purpose only.**
 3. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / register of beneficial owners maintained by depositories as at closing hours of business on Friday, 17th August, 2018.
 4. The shareholders shall have one vote per equity share held by them **as on the cut-off date of 19th September, 2018**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

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5. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2018. The shareholders who are not casting their vote electronically, may only cast their vote at the Annual General Meeting.
6. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
7. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 19th September, 2018, are requested to send the written / email communication to the Company at salemerodeinvestmentsltd@gmail.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
8. H. M Choraria, (Practicing Company Secretary having Certificate of Practice Number 1499) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. The Results declared along with the Scrutinizer's Report shall be placed on the website of company and CDSL. The same will be communicated to the listed stock exchanges viz. **BSE LTD**.
10. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on 26th September, 2018 and are provided in **Annexure A** of this Notice.

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Annexure A

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

Particulars	Mr. Ashok Kumar Hamirbasia	Ms. Dolly Prasad
Age	62 years	24 years
Qualification	Graduate in Commerce	Graduate in Commerce and Qualified Company Secretary from ICSI
Experience	More than 38 years of experience in the area of Operation and Finance, Reporting, Taxation, Corporate and Economic Law Matters.	Above 2 year in the area of SEBI Laws, Corporate Laws, Taxation and Economic Law matter.
Terms and Conditions	-	-
Date of Appointment on the Board	27.01.2016	03.03.2018
Shareholding in the company	NIL	NIL
Relationship with other Directors/ KMP	N.A	N.A
Number of Board Meetings attended during the year under review	7	1
Directorship in other Companies	NIL	NIL
Membership / Chairmanship of Committees of other Board	NIL	NIL

SALEM ERODE INVESTMENTS LIMITED

DIRECTOR REPORT

To,
The Members,

Your Directors have pleasure in presenting their **87th Annual Report** on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

Your Board is pleased to present the highlights of the standalone financial statement of your company for the financial year 2017–18 and 2016–17 as under:

Particulars	2017 - 18	2016 – 17
Profit Before Interest and Depreciation	1,12,11,572	61,02,276
Less: Depreciation & Amortization	5,57,505	8,35,241
Less: Finance Cost	Nil	Nil
Profit Before Tax	10,65,4,067	52,67,035
Provision for Tax	23,08,381	11,30,297
Profit After Tax	83,45,686	41,36,738
Amount Transferred to Reserves	16,69,137	8,85,394
Transfer to contingent provisions against Standard Assets	Nil	Nil
Balance as per last Balance sheet	11,24,83,307	1,08,94,1,732
Surplus carried to Balance Sheet	11,91,47,986	11,24,83,307

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

The profit of the company (PAT) for the year under review is Rs. 83,45,686/- as against profit of Rs 41,36,738/- in the previous year.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

4. DIVIDEND

Your Directors in its Board meeting held on 25th May, 2018 decided and declare to plough back the profits for the year under review into the growth opportunities which shall create value for the shareholders and therefore does not recommend any dividend for the year under review.

5. RESERVES

Your company has not transferred any amount to the reserves of the company except to the statutory reserve amounting to Rs. 16,69,173/- this is pursuant to provisions of section 411C of Reserve Bank India (RBI) Act.

6. CHANGE OF NAME

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

7. SHARE CAPITAL

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

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Retire by Rotation:

Mr. Ashok Kumar Hamirbasia (00291954), who retire by rotation at the ensuing general meeting pursuant to section 152 of the Companies Act, 2013 and being eligible offer himself for re-appointment. Your Director recommends his re-appointment. The details are given in **Annexure I** forming part of the Board Report.

b) Resignation of Directors and Key Managerial Persons

Mr. Vishal Gupta (07720208) cease to be director of your company vide his resignation letter dated 25.04.2018. The reason for his resignation is his professional engagement elsewhere due to which he was unable to devote his time towards the affairs of the company. The Board of directors of your company appreciates the services rendered by him and released him from all his responsibilities from the date of his resignation.

CS Sanchita Sinha cease to be company secretary of your company vide her resignation letter with effect from 03.03.2018. The reason for her resignation is her professional engagement elsewhere due to which she was unable to devote her time towards the affairs of the company. The Board of directors of your company appreciates the services rendered by her and released her from all her responsibilities from the date of her resignation.

c) Appointment of Directors and Key Managerial Persons

CS Dolly Prasad was appointed as the company secretary and compliance officer of your company during the year under review i.e. with effect from 03.03.2018. The appointment was made pursuant to the provisions of section 203 of the Companies Act, 2013 read with rule 8 of the companies (appointment and Remuneration) Rules, 2014 as may be amended till date. The details are given in Annexure I forming part of the Board Report.

9. DECLARATION BY INDEPENDENT DIRECTOR

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

10. PARTICULARS OF EMPLOYEES

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

SALEM ERODE INVESTMENTS LIMITED

11 MEETINGS

BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2017 – 18 seven (7) Board Meetings were held, the dates of the meeting being 26.04.2017, 30.05.2017, 17.07.2017, 12.09.2017, 10.11.2017, 12.01.2018, and 03.03.2018. The intervening gap between any two meetings held during the year was not more than one hundred and twenty days.

AUDIT COMMITTEE MEETING

A calendar of Audit Committee Meetings is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2017 – 18 five (5) meeting of the Committee was held, the date of the meetings were 30.05.2017, 17.07.2017, 9.11.2017, 12.01.2018, and 03.03.2018.

NOMINATION AND REMUNERATION COMMITTEE MEETING

A calendar of Nomination and Remuneration Committee Meeting is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2017 – 18 three (3) meeting of the Committee was held, the date of the meeting were 26.04.2017, 30.05.2017 and 03.03.2018.

SHAREHOLDERS GREIVANCE COMMITTEE MEETING

A calendar of Shareholders Grievance Committee Meeting is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2017 – 18 four (4) meeting of the Committee was held, the date of the meeting were 16.04.2017, 15.07.2017, 13.10.2017 and 17.01.2018.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING

A calendar of CSR Committee Meeting is prepared and circulated in advance to the Members of the Committee. During the Financial Year 2017-18 four (4) meeting of the Committee was held, the date of the meeting were 30.05.2017, 15.07.2017, 13.10.2017 and 17.01.2018.

12 COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS

The Board of the company is headed by the Ms. Ekta Goswami Women Director of the company, an eminent lady of high credentials and of considerable professional experience who actively contributed in the deliberation of the Board. As on close of business hours of March 31, 2018 the Board comprised of seven directors as mentioned below:

Sl. No	Name	DIN	Category	Designation
1	Ashok Kumar Hamirbasia	00291954	Executive	Managing Director
2	Vishwa Nath Purohit	00291853	Independent	Non-Executive Director
3	Prashant Gupta	06915283	Independent	Non-Executive Director
4	Sunil Kr. Kanoria	00789030	Non - Independent	Non-Executive Director
5	Ekta Goswami	07412983	Non - Independent	Non-Executive Woman director
6	H V Bhardwaj	02819677	Independent	Non-Executive Director
7	Vishal Gupta	07720208	Non - Independent	Non-Executive Director

SALEM ERODE INVESTMENTS LIMITED

• AUDIT COMMITTEE

The chairman of the Audit Committee of the Company constituted under Section 177 of the Companies Act, 2013 by the Board is headed by the Mr. Vishwa Nath Purohit, Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2018 the Board of Audit Committee comprised of four directors as mentioned below

S. No	Name	DIN No	Designation
1.	Vishwa Nath Purohit	00291853	Independent Director, Chairman
2.	Prashant Gupta	06915283	Independent Director, Member
3.	H V Bhardwaj	02819677	Independent Director, Member
4.	Vishal Gupta	07720208	Non Independent Director, Member

* NOMINATION AND REMUNERATION COMMITTEE

The chairman of the Nomination and Remuneration Committee of the Company constituted under Section 178 of the Companies Act, 2013 by the Board is headed by the Mr. Vishwa Nath Purohit Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2018 the Board of Nomination and Remuneration Committee comprised of three directors as mentioned below

S. N	Name	DIN No	Designation
1.	Vishwa Nath Purohit	00291853	Independent Director, Chairman
2.	Prashant Gupta	06915283	Independent Director, Member
3.	Vishal Gupta	07720208	Non Independent Director, Member

• SHAREHOLDERS GRIEVANCE COMMITTEE

This committee was headed by the Mr. Vishwa Nath Purohit, Independent Director of the company. He is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31, 2018 the Board of Shareholders Grievance Committee comprised of four directors as mentioned below.

S no	Name	DIN No	Designation
1.	Vishwa Nath Purohit	00291853	Independent Director, Chairman
2.	Prashant Gupta	06915283	Independent Director ,Member
3.	H V Bhardwaj	02819677	Independent Director ,Member
4.	Vishal Gupta	07720208	Non Independent Director, Member

CSR COMMITTEE

This committee was headed by the Mr. Vishva Nath Purohit, Independent Director of the company. Me is an eminent person of high credentials and of considerable professional experience. As on close of business hours of March 31 2018 the Board of CSR Committee comprised of three directors as mentioned below.

S no	Name	DIN No	Designation
1.	Vishwa Nath Purohit	00291853	Independent Director, Chairman
2.	Prashant Gupta	06915283	Independent Director ,Member
3.	Ekta Goswami	07412983	Non-Executive Woman Director, Member

13 DETAILS OF SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANIES

Pursuant to the provisions of section 129 of the Companies Act, 2013 and the rules framed thereunder, if any, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures as forming part of this report. **Your Director is please to inform you that as on the close of the 31st March, 2018 your company has only one associate company named M D Network Commodities Private Limited and ensures that there is no subsidiary or subsidiaries and joint venture or ventures.** The salient feature of the financial statement is annexed herewith and marked as **Annexure III**.

SALEM ERODE INVESTMENTS LIMITED

14 VIGIL MACHANISM AND WHISTLE BLOWER POLICY

Your directors are pleased to inform you that the company has adopted a vigil mechanism which comprises whistle blower policy for directors, employees, and vendors of the company. This policy provides a formal mechanism for directors employees and vendors to approach the chairman of Audit committee to report concerns about unethical, actual or suspected fraud or violation of company code of conduct and thereby ensuring that activities of the company are conducted in a fair and transparent manner. The policy is also available at the company website.

15 AUDITORS AND THEIR REPORT

M/s S. Mandal & Co., *Chartered Accountants (FRN 314188E)*, was appointed as a statutory auditor of the company at the 85th Annual General Meeting to hold office till the conclusion of the 88th Annual General Meeting. Pursuant to the provisions of section 139 of Companies Act, 2013 and applicable Rule of the Companies (Audit & Auditors) Rules, 2014, if any, the appointment of the auditor is required to be ratified by the members at every Annual General Meeting. Accordingly, the appointment of M/s S. Mandal & Co., as a statutory auditor of the company is put in place for ratification by the shareholders.

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

16 SECRETARIAL AUDIT REPORT

Your Directors has appointed Mr. H. M CHORARIA, *a practicing Company Secretary*, as Secretarial Auditor pursuant to the provisions of section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Person) Rules, 2014, to undertake the secretarial audit of the company for the financial year 2017 – 18.

The Secretarial Audit Report in form MR 3 is given as **Annexure IV** forming part of this report.

The Board of Directors of your company in its meeting held on August, 3, 2018 appointed H. M CHORARIA to undertake the secretarial audit of the company for the Financial year 2018 – 19.

The Secretarial Auditors' Report for the financial year 2017–18 does not contain any qualification, reservation or adverse remark except two observations as sets out in the report relating to functioning of website and CSR and all other remarks in the report are self-explanatory and do not call for further comments.

Your Directors are please to inform you that the function of website is in process of updating and soon it shall be functioning properly. Further your Director request to refer point no 27 with respect to CSR compliance.

17 INTERNAL AUDIT & CONTROLS

The Company continues to engage M/s. HAMIRBASIA & ASSOCIATES, *Chartered Accountants (FRN 328744E)* as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

The Board of Directors of your company in its meeting held on August, 3, 2018 appointed HAMIRBASIA AND ASSOCIATES, *Chartered Accountants* to undertake the internal audit of the company for the Financial year 2018 – 19.

18 INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND ADEQUECY

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

19 EXTRACT OF ANNUAL RETURN

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

20 MATERIAL CHANGES AND COMMITMENTS

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

21 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status of the company and its future business and operations.

22 DEPOSITS

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

23 DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

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

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

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

24 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION

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

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

25 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties including certain arm's length transactions thereto shall be disclosed in AOC 2. The details are annexed herewith and marked as **Annexure VI.**

26 CORPORATE GOVERNANCE

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

27. CORPORATE SOCIAL RESPONSIBILITY

Your Directors are please to inform you that during financial year 2015 - 16 your company had initiated CSR activities pursuant to the provisions of section 135 of the Companies Act, 2013 and it continues to set aside the computed amount to be spend on CSR prescribed activities, the details are given below. However, due to the size of the company your company found it difficult to monitor and find opportunity to spend the amount into the prescribed activities and the CSR committee of your company thereafter decided to deposit the entire amount into the **Prime Ministers Relief fund.**

Sr. No.	Financial Year	Average Profit	Amount to be Spent (2% of the Average Profit)	Amount Unspent
1.	2015 - 16	49,81,774	99,635	99,635
2.	2016- 17	4,08,88,400	8,17,768	8,17,768
3.	2017- 18	4,10,61,555	8,21,230	8,21,230
	Total		17,38,634	17,38,634

Your director are pleased to inform you that your company had transferred the entire amount of Rs.17,38,634/- for the above periods into the **Prime Minister Relief Fund.**

SALEM ERODE INVESTMENTS LIMITED

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

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

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

29 HUMAN RESOURCES

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

30 DIRECTORS' RESPONSIBILITY STATEMENT

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

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

31 TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund (IEPF) and the rules framed thereunder, your directors ensures that amount of Rs. 35,430/- lying unpaid or unclaimed for a period of seven years since 2011 has been deposited with the IEPF.

32 ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Ashok Kumar Hamirbasia
Managing Director
DIN : 0291954

Sunil Kumar Kanoria
Director
DIN : 0789030

Place: Kolkata
Date: August 3, 2018

Arindam Saha
CFO

Dolly Prasad
Company Secretary

Brief Profile of Directors and KMP appointed or re - appointed during the financial year

1. ASHOK KUMAR HAMIRBASIA

Mr. Ashok Kumar Hamirbasia who was appointed as Director of the company by the Board of Directors, liable to retire by rotation, is being longest in the Board, shall retire at this meeting by rotation, pursuant to sec 152 of the Companies Act, 2013 and who qualifies for being reappointed as a Director of the Company offer himself for reappointment liable to retire by rotation. During his professional career he had gained rich experience and knowledge in the areas of Business Operation, Banking Operation Financial Reporting, Economic and Financial Laws and Corporate Laws. He had played a vital role in listing of our company with BSE Ltd. He, being longest in the board, is retiring at this AGM and being eligible offer himself for re-appointment liable to retire by rotation.

The Board considering his experience proposed his appointment as Director of the company liable to retire by rotation.

In compliance with provisions of the Act the appointment of Mr. Ashok Kumar Hamirbasia is now being placed before the members at the Annual General Meeting for their approval.

The Board recommends the resolution for approval by the members.

None of the Directors or KMP or relatives of directors and KMP is concerned or interested in the resolution.

2. DOLLY PRASAD

Ms. Dolly Prasad is a Commerce Graduate (i.e. B.Com (Hons) in Finance) from Calcutta University and a qualified company secretary from the Institute of Company Secretaries of India. She has an immense knowledge and experience in Corporate Law matters. She has command over secretarial matters, legal Due Diligence, Incorporation, FEMA matters, Drafting, SEBI and Stock Exchange issues and Compliances. She has work experience in different sectors.

None of the Directors or KMP or relatives of directors and KMP is concerned or interested in the resolution.

ANNEXURE II

**Statement of Particulars of Employees pursuant to the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience in years	Age in years	Date of commencement of Employment	Last employment held
1	Ashok Kumar Hamirbasia	Managing Director (MD)	7,86,720	Graduate	39 Years	62	27.01.2016	-
2	Sanchita Sinha	Company Secretary (CS)	1,10,000	Company Secretary	4 year	33	27.01.2016	03.03.2018
3	Dolly Prasad	Company Secretary (CS)	10,000	Company Secretary	3 year	26	03.03.2018	-
4	Abhishek Hamirbasia	Chief Financial Officer (CFO)	20,000	Chartered Accountant	7 Years	32	04.07.2014	30.05.2017
5	Arindam Saha	Chief Financial Officer (CFO)	2,32,320	M.B.A (Finance)	7 Year	28	30.05.2017	-

Note: 1. The appointment of Arindam Saha was made in consequent to resignation of Abhishek Hamirbasia and in compliance with section 203 of the companies act, 2013.

2. The appointment of Dolly Prasad was made in consequent to resignation of Sanchita Sinha and in compliance with section 203 of the companies act, 2013.

AOC - 1

Statement containing salient features of the financial statement of subsidiaries associate Companies/joint ventures

Part "A": Subsidiaries – The Company has no Subsidy Company

Part "B" Associates – The company has one associate, the details are below

Name of Associates	M D Network Commodities Private Limited
Latest audited balance Sheet date	March 31, 2017
Share of Associate held by the company on the year ended	192150 no's of Equity shares of Rs. 10/- each (28.70%)
Number of shares	192150 no's of Equity shares of Rs. 10/- each
Amount of Investments in Associates	Rs. 19,21,500.00
Description of how there is significant influence	The Company holds more than 20% of equity share's of the M D Network Commodities Private Limited
Reason why the associate/joint venture is not consolidated	Not Applicable
Net worth attributable to Shareholding as per	Rs. 2,27,62,061.00
Profit/Loss for the year ended March 31, 2017	Yes, the profit for the period ended March 31, 2017
i.Considered in Consolidation	has been considered in consolidation.
ii.Not considered in Consolidation	The consolidation has been done as per equity method.

SALEM ERODE INVESTMENTS LIMITED

H. M. CHORARIA & CO
Practising Company Secretaries,

14/2 OLD CHINA BAZAR STREET,
4th Floor R.No. 401,
KOLKATA –700 001

ANNEXURE IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH,2018

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

The Members,
Salem Erode Investments Limited
14, Motilal Nehru Road,
Kolkata-700029

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Salem Erode Investments Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

SALEM ERODE INVESTMENTS LIMITED

- (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, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company :
- a) Non Banking Financial (Non deposit accepting or holding) company (NBFC) prudential norms (Reserve bank) Direction 2007 & 2015 and other relevant guidelines and circular issued by RBI from time to time and to the extend of capital adequacy norms and periodical reporting done by the Company.
 - b) NBFC regulations issued by the RBI. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India,
 - (ii) The Listing Agreements entered into by the Company with Madras Stock Exchange and SEBI (Listing obligation & Disclosure Requirements) Regulation 2015
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:
1. *Website of the Company is not functioning, hence, we could not verify the documents hosted on the company's website.*
 2. *Pursuant to the provisions of section 135 of the Companies Act, 2013, the Company has neither spent any amount on Corporate Social Responsibility nor made any report and comments in the Directors report of the Company for the year ended on 31.03.2017.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings which were sent at least seven days in advance, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions is carried through at the Meetings of the Board and Committees and the dissenting members' views, if any, are captured and recorded as part of the minutes of respective meetings.

We 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.

We further report that during the audit period no specific event has happened having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Kolkata:
Date : 17/07/2018

H M Choraria & Co.
Practising Company Secretaries
Proprietor (H M Choraria
FCS No: 2398 C P No.: 1499

SALEM ERODE INVESTMENTS LIMITED

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2018

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

ANNEXURE V

I. REGISTRATION & OTHER DETAILS:

1	CIN	L31200WB1931PLC007116
2	Registration Date	MAY 16, 1931
3	Name of the Company	SALEM ERODE INVESTMENTS LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES / INDIAN NON - GOVERNMENT COMPANY
5	Address of the Registered office & contact details	14, MOTILAL NEHRU ROAD, KOLKATA - 700 029; CONTACT NO: 033 - 24756029, 24752834
6	Whether listed company	YES, IT IS LISTED WITH BSE LTD
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NICHE TECHNOLOGIES PRIVATE LIMITED; D - 511, BAGRI MARKET, 71 B.R.B.B ROAD, KOLKATA - 700 001; CONTACT NO: +91 (033) 22357270, 22357271

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	INVESTMENT & LENDING	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	MD Network Commodities Pvt. Ltd.	U52598WB2002PTC095352	ASSOCIATE	28.7%	2(6)

SALEM ERODE INVESTMENTS LIMITED

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6,418,120	-	6,418,120	55.98%	6,418,120	-	6,418,120	55.98%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	2,097,120	-	2,097,120	18.29%	2,097,120	-	2,097,120	18.29%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	8,515,240	-	8,515,240	74.27%	8,515,240	-	8,515,240	74.27%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	8,515,240	-	8,515,240	74.27%	8,515,240	-	8,515,240	74.27%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	84,000	84,000	0.73%	-	84,000	84,000	0.73%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	84,000	84,000	0.73%	-	84,000	84,000	0.73%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	104,000	128,400	232,400	2.03%	610,046	90,400	700,446	6.11%	4.08%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	220,416	1,841,844	2,062,260	17.99%	219,710	1,841,844	2,061,554	17.98%	-0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	567,120	4,500	571,620	4.99%	104,280	-	104,280	0.91%	-4.08%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	891,536	1,974,744	2,866,280	25.00%	934,036	1,932,244	2,866,280	25.00%	0.00%
Total Public (B)	891,536	2,058,744	2,950,280	25.73%	934,036	2,016,244	2,950,280	25.73%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	9,406,776	2,058,744	11,465,520	100.00%	9,449,276	2,016,244	11,465,520	100.00%	0.00%

SALEM ERODE INVESTMENTS LIMITED

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	KUSUM KANORIA	3,827,120	33.38%	0.00%	3,827,120	33.38%	0.00%	0.00%
2	PADMA KANORIA	2,591,000	22.60%	0.00%	2,591,000	22.60%	0.00%	0.00%
3	TARA INVESTMENTS LIMITED	2,097,120	18.29%	0.00%	2,097,120	18.29%	0.00%	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	KUSUM KANORIA						
	At the beginning of the year	01.04.2017		3,827,120	33.38%	3,827,120	33.38%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		3,827,120	33.38%	3,827,120	33.38%
2	PADMA KANORIA						
	At the beginning of the year	01.04.2017		2,591,000	22.60%	2,591,000	22.60%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		2,591,000	22.60%	2,591,000	22.60%
3	TARA INVESTMENTS LTD						
	At the beginning of the year	01.04.2017		2,097,120	18.29%	2,097,120	18.29%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		2,097,120	18.29%	2,097,120	18.29%

SALEM ERODE INVESTMENTS LIMITED

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	ABHEY HAMIRBASIA						
	At the beginning of the year	01.04.2017		467,340	4.08%	467,340	4.08%
	Changes during the year	05.01.2018	Transfer	299,340	2.61%	168,000	1.47%
		23.03.2018	Transfer	168,000	1.47%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
2	P P ZIBI JOSE						
	At the beginning of the year	01.04.2017		104,280	0.91%	104,280	0.91%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		104,280	0.91%	104,280	0.91%
3	MARUTI BUSINESS SERVICES LIMITED						
	At the beginning of the year	01.04.2017		76,000	0.66%	76,000	0.66%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		76,000	0.66%	76,000	0.66%
4	SHUSHILA DATTATRAYA						
	At the beginning of the year	01.04.2017		76,000	0.66%	0.66%	0.00%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		76,000	0.66%	0.66%	0.00%
5	SHEKAHR L. KULKARNI						
	At the beginning of the year	01.04.2017		62,400	0.54%	0.54%	0.00%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		62,400	0.54%	0.54%	0.00%
6	STATE BENK OF INDIA						
	At the beginning of the year	01.04.2017		60,000	0.52%	0.52%	0.00%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		60,000	0.52%	0.52%	0.00%
7	R.G RADHAKRISHNAN						
	At the beginning of the year	01.04.2017		53,200	0.46%	53,200	0.46%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		53,200	0.46%	53,200	0.46%
8	JER RUSI PATEL						
	At the beginning of the year	01.04.2017		48,000	0.42%	48,000	0.42%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		48,000	0.42%	48,000	0.42%
9	MAVILLAPALLI LAVANYA						
	At the beginning of the year	01.04.2017		47,120	0.41%	47,120	0.41%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		47,120	0.41%	47,120	0.41%
10	VUMMIDI MOHAN						
	At the beginning of the year	01.04.2017		46,960	0.41%	46,960	0.41%
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year	31.03.2018		46,690	0.41%	46,690	0.41%
11	Rosy Bhawan Pvt Ltd						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year	23.03.2018	Transfer	168,000	1.47%	168,000	1.47%
		31.03.2018	Transfer	300,046	2.62%	468,046	4.08%
	At the end of the year	31.03.2018		468,046	4.08%	468,046	4.08%

SALEM ERODE INVESTMENTS LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	ASHOK KUMAR HAMIRBASIA (M.D)						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
2	SUNIL KUMAR KANORIA						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
3	VISHWA NATH PUROHIT						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
4	PRASHANT GUPTA						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
5	EKTA GOSWAMI						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
6	VISHAL GUPTA						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
7	HARSH VARDHAN BHARDAWAJ						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
8	ARINDAM SHAH (CFO)						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%
9	DOLLY PRASAD (CS)						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%

SALEM ERODE INVESTMENTS LIMITED

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	ASHOK KUMAR HAMIRBASIA	(Rs)
	Designation	MANAGING DIRECTOR	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,86,720	7,86,720
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	7,86,720	7,86,720
	Ceiling as per the Act		

SALEM ERODE INVESTMENTS LIMITED

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	VISHWA NATH PUROHIT	PRASHANT GUPTA	VISHAL GUPTA	(Rs)
	Fee for attending board committee meetings	5,500.00	5,500.00	5,500.00	16,500.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	5,500.00	5,500.00	5,500.00	16,500.00
2	Other Non-Executive Directors	SUNIL KUMAR KANORIA	EKTA GOSWAMI	HARSH VARDHAN BHARDWAJ	-
	Fee for attending board committee meetings	3,500.00	3,500.00	4,100.00	11,100.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	3,500.00	3,500.00	4,100.00	11,100.00
	Total (B)=(1+2)	9,000.00	9,000.00	9,600.00	27,600.00
	Total Managerial Remuneration				723,600.00
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	ABHISHEK HAMIRBASIA (RESIGNED)	SANCHITA SINHA (RESIGNED) AND DOLLY PRASAD	ARINDAM SAHA	(Rs)
	Designation	CFO	CS	CFO	
(a)	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,000.00	120,000.00	2,32,320.00	3,72,320.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
	Others, please specify	-	-	-	-
	Total	20,000.00	120,000.00	2,32,320.00	3,72,320.00

SALEM ERODE INVESTMENTS LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description		Details of Penalty / Punishment/ Compounding fees imposed		Authority [RD / NCLT/ COURT]		Appeal made, if any (give Details)
A.	COMPANY								
	Penalty	-	-	-	-	-	-	-	-
	Punishment	-	-	-	-	-	-	-	-
	Compounding	-	-	-	-	-	-	-	-
-									
B.	DIRECTORS								
	Penalty	-	-	-	-	-	-	-	-
	Punishment	-	-	-	-	-	-	-	-
	Compounding	-	-	-	-	-	-	-	-
-									
C.	OTHER OFFICERS IN DEFAULT								
	Penalty	-	-	-	-	-	-	-	-
	Punishment	-	-	-	-	-	-	-	-
	Compounding	-	-	-	-	-	-	-	-

ANNEXURE VI

ANNEXURE 2 – Particulars of contracts/arrangements made with related parties
(pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules 2014 – AOC(2))

The form pertains to the disclosure of particulars of contracts/arrangements/transactions entered into by the Company with related parties referred to in sub-section (1) of Section 189 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis.

The contracts or arrangements or transactions entered into during the year ended March 31, 2018 which were not at arm's length basis is NIL

Details of contracts or arrangement or transactions at arm's length basis.

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 is NIL

Ashok Kumar Hamirbasia
Managing Director
DIN : 0291954

Sunil Kumar Kanoria
Director
DIN : 0789030

ArindamSaha
CFO

Dolly Prasad
Company Secretary

Place : Kolkata
Dated : August 03, 2018

S. MANDAL & CO. CHARTERED ACCOUNTANTS

29D , SEVEN TANKS LANE
DUM DUM JN.
KOLKATA -700 030
Phone : 2556-6768
2546-3269
Fax : (033) 2546-3269
E-Mail : S_mondal_co@yahoo.co.in

Independent Auditor's Report

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

We have audited the accompanying standalone financial statements of **SALEM ERODE INVESTMENTS LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the **state of affairs** of the Company as at 31st March, 2018;
- ii. In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the **cash flows** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in the Order.
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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The observations on financial transactions do not reveal any matters which have any adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) There is no qualification in relation to accounts maintained by the Company.
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**.
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, in accordance with the provisions of Companies Act, 2013 (18 of 2013) and rules made there under.

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

(S. L. Mandal)
Partner
Membership No. **051834**

Place: Kolkata
Date: The 25th day of May, 2018

SALEM ERODE INVESTMENTS LIMITED

ANNEXURE – “Ä” TO THE INDEPENDENT AUDITOR'S REPORT

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

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us the company does not hold any immovable properties in its name.
2. Clause (ii) of the order is not applicable in case of this Company as the inventories are kept in demat form.
3. a) The Company has granted unsecured loan to a party covered in the register maintained under section 189 of the Companies Act, 2013 and the maximum amount involved during the year as well as the year ending balance is ` **581.57 Lacs**.
- b) The company is regular in receipt of Principal and interest due on loan.
- c) No amount is overdue for more than 90 days.
4. According to the information and explanation given to us the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted any deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. Clause (vi) of the order is not applicable in case of this company.
7. a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Goods and Services Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities.
- b) There has been no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Goods and Services Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and any other statutory dues in arrears as at 31st March 2018 for a period of more than six (6) months from the date they became payable.
- b) According to the information and explanation given to us there is no disputed amount in case of Income tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services tax which has not been deposited as at 31st March 2018.
8. Clause (viii) of the order is not applicable in case of this company as it has not taken any loan from banks, financial institution or debenture holders.
9. Clause (ix) of the order is not applicable in case of this company as it has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.
10. According to the information and explanations given to us there is no noticed or unreported fraud on or by the company during the year under audit.
11. No managerial remuneration has been paid or provided during the reporting financial year. Hence, the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act is not questionable.
12. Clause (xii) is not applicable in case of this Company as it is not a Nidhi Company.
13. According to the information and explanations given to us all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.
14. The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(S. L. Mandal)
Partner

Membership No. **051834**

Place: Kolkata

Date: The 25th day of May, 2018

ANNEXURE – 'B' TO AUDITORS' REPORT

(Referred to in paragraph 3(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **SALEM ERODE INVESTMENTS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

SALEM ERODE INVESTMENTS LIMITED

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

(S. L. Mandal)
Partner
Membership No. **051834**

Place: Kolkata
Date: The 25th day of May, 2018

SALEM ERODE INVESTMENTS LIMITED

SALEM ERODE INVESTMENTS LIMITED
Balance Sheet as at 31st March, 2018

Particulars	Note No	31st March, 2018 (₹)	31st March, 2017 (₹)
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	11,465,595	11,465,595
Reserves and surplus	3	161,041,811	152,707,995
Current liabilities			
Trade payables	4	-	13,400
Other current liabilities	5	316,499	289,888
Short-term provisions	6	6,740,414	6,687,523
Total.		179,564,319	171,164,402
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	1,216,195	1,773,700
Non-current investments	8	73,037,340	40,037,340
Long term loans and advances	9	82,123,589	104,318,020
Current assets			
Current investment	10	6,494,778	6,535,986
Inventories	11	5,212	16,299
Trade receivables		-	-
Cash and Bank balances	12	10,692,308	12,768,338
Short-term loans and advances		-	-
Other current assets	13	5,821,173	5,593,614
Deferred tax assets	14	173,724	121,105
Significant accounting policies & notes on accounts	1 to 25		
Total.		179,564,319	171,164,402

The accompanying notes are an integral part of the financial statements.

As per our report of even date
 For S. Mandal & Co.
 Chartered Accountants
 Firm Registration Number: 314188E

For and on behalf of the Board

(S. L. Mandal)
 Partner
 Membership Number: 051834

Ashok Kumar Hamirbasia
 M Director
 DIN : 0291954

Sunil Kumar Kanoria
 Director
 DIN : 0789030

Place: Kolkata
 Date: The 25th day of May' 2018

Arindam Saha
 CFO

Dolly Prasad
 Company Secretary

SALEM ERODE INVESTMENTS LIMITED

SALEM ERODE INVESTMENTS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
I. Revenue from operations	15	14,150,689	13,876,857
II. Other income			
III. Total Revenue (I +II)		14,150,689	13,876,857
IV. Expenses:			
Change in inventories	16	11,087	36,525
Employee benefit expenses	17	1,512,620	1,233,431
Administrative expenses	18	1,346,961	6,414,215
Auditor's remuneration	19	68,450	90,410
Depreciation and amortization expense	7	557,505	835,241
IV. Total Expenses		3,496,623	8,609,822
V. Profit before exceptional and extraordinary items and tax	(III - IV)	10,654,067	5,267,035
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	10,654,067	5,267,035
VIII. Extraordinary Items		-	-
IX. Profit before tax and prior period items	(VII - VIII)	10,654,067	5,267,035
X. Prior period items			
Prior period expenses		-	-
XI. Profit before tax	(IX - X)	10,654,067	5,267,035
XII. Tax expense:			
(1) Current tax		2,361,000	1,150,000
(2) Deferred tax		(52,619)	(94,722)
(4) MAT Credit		-	75,019
		2,308,381	1,130,297
XIII. Profit(Loss) from the period from continuing operations	(XI - XII)	8,345,686	4,136,738
XIV. Earning per equity share:			
(1) Basic	20	0.73	0.36
(2) Diluted	20	0.73	0.36
Significant accounting policies & notes on accounts	1 to 25		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. Mandal & Co.

Chartered Accountants

Firm Registration Number: 314188E

For and on behalf of the Board

(S. L. Mandal)

Partner

Membership Number: 051834

Place: Kolkata

Date: The 25th day of May' 2018

Ashok Kumar Hamirbasia

M Director

DIN : 0291954

Sunil Kumar Kanoria

Director

DIN : 0789030

Arindam Saha

CFO

Dolly Prasad

Company Secretary

SALEM ERODE INVESTMENTS LIMITED

SALEM ERODE INVESTMENTS LIMITED
Cash Flow Statement for the year ended 31st March, 2018

Particulars	31st March, 2018 (₹)	31st March, 2017 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	10,654,067	5,267,035
Adjustments for :-		
Provision for appreciation in value of investments	-	(1,201,608)
Excess provision written back	(486,972)	
Provision for standard, sub standard & Doubtful debt	-	1,765,163
Depreciation	557,505	835,241
Provision for diminution in value of investment	89,533	-
Profit/Loss on sale of investments	(745,613)	486,459
Operating profit before working capital changes	10,068,520	(5,472,936)
Adjustments for :-		
Other current assets	5,161	597,414
Change in Inventory	11,087	36,525
Trade Payable	(13,400)	(18,000)
Other current liabilities	64,617	(392,465)
Cash Generated from operations	10,135,985	(5,249,462)
Direct taxes paid	(2,052,033)	(3,302,347)
Net cash from operating activities	8,083,952	(8,551,809)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(39,741,576)	(2,237,498)
Sale/Redemption of investments	7,528,396	4,066,655
Loan (Given) / Refund	22,089,805	(31,492,978)
Purchase of fixed assets	-	(3,360)
Sale of fixed assets	-	-
Net cash used in investing activities	(10,123,375)	(17,041,955)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unclaimed Dividends paid	(36,606)	(37,497)
Net Cash used in financing activities	(36,606)	(37,497)
Net (decrease) / increase in cash and cash equivalent	(2,076,029)	(25,631,261)
Cash and cash equivalent Opening balance	12,768,338	38,399,599
Cash and cash equivalent Closing balance	10,692,308	12,768,338

The accompanying notes are an integral part of the financial statements.

As per our report of even date
 For S. Mandal & Co.
 Chartered Accountants
 Firm Registration Number: 314188E

(S. L. Mandal)
 Partner
 Membership Number: 051834

Place: Kolkata
 Date: The 25th day of May' 2018

For and on behalf of the Board

Ashok Kumar Hamirbasia
 M Director
 DIN : 0291954

Arindam Saha
 CFO

Sunil Kumar Kanoria
 Director
 DIN : 0789030

Dolly Prasad
 Company Secretary

SALEM ERODE INVESTMENTS LIMITED

Significant Accounting Policies and Notes to Financial Statements for the Year ended 31st March, 2018

COMPANY OVERVIEW

Salem Erode Investments Ltd is carrying on its business as a Non Banking Financial Company. It deals in shares, stocks, debentures and securities issued by Government of India and Companies incorporated in India. The Company also lends money with or without security. The Company has been listed with Bombay Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

"The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006. The management takes absolute responsibility for the preparation of the financial statements which provides true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. All Assets and Liabilities have been classified as current or non current as per Schedule III of Companies Act, 2013 and the statement of profit and loss has also been drawn up in compliance with the same."

1.2 Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

1.3 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

1.4 Depreciation

Depreciation on fixed assets has been provided at the rates and in the manner prescribed in Schedule – II of the Companies Act, 2013.

1.5 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Asset whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

1.6 Investments

- a) Long term Investments as per Accounting Standard (AS) 13- 'Accounting for Investments are stated at cost except when there is a diminution other than temporary, for which the provision is made'.
- b) Current Investments as per Accounting Standard (AS) 13- 'Accounting for Investments are stated at the lower of cost and fair value, considered category wise'.

1.7 Inventories

Inventories comprise of shares and securities which are stated at cost.

1.8 Revenue Recognition

"Sale of Shares: The sale is recognised as on the date of contract note and or value as certified by the merchant banker / auditor in case of group companies shares . The sale amount recognised is the gross sale proceeds and brokerage and STT is booked under the respective heads of expenses. Interest Income: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. Rental Income: The income is recognised as and when it falls due as per the agreement. Dividend: Dividend income is recognised when the right to receive dividend is established."

1.9 Current tax, deferred tax and MAT Credit :

Current Taxes:

Provision for current tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Taxes:

Deferred tax asset and liability is recognized by computing the tax effect on timing differences which arise during the year and reverse during the subsequent period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT Credit :

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.10 Provisions and Contingent Liabilities

Provisions : Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities : 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 or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

1.11 Cash Flow statement

Cash Flows are reported using Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating financing and investing activities of the company are segregated. Cash and cash equivalents in the Balance Sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of 3 months and less.

1.12 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.13 Employee Benefits

Employee benefits will be recorded in accordance with Revised Accounting Standard 15 – Employee Benefits (Revised 2005) issued by ICAI.

SALEM ERODE INVESTMENTS LIMITED

OTHER NOTES TO FINANCIAL STATEMENTS

2. Share Capital

(₹)

a.	Particulars	31st March, 2018	31st March, 2017
	Authorised Share Capital 1,20,00,000 nos Equity Shares of Re. 1/- each (P.Y 1,20,00,000 nos Equity Shares)	12,000,000	12,000,000
		12,000,000	12,000,000
	Issued Shares Capital : 1,14,65,820 (P.Y 1,14,65,520) Equity Shares of Rs. 1/- each	11,465,820	11,465,820
		11,465,820	11,465,820
	Subscribed and Fully Paid-up Share Capital 1,14,65,520 (P.Y 1,14,65,520) Equity Shares of Rs. 1/- each fully paid up	11,465,520	11,465,520
	Forfeited Shares	75	75
		11,465,595	11,465,595

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(₹)

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	11,465,520	11,465,520	11,465,520	11,465,520
Issued during the year	-	-	-	-
Outstanding at the end of the period	11,465,520	11,465,520	11,465,520	11,465,520

c. Terms / Rights attached to equity shares.

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 1/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any in Indian Rupees.

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

d. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Tara Investments Ltd	2,097,120	18.29%	2,097,120	18.29%
Mrs Padma Kanoria	2,591,000	22.60%	2,592,000	22.61%
Mrs Kusum Kanoria	3,827,120	33.38%	3,827,120	33.38%

SALEM ERODE INVESTMENTS LIMITED

3. Reserves and Surplus		(₹)	
Particulars		31st March, 2018	31st March, 2017
Capital Reserve			
Balance as per last balance sheet	A	2,319,780	2,319,780
		2,319,780	2,319,780
General Reserve			
Balance as per last balance sheet		7,569,114	7,569,114
Less: Transferred to Share capital account		-	-
	B	7,569,114	7,569,114
Statutory Reserve Fund			
Balance as per balance sheet		30,335,794	29,450,400
Add: Transferred from surplus		1,669,137	885,394
	C	32,004,931	30,335,794
Surplus as per Statement of Profit & Loss			
Balance as per last balance sheet		112,483,307	108,941,732
Add : Profit for the year		8,345,686	4,136,738
Add : Income tax adjustment for earlier years		(11,870)	290,231
Transfer to Statutory reserve		(1,669,137)	(885,394)
	D	119,147,986	112,483,307
Total Reserves and Surplus (A+B+C+D)		161,041,811	152,707,995
4. Trade Payables		(₹)	
		31st March, 2018	31st March, 2017
		-	13,400
Total		-	13,400
5. Other Current Liability		(₹)	
		31st March, 2018	31st March, 2017
Liability for expenses		187,112	118,882
States Liability		-	1,900
TDS Payable		6,000	9,113
Unpaid dividends		123,387	159,993
Total		316,499	289,888
6. Short Term Provision		(₹)	
		31st March, 2018	31st March, 2017
Provision for dimunition in value of investments		2,452,056	2,362,523
Provision for taxation		4,288,358	4,325,000
Total		6,740,414	6,687,523

SALEM ERODE INVESTMENTS LIMITED

(₹)

8. Non- Current Investment	31st March, 2018		31st March, 2017	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Fixed Deposit with Banks & Financial Institutions	-	53,500,000	-	38,000,000
Investments in Mutual Fund			-	-
Franklin India Smaller Companies Fund (G) (FV: Rs. 10/-)	8841.139	500,000	-	-
Franklin India High Growth Companies Fund (G) (FV: Rs. 10/-)	54420.14	2,000,000	-	-
Franklin India Prima Plus (G) (FV: Rs. 10/-)	3632.582	2,000,000	-	-
DSP BLACK ROCK Tax Saver Fund (D) (FV: Rs. 10/-)	200796.505	3,500,000	-	-
HDFC PRUDENCE FUND - (D) (FV: Rs. 10/-)	75269.465	2,500,000	-	-
AXIS LONG TERM EQUITY FUND (D) (FV: Rs. 10/-)	150706.144	3,500,000	-	-
Aditya Birla Sun Life Tax Relief96 (D) (FV: Rs. 10/-)	6156.498	1,000,000	-	-
Aditya Birla Sun Life Frontline Equity Fund (G) (FV: Rs. 10/-)	4751.045	1,000,000	-	-
ICICI Prudential Focused Bluechip Equity (G) (FV: Rs. 10/-)	26476.039	1,000,000	-	-
Kotak Select Focus Fund (D) (FV: Rs. 10/-)	22211.363	500,000	-	-
		71,000,000		38,000,000
Trade Investment				
Quoted Investments				
The Mozufferpore Electric Supply Co. Ltd. (FV - Rs. 10/-)	13055	105,840	13055	105,840
		105,840		105,840
Unquoted Investments				
Investment in Associates:				
M D Network Commodities Pvt Ltd. (FV - Rs. 10/-)	192150	1,921,500	192150	1,921,500
		1,921,500		1,921,500
Other Investments				
Unquoted Investments				
The Arya Vaidya Pharmacy (Coim) Ltd. (FV - Rs. 10/-)	1000	10,000	1000	10,000
		10,000		10,000
Total		73,037,340		40,037,340
Aggregate value of Quoted Investment		105,840		105,840
Market value of Quoted Investment		105,840		-
Mutual fund		17,170,728		-
Aggregate value of unquoted Investment		1,931,500		1,931,500

Note: The fixed deposits have a maturity period of more than 12 months from the balance sheet date.

9. Long Term Loans and Advances

(₹)

	31st March, 2018	31st March, 2017
Other Loans and Advances		
Unsecured Advances to related parties (considered good)	58,432,800	58,370,971
Unsecured Advances recoverable in cash or kind (considered good)	14,947,734	37,099,368
Unsecured Advances recoverable in cash or kind (considered doubtful)	3,200,000	3,464,185
Less: Provision for bad & doubtful debts	(3,200,000)	(3,464,185)
Less: Provision for sub standard assets	-	(443,016)
Less: Provision for standard assets	(317,678)	(317,678)
MAT Credit Entitlement	9,060,733	9,608,375
Total	82,123,589	104,318,020

SALEM ERODE INVESTMENTS LIMITED

(₹)

12. Cash & Bank Balances	31st March, 2018	31st March, 2017
Balances with Banks		
On Current accounts	10,684,303	12,767,193
Cash in Hand	8,005	1,145
(As per cash book & certified by the management)		
Total	10,692,308	12,768,338

13 . Other Current Assets	31st March, 2018	31st March, 2017
Balance lying with Revenue Authorities	5,556,950	5,291,866
Sundry Debtors	-	1,351
Accrued interest on fixed deposit	225,205	258,657
Prepaid Expenses	39,018	41,741
Total	5,821,173	5,593,614

14. Deferred Tax Assets (Net)	31st March, 2018	31st March, 2017
Depreciation	164,502	144,681
Provision on diminition in value of investments	9,222	(23,576)
Total	173,724	121,105

15. Revenue from Operations	31st March, 2018	31st March, 2017
Interest income on Loan	7,779,557	8,161,803
Sale of Shares	79,411	118,981
Dividend income	1,227,158	582,660
Net Gain/ (Loss) on sale of investments	745,613	(486,459)
Provision for appreciation in value of investments	-	1,201,608
Interest Income on fixed deposit	3,831,978	3,880,764
Excess provision written back	486,972	417,500
Total	14,150,689	13,876,857

16. Change in Inventories	31st March, 2018	31st March, 2017
Closing balance	5,212	16,299
Less : Opening balance	16,299	52,824
Total	(11,087)	(36,525)

17. Employee Benefit Expenses	31st March, 2018	31st March, 2017
Salary & wages	1,512,620	1,233,431
Total	1,512,620	1,233,431

SALEM ERODE INVESTMENTS LIMITED

18. Administrative & Establishment Expenses		(₹)
	31st March, 2018	31st March, 2017
Advertisements	15,794	7,787
Meeting Expenses	11,030	-
Bank charges	731	2,617
Books & Periodicals	948	-
Listing Expenses	287,500	3,105,000
Computer expenses	(3,400)	625
Depository charges	7,691	1,642
Director's fee	27,600	29,000
General charges	5,733	9,120
Goods and Services Tax	9,424	4,431
Insurance Charges	48,086	4,598
Motor car running expenses	67,850	64,281
Postage & Courier	31,090	24,355
Printing & stationary	66,578	16,434
Professional fees	385,000	1,144,119
Provision for dimunition in value of Investments	89,533	-
Provision for doubtful debts	-	1,200,000
Provision for standard assets	-	122,147
Provision for sub standard assets	-	443,016
Rates & taxes	4,700	4,350
Registrar & transfer agents fees	28,525	31,128
Rent Paid	69,900	55,200
Filing fees	68,600	35,052
Scrutinizer Fees	7,500	15,000
Security transaction tax & cess	14,259	10,133
Subscription expense	47,000	78,871
Trevelling & Conveyance expenses	55,290	5,310
Total	1,346,961	6,414,215
19. Auditor's Remuneration		(₹)
	31st March, 2018	31st March, 2017
For Audit fees	20,000	23,000
For Other Capacities	10,450	22,410
For Secretarial audit fees	18,000	25,000
For Internal Auditor	20,000	20,000
	68,450	90,410
20. Earnings Per Share (EPS)		(₹)
Particulars	31st March, 2018	31st March, 2017
Net Profit as per Profit and Loss Statement (in ₹)	8,345,686	4,136,738
Net Profit as per Profit and Loss Statement (in ₹)	8,345,686	4,136,738
No. of Equity Shares outstanding	11,465,520	11,465,520
Face Value Per Share (in ₹)	1.00	1.00
Earnings Per Share (Basic and Diluted) (in ₹)	0.73	0.36

SALEM ERODE INVESTMENTS LIMITED

21. Related Party Transactions as per AS-18

(i) List of Parties :

List of Parties :	<u>Relationship</u>
1. M D Networks Commodities Pvt Ltd	Associates
2. Padma Kanoria	Individuals having significant influence over the enterprises
3. Kusum Kanoria	Individuals having significant influence over the enterprises
4. Tara Investments Ltd.	Enterprise over which (2) & (3) have significant influence.
5. Ashok Kumar Hamirbasia	KMP -Managing Director
6. Arindam Saha	KMP - C.F.O.
7. Dolly Prasad	KMP - Company Secretary
8. Hamirbasia & Associates	Relative of KMP

(ii) Related Party Transaction :		(₹)
Particulars	2017-18 Amount Involved	2016-17 Amount Involved
Professional Services		
Hamirbasia & Associates	272,000	240,000
Managerial Remuneration		
Ashok Kumar Hamirbasia	786,720	657,167
Abhishek Hamirbasia	20,000	136,800
Arindam Saha	232,320	-
Sanchita Sinha	110,000	120,000
Dolly Prasad	10,000	-
Loan given		
Tara Investments Ltd.	-	17,500,000
Interest Received		
Tara Investments Ltd.	4,842,000	4,773,301
Balance Outstanding		(₹)
Particulars	2017-18 Amount Involved	2016-17 Amount Involved
Investments		
MD Network Commodities Pvt Ltd.	1,921,500	1,921,500
Loan Given		
Tara Investments Ltd.	53,800,000	53,800,000

22. Segment Reporting as per AS-17 The Company is a Non Banking Finance Company (NBFC). It is engaged in the business of financing and there is no other reportable segment.
23. The Company has not made actuarial valuation for gratuity and other annuity scheme as in the opinion of management provisions of the same is not applicable during this financial year.
24. In the opinion of management none of the assets have impaired in value as shown in books.
25. Previous year's figures have been reclassified and regrouped, wherever necessary.

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. Mandal & Co.
Chartered Accountants
Firm Registration Number: 314188E

(S. L. Mandal)
Partner
Membership Number: 051834

Place: Kolkata
Date: The 25th day of May' 2018

For and on behalf of the Board

Ashok Kumar Hamirbasia
M Director
DIN : 0291954

Sunil Kumar Kanoria
Director
DIN : 0789030

Arindam Saha
CFO

Dolly Prasad
Company Secretary

SALEM ERODE INVESTMENTS LIMITED

10. Current Investment

Investments in Equity Instruments

Name of the Companies	Face Value (₹)	As at 31st March, 2018		As at 31st March, 2017	
		Nos	Book value (₹)	Nos	Book value (₹)
Andhra Bank Ltd	10	1,000	137,393	1,000	137,393
Adani Power Ltd.	10	1,000	57,090	1,000	57,090
ATV Projects India Ltd	10	1,000	7,000	1,000	7,000
AXIS Bank Ltd	2	-	-	200	99,206
BATA India Ltd	5	-	-	200	108,725
Bank Of Baroda	2	500	82,780	-	-
Bharat Electronics Ltd	1	1,000	180,718	-	-
Bharat Heavy Electricals Ltd	2	750	78,290	-	-
CESC Ltd	10	700	104,090	700	104,090
Coal India Ltd.	10	125	38,433	125	38,433
Diana Tea Company Ltd	5	500	16,187	-	-
GOL Offshore Ltd.	10	600	555,102	600	555,102
Greaves Cotton Ltd	2	500	73,245	-	-
HDFC Bank Ltd.	2	3,000	6,000	3,000	6,000
Hindalco Industries Ltd	1	1,000	1,954	1,000	1,954
Hindustan Unilever Ltd	1	600	273	600	273
Housing Development & Finance Corpn. Ltd	2	20,500	54,287	20,500	54,287
Housing Development and Infrastructure Ltd	10	2,000	130,134	-	-
Indiabulls Ventures Ltd	2	-	-	500	26,333
India Cements Ltd.	10	-	-	2,000	410,440
Indian Oil Corporation Ltd	10	1,000	90,977	1,000	181,955
IFCI Ltd	10	5,000	117,936	-	-
ITC Ltd	1	200	57,858	-	-
Jaiprakash Associates Ltd	2	-	-	187	15,895
James Warren Tea Co Ltd.	10	306	38,874	306	38,874
JSW Energy Ltd.	10	1,000	121,007	1,000	121,007
Jyothy Laboratories Ltd.	1	-	-	39	3,520
Karur Vysya Bank Ltd	2	500	61,932	-	-
KCP Sugars & Industries Corporation Ltd.	1	5,000	368,368	5,000	368,368
Larsen and Toubro Ltd	2	50	58,097	200	341,507
Mahanagar Telephone Nigam Ltd.	10	4,200	339,572	3,200	308,288
Marico Ltd	1	200	65,160	-	-
Nagarjuna Fertilisers and Chemicals Ltd.	1	3,000	56,482	8,525	160,555
Nagarjuna Oil Refinery Ltd.	1	7,750	145,960	7,750	145,960
Pentamedia Graphics Ltd.	1	1,540	269,806	1,540	269,806
Petronet LNG Ltd	10	500	126,810	-	-
Plethico Pharmaceuticals Ltd.	10	1,000	406,169	1,000	406,169
Pranavadiy Spinning Mills Ltd. (PSMLTD)	10	50	1,250	50	1,250
Reliance Broadcast Network Ltd	5	1,000	212,092	1,000	212,092
Reliance Capital Ltd	10	652	339,106	652	678,213
Reliance Home Finance Ltd	10	652	339,106	-	-
Reliance Industries Ltd	10	400	210,009	150	103,944
Reliance Media World Ltd	5	1,000	212,092	1,000	212,092
Rural Electrification Corporation Ltd	10	1,000	169,663	-	-
South Indian Bank	1	-	-	6,666	154,988
State Bank of India	1	10,000	889,776	11,210	997,439
TATA Global Beverage Ltd	1	200	30,545	400	61,090
TATA Power Company Ltd	1	500	48,750	500	48,750
The Methoni Tea	10	220	5,500	220	5,500
Texmo Pipes and Products Ltd	10	-	-	1,000	19,282
TGB Banquets and Hotels Ltd	10	500	28,344	-	-
Vijaya Bank	10	1,000	69,013	-	-
VIP Clothing Ltd	2	500	49,950	-	-
Vedanta Ltd	1	-	-	120	31,517
Warren Tea Co Ltd.	10	306	41,600	306	41,600
Total		84,001	6,494,778	85,446	6,535,986
Market value of investments			50,291,589		44,258,977
Provision for dimunition in value of investments			2,452,056		2,362,523

7. FIXED ASSET AS AT 31st MAR, 2018

Sl. No.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as at 01-04-2017	Additions during the year	Sales/Adjst. during the year	Cost as at 31-03-2018	Upto 01-04-2017	For the year	Adjustment / Sale	Total 31-03-2018	As on 31st March, 2018	As on 31st March, 2017
1	Computer	34,760	-	-	34,760	23,552	7,079	-	30,631	4,129	11,208
2	Vehicle	2,648,849	-	-	2,648,849	886,357	550,426	-	1,436,783	1,212,066	1,762,492
	GRAND TOTAL :	2,683,609	-	-	2,683,609	909,909	557,505	-	1,467,414	1,216,195	1,773,700
	Previous Year	2,680,249	3,360	-	2,683,609	74,668	835,241	-	909,909		

11. Inventories

Name of the Companies QUOTED :	Face Value (₹)	As at 31st March, 2018		As at 31st March, 2017	
		Nos	Book value (₹)	Nos	Book value (₹)
Fully paid-up Equity shares					
Eveready Industries Ltd.	5	345	597	345	597
James Warren Tea Co Ltd.	10	306	375	306	375
Mcleod Tea Co. Ltd	10	345	597	345	597
Pranavadiy Spinning Mills Ltd	10	50	590	50	590
Tata Global Beverages Ltd	10	100	2,218	600	13,305
Titaghur Industries Ltd.	10	400	460	400	460
Warren Tea Co Ltd.	10	306	375	306	375
Total		1,852	5,212	2,352	16,299

SALEM ERODE INVESTMENTS LIMITED

Schedule to the Balance Sheet of a NBFC		
Particulars Liabilities side	Amount outstanding	Amount overdue
(1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
: 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)	-	-
* 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	-	
(b) Unsecured	76,580,534	
(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) Assets on hire	-	
(b) Repossessed Assets	-	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	

SALEM ERODE INVESTMENTS LIMITED

(5) Break-up of Investments		
Current Investments		
1.	Quoted	
	(i) Shares	
	(a) Equity	6,494,778
	(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)	-
Long Term Investments		
1.	Quoted	
	(i) Shares	
	(a) Equity	105,840
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	17,500,000
	(iv) Government Securities	-
	(v) Others (please specify)	-
2.	Unquoted	
	(i) Shares	
	(a) Equity	1,931,500
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others: Fixed deposit with Banks and other Financial Institutions	53,500,000

(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 "	-	-	-
(c) Other related parties	-	58,432,800	58,432,800
2. Other than related parties	-	18,147,734	18,147,734
Total	-	76,580,534	76,580,534

SALEM ERODE INVESTMENTS LIMITED

- (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	-	-
(b) Companies in the same group	2,027,340	2,027,340
(c) Other related parties	-	-
2. Other than related parties	131,004,778	131,004,778
Total	133,032,118	133,032,118

** 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	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Assets 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 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 shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

Independent Auditor's Report

To the Members of **SALEM ERODE INVESTMENTS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SALEM ERODE INVESTMENTS LIMITED** (hereinafter referred to as 'the Holding Company') and its associate (the Holding Company and its associate together referred to as 'the Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

SALEM ERODE INVESTMENTS LIMITED

- i. In the case of the consolidated Balance Sheet, of the consolidated **state of affairs** of the Company as at 31st March, 2018;
- ii. In the case of the consolidated Statement of Profit and Loss, of the consolidated **profit** for the year ended on that date; and
- iii. In the case of the consolidated Cash Flow Statement, of the consolidated **cash flows** for the year ended on that date.

Other Matters

We did not audit the financial statements of associate, whose financial statements reflect a total assets of ₹ 7,45,48,758/- as at 31st March, 2018 and a net loss of ₹1,13,84,340/-and a net cash flow of ₹2,36,47,337/-for the year ended on that day, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management. Our opinion on the consolidated financial statements and our report in terms of sub-section (3) of section 143 of the Act, in so far it relates to the amounts and disclosures included in respect of the associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The observations on consolidated financial transactions do not reveal any matters which have any adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of the associate company, none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure-A", which is based on the auditors' reports of the Holding company, and its associate company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's and its associate company's internal financial controls over financial reporting.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company does not have any pending litigations which would impact its financial position.
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

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

(S. L. Mandal)
Partner

Membership No. 051834

Place: Kolkata

Date: The 25th day of May, 2018

SALEM ERODE INVESTMENTS LIMITED

ANNEXURE – 'A' TO AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF SALEM ERODE INVESTMENTS LIMITED

(Referred to in paragraph 3(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **SALEM ERODE INVESTMENTS LIMITED** ("herein referred to as the Holding Company") and its associate company, which are companies incorporated in India as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

SALEM ERODE INVESTMENTS LIMITED

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

(S. L. Mandal)
Partner

Membership No. 051834

Place: Kolkata

Date: The 25th day of May, 2018

SALEM ERODE INVESTMENTS LIMITED

SALEM ERODE INVESTMENTS LIMITED
Balance Sheet as at 31st March, 2018

Consolidated

Particulars	Note No	31st March, 2018 (₹)	31st March, 2017 (₹)
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1	11,465,595	11,465,595
Reserves and surplus	2	159,120,311	152,370,913
Current liabilities			
Trade payables	3	-	13,400
Other current liabilities	4	316,499	289,888
Short-term provisions	5	6,740,414	6,687,523
Total		177,642,819	170,827,319
II.ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	6	1,216,195	1,773,700
Non-current investments	7	71,115,840	39,700,257
Long term loans and advances	8	82,123,589	104,318,020
Current assets			
Current investment	9	6,494,778	6,535,986
Inventories	10	5,212	16,299
Trade receivables		-	-
Cash and Bank balance	11	10,692,308	12,768,338
Short-term loans and advances		-	-
Other current assets	12	5,821,173	5,593,614
Deferred tax assets	13	173,724	121,105
Significant accounting policies & notes on accounts	1 to 24		
Total.		177,642,819	170,827,319

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. Mandal & Co.

Chartered Accountants

Firm Registration Number: 314188E

For and on behalf of the Board

(S. L. Mandal)

Partner

Membership Number: 051834

Place: Kolkata

Date: The 25th day of May' 2018

Ashok Kumar Hamirbasia
Managing Director
DIN : 0291954

Sunil Kumar Kanoria
Director
DIN : 0789030

Arindam Saha
CFO

Dolly Prasad
Company Secretary

SALEM ERODE INVESTMENTS LIMITED

SALEM ERODE INVESTMENTS LIMITED Statement of Profit and Loss for the year ended 31st March, 2018

Consolidated

Particulars	Note No	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
I. Revenue from operations	14	14,150,689	13,876,857
II. Other income			
III. Total Revenue (I +II)		14,150,689	13,876,857
IV. Expenses:			
Change in inventories	15	11,087	36,525
Employee benefit expenses	16	1,512,620	1,233,431
Administrative expenses	17	1,346,961	6,414,215
Auditor's remuneration	18	68,450	90,410
Depreciation and amortization expense	6	557,505	835,241
IV. Total Expenses		3,496,623	8,609,822
V. Profit before exceptional and extraordinary items and tax	(III - IV)	10,654,067	5,267,035
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	10,654,067	5,267,035
VIII. Extraordinary Items		-	-
IX. Profit before tax and prior period items	(VII - VIII)	10,654,067	5,267,035
X. Prior period items			
Prior period expenses		-	-
XI. Profit before tax	(IX - X)	10,654,067	5,267,035
XII. Tax expense:			
(1) Current tax		2,361,000	1,150,000
(2) Deferred tax		(52,619)	(94,722)
(4) MAT Credit		-	75,019
		2,308,381	1,130,297
XIII. Profit(Loss) from the period from continuing operations	(XI - XII)	8,345,686	4,136,738
XIV. Earning per equity share:			
(1) Basic	19	0.73	0.36
(2) Diluted	19	0.73	0.36
Significant accounting policies & notes on accounts	1 to 24		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. Mandal & Co.

Chartered Accountants

Firm Registration Number: 314188E

For and on behalf of the Board

(S. L. Mandal)

Partner

Membership Number: 051834

Ashok Kumar Hamirbasia
Managing Director
DIN : 0291954

Sunil Kumar Kanoria
Director
DIN : 0789030

Place: Kolkata

Date: The 25th day of May' 2018

Arindam Saha
CFO

Dolly Prasad
Company Secretary

SALEM ERODE INVESTMENTS LIMITED

SALEM ERODE INVESTMENTS LIMITED
Cash Flow Statement for the year ended 31st March, 2018
Consolidated

Particulars	31st March, 2018 (₹)	31st March, 2017 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	10,654,067	5,267,035
Adjustments for :-		
Provision for appreciation in value of investments	-	(1,201,608)
Excess provision written back	(486,972)	
Provision for standard, sub standard & Doubtful debt	-	1,765,163
Depreciation	557,505	835,241
Provision for diminution in value of investment	89,533	-
Profit/Loss on sale of investments	(745,613)	486,459
Operating profit before working capital changes	10,068,520	(5,472,936)
Adjustments for :-		
Other current assets	5,161	597,414
Change in Inventory	11,087	36,525
Trade Payable	(13,400)	(18,000)
Other current liabilities	64,617	(392,465)
Cash Generated from operations	10,135,985	(5,249,462)
Direct taxes paid	(2,052,033)	(3,302,347)
Net cash from operating activities	8,083,952	(8,551,809)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(39,741,576)	(2,237,498)
Sale/Redemption of investments	7,528,396	4,066,655
Loan (Given) / Refund	22,089,805	(31,492,978)
Purchase of fixed assets	-	(3,360)
Sale of fixed assets	-	-
Net cash used in investing activities	(10,123,375)	(17,041,955)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unclaimed Dividends paid	(36,606)	(37,497)
Net Cash used in financing activities	(36,606)	(37,497)
Net (decrease) / increase in cash and cash equivalent	(2,076,029)	(25,631,261)
Cash and cash equivalent Opening balance	12,768,338	38,399,599
Cash and cash equivalent Closing balance	10,692,308	12,768,338

This is the cash flow statement referred to in our report of even date

As per our report of even date

For S. Mandal & Co.

Chartered Accountants

Firm Registration Number: 314188E

(S. L. Mandal)

Partner

Membership Number: 051834

For and on behalf of the Board

Ashok Kumar Hamirbasia
 Managing Director
 DIN : 0291954

Sunil Kumar Kanoria
 Director
 DIN : 0789030

Arindam Saha
 CFO

Dolly Prasad
 Company Secretary

Place: Kolkata

Date: The 25th day of May' 2018

SALEM ERODE INVESTMENTS LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

OTHER NOTES TO FINANCIAL STATEMENTS

1. Share Capital

(₹)

a.	Particulars	31st March, 2018	31st March, 2017
	1,20,00,000 nos Equity Shares of Re. 1/- each (P.Y 1,20,00,000 nos Equity Shares)	12,000,000	12,000,000
		12,000,000	12,000,000
	Issued Shares Capital :		
	1,14,65,820 (P.Y 1,14,65,520) Equity Shares of Rs. 1/- each	11,465,820	11,465,820
		11,465,820	11,465,820
	Subscribed and Fully Paid-up Share Capital		
	1,14,65,520 (P.Y 1,14,65,520) Equity Shares of Rs. 1/- each fully paid up	11,465,520	11,465,520
	Forfeited Shares	75	75
		11,465,595	11,465,595

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(₹)

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	11,465,520	11,465,520	11,465,520	11,465,520
Issued during the year	-	-	-	-
Outstanding at the end of the period	11,465,520	11,465,520	11,465,520	11,465,520

c. Terms / Rights attached to equity shares.

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 1/- Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any in Indian Rupees. In the event of liquidation of the Company the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all Preferential amounts, if any. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Tara Investments Ltd	2,097,120	18.29%	2,097,120	18.29%
Mrs Padma Kanoria	2,591,000	22.60%	2,592,000	22.61%
Mrs Kusum Kanoria	3,827,120	33.38%	3,827,120	33.38%

SALEM ERODE INVESTMENTS LIMITED

2. Reserves and Surplus		(₹)	
Particulars		31st March, 2018	31st March, 2017
Capital Reserve			
Balance as per last balance sheet	A	2,319,780	2,319,780
		2,319,780	2,319,780
General Reserve			
Balance as per last balance sheet		7,569,114	7,569,114
Less: Transferred to Share capital account	B	-	-
		7,569,114	7,569,114
Statutory Reserve Fund			
Balance as per balance sheet		30,335,794	29,450,400
Add: Transferred from surplus	C	1,669,137	885,394
		32,004,931	30,335,794
Share in Reserves of Associates Balance			
As at the beginning of the year		(337,083)	2,998,062
Add: Reversal of negative reserve of Investment sold		-	1,077,349
Add : Profit for the year	D	(1,584,417)	(4,412,494)
		(1,921,500)	(337,083)
Surplus as per Statement of Profit & Loss			
Balance as per last balance sheet		112,483,307	108,941,732
Add : Profit for the year		8,345,686	4,136,738
Add : Income tax adjustment for earlier years		(11,870)	290,231
Transfer to Statutory reserve	E	(1,669,137)	(885,394)
		119,147,986	112,483,307
Total Reserves and Surplus (A+B+C+D+E)		159,120,311	152,370,913
3. Trade Payables		(₹)	
		31st March, 2018	31st March, 2017
Trade Payables		-	13,400
Total		-	13,400
4. Other Current Liabilities		(₹)	
		31st March, 2018	31st March, 2017
Liability for expenses		187,112	118,882
Stales Liability		-	1,900
TDS Payable		6,000	9,113
Unpaid dividends		123,387	159,993
Total		316,499	289,888
5. Short Term Provisions		(₹)	
		31st March, 2018	31st March, 2017
Provision for dimunition in value of investments		2,452,056	2,362,523
Provision for taxation		4,288,358	4,325,000
Total		6,740,414	6,687,523

SALEM ERODE INVESTMENTS LIMITED

(₹)

7. Non- Current Investment	31st March, 2018		31st March, 2017	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Fixed Deposit with Banks & Financial Institutions	-	53,500,000	-	38,000,000
Investments in Mutual Fund			-	-
Franklin India Smaller Companies Fund (G) (FV: Rs. 10/-)	8841.139	500,000	-	-
Franklin India High Growth Companies Fund (G) (FV: Rs. 10/-)	54420.14	2,000,000	-	-
Franklin India Prima Plus (G) (FV: Rs. 10/-)	3632.582	2,000,000	-	-
DSP BLACK ROCK Tax Saver Fund (D) (FV: Rs. 10/-)	200796.505	3,500,000	-	-
HDFC PRUDENCE FUND - (D) (FV: Rs. 10/-)	75269.465	2,500,000	-	-
AXIS LONG TERM EQUITY FUND (D) (FV: Rs. 10/-)	150706.144	3,500,000	-	-
Aditya Birla Sun Life Tax Relief96 (D) (FV: Rs. 10/-)	6156.498	1,000,000	-	-
Aditya Birla Sun Life Frontline Equity Fund (G) (FV: Rs. 10/-)	4751.045	1,000,000	-	-
ICICI Prudential Focused Bluechip Equity (G) (FV: Rs. 10/-)	26476.039	1,000,000	-	-
Kotak Select Focus Fund (D) (FV: Rs. 10/-)	22211.363	500,000	-	-
		71,000,000		38,000,000
Trade Investment				
Quoted Investments				
The Mozufferpore Electric Supply Co. Ltd. (FV - Rs. 10/-)	13055	105,840	13055	105,840
		105,840		105,840
Unquoted Investments				
Investment in Associates:				
M D Network Commodities Pvt Ltd. (FV - Rs. 10/-)	192150	-	192150	1,584,417
		-		1,584,417
Other Investments				
Unquoted Investments				
The Arya Vaidya Pharmacy (Coim) Ltd. (FV - Rs. 10/-)	1000	10,000	1000	10,000
		10,000		10,000
Total		71,115,840		39,700,257
Aggregate value of Quoted Investment		105,840		105,840
Market value of Quoted Investment		105,840		-
Mutual fund		17,170,728		-
Aggregate value of unquoted Investment		10,000		1,594,417

Note: The fixed deposits have a maturity period of more than 12 months from the balance sheet date.

8. Long Term Loans and Advances

(₹)

	31st March, 2018	31st March, 2017
Other Loans and Advances		
Unsecured Advances to related parties (considered good)	58,432,800	58,370,971
Unsecured Advances recoverable in cash or kind (considered good)	14,947,734	37,099,368
Unsecured Advances recoverable in cash or kind (considered doubtful)	3,200,000	3,464,185
Less: Provision for bad & doubtful debts	(3,200,000)	(3,464,185)
Less: Provision for sub standard assets	-	(443,016)
Less: Provision for standard assets	(317,678)	(317,678)
MAT Credit Entitlement	9,060,733	9,608,375
Total	82,123,589	104,318,020

SALEM ERODE INVESTMENTS LIMITED

11. Cash & Bank Balances		(₹)
	31st March, 2018	31st March, 2017
Balances with Banks On Current accounts	10,684,303	12,767,193
Cash In Hand (As per cash book & certified by the management)	8,005	1,145
Total	10,692,308	12,768,338
12 . Other Current Assets		(₹)
	31st March, 2018	31st March, 2017
Advance tax	5,556,950	5,291,866
Sundry Debtors	-	1,351
Accrued interest on fixed deposit	225,205	258,657
Prepaid Expenses	39,018	41,741
Total	5,821,173	5,593,614
13. Deferred Tax Assets (Net)		(₹)
	31st March, 2018	31st March, 2017
Depreciation	164,502	144,681
Provision on dimution in value of investments	9,222	(23,576)
Total	173,724	121,105
14. Revenue from Operations		(₹)
Particulars	31st March, 2018	31st March, 2017
Interest income on Loan	7,779,557	8,161,803
Sale of Shares	79,411	118,981
Dividend income	1,227,158	582,660
Net Gain/ (Loss) on sale of investments	745,613	(486,459)
Provision for appreciation in value of investments	-	1,201,608
Interest Income on fixed deposit	3,831,978	3,880,764
Excess provision written back	486,972	417,500
Total	14,150,689	13,876,857
15. Change in Inventories		(₹)
	31st March, 2018	31st March, 2017
Closing balance	5,212	16,299
Less : Opening balance	16,299	52,824
Total	(11,087)	(36,525)

SALEM ERODE INVESTMENTS LIMITED

16. Employee Benefit Expenses		(₹)
	31st March, 2018	31st March, 2017
Salary & wages	1,512,620	1,233,431
Total	1,512,620	1,233,431
17. Administrative & Establishment Expenses		(₹)
	31st March, 2018	31st March, 2017
Advertisements	15,794	7,787
Meeting Expenses	11,030	-
Bank charges	731	2,617
Books & Periodicals	948	-
Listing Expenses	287,500	3,105,000
Computer expenses	(3,400)	625
Depository charges	7,691	1,642
Director's fee	27,600	29,000
General charges	5,733	9,120
Goods and Services Tax	9,424	4,431
Insurance Charges	48,086	4,598
Motor car running expenses	67,850	64,281
Postage & Courier	31,090	24,355
Printing & stationery	66,578	16,434
Professional fees	385,000	1,144,119
Provision for diminution in value of Investments	89,533	-
Provision for doubtful debts	-	1,200,000
Provision for standard assets	-	122,147
Provision for sub standard assets	-	443,016
Rates & taxes	4,700	4,350
Registrar & transfer agents fees	28,525	31,128
Rent Paid	69,900	55,200
Filing fees	68,600	35,052
Scrutinizer Fees	7,500	15,000
Security transaction tax & cess	14,259	10,133
Subscription expense	47,000	78,871
Traveling & Conveyance expenses	55,290	5,310
Total	1,346,961	6,414,215
18. Auditor's Remuneration		(₹)
	31st March, 2018	31st March, 2017
For Audit fees	20,000	23,000
For Other Capacities	10,450	22,410
For Secretarial audit fees	18,000	25,000
For Internal Auditor	20,000	20,000
	68,450	90,410
19. Earnings Per Share (EPS)		(₹)
	31st March, 2018	31st March, 2017
Particulars		
Net Profit as per Profit and Loss Statement (in ₹)	8,345,686	4,136,738
No. of Equity Shares outstanding	11,465,520	11,465,520
Face Value Per Share (in ₹)	1.00	1.00
Earnings Per Share (Basic and Diluted) (in ₹)	0.73	0.36

SALEM ERODE INVESTMENTS LIMITED

20. Related Party Transactions as per AS-18

(i) List of Parties

1. M D Networks Commodities Pvt Ltd
2. Padma Kanoria
3. Kusum Kanoria
4. Tara Investments Ltd.
5. Ashok Kumar Hamirbasia
6. Arindam Saha
7. Dolly Prasad
8. Hamirbasia & Associates

Relationship

- Associates
 Individuals having significant influence over the enterprises
 Individuals having significant influence over the enterprises
 Enterprise over which (2) & (3) have significant influence.
 KMP -Managing Director
 KMP - C.F.O.
 KMP - Company Secretary
 Relative of KMP

(ii) Related Party Transaction :		(₹)
Particulars	2016-18 Amount Involved	2015-17 Amount Involved
Professional Services		
Hamirbasia & Associates	272,000	240,000
Managerial Remuneration		
Ashok Kumar Hamirbasia	786,720	657,167
Abhishek Hamirbasia	20,000	136,800
Arindam Saha	232,320	-
Sanchita Sinha	110,000	120,000
Dolly Prasad	10,000	-
Loan given to:		
Tara Investments Ltd.	-	17,500,000
Interest Received		
Tara Investments Ltd.	4,842,000	4,773,301
Balance Outstanding		(₹)
Particulars	2016-18 Amount Involved	2015-17 Amount Involved
Investments		
MD Network Commodities Pvt Ltd.	1,921,500	1,921,500
Loan Given		
Tara Investments Ltd.	53,800,000	53,800,000

21. Segment Reporting as per AS-17 The Company is a Non Banking Finance Company (NBFC). It is engaged in the business of financing and there is no other reportable segment.
22. The Company has not made actuarial valuation for gratuity and other annuity scheme as in the opinion of management provisions of the same is not applicable during this financial year.
23. In the opinion of management none of the assets have impaired in value as shown in books.
24. Previous year's figures have been reclassified and regrouped, wherever necessary.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. Mandal & Co.

Chartered Accountants

Firm Registration Number: 314188E

(S. L. Mandal)

Partner

Membership Number: 051834

Place: Kolkata

Date: The 25th day of May' 2018

For and on behalf of the Board

Ashok Kumar Hamirbasia
 Managing Director
 DIN : 0291954

Sunil Kumar Kanoria
 Director
 DIN : 0789030

Arindam Saha
 CFO

Dolly Prasad
 Company Secretary

SALEM ERODE INVESTMENTS LIMITED

9. Current Investment

Investments in Equity Instruments

Name of the Companies	Face Value (₹)	As at 31st March, 2018		As at 31st March, 2018	
		Nos	Book value (₹)	Nos	Book value (₹)
Andhra Bank Ltd	10	1,000	137,393	1,000	137,393
Adani Power Ltd.	10	1,000	57,090	1,000	57,090
ATV Projects India Ltd	10	1,000	7,000	1,000	7,000
AXIS Bank Ltd	2	-	-	200	99,206
BATA India Ltd	5	-	-	200	108,725
Bank Of Baroda	2	500	82,780	-	-
Bharat Electronics Ltd	1	1,000	180,718	-	-
Bharat Heavy Electricals Ltd	2	750	78,290	-	-
CESC Ltd	10	700	104,090	700	104,090
Coal India Ltd.	10	125	38,433	125	38,433
Diana Tea Company Ltd	5	500	16,187	-	-
GOL Offshore Ltd.	10	600	555,102	600	555,102
Greaves Cotton Ltd	2	500	73,245	-	-
HDFC Bank Ltd.	2	3,000	6,000	3,000	6,000
Hindalco Industries Ltd	1	1,000	1,954	1,000	1,954
Hindustan Unilever Ltd	1	600	273	600	273
Housing Development & Finance Corpn. Ltd	2	20,500	54,287	20,500	54,287
Housing Development and Infrastructure Ltd	10	2,000	130,134	-	-
Indiabulls Ventures ltd	2	-	-	500	26,333
India Cements Ltd.	10	-	-	2,000	410,440
Indian Oil Corporation Ltd	10	1,000	90,977	1,000	181,955
IFCI Ltd	10	5,000	117,936	-	-
ITC Ltd	1	200	57,858	-	-
Jaiprakash Associates Ltd	2	-	-	187	15,895
James Warren Tea Co Ltd.	10	306	38,874	306	38,874
JSW Energy Ltd.	10	1,000	121,007	1,000	121,007
Jyothy Laboratories Ltd.	1	-	-	39	3,520
Karur Vysya Bank Ltd	2	500	61,932	-	-
KCP Sugars & Industries Corporation Ltd.	1	5,000	368,368	5,000	368,368
Larsen and Toubro Ltd	2	50	58,097	200	341,507
Mahanagar Telephone Nigam Ltd.	10	4,200	339,572	3,200	308,288
Marico Ltd	1	200	65,160	-	-
Nagarjuna Fertilisers and Chemicals Ltd.	1	3,000	56,482	8,525	160,555
Nagarjuna Oil Refinery Ltd.	1	7,750	145,960	7,750	145,960
Pentamedia Graphics Ltd.	1	1,540	269,806	1,540	269,806
Petronet LNG Ltd	10	500	126,810	-	-
Plethico Pharmaceuticals Ltd.	10	1,000	406,169	1,000	406,169
Pranavadiy Spinning Mills Ltd. (PSMLTD)	10	50	1,250	50	1,250
Reliance Broadcast Network Ltd	5	1,000	212,092	1,000	212,092
Reliance Capital Ltd	10	652	339,106	652	678,213
Reliance Home Finance Ltd	10	652	339,106	-	-
Reliance Industries Ltd	10	400	210,009	150	103,944
Reliance Media World Ltd	5	1,000	212,092	1,000	212,092
Rural Electrification Corporation Ltd	10	1,000	169,663	-	-
South Indian Bank	1	-	-	6,666	154,988
State Bank of India	1	10,000	889,776	11,210	997,439
TATA Global Beverage Ltd	1	200	30,545	400	61,090
TATA Power Company Ltd	1	500	48,750	500	48,750
The Methoni Tea	10	220	5,500	220	5,500
Texmo Pipes and Products Ltd	10	-	-	1,000	19,282
TGB Banquets and Hotels Ltd	10	500	28,344	-	-
Vijaya Bank	10	1,000	69,013	-	-
VIP Clothing Ltd	2	500	49,950	-	-
Vedanta Ltd	1	-	-	120	31,517
Warren Tea Co Ltd.	10	306	41,600	306	41,600
Total		84,001	6,494,778	85,446	6,535,986
Market value of investments			50,291,589		44,258,977
Provision for dimunition in value of investments			2,452,056		2,362,523

6. FIXED ASSET AS AT 31st MAR, 2018

Sl. No.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as at 01-04-2017	Additions during the year	Sales/Adjst. during the year	Cost as at 31-03-2018	Upto 01-04-2017	For the year	Adjustment / Sale	Total 31-03-2018	As on 31st March, 2018	As on 31st March, 2017
1	Computer	34,760	-	-	34,760	23,552	7,079	-	30,681	4,129	11,208
2	Vehicle	2,648,849	-	-	2,648,849	886,357	550,426	-	1,436,783	1,212,066	1,762,492
	GRAND TOTAL :	2,683,609	-	-	2,683,609	909,909	557,505	-	1,467,414	1,216,195	1,773,700
	Previous Year	2,680,249	3,360		2,683,609	74,668	835,241	-	909,909		

10. Inventories

Name of the Companies QUOTED :	Face Value (₹)	As at 31st March, 2018		As at 31st March, 2017	
		Nos	Book value (₹)	Nos	Book value (₹)
Fully paid-up Equity shares					
Eveready Industries Ltd.	5	345	597	345	597
James Warren Tea Co Ltd.	10	306	375	306	375
Mcleod Tea Co. Ltd	10	345	597	345	597
Pranavadi Spinning Mills Ltd	10	50	590	50	590
Tata Global Beverages Ltd	10	100	2,218	600	13,305
Titaghur Industries Ltd.	10	400	460	400	460
Warren Tea Co Ltd.	10	306	375	306	375
Total		1,852	5,212	2,352	16,299

SALEM ERODE INVESTMENTS LIMITED

Regd Off: 1st Floor, 14 Motilal Nehru Road, Kolkata-700029
Tel: (033) 2475 – 2834; E-mail: salemeroedinvestmentsltd@gmail.com
CIN :L31200WB1931PLC007116
Website : www.salemerode.com

**FORM NO. MGT-11
PROXY FORM**

[Pursuant To Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L31200WB1931PLC007116
Name of the Company : SALEM ERODE INVESTMENTS LTD.
Regd Office : 14 Moti Lal Nehru Road, Kolkata – 700029
Name of the Members :
Registered Address :
E-Mail Id :
Folio No./Client No./ DP ID

I/ We, being the member(s) of..... shares of the above Company, hereby appoint.

- 1 Name Address
E-Mail Id : Signature : or failing him
- 2 Name Address
E-Mail Id : Signature : or failing him
- 3 Name Address
E-Mail Id : Signature :

as my/ our proxy to attend and vote (on a poll) for me/us on my/our behalf at the AGM of the Company, to be held on Wednesday, the 26th day of September, 2018 at 11:00 A.M. at Bhartiya Bhasha Parisad, 36A Shakespeare Sarani, Kolkata – 700017 and at any adjournment thereof in respect of such resolution(s) as are indicated below.

	Resolution	For	Against
1.	To Consider; approve and adopt the Standalone and Consolidated Balance Sheet as on 31st March, 2018, the Profit and Loss Account and Cash Flow Statement for the Year ended on that date together with the Auditors Report thereon and the report of the Board.		
2.	To appoint Mr Ashok Kumar Hamirbasia who retire by rotation at this AGM and being eligible offer himself for re appointment.		
3.	Ratify appointment of Auditors and to fix their remuneration		

Signed thisday of2018
Signature of Shareholder.....
Signature of Proxy holder(s).....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SALEM ERODE INVESTMENTS LIMITED

Regd Off: 1st Floor, 14 Motilal Nehru Road, Kolkata-700029
Tel : (033) 2475 - 2834; E-mail: salemmerodeinvestmentsltd@gmail.com
CIN : L31200WB1931PLC007116
Website : www.salemerode.com

ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Name	
Address of the Shareholder No. of Shares Held	

(To be handed over at the entrance of the meeting Hall) (Annual General Meeting – 26th September, 2018)

1. I hereby record my presence at the 87th Annual General Meeting of the Company, to be held on the Wednesday, 26th day of September, 2018 at 11:00 A.M. at Bhartiya Bhasha Parisad, 36A Shakespeare Sarani, Kolkata – 700017.
2. Signature of the Shareholder/Proxy Present.
3. Share holder/Proxy holder willing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Share holder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.
5. Please read the instructions carefully before exercising your vote.

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	USER – ID	PAN/ SEQUENCE NO.
180809018		

E-Voting Facility is available during the following voting period:

Commencement of E- Voting	End of E- Voting
Sunday 23rd September, 2018 from 10:00 A.M (IST)	Tuesday 25th September, 2018 till 05:00 P.M. (IST)