
**SALEM ERODE
INVESTMENTS LIMITED**

2015

**REPORT
&
ACCOUNTS**



Salem Erode Investments Limited

Registration No. : L 31200 WB 1931 PLC 007116
Incorporated on 16th May, 1931 under the Companies Act, 1913

Authorised	CAPITAL	Subscribed
Rs. 1,20,00,000	In equity shares of Re 1/-	Rs. 1,14,65,595
Rs. 1,20,00,000		Rs. 1,14,65,595

Directors

Sunil Kumar Kanoria – Managing Director
Ravi Kumar Shah – Non-Executive Director
Prerna Rajeev Goenka – Non-Executive Director
Viswa Nath Purohit – Independent Director
Prashant Gupta – Independent Director

Key Managerial Personnel

Sunil Kumar Kanoria – Managing Director
Abhishek Hamirbasia – Chief Financial Officer
Annu Jain – Company Secretary

Company Secretary & Compliance Officer
Annu Jain

Nomination & Remuneration Committee

Viswa Nath Purohit – Chairman
Prashant Gupta – Member
Ravi Kumar Shah – Member

Audit Committee

Viswa Nath Purohit – Chairman
Prashant Gupta – Member
Ravi Kumar Shah – Member

Auditors

S Mandal & Co.
Chartered Accountants
Kolkata

Bankers

HDFC BANK LTD.
AXIS BANK

Registrar & Transfer Agents

Niche Technologies Pvt Ltd
D511, Bagri Market, Kolkata 700 01
Telephone : 2235 7270 / 71
E-mail : nichetech@nichetec.com

Registered office

14, Motilal Nehru Road,
Kolkata-700 029.
Telephone: 4003 2108
E-mail : tara.investments@rediffmail.com

SALEM ERODE INVESTMENTS LIMITED

Regd Off: 1st Floor, 14 Motilal Nehru road, Kolkata-700029
Tel . 033-40032108 . E-mail :tarainvestmentsltd@gmail.com
CIN : L31200WB1931PLC007116

NOTICE IS HEREBY GIVEN that the 84th Annual General Meeting of the Members of M/s SALEM ERODE INVESTMENTS LIMITED is scheduled to be held at the Registered office of the company at 14 Motilal Nehru Road, Kolkata – 700 029 on Monday the 21st day of September, 2015 at 12.00 noon to transact the following Business:

ORDINARY BUSINESS:

1. To Consider; approve and adopt the Balance Sheet as on 31st March, 2015, the profit and Loss Account and Cash Flow Statement for the Year ended 31st March, 2015 together with the Auditors Report thereon and the report of the Board.
2. To appoint a Director in place of Mrs. Prerana Goenka (DIN 01048668) who retire by rotation and being eligible offers herself for re-appointment.
3. To Consider and, if thought fit, to pass, with or without modification(s), the following resolution which will be proposed as: **ORDINARY RESOLUTION.**

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, (including any modification(s) and / or enactment(s) thereof, for the time being in force), consent of the Board of Directors of the company be and are hereby accorded to propose the appointment of **M/s S. Mandal & Co., Chartered Accountants (FRN 314188E)**, who retire at the ensuing Annual General Meeting, as the Statutory Auditors of the Company for four consecutive years (4 years), to hold office from the conclusion of this i.e. eighty fourth (84th) Annual General Meeting till the conclusion of the eighty ninth (89th) Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the statutory auditors."

For and on behalf of the Board
SUNIL KUMAR KANORIA
Managing Director
(DIN : 00789030)

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 12.00 Noon on 19th September, 2015.**
2. Corporate Members are requested to send to 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 15th day of September, 2015 to 21st day of September, 2015 (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 **M/s Niche Technologies Pvt. Ltd**, Registrar and Share Transfer Agents of the Company and / or to the company, at their registered addresses.
8. **Voting through electronic means**
In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the resolutions passed by certain class of companies including listed companies at their AGM to be transacted through e – voting (facility to cast vote from a place other than the venue of the AGM). Further, Madras Stock Exchange pursuant circular issued by SEBI put your company on the dissemination board of NSE and consequently cease to be listed. according to the provision of providing facility of e-voting is no longer applicable on your company.
9. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 7th August, 2015.
10. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on 7th August, 2015 are requested to send the written / email communication to the Company at **tara.investments@rediffmail.com** by mentioning their Folio No. / DP ID and Client ID.

For and on behalf of the Board
SUNIL KUMAR KANORIA
Managing Director
(DIN:00789030)

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 84th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

FINANCIAL RESULTS :

The financial position of the company for the year ended 31st March, 2015 is summarised below :

	(₹ in Lacs)	
	2014-15	2013-14
Profit Before Interest and Depreciation	8,211,072	4,764,664
Depreciation & Amortization	(107,965)	(54,091)
Finance Charge	Nil	Nil
Profit Before Tax	8,103,107	4,710,573
Provision for Tax	(2,410,483)	(11,37,362)
Profit After Tax	56,92,624	35,73,211
Balance of Profit brought forward	26,961,788	24,150,919
Balance available for appropriation	32,654,412	27,724,130
Transfer to Statutory Reserve	(1,138,525)	(714,642)
Contingent Provision against Standard Assets	11,332	(47,700)
Surplus carried to Balance Sheet	<u>31,527,219</u>	<u>26,961,788</u>

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

The profits of the company are derived from a mix of dividend and interest income, accompanied by profit on sale of investment. The profit before tax for the year under review is Rs. 81.03 lakhs.

CHANGE IN THE NATURE OF BUSINESS

Your company is a Non Deposit taking Non-Banking Financial Company (NBFC - ND) registered with Reserve Bank of India. Your Directors are pleased to inform you that there was no change in the nature of business of your company during the Financial Year under review.

DIVIDEND

Your Directors decided to plough back the profits for the year for investment into the growth opportunities which will create value for the shareholders wealth and therefore does not recommended any dividend for the Financial Year under review.

RESERVES

Your company has transferred an amount of Rs 11,38,525/- into the Statutory Reserve account pursuant to section 45-IC of the Reserve Bank of India Act.

CHANGE OF NAME

Your Company's name is **M/s SALEM ERODE INVESTMENTS LTD**, there was no change in its name during the year under review.

SHARE CAPITAL

During the year under review following changes were effected in the Share Capital of the Company:

- Your Company had split and converted the 1 Equity Share of Rs. 10/- each into 10 Equity Shares of Re. 1/- each in lieu of old shares certificates by virtue of erstwhile provision of Companies Act, 1956 during the year under review and consequently the number of shares of the company has been increased from 1,43,319 Equity shares to 14,33,190 Equity Shares of Re. 1/- each.

DIRECTORS' REPORT (Contd.)

- b. Your Company during the year under review had issued Bonus Shares, pursuant to Section 63 and other applicable provisions of the Companies Act, 2013, read with relevant rules thereof including any amendment or re-enactment thereof for the time being in force and as per the Articles of Association of the Company and also subject to the regulations /guidelines issued by the Securities and Exchange Board of India (SEBI) (ICDR) Regulation, 2009 and other applicable statute, in the ratio of 7:1 (i.e. Seven Shares of Re. 1/- each for every One Equity Share of Re. 1/- held) and consequently the Paid Equity Shares of the Company has increased from 14,33,190 to 1,14,65,520 shares.
- c. Your Directors further ensures that during the year under review your company has not:
- i. Bought back any of its securities;
 - ii. Not issued any Sweat Equity Shares; and
 - iii. Not provided any Stock Option Scheme to the employees

DIRECTORS AND KEY MANAGERIAL PERSONNEL**➤ Resignations:**

- Mr. Chaitanya Kanoria ceased to be Director of your company. The reason for his resignation was his professional engagement elsewhere due to which he was unable to devote his time for the company. The Board of Director of your company appreciates the services rendered by him.

➤ Appointments:

- Mr. Prashant Gupta and Mr. Sunil Kumar Kanoria were appointed as Additional Directors of the Company pursuant to Section 161 of the Companies Act, 2013 with effect from the 4th day of July, 2014 till the ensuing Annual General Meeting. Further the Members of the company in its 83rd Annual General Meeting held on the 5th day of September, 2014 approved the appointment of Mr. Prashant Gupta and Mr. Sunil Kumar Kanoria as the Director of the Company.
- Mrs. Prerana Goenka, Director of the company was appointed as the woman director of the company during the year under review, pursuant to section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- The Members of the Company in its 83rd Annual General Meeting held on the 5th day of September, 2014 appointed Mr. Prashant Gupta and Mr. Vishwa Nath Purohit as the Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to held office for five consecutive years up to 31st March, 2019. The Independent Directors of your company has the option to retire from the office at any time during the term of their appointment.

➤ Appointment of Key Managerial Personnel:

- Your company appointed Mr. Sunil Kumar Kanoria as the Managing Director of the Company for five consecutive years up to 31st March, 2019 and Mr. Abhishek Hamirbasia (CA) as the Chief Financial Officer (CFO) of the company pursuant to section 203 of the Companies Act, 2013. The members of the company in the 83rd Annual General Meeting ratified the appointment of Mr. Sunil Kumar Kanoria as the Managing Director of the Company for five consecutive years up to 31st March, 2019 and Mr. Abhishek Hamirbasia (CA) as the CFO.
- Miss. Annu Jain (CS) was appointed as the Company Secretary of the company during the year under review with effect from 2nd March 2015 pursuant to section 203 of the Company Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Directors) Rule, 2014.

➤ Retire by Rotation:

- Mr. Ravi Kumar Shah, 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.

DIRECTORS' REPORT (Contd.)

DECLARATION BY INDEPENDENT DIRECTOR

Your Company has received declaration from all the Independent Directors of the company, pursuant to 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.

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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. A statement of remuneration given to key managerial persons is given in the Annexure I forming part of this report.

MEETINGS

• **BOARD MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the Financial Year 2014 – 15 Nine (9) Board Meetings were held, the dates of the meeting being 30 May, 2014; 4 July, 2014; 1 August, 2014; 21 October, 2014; 10 December, 2014; 20 December, 2014; 6 February, 2015; 2 March, 2105 and 30 March, 2015. The intervening gap between the 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 2014 – 15 three (3) Meeting of the Committee was held, the date of the meetings was 21st October, 2014, 6th February, 2015 and 30th March, 2015.

• **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 2014 – 15 One (1) Meeting of the Committee was held, the date of the meeting was 30th March, 2015.

COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES_BOARD OF DIRECTORS

The Board of the company is headed by Mr. Hemant Kanoria, Managing Director of the company, and eminent persons of high credentials who actively contributed in the deliberation of the Board. As on close of business hours of March 31, 2015 the Board comprised of five directors as mentioned below:

S. No	Name	DIN	Designation
1.	S K Kanoria	00789030	Managing Director
2.	Vishwa Nath Purohit	00291853	Independent Director
3.	Prashant Gupta	06915283	Independent Director
4.	Ravi Kumar Shah	02085802	Non-Executive Director

AUDIT COMMITTEE

The Audit Committee of the Company constituted pursuant to Section 177 of the Companies Act, 2013 by the Board is headed by Mr. Vishwa Nath Purohit, Independent Director of the company, and eminent persons of high credentials and of considerable professional experience. As on close of business hours of March 31, 2015 the Board of Audit Committee comprised of three directors as mentioned below:

DIRECTORS' REPORT (Contd.)

S. No	Name	DIN No	Designation
1.	Vishwa Nath Purohit	00291853	Independent Director, Chairman
2.	Prashant Gupta	06915283	Independent Director
3.	Ravi Kumar Shah	02085802	Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company constituted pursuant to Section 178 of the Companies Act, 2013 by the Board is headed by Mr. Vishwa Nath Purohit, Independent Director of the company, and eminent persons of high credentials and of considerable professional experience. As on close of business hours of March 31, 2015 the Board of Nomination and Remuneration 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
3.	Prerana Goenka	01048668	Non-Executive Woman Director

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

Pursuant to sub-section (3) of section 129 of the Companies Act, 2013, 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 ensures that as on the close of the 31st March, 2015 your company has one associate company named M/s M.D Network and Commodities Pvt Ltd and there is no subsidiary or subsidiaries, associate company or companies and joint venture or ventures. The salient feature of its Financial Statement is given in **Annexure II** forming part of this report.

AUDITORS

The Auditors, M/s S Mondal & Co., *Chartered Accountants (FRN-314188E)*, retire at the conclusion ensuing Annual General Meeting and, being eligible offer themselves for reappointment for a period of 4 years, pursuant to section 139 of the Companies Act, 2013 read with applicable Rule of the Companies (Audit & Auditors) Rules, 2014, if any, from the conclusion of this ensuing Annual General Meeting till the conclusion of 88th Annual General Meeting, subject to ratification by the members of the company at each Annual General Meeting.

AUDITORS' REPORT

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

SECRETARIAL AUDIT REPORT

Your Directors appointed M/s H. M. Choraria & Co, (CP No.1499), a practicing Company Secretary, as Secretarial Auditor pursuant to section 204 of the companies act, 2013 read with 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 2014 – 15. The Secretarial Audit Report in form MR 3 is given as **Annexure III** forming part of this report.

INTERNAL AUDIT & CONTROLS

The Company continues to engage M/s. Hamirbasia & Associates (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.

DIRECTORS' REPORT (Contd.)

EXTRACT OF ANNUAL RETURN

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

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.

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.

DEPOSITS

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

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 said act companies having 10 employees or more shall 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.

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 provision of section 186 do not apply to Non-Banking Financial Company engage into the business of Investment and Lending Activities, consequently the provision of section 186 except sub section 1 do not apply to our company. Further your directors are pleased to inform you that your company has not made any investment through more than two layers of investment companies.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Pursuant to Section 188 of the Companies Act, 2013, 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. Your Directors ensures that the related parties transaction entered into by your company during the year under review is in its ordinary course of business and at an arm's length transaction and accordingly, pursuant to third proviso to this section, nothing contained in this section shall apply to your company.

CORPORATE GOVERNANCE

Pursuant to circular issued by the SEBI clause 49 of the listing agreement is voluntary on certain classes of companies and consequently the application of clause 49 is voluntary on your company. Further pursuant to letter dated **March 27, 2015** issued by the Madras Stock Exchange, your Company has been placed on Dissemination Board of National Stock Exchange (NSE) as exclusive listed company and consequently none of the clauses of Listing Agreement is applicable on your company. However, your directors are pleased to inform that a good corporate governance is being followed into your company.

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

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

DIRECTORS' REPORT (Contd.)

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

HUMAN RESOURCES

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

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.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e., 5th September, 2014), with the Ministry of Corporate Affairs. Your Company has **Rs. 30,748** lying unpaid or unclaimed for a period of seven years since 2008. Accordingly, your company is required to transfer the said amount to Investor Education and Protection Fund (IEPF).

ACKNOWLEDGEMENTS

Your Directors would like to appreciate and thank all the stakeholders namely Shareholders, employees bankers, Registrars & Transfer Agent, Government Agencies specially RBI, ROC, Income Tax and other business associates for their support, solidarity and cooperation. We are looking forward for their continued cooperation and support in the future.

Registered Office :
14, Motilal Nehru Road,
Kolkata 700 029
Date : 31st July, 2015.

For and on behalf of the Board of Directors.

SUNIL KUMAR KANORIA
Managing Director
(DIN : 00789030)

DIRECTORS' REPORT

Annexure I

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

Sl.	Name	Designation/ Nature of Duties	Remune- ration Received [Rs.]	Qualifi- cation	Experi- ence in years	Age in years	Date of com- mencement of employ- ment	Last employ- ment held
1	2	3	4	5	6	7	8	9
I	SUNIL KUMAR KANORIA	Managing Director	139,590	Graduate	33 Years	55 Years	W.E.F 04.07.2014	—
II	ABHISHEK HAMIRBASIA	CFO	93,060	Chartered Accountant (ICAI)	5 Years	29 Years	W.E.F 04.07.2014	—
III	Annu Jain	CS	10,000	Company Secretary	1 Year	24 Years	W.E.F. 02.03.2015	—

Notes;

- > All appointments are / were non-contractual.
- > Remuneration as shown above is a consolidated Salary.
- > None of the above employees is related to any Director of the Company employed for part of the financial year.

AOC-1

Statement containing the salient features of the financial statements of subsidiaries/ associate companies /joint ventures

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1)

PART - A : SUBSIDIARY

Name	Finan- cial Period ended	Exch ange rate	Share capital	Reser- ves & surplus	Total Assets	Total Liabil- ities (exclu-	Invest- ments	Turn- over	Profit/ (Loss) before taxation	Provi- sion for taxation	Profit/ (Loss) before taxation	% share- holding
NOT APPLICABLE												

PART - B : ASSOCIATES

(in Lacs)

S. No.	Name of the Associate Company	M.D Networks Commodities Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31.03.2015
2.	Share of Associate held by the company on the year end 31.03.2015	—
	– Number of Shares	192150
	– Amount of Investment in Associate	19.21
3	Description of how there is Significant Influence	
4	Reason why the associate is not consolidated	
5	Net Worth Attributable to Shareholding as per latest Audited Balance sheet	272.16
6	Profit or Loss attributable for the year ended 31.03.2015	(5.69)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

To
The Members,
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, 2015 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, 2015 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'):-
 - (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;

DIRECTORS' REPORT**Annexure III (Contd.)**

- (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, were not applicable to the Company during the year under review hence no comment.
 - (ii) The Listing Agreements entered into by the Company with Madras Stock Exchange,

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. *As informed by the management the company is in process of filling of some E form MGT-14 in respect of approval of the Annual accounts for the year ended on 31/03/2014 & Quarterly financial results by the Board on 30/05/2014 respectively pursuant to the provisions of section 179 (3) of the Companies Act, 2013 and INV-5 under the provisions of the Companies Act 2013.*
2. *Website of the Company is under construction and dissemination of the information will be hosted on formally launching of the website*

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

DIRECTORS' REPORT

Annexure III (Contd.)

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 following specific events have happened having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

- a) Authorized Share Capital of the Company was increased
- b) The Company issued Bonus shares by capitalization of the reserves

H M CHORARIA & CO.
Practising Company Secretaries
30/05/2015
(H M Choraria)
Proprietor
FCS No: 2398
C P No.: 1499

Place : Kolkata
Date : 30-05-2015

Annexure IV to Boards Report

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND 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 and contact details | 14, Motilal Nehru Road, Kolkata – 700 029, W.B.
Phone: +91 40032108, E-mail :
tara.investments@rediffmail.com |
| 6. | Whether listed company | Madras Stock Exchange |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent | NICHE TECHNOLOGIES PVT. LTDD – 511,
Bagri Market, 71, B.R.B.B Road, Kolkata – 700 001
PHONE: + 91-033-22357270 / 7271 |

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:-

Sr. No.	Name and Description of the Product/ service	NIC Code of main products / services	% to total turnover of the
1	Lending & Investments	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	M.D NETWORK COMMODITIES PVT LTD	U52598WB2002PTC095352	Associate	28.70	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				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
a) Individual/HUF	Nil	43400	43400	30.282	6419120	Nil	6419120	55.986	25.704
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	63053	63053	43.995	2097120	Nil	2097120	18.291	(25.704)
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total	Nil	106453	106453	74.277	8516240	Nil	8516240	74.277	Nil
(A) (1):-									
(2) Foreign									
a) NRIs									
- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other									
- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total									
(A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total share holding of Promoter (A) = (A)(1)+(A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. Public Shareholding									
a) Mutual Funds / Banks / FI	Nil	1050	1050	0.733	Nil	84000	84000	0.733	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	1050	1050	0.733	Nil	84000	84000	0.733	Nil

SALEM ERODE INVESTMENTS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	950	2230	3180	2.219	381440	94400	475840	4.150	1.931
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2998	29638	32636	22.772	48410	456160	504570	4.401	(18.371)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	143750	1741120	1884870	16.439	16.439
c) Others									
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) NRI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	3948	31868	35816	24.990	573600	2291680	2865280	24.990	Nil
Total Public Shareholding (B)=(B)(1) + (B)(2)	3948	32918	36866	25.723	573600	2375680	2949280	25.723	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	3948	139371	143319	100	908840	2376680	11465520	100	Nil

Note: The change in the Number of Shares in the Promoter and Public Shareholding is due to Split of Shares and Subsequently issue of Bonus shares. Further during the year, there was inter-se transfer among the promoters of the company

SALEM ERODE INVESTMENTS LIMITED

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in shareholding during the year
1	Kusum Kanoria	11000	7.675	Nil	3827120	33.379	Nil	25.704
2	Padma Kanoria	32400	22.607	Nil	2592000	22.607	Nil	Nil
3	Tara Investments Ltd	26214	18.291	Nil	2097120	18.291	Nil	Nil
4	Tinnevelly Tuticorin Investments Ltd	36839	25.704	Nil	Nil	Nil	Nil	(25.704)
	Total	106453	74.277	Nil	8516240	74.277	Nil	NIL

Note: There was a Inter – se transfer of shares among the promoters of the company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change) – NOT APPLICABLE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares of the company	% of total shares
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):				
	At the End of the year				

Note: There is no change in the shareholding of the Promoters.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares
1.	AMREX MARKETING PVT LTD	193760	1.69	193760	1.69
2.	TECHNO-MANAGEMENT AND COMPUTER SERVICES	84000	0.733	84000	0.733
3.	ASHA YASHWANT GOKHALE	84000	0.7333	84000	0.7333
4.	MARUTI BUSINESS SERVICES LTD	20700	0.663	76000	0.663

SALEM ERODE INVESTMENTS LIMITED

5)	SUSHILA DATTATRAYA SHRIKHANDE	20,400	4.08	76000	0.663
6)	SHEKHAR L KULKARNI	20300	4.06	62400	0.544
7)	STATE BANK OF INDIA	20200	4.04	60000	0.523
8)	P P ZIBI JOSE	20000	4	56000	0.488
9)	K. RANGANAYAKAMMA	20000	4	55520	0.484
10)	V. LAKSHMI BAI	4900	0.98	53360	0.465

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during theyear specifying the reasonsfor increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	NIL			
	At the End of the year				

V. INDEBTEDNESS :Indebtedness of the Company including interest outstanding/accrued but not due for payment is NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Name of the Managing Director Mr. Sunil Kumar Kanoria	
1	Gross salary	1,39,590	1,39,590
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission- as % of profit-others, specify..	Nil	Nil

SALEM ERODE INVESTMENTS LIMITED

5	Others, please specify	Nil	Nil
	Total (A)	1,39,590	1,39,590
	Ceiling as per the Act	5% of the net profit of the Company	

B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount	
		Prashant Gupta	V. N Purohit		
1	Independent Directors Fee for attending board / committee meetings	4,000		4,500	8,500
	Commission	Nil		Nil	Nil
	Others, please specify	Nil		Nil	Nil
	Total (1)			8,500	
2	Other Non-Executive Directors	Prerna Goenka	Chaitanya Kanoria	Ravi Kumar Shah	
	Fee for attending board / committee meetings	4,500	500	4,500	9,500
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	9,500
	Total (B)=(1+2)	Nil	Nil	Nil	18,000
	Total Managerial Remuneration				1.57,590
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel Company Secretary	Total Amount
1	Gross salary	Ms. Annu Jain 10000	10000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s17 (2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (C)	10000	10000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

