
**SALEM ERODE
INVESTMENTS LIMITED**

2012



**REPORT
&
ACCOUNTS**

Salem Erode Investments Limited

Registration no : L 31200 WB 1931 PLC 007116
Registered on 16th May, 1931

Authorised	CAPITAL	Subscribed
Rs. 79,00,000	In equity shares of Rs 10/-	Rs. 14,33,265
Rs. 4,00,000	In 6 1/2% Cumulative Redeemable Preference shares of Rs 10/- each	Nil
Rs. 2,00,000	In 11% Cumulative Redeemable Preference shares of Rs 10/- each	Nil
<u>Rs. 85,00,000</u>		<u>Rs. 14,33,265</u>

Directors

V. N. PUROHIT
RAVISHAH
PRERANA GOENKA
ASHOK KUMAR DEB

Auditors

D.K. CHHAJER & CO.

Bankers

HDFC BANK LTD.
UNITED BANK OF INDIA

Registrar & Transfer Agents

NICHE TECHNOLOGIES PVT. LTD.
D-511, Bagri Market, Kolkata - 700001
Phone : 033-2235 7270/71
Email : nichetechpl@nichetechpl.com

Registered Office

14, MOTILAL NEHRU ROAD
KOLKATA - 700 029
Phone : 4003 2108
Email : tara.investments@rediffmail.com



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NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of SALEM ERODE INVESTMENTS LIMITED, will be held at the Registered Office of the Company at 14, Motilal Nehru Road, Kolkata 700 029 on Friday, the 31st day of August, 2012 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the reports of the Directors' and Auditors thereon.
- 2 To declare a dividend on Equity Shares of the Company.
- 3 To appoint a director in place of Mr V N Purohit, who retire by rotation and being eligible offers himself for reappointment.
- 4 To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as ordinary resolution :

"RESOLVED THAT pursuant to applicable provision of Companies Act, 1956 and subject to other provisions of this act, if any, M/s D.K Chhajer & Co be and is hereby proposed to be re-appointed, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at the remuneration to be fixed by the Board of Directors"

Registered Office :
14, Motilal Nehru Road,
Kolkata 700 029
Date : 16th July, 2012.

By order of the Board
For Salem Erode Investments Ltd.

Prerana Goenka (Mrs)
Director

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF WHEREAS THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE MEETING.
- 2) The Register of the Members of the Company will be closed from 24th August, 2012 to 31st August, 2012 (both days inclusive.)
- 3) The dividend, as recommended by the Board, if passed at the meeting, will be paid on or after 15th September, 2012.
- 4) Members are hereby informed that Dividends which remain unclaimed / unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Secs. 205(A) & 205(C) of the Companies Act, 1956.



DIRECTORS' REPORT

The Directors of your company are pleased to present their Annual Report and Audited accounts for the year ended 31st March, 2012 :

Financial Results :

The financial position of the company for the year ended 31st March, 2012 is summarised below ;

	Rupees in hundred
Profit / (Loss) before Taxation	29,311
Provision for Taxation	
Current Tax	(9,000)
Deferred Tax	(235)
Income Tax of earlier years	(180)
Profit / (Loss) after Taxation	19,896
Out of this, appropriations are :	
Transfer to General Reserve	(1,780)
Transfer to Statutory Reserve	(3,560)
Contingent Provisions against Standard Assets	30
Proposed Dividend	(3,959)
Corporate Tax on Dividend	(642)
Balance brought forward	217,203
Balance Carried forward to the Balance Sheet	<u>227,188</u>

DIVIDEND:

Your Directors recommend a dividend of Rs.3/- per equity share of Rs 10/- each to the shareholders of the Company whose names appears on the register of members as on the date of book closure.

DIRECTORATE:

Mr V N Purohit retire by rotation under Article 101 of the Company's Articles of Association and has offered himself for re-appointment at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TEHCNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

There has been no foreign exchange earnings and outgo. The other provisions of Section 217(i)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) in the Report of Board of Directors Rules, 1988 are not applicable to the Company.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company was in receipt of remuneration aggregating to Rs.2,00,000/- per month or more and hence the particulars under Section 217(2A) of the Companies (Particulars of Employees) Rules, 1988 have not been given.



DIRECTORS' REPORT (Contd.)

AUDITORS:

M/s. D K Chhajer & Co., Chartered Accountants, retires from office and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

DEMATERIALISATION OF SHARES:

Your Company has entered into an arrangement with Central Depository Services (India) Ltd. (CDSL) for dematerialisation of Company's Shares in accordance with the provisions of Depositories Act 1996, which is now fully operational and the ISIN no is **INE 894E01010**.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors hereby confirm and declare that :

- 1) in preparation of Annual Accounts for the year ended 31st March, 2012 the applicable accounting standards has been followed.
- 2) they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of financial year i.e., 31st March, 2012 and of the profit of the Company for that period.
- 3) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities
- 4) they had prepared the accounts for the year ended 31st March, 2012 as going concern basis.

COMPLIANCE CERTIFICATE:

Pursuant to section 383A of the Companies Act, 1956, a certificate from M/s. H.M. Choraria & Company, Company Secretary in whole time practice, as to whether the Company has complied with all the applicable provisions of the Companies Act, 1956 and the amendments, modifications, enactments, circulations, notices there has been attached.

Registered Office :
14, Motilal Nehru Road,
Kolkata 700 029
Date : 16th July, 2012.

For and on behalf of the Board of Directors.

PRERANAGOENKA
Director



COMPLIANCE CERTIFICATE**H M CHORARIA & CO**

Practising Company Secretaries,
14/2, Old China Bazar Street,
Kolkata 700 001.

Registration No of the Company 21— L 31200 WB 1931 PLC 007116
Nominal Capital - Rs 40,00,000/-

The Members
Salem Erode Investments Ltd.
14, Motilal Nehru Road,
Kolkata 700 029.

We have examined the registers, records, books and papers of Salem Erode Investments Ltd as required to be maintained under the Companies Act, 1956, and rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended as on 31st March, 2012 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company being a limited company has more than the minimum prescribed paid-up capital of Rs. 5 Lacs.
4. The Board of Directors duly met five times respectively on 29th April 2011, 15th July 2011, 29th July 2011, 28th Oct. 2011 and 30th January 2012 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 5th August, 2011 to 26th August, 2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 26th August, 2011 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has entered into contracts falling within the purview of section 297 of the Act and complied with section 297 & 301 of the Companies Act, 1956.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the preview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (a) delivered all the certificates on lodgement for transfer / transmission thereof or any other purpose in accordance with the provisions of the act.
 - (b) deposited on 26.08.2011 with HDFC Bank Dividend amount in a separate Bank Account against dividend declared during the financial year.
 - (c) posted on 12.09.2011 dividend warrants to all members of the company against dividend declared during the financial year, the amount of unpaid and unclaimed dividend are lying in the above account.

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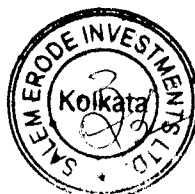
SALEMERODE INVESTMENTS LIMITED

- (d) no amount lying in Un-paid Dividend Account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to "Investor's Education & Protection Fund"
- (e) duly complied with the requirements of section 217 of the Act, whoever directors report was signed by a Director.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year - except an order has been passed by the Hon'ble High Court at Kolkata on 16.05.2011, in the matter of amalgamation of the company.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year and form No. 2 has been filed.
20. The company has not bought back any shares, debentures or other securities during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The borrowings of the company as at the end of the year is within the borrowing limits of the company.
25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. We have been informed by the management that there was / were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The company has not deducted any contribution towards Provident Fund during the financial year.

Place: Kolkata
Date: 16th July, 2012

For H.M. CHORARIA & CO.
Practising Company Secretaries
(H.M. Choraria)
Proprietor
C.P.N. 1499

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ANNEXURE - A**Registers as maintained by the Company****Statutory Registers**

- 1 Register of Members u/s 150
- 2 Minutes Book of Meetings.
- 3 Register of Directors, Managing Directors, Manager and Secretary u/s 303
- 4 Register of Returns u/s 163
- 5 Books of Accounts u/s 209
- 6 Register of Directors' Shareholdings u/s 307
- 7 Register of Investments or Loans u/s 372A
- 8 Register of contracts in which directors are interested - u/s 301

Other Registers

- 1 Register of Directors' attendance
- 2 Register of Shareholders' attendance
- 3 Register of Transfers

ANNEXURE - B

Forms and Returns as filed by Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2012.

Sl. No.	Form No. / Return	Filed u/s	For	Date of Filing & whether filed within prescribed time Yes / No.		If delay in filing whether requisite additional fees paid Yes / No
1	Balance Sheet	220	31.03.2011	24.09.2011	Yes	No
2	Compliance Certificate	383A	15.07.2011	23.09.2011	Yes	No
3	Annual Return	161	26.08.2011	20.10.2011	Yes	No
4	Form no 32			25/27.09.2011	Yes	No
5	Form no 23			25.09.2011	Yes	No
6	Form no 2			04.01.2012	Yes	Yes
7	Form no 21			05.07.2011	Yes	No
8	Form no 1 INV			07.12.2011	Yes	No

For **H.M. CHORARIA & CO.**
Practising Company Secretaries
(H.M. Choraria)
Proprietor
C.P.N. 1499

Place: Kolkata
Date: 16th July, 2012

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AUDITOR'S REPORT

TO THE MEMBERS OF
SALEM ERODE INVESTMENTS LTD

1. We have audited the attached Balance Sheet of Salem Erode Investments Ltd, as at 31st March 2012, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to the above we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) Proper books of accounts as required by law have been kept by the company, so far as appears from our examination of such books of accounts;
 - (iii) 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;
 - (iv) In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the information available with the Company and written representations received from the directors and taken on record by the Board of Directors we report that none of the directors are disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012, and
 - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended as on that date.

For DK CHHAJER & Co
Chartered Accountants
(FRN 304138E)
(Niraj K. Jhunjhunwala)
Partner
Mem.No.F057170

Kolkata
Dated : 16th July, 2012



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situations of its fixed assets.
- (b) The fixed assets are physically verified by the management at the end of the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed no discrepancies were noticed on such verification.
- (c) The Company has not disposed off any part of fixed assets during the year, which could effect the going concern status of the company.
2. (a) The stock of securities in physical mode has been physically verified during the year. Securities in Dematerialization form have been confirmed by the statement received from the Depository.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no discrepancies were noticed on physical verification.
3. (a) The Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 53,28,269/- and the year-end balance of loans taken from such party was Nil
- (b) In our opinion, rates of interest and other terms and conditions of unsecured loan taken from company listed in the register maintained under Section 301 of the Companies Act, 1956 are prima-facie not prejudicial to the interest of the Company.
- (c) The company had regularly repaid the principal amount and interest.
- (d) The Company has granted unsecured loans to company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,07,768,00/- and the year-end balance of loans taken from such party was 2,07,789,00.
- (e) In our opinion, rates of interest and other terms and conditions of unsecured loan taken from company listed in the register maintained under Section 301 of the Companies Act, 1956 are prima-facie not prejudicial to the interest of the Company.
- (f) The company had regularly repaid the principal amount and interest.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of business for the purchase and sales of shares and debentures and other securities.

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ANNEXURE TO THE AUDITOR'S REPORT (Contd.)

5. (a) In our opinion and according to the information and explanations given to us, the transaction that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 have been entered.
- (b) In our opinion and as per our information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Company has not carried out any manufacturing or trading operations during the year for which maintenance of cost records has been prescribed by the Central Government u/s 209(1) (d) of the Companies Act, 1956. Accordingly, provisions of Para(viii) of Companies (Auditor's Report), 2003 are not applicable to the company.
9. (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues, including income tax, service tax, wealth tax, cess & any other Statutory dues, applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, cess, were in arrears as on 31.03.12 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, cess that have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses nor has it incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. The Company has not borrowed money from banks. There are no debenture holders at any time during the year. Accordingly provisions of Para (xi) of the Companies (Auditors Report) Order 2003 are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities



ANNEXURE TO THE AUDITOR'S REPORT (Contd.)

13. In our opinion, the company is not a Chit fund or a Nidhi / Mutual benefit fund / Society. Therefore, the provisions of clauses (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
14. In respect of the investments made by the Company in Shares, other securities etc. proper records have been maintained. These investments are held in the name of the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly the provisions of clause 4(xv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
16. According to the informations and explanation given to us, the company has not availed any term loans during the year.
17. On the basis of information received from the management and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company had not issued any debentures during the period covered by our audit report. Accordingly the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company
20. The Company has not raised any money by public issues during the year. Accordingly the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company
21. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India for the purpose of reporting the true and fair view of financial statements, we have neither come across any incidence of fraud on or by the company nor have we been informed of any such case by the management.

Kolkata
Dated : 16th July, 2012

For DK CHHAJER & Co
Chartered Accountants
(FRN 304138E)
(Niraj K. Jhunjhunwala)
Partner
Mem.No.F057170

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BALANCE SHEET AS AT 31ST MARCH, 2012

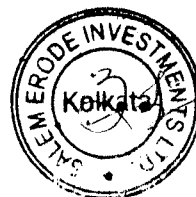
Particulars	Note Nos.	As at 31st 31st March 2012 Rs. In Hundreds	As at 31st 31st March 2011 Rs. In Hundreds
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	14,333	14,333
(b) Reserves and Surplus	4	500,465	485,139
(2) Current Liabilities			
(a) Trade Payables	5	1,450	—
(b) Other Current Liabilities	6	6,728	16,250
(c) Short-Term Provisions	7	43,426	36,970
TOTAL		566,402	552,692
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets — Tangible Assets	8	2,680	3,353
(b) Non-Current Investments	9	35,808	40,559
(c) Deferred Tax Assets (Net)	10	5,759	5,994
(d) Long-Term Loans and Advances	11	381,166	381,200
(2) Current Assets			
(a) Current Investments	12	74,878	70,758
(b) Inventories	13	646	646
(c) Trade Receivables	14	—	11,134
(d) Cash and Cash Equivalents	15	65,465	38,557
(e) Other Current Assets	16	—	491
TOTAL		566,402	552,692

See accompanying notes to the financial statements

As per our report of even date attached
 For D K CHHAJER & CO.
 Chartered Accountants
 (FRN 304138E)
 (NIRAJ K. JHUNJHUNWALA)
 Partner
 Membership no : F057170
 Place : Kolkata
 Dated: 16th July, 2012

For & on behalf of the Board of Directors

PRERNA GOENKA (Mrs)
 ASHOK KUMAR DEB } Directors



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note Nos.	Year Ended	Year Ended
		31st March 2012	31st March 2011
		Rs. In Hundreds	Rs. In Hundreds
Revenue from Operations	17	895	529
Other Incomes	18	55,746	43,481
Increase/(Decrease) in stock		--	(58)
Total Revenue		<u>56,641</u>	<u>43,951</u>
Administrative & Selling Expenses			
Employee Benefit Expenses	19	4,302	2,943
Other Administrative and Selling Exp	20	20,816	10,655
Finance Costs	21	1,361	1,060
Depreciation and Amortization Expense	8	851	1,194
Total Expenses		<u>27,330</u>	<u>15,852</u>
Profit before Exceptional and Extraordinary Items and Tax		<u>29,311</u>	<u>28,099</u>
Exceptional Items		--	--
Profit before Extraordinary Items and Tax		29,311	28,099
Extra Ordinary Items		--	--
Profit before Tax		29,311	28,099
Tax Expense:	22		
(1) Current tax		(9,000)	(15,000)
(2) Deferred Tax		(235)	(4,859)
(3) Income Tax of earlier year		(180)	(19,859)
Profit/ (Loss) for the period from Continuing Operations		<u>19,896</u>	<u>8,240</u>
Profit/Loss for the period		19,896	8,240
Earnings Per Equity Share			
(i) Basic and diluted	23	13.88	5.75

See accompanying notes to the financial statements

As per our report of even date attached

For D K CHHAJER & CO.
Chartered Accountants
(FRN 304138E)
(NIRAJ K. JHUNJHUNWALA)
Partner
Membership no : F057170
Place : Kolkata
Dated: 16th July, 2012

For & on behalf of the Board of Directors

PRERNA GOENKA (Mrs)
ASHOK KUMAR DEB } Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	As at 31st	As at 31st
	31st March 2012	31st March 2011
	Rs. In Hundreds	Rs. In Hundreds
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra-ordinary items	29,311	28,099
<i>Adjustments for :-</i>		
Income from Dividend	(4,012)	(3,635)
Interest on loan received	(41,828)	(35,273)
Profit on sale of Investments	(9,584)	(3,898)
Interest on loan Paid	1,361	1,060
Depreciation	851	1,194
Liabilities no longer required written back	(101)	(27)
Provision for Doubtful Debts	4,000	—
Provision for diminution in the value of Investments	8,112	3,738
Operating profit before working capital changes	(11,889)	(8,742)
<i>Adjustments for :-</i>		
Trade Receivables	11,134	(10,884)
Other receivables	(150)	(150)
Inventories	—	58
Trade payables	(7,978)	8,946
Cash Generated from operations	(8,883)	(10,772)
Direct taxes paid (Net)	(10,742)	(9,898)
Net cash from Operating activities	(19,625)	(20,669)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(43,963)	(35,760)
Purchase of fixed assets	(248)	—
Sale / Redemption of Investments	54,181	44,588
Sale of Fixed Asset	44	—
Income from Dividend	4,012	3,635
Interest on Loans	42,319	59,095
Net cash from Investing activities	56,345	71,558
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan (given)/Received (Net)	(3,819)	(25,000)
Dividends Paid	(3,959)	(3,959)
Corporate Dividend Tax paid	(673)	(673)
Interest on Loan Paid	(1,361)	(1,060)
Net Cash used in Financing activities	(9,812)	(30,692)
Net (decrease) / increase in cash and cash equivalents	26,908	20,197
Cash and cash equivalent Opening balance	38,557	18,360
Cash and cash equivalent Closing balance	65,465	38,557

As per our report of even date.

For D K CHHAJER & CO.
Chartered Accountants
(FRN 304138E)
(NIRAJ K. JHUNJHUNWALA)
Partner
Membership no : F057170
Place : Kolkata
Dated: 16th July, 2012

For & on behalf of the Board of Directors

PRERNA GOENKA (Mrs)
ASHOK KUMAR DEB } Directors

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SIGNIFICANT ACCOUNTING POLICIES**NOTE 1:****General Information**

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 is listed at Madras Stock Exchange.

NOTE 2:**Summary of significant accounting policies****2.1 Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis to comply in all material aspects with the accounting standards notified under Section 211(3C) and the other relevant provisions of the Companies Act, 1956. [Companies (Accounting Standards) Rules, 2006, as amended] and Non-Banking Financial Companies (Reserve Bank) Directions, 1988 issued by the Reserve Bank of India. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The previous year figures have been regrouped and rearranged wherever necessary.

2.2 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.

The depreciation is provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956 as amended.

2.3 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. Assets 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.

2.4 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for investment as a whole.



2.5 Inventories

Inventories of the company comprise of shares and securities. They are stated at lower of cost and net realisable value. Cost is determined using first-in, first-out (FIFO) method. Net realisable value is the closing market price of the shares as on 31st March of every financial year.

2.6 Revenue Recognition

Sale of Shares: The sale is recognised as on the date of contract note. 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 rate applicable.

Dividend : Dividend income is recognised when the right to receive dividend is established.

2.7 Current tax, deferred tax and MAT Credit :

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward 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 realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and th

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.

2.8 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.

2.9 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.10 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.



SALEMERODE INVESTMENTS LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2012 Rs. In Hundreds	As at 31st March 2011 Rs. In Hundreds
NOTE # 3		
a) Share Capital		
Authorised Capital		
7,90,000 (P.Y 7,90,000) Equity Shares of Rs. 10/- each	79,000	79,000
40,000 (P.Y 40,000) 6.5% Cumulative Redeemable Preference of Rs. 10/- each	4,000	4,000
20,000 (P.Y. 2000) 11% Cumulative Redeemable Preference Shares of Rs. 10/- each	2,000	2,000
	<u>85,000</u>	<u>85,000</u>
Issued,		
1,31,955 (P.Y 1,31,955) Equity Shares of Rs. 10/- each fully paid up	13,196	13,196
Subscribed and Paid up		
1,31,955 (P.Y 1,31,955) Equity Shares of Rs. 10/- each fully paid up	13,196	13,196
Add: Forfeited Shares	1	1
Add: Share Capital Suspense	1,136	1,136
	<u>14,333</u>	<u>14,333</u>

Note : Of the above 43,985 Shares allotted as fully paid-up Bonus Shares by way of capitalisation of General Reserve.

(b) Reconciliation of number of shares Equity Shares:	As at 31st March, 2012		As at 31st March, 2011	
	No of shares in Hundreds	Amount in Hundreds	No of shares in Hundreds	Amount in Hundreds
Balance as at the beginning	1,433	14,330	1,433	14,330
Add : Shares issued	---	---	---	---
Add: Bonus shares issued	---	---	---	---
Less: Shares Bought Back	---	---	---	---
Balance as at the end of the year	<u>1,433</u>	<u>14,330</u>	<u>1,433</u>	<u>14,330</u>

(c) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends, if any in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares:	As at 31st March, 2012	As at 31st March, 2011
Tinnevely Tuticorin Investments Ltd.	255 {19.31%}	255 {19.31%}
Tara Investments Ltd	262 {19.87%}	262 {19.87%}
Mrs Padma Kanoria	324 {24.55%}	324 {24.55%}
Mrs Kusum Kanoria	110 {8.34%}	110 {8.34%}



NOTES FORMING PART OF FINANCIAL STATEMENTS

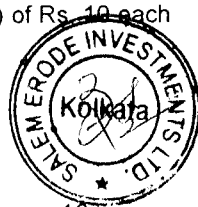
Particulars	As at 31st March 2012 Rs. In Hundreds	As at 31st March 2011 Rs. In Hundreds
NOTE # 4		
Reserves and Surplus		
(a) Capital Reserve		
As per last Balance Sheet	23,198	23,198
Addition during the year	—	—
	A	23,198
(b) Capital Redemption Reserve		
As per last Balance Sheet	4,300	4,300
Addition during the year	—	—
	B	4,300
(c) General Reserve		
As per last Balance Sheet	167,239	164,301
Addition during the year	1,780	800
Transfer on Amalgamation	—	2,138
	C	169,019
(c) Statutory Reserve Fund -		
As per last Balance Sheet	73,200	71,600
Addition during the year	3,560	1,600
	D	76,760
(d) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	217,203	149,022
Addition during the year	19,896	8,240
Transfer on Amalgamation	—	67,922
Less: Appropriations		
Transfer to General Reserve	(1,780)	(800)
Transfer to Statutory Reserve	(3,560)	(1,600)
Contingent Provisions against Standard Assets	30	(950)
Proposed Dividend	(3,959)	(3,959)
Dividend Tax	(642)	(673)
	E	227,188
Total	(A+B+C+D+E)	485,139
NOTE # 5		
Trade Payables		
Sundry Creditors	1,450	—
Total	1,450	—
NOTE # 6		
Current Liabilities		
Unpaid Dividends	2,175	2,088
Liabilities for expenses	4,553	14,162
Total	6,728	16,250



NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2012 Rs. In Hundreds	As at 31st March 2011 Rs. In Hundreds
NOTE #7		
Short-Term Provisions		
Proposed Dividend	3,959	3,959
Dividend Tax	642	673
Provisions against Standarded assets	920	950
Provision for Dimunition in value of Investments	34,053	25,931
Provision for Taxation (Net of Advance Tax)	3,853	5,457
Total	43,426	36,970
NOTE #9		
Non-Current Investments		
Trade Investments		
<i>Quoted Investments</i>		
Investment in Associates: 12,387 equity Shares (March 31 2011: 12,387) of Rs. 10 each in The Mozufferpore Electric Supply Co. Ltd.	1,058	1,058
93,681 equity Shares (March 31 2011: 93,681) of Rs. 10 each in The Patna Electric Supply Co Ltd.	10773	10773
21,450 equity Shares (March 31 2011: 28,715) of Rs. 10 each in Tinnevalley Tuticorin Investments Ltd.	2,948	3,947
<i>Unquoted Investments</i>		
Investment in Associates: 1,92,150 equity Shares (March 31 2011: 1,92,150) of Rs. 10 each in MD Network Commodities Pvt Ltd.	19,215	19,215
21,100 equity Shares (March 31 2011: 1,21,100) of Rs. 10 each in Tara Investments Ltd	1,713	5,465
Other Investments		
<i>Unquoted Investments</i>		
1,000 equity Shares (March 31 2011: 1,000) of Rs. 10 each in The Arya Vaidya Pharmacy (Coim) Ltd.	100	100
Total	35,808	40,559

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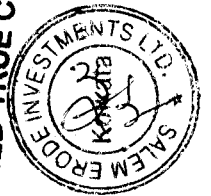


SALEM ERODE INVESTMENTS LIMITED

NOTE NO. 8 FIXED ASSETS
TANGIBLE ASSETS AS ON 31ST MARCH 2012.

Sl. NO.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost As at 01-04-2011 (₹)	Additions during the year (₹)	Sale/ Disposal During the year (₹)	Total As at 31.3.2012 (₹)	Upto 01.04.2011 (₹)	For the Year (₹)	Adjustment (₹)	Upto 31.03.2012 (₹)	Net Carrying Amount as on 31.3.2012 (₹)	Net Carrying Amount as on 31.3.2011 (₹)
1	Computer	452	248	452	248	379	3	—	382	248	73
2	Vehicle	4,565	—	—	4,565	1,285	848	—	2,133	2,432	3,280
	TOTAL	5,017	248	452	4,813	1,664	851	—	2,516	2,680	3,353
	Previous Year	5,017	—	—	5,017	470	1,194	—	1,664	3,353	—

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2012 Rs. In Hundreds	As at 31st March 2011 Rs. In Hundreds
NOTE # 10		
Deferred Tax Assets (Net)		
Depreciation	174	—
Provision on diminution in value of Investments	5,292	2,671
Long Term Capital Loss	293	3,407
Deferred Tax Liability		
Depreciation	—	(83)
Total	<u>5,759</u>	<u>5,994</u>

NOTE # 11**Long-Term Loans and Advances**

Advances to related parties		
The Mozufferpore Electric Supply Co. Ltd.		
Unsecured Considered Good	1,350	1,200
Other Loans & Advances		
Unsecured Considered Good	379,816	380,000
Unsecured Considered Doubtful	20,000	16,000
Less: Provision for Doubtful Debts	(20,000)	(16,000)
Total	<u>381,166</u>	<u>381,200</u>

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Name of the Company	Face Value	Nos.As at 31 March, 2012 Cost. (Rs. In Hundreds)		Nos.As at 31 March, 2011 Cost (Rs. In Hundreds)	
NOTE # 12					
Current Investments					
<i>Investments in Equity Instruments</i>					
Andhra Bank Ltd.	10	1,000	1,374	-	-
ATV Projects Ltd	10	1,000	70	1,000	70
Bank of India	10	700	175	700	175
Bajaj Auto Ltd.	10	-	-	100	1,490
Bongaigoan Ref. Ltd./ Indian Oil Corp	10	3,000	2,358	3,000	2,358
GESCLtd	10	1,000	1,735	1,000	1,735
Coal India Ltd.	10	25	61	25	61
Development Credit Bank Ltd.	10	1,500	766	-	-
Gujrat Heavy Chemicals Ltd.	10	4,000	4,726	4,000	4,726
GIC Housing Finance Ltd.	10	100	1,187	-	-
GT Group Offshore	10	600	5,551	600	5,524
Henkel India Ltd	10	156	35	156	35
HDFC Bank Ltd.	10	600	60	600	60
Hindalco Industries Ltd	10	3,400	1,026	3,400	1,026
Hindustan Lever Ltd	10	1,260	5	1,260	1
Housing Dev. & Finance Corpn. Ltd ***	10	20,000	543	20,000	543
India Bulls Securities Ltd.	10	500	263	500	263
ICICIBank	10	100	913	-	-
IDFCLtd.	10	300	408	-	-
Idea Cellular Ltd.	10	-	-	2,700	2,106
India Cements Ltd.	10	2,000	4,104	2,000	4,104
Ispat India Ltd.	10	2,500	507	-	-
Jai Prakash Associates Ltd.	10	187	159	-	-
JSW Energy Ltd.	10	1,500	1,582	1,000	1,210
KCP Sugars & Indus. Corpn. Ltd.	10	7,000	4,250	7,000	4,250
L & T Ltd	10	100	1,805	-	-
Mahanagar Telephone Nigam Ltd.	10	3,200	3,083	3,200	3,083
Mahindra & Mahindra Ltd.	10	300	2,158	-	-
Nagarjuna Fertilizers & Chemicals Ltd.	10	7,750	3,065	9,750	3,699
Pentamedia Graphics Ltd.	10	1,540	2,698	1,540	2,698
PSMLtd.	10	50	13	50	13
Plethico Pharmeceuticals Ltd.	10	1,000	4,062	1,000	4,062
Power Grid Corporation of India	10	5,000	6,992	5,000	6,992
Ranbaxy Ltd	10	-	-	300	1,493
Reliance Capital Ltd	10	652	6,782	652	6,782
Reliance Media World Ltd	5	1,000	2,121	1,000	2,121
Reliance Industries Ltd	10	350	2,998	150	1,032
Reliance Broadcast Network Ltd	5	1,000	2,121	1,000	2,122
Rolta India Ltd.***	10	-	-	1,000	-
The Shipping Corporation of India	10	1,000	892	-	-
State Bank of India	10	1,021	3,140	921	1,066
Sterlite Industries India Ltd.	10	200	315	200	315
Tata chemicals Ltd	10	200	775	500	1,760
***Tata Motors DVR	10	-	-	100	779
Wockhart Pharma Ltd.	10	-	-	1,000	3,005
Total			74,878		70,758
Market Value of Investments			212,113		232,688
Note : Provision For Diminution in value of shares provided during the year.			34,053		25,931

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Name of the Company	Face	As at 31st March, 2012		As at 31st March, 2011	
	Vale Rs.	Nos.	Book Value (Rs. in Hundreds)	Nos.	Book Value (Rs. in Hundreds)

NOTE # 13

Inventories

QUOTED:

Fully paid-up Equity shares

The Patna Electric Supply Co Ltd	10	1,732	96	1,732	96
Warren Tea Co Ltd	10	180	8	180	8
Gabriel India Ltd	1	-	-	1,000	-
PSM Ltd	10	50	6	50	6
Reliance Infrastructure (Energy) Ltd	10	253	340	253	340
Tata Tea Ltd	10	81	180	81	180
Titaghur industries Ltd	10	400	5	400	5
Eveready Industries Ltd	10	345	6	345	6
Mcleod Tea Co Ltd	10	345	6	345	6
Total			646		646

Particulars	As at 31st March 2012 Rs. In Hundreds	As at 31st March 2011 Rs. In Hundreds
-------------	---	---

NOTE # 14

Trade Receivables

Secured, Considered Good	—	11,134
- Outstanding for a period exceeding six months		
Total	—	11,134

NOTE # 15

Cash and Cash Equivalents

Cash on Hand	167	199
Balance with Banks	65,299	38,358
Total	65,465	38,557

NOTE # 16

Other Current Assets

Interest Receivable	—	491
Total	—	491



NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year ended 31st March 2012 Rs. In Hundreds	Year ended 31st March 2011 Rs. In Hundreds
NOTE # 17		
Revenue From Operations		
Sale of Shares	895	529
Total	895	529
NOTE # 18		
Other Incomes		
Interest Income	41,890	35,273
Dividend Income	4,012	3,635
Net Gain/ (Loss) on sale of Investments	9,584	3,898
Other Non-Operating Income	159	647
Liabilities no longer required written back	101	27
Total	55,746	43,480
NOTE # 19		
Employee Benefit Expenses		
Salaries and Wages	4,302	2,943
Total	4,302	2,943
NOTE # 20		
Administrative Expenses		
Advertisement	124	111
Amalgamation Exp.	264	492
Auditors' Remuneration :		
Audit fees	112	90
Other capacity	277	212
Bank Charges	38	81
Computer Expenses	22	—
Directors fees	64	55
Depository Charges	21	—
Donation	2,500	500
General Charges	102	117
Insurance	72	80
Motor Car Running Exp	670	526
Postage & Telephone	276	168
Professional & Legal Expenses	2,895	3,112
Provision For Bad & Doubtful Debts	4,000	—
Rent, Rates & Taxes	691	700
Roc Filling Fees	30	55
Secretarial Audit Fees	79	71
Share Registrar Fees	164	232
Stationary & Printing	117	103
Subscription	136	136
Conveyance	51	69
Provision for Dimiunition in value of investments	8,112	3,738
Total	20,816	10,655

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year ended 31st March 2012 Rs. In Hundreds	Year ended 31st March 2011 Rs. In Hundreds
NOTE # 21		
Finance Costs		
Interest Expense	1,361	1,060
Total	1,361	1,060

NOTE # 22**Tax Expenses**

Current tax	9,000	15,000
Deferred Tax	235	4,859
Income Tax of earlier year	180	—
Total	9,415	19,859

NOTE # 23**Calculation of EPS**

Particulars	2011-2012	2010-11
a. Profit after taxes (in hundreds)	19,896	8,240
b. Weighted average number of shares (in hundreds)	1,433	1,433
c. Face value	0.10	0.10
d. Basic and diluted earning per share (a / b)	13.88	5.75

Note # 24**Segment Reporting**

There are no reportable segment as per AS-17.

Note # 25**Contingent Liabilities**

There are no contingent liabilities as on the date of Balance Sheet

Note # 26**Amount Due to Small Scale Undertakings**

There are no amount outstandings to Small Scale Undertakings as on the date of Balance Sheet

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NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE # 27

(a) List of Related Party
Nature

Associate Companies:-

Name

M D Networks Commodities Pvt Ltd.
Tinnevelly Tuticorin Investments Ltd
Tara Investments Ltd.
The Patna Electricity Supply Co. Ltd.
The Muzaffarpore Electricity Supply Co. Ltd.

Key Management Personnel

Ashok Kr. Deb
Ravi Shah
V.N. Purohit
Prerana Goenka

(b) Transaction with Related Party

Transactions during the year	2011-2012 Amount Involved Rs. In Hundreds	2010-2011 Amount Involved Rs. In Hundreds
Loan Taken from: M.D. Networks Commodities Pvt. Ltd	53,283	—
Loan given to: Tara Investments Ltd.	137,789	—
Loan Repaid: M.D. Networks Commodities Pvt. Ltd	53,283	—
Advance given: The Mozufferpore Electric Supply Co. Ltd.	1,350	1,200
Investment sold: Tara Investments Ltd	3,752	—
Tinnevelly Tuticorin Investments Ltd	998	—
Balance Outstanding		
Investments:		
The Mozufferpore Electric Supply Co. Ltd.	1,058	1,058
Patna Electricity Supply Ltd	10,773	10,773
Tinnevelly Tuticorin Investments Ltd	2,948	3,947
MD Network Commodities Pvt Ltd.	19,215	19,215
Tara Investments Ltd	1,713	5,465
Loan Given to: Tara Investments Ltd.	207,789	70,000

As per our report of even date.

For DK CHHAJER & CO.
Chartered Accountants
(FRN 304138E)
(NIRAJ K. JHUNJHUNWALA)
Partner
Membership no : F057170
Place : Kolkata
Dated: 16th July, 2012

For & on behalf of Board of Directors

PRERNA GOENKA (Mrs)
ASHOK KUMAR DEB } Directors

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SALEM ERODE INVESTMENTS LIMITED

PROXY
SALEM ERODE INVESTMENTS LIMITED

I/We.....
of..... in the
district of..... being a member/members of
the above mentioned Company hereby appoint.....
of..... in the District of.....
or failing him..... of.....
in the district of..... as my / our proxy
to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on the 31st August,
2012 and at any adjournment thereof.

Signed this..... day of..... 2012.

Signed by the said.....

Revenue
Stamp

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NOTE: The proxy **must be** deposited at the Registered Office of the Company at 14, Motilal Nehru Road, Kolkata - 700 029 not less than 48 hours before the time of holding the meeting.