

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Salzer Electronics Limited will be held on Saturday, the 09th Day of September 2017 at 11.30 AM at The Hotel Sree Annapoorna, East Arokiasamy Road, R.S. Puram, Coimbatore - 641 002 to transact the following businesses:-

Ordinary Business:

1. To consider and adopt the audited Financial statements of the Company for the Financial year ended March 31, 2017, comprising of balance sheet as at March 31,2017, statement of profit and loss for the year ending on that date, Cash Flow statement as on that date and the reports of the Board of Directors along with annexures and Auditors thereon;
2. To declare a dividend on Equity Shares for the financial year 2016-17.
3. To appoint a Director in the place of Mr. Rajeshkumar Doraiswamy (DIN: 00003126), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint a Director in the place of Mr.Sankaran Baskarasubramanian (DIN: 00003152), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
5. To ratify the appointment of statutory auditors for the financial year 2017-18

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at their 29th Annual General Meeting appointing M/s.Swamy & Ravi, Chartered Accountants (FRN:004317S) as Statutory Auditors of the Company to hold office for a term of five years from 2014-15, subject to ratification by the shareholders on annual basis during the tenure of the office, the Company do hereby ratify and confirm the appointment of M/s.Swamy & Ravi, Chartered Accountants, as Statutory Auditors of the Company for the financial year ending 31st March, 2018 at such remuneration plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

Special Business:

6. To appoint Dr. OTTO EGGIMANN (DIN: 07791113) as an Independent Director and in this regard to consider and

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

“RESOLVED THAT that pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Dr. Otto Eggimann (DIN: 07791113) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective May 25,2017 and who holds office till the date of 32nd Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Otto Eggimann (DIN: 07791113) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of three years effective May 25,2017 to May 24,2020 and the term shall not be subject to retirement by rotation.”

7. To approve the increase in Managerial remuneration payable to Mr. PERUMAL REDDIAR RAMACHANDRAN (DIN: 01043572), whole Time Director (Marketing) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as the Special Resolutions

“RESOLVED THAT subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, upon such regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in terms of Company's Policy for Nomination and Remuneration Committee, as a partial modifications to the special resolutions passed by the Shareholders at their 28th Annual General Meeting held on August 10, 2013 on the re-appointment of Mr. Perumal Reddiar Ramachandran (DIN:01043572) for a term of five years with such conditions, based on the recommendation of Nomination and Remuneration Committee and consequential

resolutions passed by the Board of Directors at their Meeting held on May 25,2017 approving such increase in accordance with their authority, the Company do hereby ratify and confirm the increase in the Managerial remuneration payable to Mr. Perumal Reddiar Ramachandran (DIN 01043572) from ₹30,000 per month to ₹1,00,000 per month effective June 01,2017 till his remaining term gets expired."

"RESOLVED FURTHER THAT except aforesaid enhancement of remuneration, all other conditions as stipulated in the special resolutions passed by the shareholders at their 28th Annual General Meeting held on August 10,2013 on the re-appointment of Mr.Perumal Reddiar Ramachandran (DIN:01043572) shall hold good as such and be in existence till his remaining term of office."

8. **To approve the Material Related Party Transactions and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as the Special Resolution.**

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modification(s) or enactment thereof for the time being in force), in accordance with Salzer's Policy on Related Party Transactions and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Material Related Party Transactions to be entered with related Parties for Financial Year 2017-18 of a value of ₹250.00 Crores in aggregate as per details as set out under item no 8. of the Statement annexed

to this Notice and that the Board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

9. **To ratify the remuneration payable to CMA A.R. Ramasubramania Raja (M.No. 32458) appointed as Cost Auditor of the Company for FY 2017-18 and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, CMA A.R. Ramasubramania Raja (M.No. 32458), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2017-18, be paid a remuneration of ₹75,000 plus applicable service tax and out-of-pocket expenses on actual basis."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For Salzer Electronics Limited

S Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary

Date: May 25, 2017

Place: Coimbatore

DIN 00003152

FCS 4605

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 6 to 9 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item Nos. 3, 4 and 6 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM. Proxy Form given in the page No. 109.
3. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not

- act as a proxy for any other person or shareholder.
4. The Register of Members and Share Transfer Books of the Company will be closed on Saturday, September 02, 2017 to Saturday, September 09, 2017, in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
 5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith in page No. 111, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
 6. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within the stipulated time to those Members whose names stand registered on the Company's Register of Members:
 - a) For members (beneficial owners) holding shares in demat form, whose name appear in the list provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closure of business hours on 01.09.2017.
 - b) For Members holding shares in physical form whose names appear in the Register of Members of the Company as at September 09, 2017 after giving effect to valid share transfers lodged with the Company, on or before September 01, 2017.
 7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. GNSA Infotech Limited (GNSA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to GNSA.
 8. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to GNSA.
 9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or GNSA for assistance in this regard.
 10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or GNSA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
 12. Members seeking any information with regard to the Financial Statements are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
 13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.salzergroup.net (under 'Investors' section). Members holding shares in physical form may submit the same to GNSA. Members holding shares in electronic form may submit the same to their respective depository participant.
 14. Those Members who have so far not encashed their dividend warrants for the Financial year 2009-10, may approach GNSA/ Company, for making their claim without any further delay as the said unpaid dividends will get transferred to the Investor Education and Protection Fund of the Central Government before November 2017 pursuant to the provisions of Companies Act 2013. Further Ministry of Corporate Affairs has notified on September 05, 2016 operation of Section 124(6) of the Companies Act 2013 and Related Rules "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective September 07, 2016 which, inter alia, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account,.
 15. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF

- Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.
16. The unclaimed/unpaid Dividend, declared during December 2009, for the Financial year 2008-09 has since been transferred to Investor Education and Protection Fund during the year under review.
 17. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. www.salzergroup.net.
 18. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / GNSA.
 19. The route map showing directions to reach the venue of the thirty -second AGM is annexed. Refer page No. 111.
 20. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
 21. The Board of Directors has appointed Mr. G Vasudevan, Practicing Company Secretary as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
22. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
 23. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 24. The voting period begins on Monday, September 04, 2017 (9.00 a.m.) and ends on Friday, September 08, 2017 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 01, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
25. **THE INSTRUCTIONS FOR E-VOTING ARE AS UNDER:**
- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for SALZER ELECTRONICS LIMITED on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cDSLindia.com.

26. For members who wish to vote using ballot form:

For the benefit of Members who do not have access to e-voting facility, a Ballot Form is being sent along with the Notice of the AGM. Ballot form in form No. MGT - 12 is available in page no.107. The members may submit the same in a sealed envelope to the Scrutinizer, Mr.G.Vasudevan,, Practicing Company Secretary, C/o. Salzer Electronics Limited, Samichettipalayam, Coimbatore – 641 047, so as to reach by 5.00 p.m., on September 08,2017. Detailed instructions on voting through post are given on the reverse of the Ballot Form

The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

27. Other Instructions

- i. The Scrutinizer-Mr.G.Vasudevan, Practicing Company Secretary- shall, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report on the votes cast in favour or against the resolutions, and forthwith submit such report to the Chairman of the Company.
- ii. The Voting Results shall be declared within 48 hours after

- conclusion of AGM. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.salzergroup.com and on the website of CSDL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- iii. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
 - iv. A Member can opt for only one mode of voting, i.e. either by post or through e-voting. In case of Member(s) who cast their votes by both modes, then voting done through a valid e-voting shall prevail and Postal Ballot of that Member shall be treated as invalid.
 - v. If any member buys the shares of the company after August 11, 2017 they may either write to the company for call for notice or down load the notice from the website of the company to cast their vote as advised therein.
 - vi. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

By the order of the Board of Directors
S Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary
(DIN:000003152 & FCS :4605)

Date : May 25,2017
Place : Coimbatore

Explanatory Statement

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 9 of the accompanying Notice:

1. Item No.6

The Board of Directors of the Company appointed at their meeting held on May 25,2017, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Otto Eggimann (DIN: 07791113) as an Additional Director of the Company (Independent) with a term of three years from May 25, 2017 to May 24, 2020 subject to confirmation of the shareholders at their ensuing 32nd Annual General Meeting.

The Company has received a notice in writing from a member along-with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Otto Eggimann for the office of Director of the Company.

Dr. Otto Eggimann is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Companies Act, 2013 inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149 of the

Companies Act 2013, an independent director can hold office for a term up to 5 (Five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Dr. Otto Eggimann to the effect that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

In the opinion of Nomination and Remuneration Committee and the Board:-

- Dr. Otto Eggimann possesses appropriate skills, attributes, experience and knowledge, inter alia, in the field of Engineering and Marketing which are more relevant to the Company's growth &
- Dr. Otto Eggimann fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. Dr. Otto Eggimann is independent of the management.

Keeping in view his extensive expertise and knowledge as attributable to the further growth of your Company, your Board has unanimously recommended to the Members on the appointment of Dr. Otto Eggimann as an Independent Director and for which,

requisite resolutions have been placed before them as set out at Item No. 6 for consideration and approval by means of ordinary resolutions.

Copy of the draft letter for appointment Dr. Otto Eggimann as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Dr. Otto Eggimann is not related to any other Director and Key Managerial Personnel of the Company.

Save and except Dr. Otto Eggimann and his relatives, to the extent of their shareholding interest, if any, in the Company, (presently either he or his relatives are not holding any pecuniary interest including shares of the company) none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No.7

Mr. Perumal Reddiar Ramachandran (DIN: 01043572), whole Time Director (Marketing) was reappointed by the Members by passing special resolutions at their 28th Annual General Meeting held on August 10,2013 with a term of five years effective September 26,2013, with following terms

- Salary ₹30,000.00 per month

Perquisites are:-

- **House Rent Allowance** : House Rent Allowance will be considered to be paid, subject to the ceiling stipulated under sec 198, schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, in future.
- **Medical Allowance** : Expenses incurred by him and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
- **Leave Travel concession** : As per Company Rules from time to time.
- **Personal Accident Insurance** : Premium not to exceed ₹1000 per annum
- **Club Fees** : Fees of clubs subject to maximum two clubs. This will not include admission and life membership.
- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Encashment of leave at the end of tenure."

As per your approval, the term of office of Mr. Perumal Reddiar

Ramachandran would get expired on September 25, 2018. Before expiry of his term, the Nomination and Remuneration Committee noted the following facts and made recommendation to the Board to consider the increase in remuneration payable to Mr. Perumal Reddiar Ramachandran.

- His pro-active steps benefitting Unit IV in showing consistence performance in the last two years under his leadership and
- His level of execution of marketing ability in cable and wires business resulting in improved contribution to the total revenue of the Company

Based on such recommendation, your Board, subject to ratification and confirmation of the shareholders at their 32nd Annual General Meeting, approved increase in managerial remuneration payable to Mr. Perumal Reddiar Ramachandran from ₹30,000 per month to ₹1,00,000 per month with effect from June 01,2017 till ending of present term.

With above increase in remuneration payable for Mr. Perumal Reddiar Ramachandran, the total remuneration payable to the managerial personnel is well within the limit prescribed in Sec.197 of the Companies Act 2013 and Rules made thereof for the purpose of overall maximum remuneration payable to all managerial personnel as computed pursuant to the provisions of Sec.198 of the Companies Act, 2013.

Relevant resolutions have been placed before the Members for their consideration, ratification and confirmation as set out in Item No. 7 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Perumal Reddiar Ramachandran and his relatives, are in any way, concerned or interested in the said resolution

Item No.8

The Company also proposed to enter into business transactions in the ordinary course of business with M/s. Salzer Magnet Wires Limited and M/s. Salzer Exports Limited during Financial Year 2017-18 which is estimated at ₹150 Crores and ₹100 Crores respectively which are of value individually also exceeding 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement of the Company.

Both M/s. Salzer Magnet Wires Limited and M/s. Salzer Exports Limited are "Related Parties" within the meaning of Section 2 (76) of the Companies Act, 2013.

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the

following proposed transactions with the Salzer Magnet Wire Limited and Salzer Exports Limited to be construed as Material Related Party Transactions as these transactions individually exceeding 10% of the annual turnover of the Company for the period ending March 31,2017:

	Nature of Transactions	Salzer Magnet Wires Limited	Salzer Exports Limited	Total
		₹In Crs	₹In Crs	₹In Crs
1	Sale of Materials	60.00	50.00	110.00
2	Purchase of Materials	60.00	25.00	85.00
3	Sale of Power	5.00	5.00	10.00
4	Labour Charges	25.00	20.00	45.00
	Total	150.00	100.00	250.00

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2016, all material related party transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. Notwithstanding such transactions have been done at arm's length basis and normal course of business.

In the light of above statutory requirement and based on the recommendation of the Audit Committee, your Directors have placed before the Members for the approval on the proposed transactions, being material in nature, with the related parties for financial year 2017-18

The Board recommends the Special Resolution as set out at item No. 8 for the approval of the Shareholders.

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

Item No.9

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on May 24, 2017, the Board considered and approved the appointment of CMA A.R. Ramasubramania Raja (M.No. 32458) as the cost auditor for the FY 2017-18 at a remuneration of ₹75,000 plus applicable service tax and reimbursement of out-of-pocket expenses on actual basis. Thus the Board of Directors recommends the Ordinary Resolution as set out in Item No. 9 of the Notice for the approval of the shareholders.

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

Annexure to Notice – Details of Directors Seeking Appointment/ Re-Appointment at the forthcoming Annual General Meeting (pursuant to regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015)

Name of the Director	Rajeshkumar Doraiswamy	S. Baskarasubramanian	Otto Eggimann
DIN	00003126	M No.4605 & DIN 00003152	07791113
Category	Joint Managing Director & Chief Financial Officer	Director (Corporate Affairs) & Company Secretary	Independent Director
Date of Birth	25/09/1971	15/07/1943	07/02/1956
Date of Appointment on the Board	22/12/2001	01/10/1994	25/05/2017

Name of the Director	Rajeshkumar Doraiswamy	S. Baskarasubramanian	Otto Eggimann
Qualification	B E –Electrical Engineering & MBA (US)	B.Com., FCS	B.Sc. (Dipl. Ing. HTL) in Mechanical Engineering from Winterthur Polytechnic School of Engineering, Switzerland; M.Sc. in Mechanical Engineering from Columbia Pacific University and Ph.D. in Mechanical Engineering from Columbia Pacific University, USA
Brief profile and nature of their expertise in specific functional areas	He is a young and energetic entrepreneur and is managing the Salzer group of companies	He is a qualified Company Secretary and Fellow member of Institute of Company Secretaries (FCS) of India, is having wide experience of more than 50 years in aggregate & of which post qualification experience for 25 years in the field of administration, Company Law matters / Corporate Affairs. He is at present employed in your Company as Director (Corporate Affairs) & Company Secretary.	He is having knowledge in engineering in the field of Textiles, Automobiles and Electrical. Besides he is well conversant with the Global Marketing Network . He handled multiple assignments across the Globe and also held various key positions in Global Corporations. Currently, he is a Vice President Operations and BU Asia and Americas in LEGIC Indentsystems, CH-Wetzikon,
Directorships held in other companies.	1. K.R.Health Care P.Ltd, 2. Sri Ram Arts Centre P Ltd., 3. Salzer Exports Limited, 4. S R V E Industries Ltd , 5. Salzer Securities Holdings Ltd, 6. Salzer Magnet Wires Limited	NIL	NIL
Memberships / Chairmanships of committees across all companies	In Salzer Electronics Ltd 1. Chairman – Risk Management Committee 2. Members – CSR Committee, 3. Member - Employees Compensation Committee 4. Member - Stakeholders Relationship Committee	Secretary to the following Committees 1. CSR Committee 2. Audit Committee 3. Risk Management Committee 4. Shareholders Grievances Committee 5. Employees Compensation Committee 6. Nomination & Remuneration Committee	NIL
Shareholding in the Company	2,39,216 Equity shares – 1.67%	11223 Equity Shares-0.08%	NIL
Inter se relationship, if any	Son of Shri. Rangaswamynaidu Doraiswamy, Managing Director and Husband of Dr. Mrs. RajeshkumarThilagam, Non Executive Director	NIL	NIL