



Salzer Electronics Limited | Annual Report 2014-15

The quality of infrastructure (private and public) is continuously rising. Productivity standards keep evolving. Efficiency parameters keep rising.

The result is that most respected global electrical and industrial utilities, contractors and component brands (panel builders, machine tools, transformers, UPS devices, generator manufacturers and other OEMs) work only with select vendors.

Vendors who can be completely trusted.

Vendors who invest extensively in research.

Vendors whose products strengthen their systems and solutions.

Vendors who provide a first-rate service.

Vendors consistently providing the best value-for-money proposition.

Salzer Electronics is one such trusted vendor.

Now wired for growth.

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Salzer Electronics Limited

Board of Directors

Mr. Rangachary N. – *Chairman*
Mr. Doraiswamy R. – *Managing Director*
Mr. Rajeshkumar D. – *Joint Managing Director & CFO*
Mr. Ramachandran P. – *Director (Marketing)*

Mr. Damodharaswamy R.
Mr. Howard M. Gladstone
Mr. Jayabal N.
Mr. Kantilal V. Vakharia
Mr. Nirmal Kumar M. Chandria
Mr. Ramakrishnan P.
Mr. Sankaran V.
Mr. Shah P.K.
Mr. Swaminathan S.R.
Mr. Venkatapathy L.
Mr. P.R. Thiruvengadam
(alternate to Mr. Howard M. Gladstone)
Dr. Mrs. Rajeshkumar Thilagam

Director (Corporate Affairs) & Company Secretary
Mr. S. Baskarasubramanian

Bankers

M/s. Canara Bank
Gudalur Branch, SRKV Post
Coimbatore–641 020

M/s. Canara Bank
Mid Corporate Branch
16 & 18 East Arokiya Swamy Road
R.S. Puram, Coimbatore–641 002

M/s. Citi Bank
Tri Star Towers, Plot No.657,
Avinashi Road, Coimbatore–641 018

M/s. Union Bank of India
Coimbatore Main Branch
235, Oppanakara Street
Coimbatore–641 001

Auditors

M/s. Swamy & Ravi
Chartered Accountants
No.537, N.S.R. Road, Saibaba Colony,
Coimbatore–641 011
FRN No. 004317 S

Registrars & Share Transfer Agent (Physical & Demat)

M/s GNSA Infotech Limited
Nelson Chambers, 'F' Block, 4th floor
115, Nelson Manickam Road
Aminthakarai, Chennai–600 029
Tel: 044-42962025
E-mail:sta@gnsaindia.com

Listing Arrangements

BSE Limited (Bombay Stock Exchange Ltd)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai–400 001

Registered Office

Samichettipalayam (PO)
Jothipuram (Via), Coimbatore–641 047
Tel: 0422-4233600 / 2692531
Fax:0422-2692170
E-mail: salzer@salzergroup.com
Website: www.salzergroup.net

Plant Locations

Unit-I

Samichettipalayam, Jothipuram(Via),
Coimbatore–641047

Unit-II

Chinnamaddampalayam, Coimbatore–641 019

Unit-III

2, Gudalur Village Samichettipalayam,
Jothipuram via, Coimbatore–641047

Unit-IV

No.882/3, Coimbatore Main Road,
Bettathapuram, Coimbatore–641104

UNA Unit

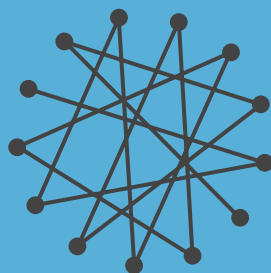
Khasara No:2826, Una Nangal to Behdala Road,
V.P.O Behdala, Tehsil & Distt-UNA, UNA (H.P) 174306

Comprehensive financial summary

₹ in Cr

	2015	2014	2013	2012	2011	2010	2009
Results from Operations							
Gross Revenue							
Domestic	243.28	215.59	201.91	206.41	171.84	174.49	100.76
Exports	64.86	52.04	43.96	33.87	19.51	16.18	16.73
Sale of services (Energy Saver)	4.66	3.73	9.06	7.46	6.87	4.43	1.19
Other Operating Income	2.42	2.53	2.51	1.38	1.18	1.01	1.49
Total Gross Sales	315.21	273.90	257.44	249.12	199.39	196.11	120.17
Duties and Taxes	31.91	29.37	28.71	26.24	18.74	19.51	14.88
Net Sales	283.30	244.53	228.73	222.88	180.65	176.6	105.29
Operating Profit (EBITDA)	35.46	30.22	28.46	28.76	25.81	23.63	16.50
Other Income	1.00	0.93	1.39	0.91	0.68	0.52	0.58
Depreciation and Amortization	7.14	7.52	8.67	7.96	6.90	5.24	4.66
Finance Cost	12.34	11.94	11.77	11.59	8.90	7.66	6.30
Profit before Tax	16.97	11.69	9.42	10.12	10.68	11.25	6.12
Profit After Tax	11.98	8.44	7.06	8.19	9.05	8.28	5.35
Balance Sheets							
Share Capital	10.28	10.28	10.28	10.28	10.28	10.28	10.28
Reserves & Surplus	96.79	86.42	79.78	74.16	67.82	60.05	53.00
Net worth	107.07	96.70	90.07	84.45	78.11	70.33	63.28
Secured Borrowings	96.60	74.33	59.32	55.64	56.78	45.24	41.26
Net fixed Assets	83.37	68.38	66.23	62.09	56.22	51.64	44.33
Investments	4.86	4.86	4.90	4.84	4.84	4.84	4.84
Performance Indicators							
Domestic Sales Growth	12.84%	6.78%	-2.18%	20.12%	-1.52%	73.17%	83.94%
Exports Sales Growth	24.62%	18.39%	29.79%	73.62%	20.58%	-3.29%	-3.68%
Total Gross Sales growth	15.08%	6.39%	3.34%	24.94%	1.67%	63.19%	63.70%
Operating Profit Margin	12.52%	12.36%	12.44%	12.90%	14.29%	13.38%	15.67%
Operating Profit growth	17.33%	6.16%	-1.03%	11.45%	9.21%	43.21%	45.89%
Net Profit Margin	4.21%	3.44%	3.07%	3.66%	4.99%	4.67%	5.05%
Net Profit Growth	41.90%	19.54%	-13.80%	-9.50%	9.35%	54.77%	13.59%
Earning per shares - Basic (in ₹)	11.65	8.21	6.87	7.97	8.80	8.05	5.20
- Diluted (in ₹)	10.79	8.21	6.87	7.97	8.80	8.05	5.20
Book value per share (in ₹)	104.12	94.04	87.58	82.12	75.95	68.39	61.55
Dividend per share (in ₹)	1.5	1.5	1.2	1.2	1.6	1.6	1.6
Earning Retention Ratio	84.56	78.68	79.61	82.55	78.79	76.81	63.93
Current Ratio	1.29	1.26	1.22	1.23	1.26	2.45	3.06
Debt Equity Ratio	0.25	0.14	0.13	0.16	0.14	0.19	0.23
Return on Networth (RoNW)	11%	9%	8%	10%	12%	12%	8%
Return on Capital Employed (RoCE)	20%	20%	20%	22%	23%	14%	12%
Interest Coverage Ratio (Times)	1.97	1.71	1.60	1.71	2.02	2.08	1.85
Market Cap (₹ in Crs)	240.43	63.71	55.94	59.39	54.71	113.18	38.56

So what is Salzer Electronics?



A faithful proxy of the electrical products (global and Indian) industry.

One of the most competitive manufacturers – cost and quality – of electrical products in the world.



A preferred supplier to some of the largest multinational brands within just a few years of working with them.

A virtual extension of some of the largest downstream customers engaged in joint product development.



The largest manufacturer of rotary switches and cable ducts in Asia.

Now wired for growth.

Salzer Electronics

(established 1985) was created with the intent to design and manufacture world-class CAM-operated rotary switches (6 Amps to 400 Amps).

Background

The Company entered into a technical and financial collaboration with Plitron Manufacturing Inc. (Canada) in 1995 for the manufacture of toroidal transformers.

Larsen & Toubro entered into an agreement to market Salzer switches in India in 1993, subsequently reinforced by a 26% equity stake by the construction giant in Salzer Electronics.

The Company's headcount was 1,200 (direct and indirect, 31 March 2015) with a men-women employee ratio of 60:40 (as on 31 March 2015).

Promoter experience

Salzer was founded and promoted by Mr. R. Doraiswamy, a first generation entrepreneur and a sector veteran with over 20 years of industrial experience. The second generation has stepped into the business with US-educated Mr Rajesh Doraiswamy, Jt. Managing Director and CFO, spearheading the day-to-day operations.

Salzer and pride • Salzer is among the first few companies in India to comply with the stringent RoHS directive regulating the European markets way back in 2007 • The Company is one of the largest suppliers of switchgear products to the Indian Railways • The Company is among India's largest electrical and electronic equipment exporters, supplying to more than 45 countries.

Research & Development

Salzer has a strong R&D center (recognised by the Ministry of Science and Technology, Government of India). The company's research initiative comprises a full-fledged laboratory of 35 qualified engineers and a captive tool room (2662 dies) created in-house.

Certifications

Salzer products have been certified for ISO 9001:2008 by NQA-UK for the design, development, manufacture and supply of CAM-operated rotary switches, selector switches and allied products.

The Company is also certified for ISO 14001:2004 and OHSAS 18001:2007.

The Company's products have also been approved by Underwriters Laboratory (UL), Canadian Standards Association, Intertek Semko (S Mark) and Conformite Europeenne (CE) with RoHS compliance.

Business divisions

Salzer provides the widest range of electrical products under four business verticals:

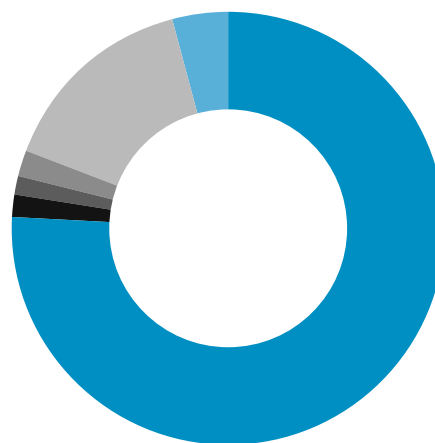
- Industrial switchgears, 52% of 2014-15 revenues
- Retail modular switches, 6% of 2014-15 revenues
- Wires and cables, 39% of 2014-15 revenues
- Energy management solutions, 3% of 2014-15 revenues

The Company's product portfolio comprises rotary switches, load break switches, cable ducts, terminal connectors, toroidal transformers, relays and contactors, limit / foot switches, modular switches, energy saver products, AMR, custom-built products, motor control products, flexible bus bars, wire harness assemblies, cable assemblies and wires and cables. These products are core to customer solutions and efficiency.

Sustainability

Salzer has remained profitable and dividend-paying since 22 years (except one).

Sales footprint, 2014-15



■ India – 76% of revenues ■ Latin America – 1.5% of revenues
■ Africa – 1.5% of revenues ■ North America – 2% of revenues
■ Europe – 15% of revenues ■ Rest of Asia – 4%

Listing and market capitalization

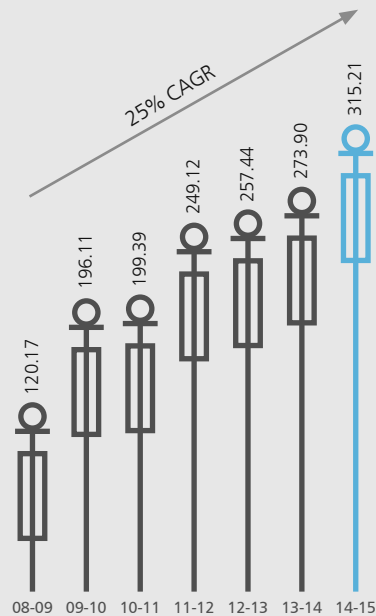
Salzer is listed on the BSE (code: 517059). The Company's market capitalization was ₹243.40 crore (31 March 2015).

Customer profile

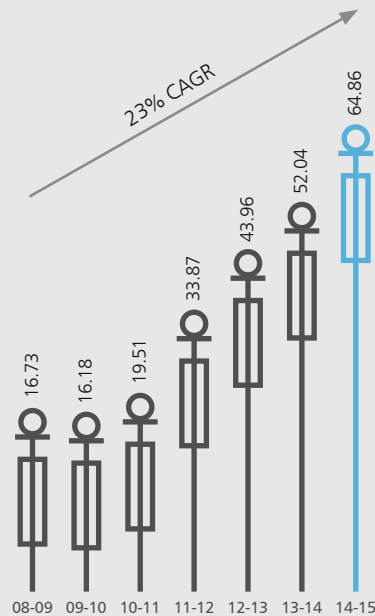


Wired for growth. Sound performance. Solid prospects.

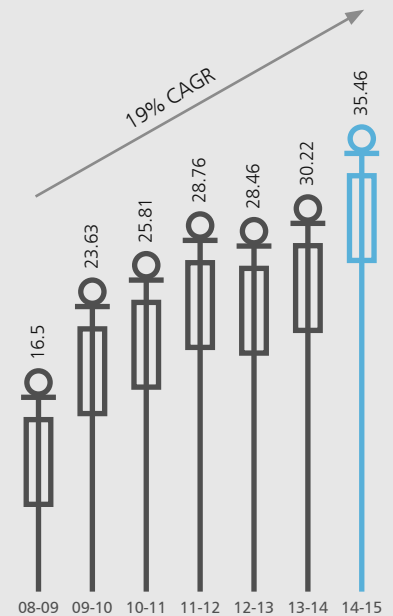
Turnover (₹ crore)



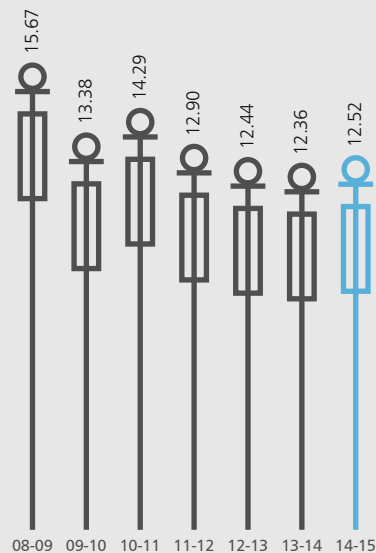
Exports (₹ crore)



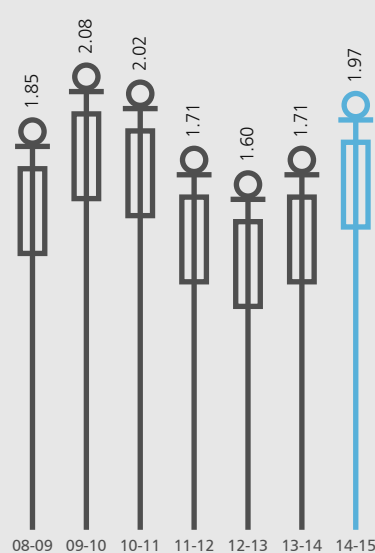
Operating profit (₹ crore)



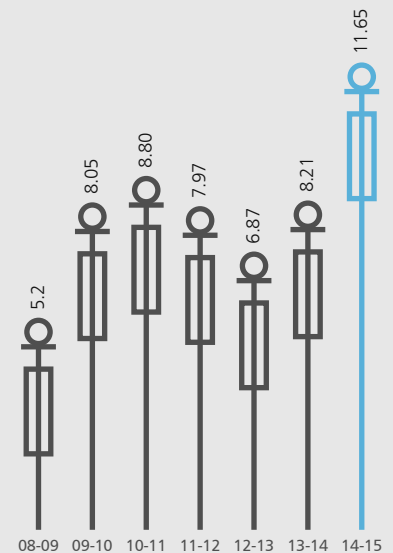
EBIDTA margin (%)



Interest cover (x)



Earnings per share (₹)



Financial highlights, 2014-15

- 15% growth in gross turnover to ₹315.21 cr led by new product launches, increasing share of income from existing customers and mandates from new customers
- 17% growth in EBIDTA to ₹35.46 cr led by robust topline growth and increasing value engineering and cost optimisation enabling tighter control on

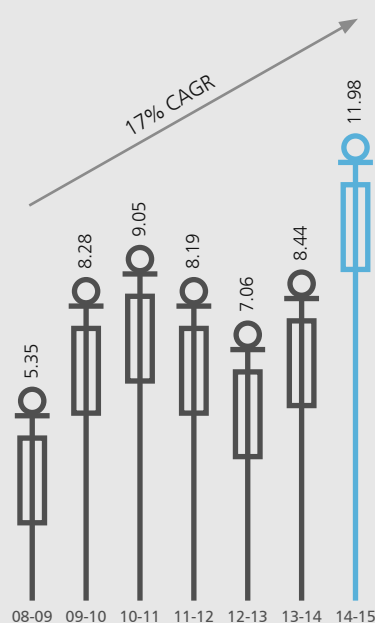
expenses

- 16 bps growth in EBIDTA margin to ₹35.46 cr on account of higher volume growth of value-added products (switchgear) and stability provided by predictable growth of other products (wires and cables etc)
- 42% growth in net profit as a result of various cost optimization and strategic utilization of cash flows to

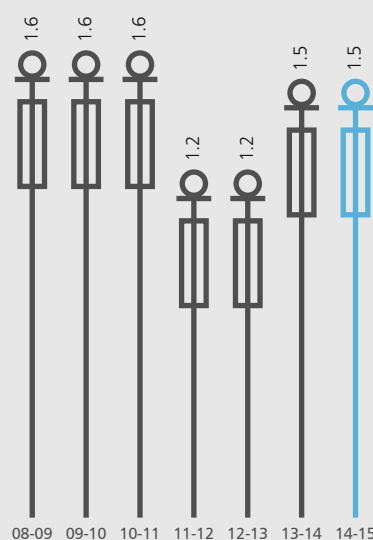
increasingly lower debt levels, which has enabled moderation of interest costs that has gone down considerably over the past two years

- ₹1.5 per share of dividend declared for 2014-15, in line with our philosophy of striking a balance between shareholder value creation and increasing monetary plough-backs into our business

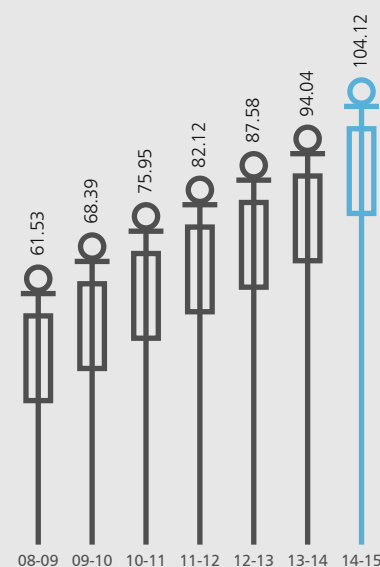
Net profit (₹ crore)



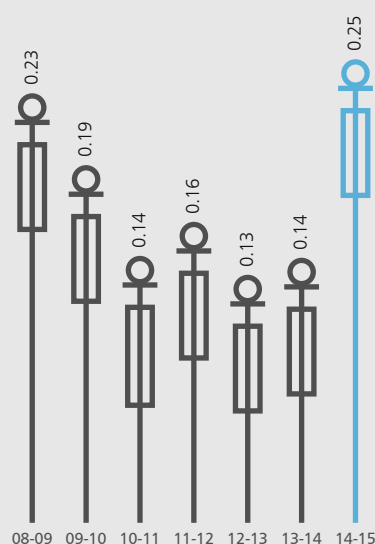
Dividend per share (₹)



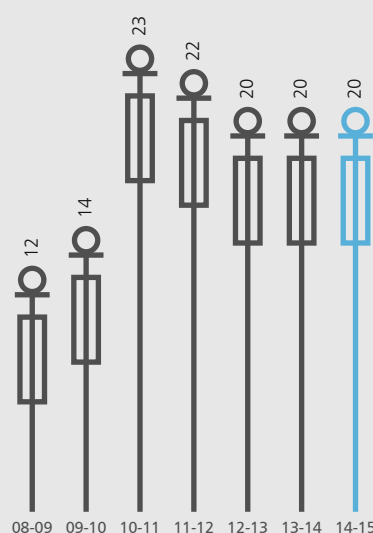
Book value per share (₹)



Debt-equity (x)



RoCE (%)



Managing Director's overview



“We expect Salzer to emerge as a ₹1,000 crore enterprise by 2020.”

R. Doraiswamy, Managing Director, reviews the company's 2014-15 working and outlines Salzer's prospects

Q: Were you pleased with the company's performance during the year under review?

A: The honest answer is that I was not. I felt that we could have done better given our competitive advantage, market leadership and enduring customer relationships. However, the other perspective is that we continued to outperform our sectoral growth average, strengthening or maintaining revenues across the last six quarters, while increasing EBIDTA across six of seven successive quarters. The result is that we finished the year under review with 15% growth in gross revenues and 42% increase in profit after tax over the previous year. This was the fifteenth year of straight topline growth and third straight year of EBIDTA increase, the industry weakness notwithstanding. The message that I would like to send

out to shareholders is that our numbers in the fourth quarter of the financial year under review reflect the potential of our business. Our fourth quarter in 2014-15 was a best-ever quarter, where we posted revenues of ₹86.14 cr which were 16% higher than the immediately preceding quarter and 19% higher than the corresponding quarter of the previous financial year.

I am happy to state that the terms of trade began to favour us; even as total income increased from ₹68.70 cr in the first quarter of 2014-15 to ₹86.14 cr in the last quarter, interest outflow was virtually maintained at the same level. This improvement has inspired the optimism that a sectoral turnaround has begun, as opposed to the one-off instance of our customers aggregating offtake towards the end of the financial year.

Q: What was the industry landscape against which the company performed?

A: The last few years have been some of the most challenging in the country's electrical products sector. Despite an evident under-penetration of electrical products, there was a perceptible slowdown in offtake. Much of this decline is attributed to the fact that government orders declined, infrastructure spending staggered, industrial capital expenditure was delayed and consumer spending affected. The result is that the electrical products industry reported single-digit de-growth in 2011-12 and 2012-13, reported 4% growth in 2013-14 followed by 7% growth in 2014-15.

Q: What reasons inspired a sectoral rebound?

A: In the last couple of years, a number of stalled industrial projects were completed, there was a greater focus on the implementation of transmission projects, the R-APDRP was implemented, there was marginal economic recovery and the new government catalysed industrial sentiment. The point that one needs to be highlighted is that Salzer capitalised with responsiveness, outperforming its sectoral growth percentage with at least 1,000 bps.

Q: It would appear that the going was comfortably favourable for the company and the sector during the year under review.

A: It would be erroneous to assume such a thing for some reasons. The sectoral sluggishness extended into the year under review, the sector was marked by low cost imports from China, the unorganized sector affected the growth of branded products, there was an erosion in product realizations, the Balance Sheets of most industry players weakened and there was an

increase in the industry's receivables cycle from around 75 days of turnover equivalent to around 110 days during the year under review (SEB receivables climbing to 180 days).

Q: How did Salzer counter this challenging industry reality?

A: Salzer countered this reality through a singular focus on product, product and product. This priority translated into the creation of cutting-edge products that did not just service customer needs in a simplistic way, but strengthened their businesses through enhanced efficiency and lower costs. The result is that we did not just market more of our principal product – CAM-operated rotary switch – but we inspired a greater confidence among our customers to engage in joint product development, which translated into product customization and Salzer emerging as a faithful extension of its customers. In doing so, we increased share of the customer's wallet, widened our multi-sectoral presence and grew revenues across every single vertical.

Q: What were some of the other business-strengthening initiatives embarked upon by the company during the year under review?

A: Even as the external environment remained challenging, Salzer continued to strengthen its business with the objective to emerge growth-ready as soon as the sector revived. For instance, during the year under review, the company strengthened its technology collaborations, which made it possible to deliver world-class products at a price that is among the lowest in the world. We strengthened our value engineering through the formation of focused teams

that made it possible to catalyse products and process innovation. We strengthened our service quality through enhanced flexibility in production, logistics, evolving design needs and timely demand increase. The result is that we strengthened our brand not just as a competent product provider but as a trusted solutions partner.

Q: How is the industry expected to perform? How is the company positioned to capitalize?

A: From the feedback of our large OE customers (based on their growing order book), it appears that the electrical products industry is headed for three to four years of straight growth. A number of our automobile customers are asking us to ramp capacities. A number of our customers are uptrading and graduating towards a more sophisticated product mix.

At Salzer, we are optimistic of capitalizing on this emerging reality for a number of reasons. We enjoy multi-year relationships with a number of our large and prestigious clients in a business where the cost of switching vendors is time-consuming, process-intensive, risky and costly. We possess a wide and deep product mix that addresses extensive client needs at a single stop.

Q: What is the one development within Salzer that could prove to be transformative?

A: At Salzer, we are at an inflection point related to our exports. The company enjoys presence across 40 countries through the distributor model. It enjoys a growing presence in Latin America and Africa, which are vast and growing markets. Its products have been proved to be competitive in the prestigious North

American market, where we expect to double our presence to around 7% of revenues during the current financial year. Its products enjoy some of the most prestigious international certifications that serve as a validation of its process and product excellence. The result is that we expect exports to increase from around 24% of revenues in 2014-15 to an estimated 30% during the current financial year (on an enlarged revenue base) and 40% of revenues by 2020. The result is that Salzer expects to evolve its personality from an Indian company that also engaged in exports into an international company that has prudently selected to enhance its presence in India.

Q: How are these realities likely to translate into the company's performance?

A: At Salzer, we are optimistic of outperforming our sectoral growth and reporting profitable growth across the foreseeable future. We expect to increase our capacity utilisation from 65% to around 90% across the next two years without needing to invest in fresh capacity building. The margins in our industrial switchgear business (accounting for 52% of revenues, 2014-15) are rising. We expect to roll out more products through joint ventures in cutting-edge areas. We expect to maintain our interest outflow at the levels of 2014-15.

Based on a combination of these realities, we expect Salzer to grow revenues by 25% each year for the next two years and emerge as a ₹1,000 crore enterprise by 2020. We believe that this growth will be achieved without compromising our margins, by strengthening our Balance Sheet and by enhancing value for our stakeholders.



A computer graphics artist in San Diego can continue to work despite a hurricane-induced power outage.



A spa and salon owner in Dubai can keep her customers engaged for hours thanks to the consistent 22°C chill.

Salzer addresses critical customer requirements, manufacturing products integral to their consumers in turn, strengthening its business model.

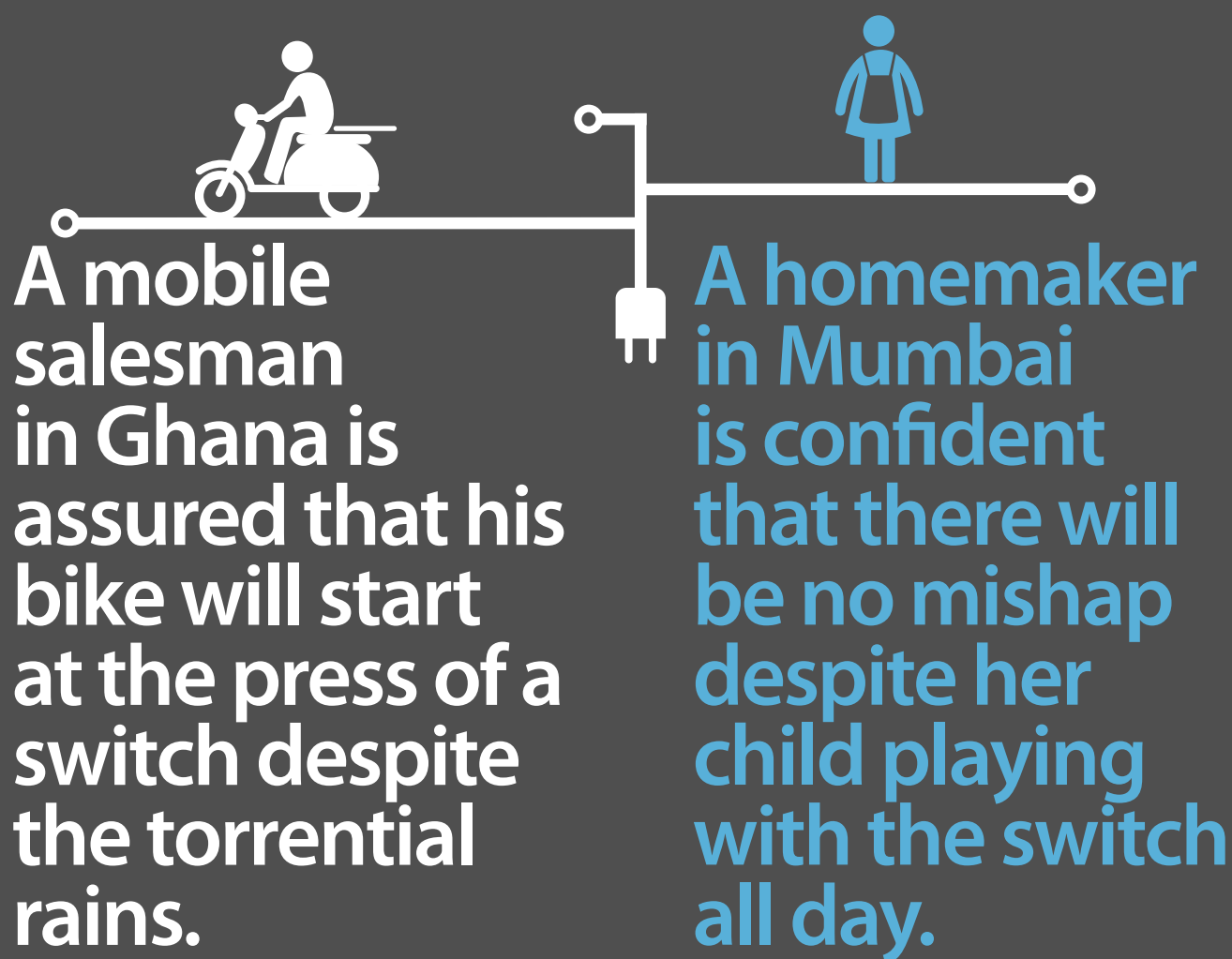
Salzer is India's largest and only exporter of rotary switches, cable ducts and isolators.

The company supplies internationally-certified products to some of the world's most stringently-regulated markets, including those of North America, Canada, Germany, Italy and

the UK and onward to more than 45 countries.

The company, by virtue of its robust resident engineering expertise and state-of-the-art infrastructure, extends beyond providing products. It empowers customers through cost and quality value propositions, strengthening competitiveness in the markets it serves.

The company patented more than five products that have not only reinforced



brand equity but also inspired customer trust, win new customer accounts and enter markets.

The company leveraged the distribution heft of engineering major L&T for the exclusive sale of certain industrial products, circumventing distribution network expenses. L&T acquired a 26% stake in our company and the alliance helps company in various ways.

The company's world-class modular switches are accepted across key Indian

realty markets (Karnataka, Kerala, Andhra Pradesh, Telangana and Tamil Nadu) and now venturing into the western and northern markets through 45 stockists (proposed for 2015-16).

The company leveraged its rich experience in the electric equipment business, venturing into the exciting space of energy conservation, energy metering and control through a dedicated vertical (order book of ₹106 cr as on 31 March 2015).

The combination of sustainable products demand coupled with value engineering-led and competitiveness-driving solutions strengthened RoCE to 20% in 2014-15,

Sustainable cash flow generation and ongoing cost moderation controlled interest expenditure resulting in a larger pass-through to the bottomline, enhancing shareholder value and reinforcing our position as an enterprise wired for growth.

Overview

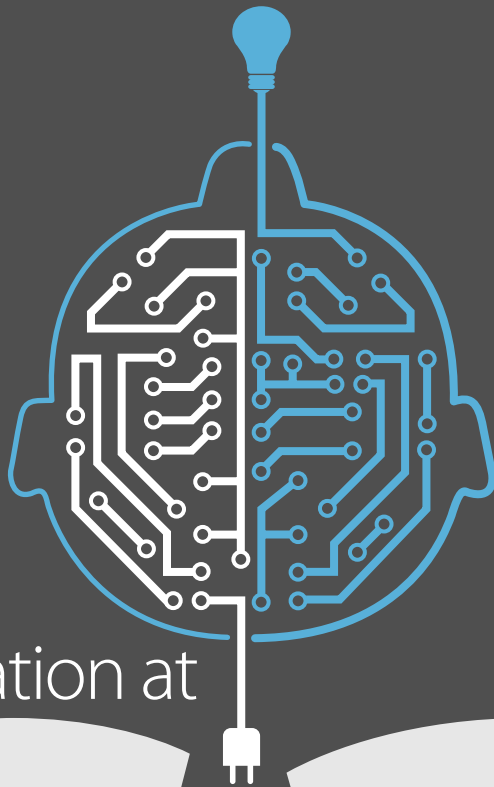
At Salzer, innovation resides at the heart of our business. It is no surprise hence that even as some of our competitors have largely remained unorganized and struggled to manufacture locally-compliant products, we have grown to develop offerings that address demanding international qualifications and certifications (UL, CSA, CB, CE, and S) that virtually serve as a passport to market products across the world.

Engagement

At Salzer, our R&D incubation center in Coimbatore (Tamil Nadu) represents an extension of our shop-floor, helping design products according to stringent customer as well as international standards, optimizing product designs to drive cost and quality value, optimize processes and manufacture new products.

Results

- We introduced more than 15 new products across three years
- These products accounted for 16% of our 2014-15 topline
- Our 2014-15 R&D budget constituted 3% of our annual turnover, up from 2% of our 2013-14 turnover



Innovation at

Salzer

Five case studies

1 Giving the right signals

Salzer's R&D is developing a unique train warning system (TWS) to prevent deaths at unmanned level crossings. The TWS comprises an FRP-based tower with a high-intensity lamp and loud alarm. Sensors placed one km before and one km after the unmanned level crossing detects the arrival of the train and wirelessly transmits the signal to the tower that, in turn, activates the lamp and alarm. The Company ingeniously addressed the theft challenge by making a 10-m high tower with fibre-reinforce plastic and hence, impossible to cut. The TWS is expected to generate high demand following the government's enhanced focus on railway safety.

2 Helping customers regain their lost leads

Salzer's R&D entered into joint development for the creation of an inductor (40-120 kva UPS) with a multinational giant. To circumvent the high volatility in copper prices, the product design suggested the use of aluminum wire as a replacement. An

entirely new manufacturing process was developed which moderated raw material costs and improved product quality. The result was that Salzer's customer reported success with this product.

3 Protecting lives

Salzer's R&D developed the innovative fuse automatic changeover system (FACS). The product ensures that despite a short-circuit in one fuse, there is no blackout. The system simply effects a changeover and transfers the electrical current to a parallel fuse while giving a shrill alarm of the fuse suffering the short-circuit (prompting replacement). This changeover ensures that signals guiding trains never suffer a blackout, which could otherwise endanger passenger lives. In a large station, more than 10,000 switches are required, opening a vast market for the Company.

4 Helping customers drive competitiveness

Salzer's R&D engaged in the re-development of a transformer for

another multinational giant. The potting compound for this product was imported from the US, which increased the overall device cost. A study was initiated; a replica was formulated in India in association with Salzer's supplier which helped collapse prices by a fifth. This enhanced the competitiveness of Salzer's customer in the marketplace.

5 Optimising energy consumption

For a telecom tower company, energy is the biggest cost component. Salzer's R&D developed a unique 'DC fan - Shut AC system' that switches off air-conditioning at the base station of a telecom tower when it cooled the room to a pre-decided temperature. Thereafter, the system activated high-intensity fans until the temperature rises above the mean. This process facilitated energy savings by providing AC cooling at the cost of a fan, enhancing savings and reducing carbon footprint to a large extent. This system has been submitted for a patent.

Salzer

Salzer

Salzer's brand equity with customers and trade revolves around the manufacture of cutting-edge products that are safest and the best in their class, translating into complete solutions for downstream electrical power utilities.



POSITIONING

Solutions: Salzer is acclaimed as a leading Indian solutions provider in the area of electrical installations, comprising switchgears, accessories, wires, cables and transformers.

Value-addition: Salzer derives 20% of revenues from value-added rotary switches and load break switches, positioned at the apex of its product pyramid.

Association: Larsen & Toubro Limited, the Indian industrial giant, markets Salzer switches throughout India.

Sectoral customer mix: Salzer has selected to address the needs of customers in the electrical equipment, machine tools, renewables, medical equipment, building segment, automotive and uninterrupted power system spaces, each of which is a proxy of a modern and growing India

Salzer's

competitive moat



KNOWLEDGE

Collaboration: Salzer entered into a technical and financial collaboration with Plitron Manufacturing Inc., Canada (leading manufacturing of transformers in North America) for manufacturing toroidal transformers in 1995; it continues to work with Plitron Manufacturing. Salzer has a technical tie-up with C3 Control Inc., USA, for manufacturing various motor control products.

Research: Salzer's R&D function comprises 35 professionals, full-fledged type test laboratory and captive tool room to develop and customize products in line with emerging requirements. The company's R&D function has been recognized by Ministry of Science and Technology, Department of Science and Industrial Research, Government of India.



OPERATIONS

Competitive: Salzer provides a world-class product at a price that is among the most competitive in the world, derived through sustained product development coupled with value engineering.

Preferred partner: Salzer has been identified as a preferred supplier by large multinationals like Schneider and General Electric (Energy Division) even though the company's sales exposure is a fraction of other preferred suppliers to these companies.

Certifications: Salzer products enjoy international product approvals like UL & CSA; it carries S & CE mark with RoHS compliance. The other certifications comprise ISO9001:2008, ISO14001:2004, OHSAS ISO18001:2007 and ISO 9001 by NQA-UK for design, development, manufacture and supply of CAM operated rotary switches, selector switches and allied products.



MARKETING

Leadership: Salzer enjoys market leadership in India for rotary switches and PVC wiring ducts (channels).

Prestigious OE customers: Salzer's customers comprise brand-enhancing companies like BHEL, Honeywell, ABB and Siemens; large PSU companies like ECIL, ICF and RCF as well as automobile companies like Valeo.

Relationships: Salzer generated nearly 23% of revenues from institutional customers it has been working with for three years or more.

Global: Salzer's products are exported to 45 countries; no country accounted for more than 10% of the company's revenues. Exports accounted for 24% of the company's revenues in 2014-15.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th ANNUAL GENERAL MEETING of the Members of Salzer Electronics Limited will be held at Hotel Sree Annapoorna, R.S. Puram, Coimbatore - 641 002 on Saturday, the 8th day of August 2015 at 11.30 AM to transact the following businesses:

Ordinary Business:

1. To consider and adopt the audited Financial statement of the Company for the Financial year ended March 31, 2015, comprising of balance sheet as at 31-03-2015 and statement of profit and loss for the year ending on that date and the reports of the Board of Directors and Auditors thereon;
2. To declare a dividend on Equity Shares for the financial year 2014-15.
3. To appoint a Director in place of Shri R Dhamodaraswamy (DIN: 00003230), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint a Director in place of Shri Kantilal Vajeshakar Vakharia (DIN: 00003146), 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 auditor for the financial year 2015-16

"RESOLVED THAT in terms of Proviso to Section 139 (1) of the Companies Act 2013 and ordinary resolution passed by the Members at their 29th Annual General Meeting held on August 9, 2014, appointment of M/s.Swamy & Ravi, Chartered Accountants (FRN:004317S) Coimbatore as the Statutory Auditor for the financial year 2015-16 be and is ratified on such remuneration as shall be fixed by the Board of Directors of the company."

Special Business:

6. To appoint Dr.(Mrs.)Rajeshkumar Thilagam (DIN: 00006783) as a Non Executive 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 pursuant to the provisions of Sections 152, 160 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr.(Mrs.)Rajeshkumar Thilagam (DIN: 00006783), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice

in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non Executive Director, and whose term of office is subject to retirement by rotation."

7. To reappoint Shri.L.Venkatapathy (DIN: 00003095) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Shri.L.Venkatapathy (DIN: 00003095), who was appointed as a Director liable to retire by rotation under the provisions of the Companies Act, 1956 and who qualifies for being appointed as an independent director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term up to the date of the 35th Annual General Meeting of the Company in the calendar year 2020."

8. To reappoint Shri. Howard Michael Gladstone (DIN: '02703986) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Shri. Howard Michael Gladstone (DIN: 02703986), who was appointed as a Director liable to retire by rotation under the provisions of the Companies Act, 1956 and who qualifies for being appointed as an independent director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing

his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term up to the date of the 35th Annual General Meeting of the Company in the calendar year 2020."

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

10. To approve the office of Joint Managing Director & Chief Financial Officer Shri D Rajesh Kumar, subjected to determination by retirement of Director by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Shri D Rajesh Kumar (DIN 00003126), Joint Managing Director & Chief Financial Officer of the Company, who is a non retiring Director in terms of the erstwhile provisions of the Company Act, 1956 shall henceforth be liable to determination by retirement of Director by rotation."

11. To approve the office of Whole Time Director (Marketing) Shri P Ramachandran, subjected to determination by

retirement of Director by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Shri P Ramachandran (DIN 01043572), Whole Time Director (Marketing) of the Company, who is a non retiring Director in terms of the erstwhile provisions of the Company Act, 1956 shall henceforth be liable to determination by retirement of Director by rotation."

12. To approve the office of Director (Corporate Affairs) Shri.S Baskarasubramanian, subjected to determination by retirement of Director by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Shri.S Baskarasubramanian (DIN 00003152), Director (Corporate Affairs) of the Company, who is a non retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 shall henceforth be liable to determination by retirement of Director by rotation."

By Order of the Board
For Salzer Electronics Limited

S Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary

Date : May 13, 2015

Place : Coimbatore

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a member of the company. Proxies in order to be effective must be duly filled, stamped, signed and should be deposited at the company's registered office not later than forty-eight hours before the commencement of the meeting.
2. Proxies submitted on behalf of limited companies, partnership firms, etc., Must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organisation.
3. 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 member.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 01.08.2015 to 08.08.2015 (both days inclusive) for the purpose of payment of dividend.
7. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of special business under Item Nos. 6 to 9 is annexed hereto.
8. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid on and from 12th September 2015 to those Members whose names stand registered on the Company's Register of Members:-
 - a) As Beneficial Owners as at the end of business hours on 31st July 2015 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form.
 - b) As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 31.07.2015.
9. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund established by the Central Government as per provisions of the Companies Act, 2013.
10. Members who have not yet encashed the dividend warrant(s) from the financial year ended March 2008 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on March 2007, have been transferred to the Investor Education and Protection Fund.
11. Members are requested to contact either the Company or Registrar and Share Transfer Agent M/s. GNSA Infotech Limited, Nelson Chambers, 'F' Block, 4th Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai – 600 029 to claim the un claimed / unpaid dividends.
12. The members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents, viz., M/s. GNSA Infotech Limited, Nelson Chambers, 'F' Block, 4th Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai – 600 029, or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form and also to the Company to update their address.
13. Members are requested to note that, in order to avoid any loss / interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's Registrar and Share Transfer Agents. The requisite NECS / ECS application form can be obtained from the Company's Registrar and Share Transfer Agents. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's Registrar and Share Transfer Agents to enable them to print such details on the dividend warrants.
14. As required under Clause 49 of the Listing Agreement of the Stock Exchanges, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting are given in the annexure to the notice of the Annual General Meeting.

15. Shareholders, intending to require information about the Financial Statements to be approved at the Meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
16. Members are requested to attend the meeting along with the copy of the Annual Report, already received by them.
17. The Company has designated an exclusive e-mail id viz., investor_relations@salzergroup.com to enable investors to register their complaints / queries, if any.
18. The Securities Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holding in dematerialized form or the Company's Registrar and Share Transfer Agents in case of holdings in physical form, as the case may be, and also to the company, mentioning the correct folio number.
19. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
20. The Shares of your Company are admitted for dematerialization in Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under ISIN No.: INE457F01013. The shareholders have the option to hold their shares either in physical form or in dematerialized form.
21. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website www.salzergroup.com and also on the website of the Stock Exchange where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com.
22. All documents referred in the accompanying Notice and Statement setting out material facts are open for inspection at the Registered office of the Company on all working days between 10.00 am and 12.00 noon upto the date of the Annual General Meeting.
23. The Annual Report of the Company for the year ended March 31, 2015 along with Notice, process and manner of e-voting, Attendance Slip and Proxy form are being sent by e-mail to those members who have registered their e-mail address with the Company (other than who requested for a physical copy) or with their Depository Participant or Registrar and Share Transfer Agent of the Company, pursuant to the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Members who are desirous to have a physical copy of the Annual Report shall send a request to the company e-mail id viz., investor_relations@salzergroup.com clearly mentioning their Folio number / DP and Client ID.
24. The instructions for e-voting are as under:
 - A. Members whose shareholding is in the dematerialized form / holding in physical form and whose email addresses are registered with the Company/Depository Participants(s)
 - i) Will receive an email from NSDL informing the User-ID and Password.
 - ii) Open email and open PDF file viz.; "Salzer e-voting.pdf" with your Client ID or Folio No. as password.
 - iii) The said PDF file contains your **user ID and password for e-voting**. Please note that the password in the PDF file is **an initial password**.
 - iv) Members who are already registered with NSDL for e-voting can use their existing User ID and password/ PIN for casting their votes.
 - v) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - vi) Click on Shareholder – Login.
 - vii) Put user ID and password as initial password noted in step (2) above. Click Login.
 - viii) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
 - ix) If you desire to change the password, after changing you need to login again with the new password. Home page of e-voting will open. Click on e-voting: Active Voting Cycles.
 - x) Select "EVEN" (E Voting Event Number) of Salzer Electronics Limited.
 - xi) Now you are ready for e-voting as Cast Vote page opens.

- xii) On voting page, the Resolution Description and the options "assent / dissent / reset" will appear.
 - xiii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - xiv) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xv) You can similarly vote in respect of all the resolutions forming part of the Notice of the Annual General Meeting. During the voting period, Members can login any number of times till they have voted on all the Resolutions.
 - xvi) If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.
 - xvii) Once you have voted on the resolution, **you will not be allowed to modify** your vote.
 - xviii) Corporate Bodies and Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the e-mail id of Scrutinizer (vasudevanacs@gmail.com), RTA (krishnakumar@gnsaindia.com) and Company Secretary (baskarasubramanian@salzergroup.com) with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories), please refer your user ID & password given in page No. 108 & follow all steps from Sr.No.4 to Sr.No.16 of (A) above, to cast vote.**
- C. 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. 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 07.08.2015. Detailed instructions on voting through post are given on the reverse of the Ballot Form.
- D. The facility for voting, either through electronic voting system or ballot 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.**

E. General Instructions:

- i) The remote e-voting period commences on 03.08.2015 (9.00 a.m) and ends on 07.08.2015 (5.00 p.m). During this period, Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 01.08.2015, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- ii) In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of <https://www.evoting.nsdl.com>.
- iii) Mr.G.Vasudevan, Practicing Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner for Annual General Meeting (AGM).
- iv) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, 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 of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v) The Results shall be declared on or after the AGM of the Company. 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 NSDL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company shares are listed, viz. BSE Ltd.
- vi) 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.
- vii) 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.
- viii) Investors who become members of the company subsequent to the despatch of the notice/ email and hold the shares as on the cut off date i.e. 1.8.2015 are requested to send a written email communication to M/s. GNSA Infotech Ltd., Nelson Chambers, "F" Block, 4th floor, #115, Nelson Manickam Rd, Aminjikarai, Chennai, 600029, sta@gnsaindia.com to obtain the login ID and password for e-voting or may write to: The Company Secretary, Salzer Electronics Limited, Samichettipalayam

Coimbatore - 641 047, email: baskarasubramanian@salzergroup.com or investor_relations@salzergroup.com.

- ix) The members who have cast 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.

Statement setting out Material Facts under Section 102 of the Companies Act, 2013

Item No.6

Keeping in view the legal requirements as mandated under SEBI Circular dated 17th April 2014 and 15th September 2014 read with Section 149 of the Companies Act 2013, your Board of Directors approved appointment of woman director on the Board by inducting Dr.(Mrs).Rajeshkumar Thilagam (DIN: 00006783), wife of Shri D Rajesh Kumar, Joint Managing Director & Chief Financial Officer of the Company, as an additional director (Non Executive) effective from 30/03/2015 in pursuance of Section 161 of the Companies Act, 2013 with the term of office till the conclusion of this Annual General Meeting.

Now your Company has received a notice in writing from a member of the Company along with requisite deposits under Section 160 of the Companies Act, 2013 proposing the candidature of Dr.(Mrs).Rajeshkumar Thilagam for the office of Director as a Non Executive Director with term of office subjected to retirement by rotation."

Dr. (Mrs) Rajeshkumar Thilagam is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 4,32,255 equity shares constituting 4.20% of total paid-up shares in the Company.

Dr.(Mrs) Rajeshkumar Thilagam may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as a Director. Shri D Rajesh Kumar, Joint Managing Director & Chief Financial Officer of the Company, being husband and Mr.R.Doraiswamy, Managing Director being the father in law, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Dr.(Mrs).Rajeshkumar Thilagam.

Save and except the above, 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.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Item No.7 & 8

Shri.L.Venkatapathy and Shri.Howard Michael Gladstone, who have been appointed as the Independent Directors of

the Company in compliance with erstwhile Clause 49 of the Listing Agreement and whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956, are due to retire at this Annual General Meeting by rotation.

In this context, it is to be reckoned the stipulation of Section 149 of the Companies Act 2013, which is effective from April 1, 2014, on the requirement that

- No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.
- The provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement, inter alia, stipulating the conditions for the appointment of independent directors by a listed company. The said Clause 49 of the Listing Agreement which has come into effect from October 1, 2014 also mandates that the tenure of Independent Directors shall be in accordance with the provisions of the Act and clarifications/circulars issued by the MCA from time to time.

With due consideration of the above legal Provisions, Shri.L.Venkatapathy and Shri. Howard Michael Gladstone have been proposed to be appointed as the Independent Directors on the Board for a term of consecutive period of five years - holding office for a term up to the date of the 35th Annual General Meeting of the Company in the calendar year 2020."

Shri.L.Venkatapathy and Shri. Howard Michael Gladstone are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri.L.Venkatapathy and Shri. Howard Michael Gladstone for the office of Independent Directors of the Company.

The Company has also received declarations from Shri.L.Venkatapathy and Shri. Howard Michael Gladstone that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Nomination and Remuneration Committee of the Board of Directors has recommended appointment of Shri.L.Venkatapathy and Shri. Howard Michael Gladstone.

Further, in the opinion of the Board, Shri.L.Venkatapathy and Shri. Howard Michael Gladstone fulfill the conditions

for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri.L.Venkatapathy and Shri. Howard Michael Gladstone are independent of the management.

Brief resume of Shri.L.Venkatapathy and Shri. Howard Michael Gladstone, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement is annexed to the Notice.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Shri.L.Venkatapathy and Shri. Howard Michael Gladstone are interested in the resolutions set out respectively at Item Nos.7 and 8 of the Notice with regard to their respective appointment.

None of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item Nos.7&8 of the Notice for approval by the shareholders.

Item No.9

The Board may aware of the fact that the Articles of Association of the Company is presently in force since its incorporation of the Company i.e. year 1985. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the New Companies Act, 2013, warranting several alteration/ deletion in the existing Articles.

Given this position, it is considered expedient and judicious to replace the existing Articles of Association by a new set of Articles in its entirety, so as to comply with the requirement of the new Companies Act, 2013 instead of amending the existing Articles of Association in piecemeal in order to fall in line with Table F.

Hence your Board of Directors at their meeting held on May 13, 2015 decided to adopt new set of Articles in place of existing Articles of Association of the Company subject to your approval, in terms of section 5 and 14 of the Companies Act, 2013. As any amendment / revision and or adoption of new set of Articles require the consent of the shareholder(s) by way of special resolution, this resolution is placed before you for your consideration and adoption.

Your approval is therefore sought in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Articles of Association of the Company shall be available for inspection of the members at the Registered Office of the Company on all working days between 10.00 am and 12.00 noon upto the date of the Annual General Meeting. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, Financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

Item No.10,11 & 12

Shri D Rajeshkumar, Joint Managing Director, Shri P Ramachandran, Whole Time Director (Marketing) have been re-appointed to their office on 10/10/2011 & 26/09/2013 respectively pursuant to provisions of Sections 198, 269, 316, 309 & 310 read with Schedule XIII to the Companies Act, 1956, and Shri.S Baskarasubramanian, Director (Corporate Affairs) has been appointed on 01/10/1994 with term of office is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The Board of Directors of your Company at present consists of 16 members, with 7 of them being Independent Directors.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors whether appointed under the Companies Act, 2013 or any other law for the time being in force.

In the light of above-referred provisions of the Companies Act, 2013 it is desirable that the period of office of aforesaid Managerial Personnel are made liable to determination by retirement of directors by rotation.

In this regard, your Board of Directors have placed before the Members necessary resolution for their approval, recommending the office of the aforesaid Managerial personnel subjected to determination by retirement of Director by rotation

Except Shri R Doraiswamy, Shri D Rajeshkumar, Dr. (Mrs) Rajeshkumar Thilagam, Shri S. Baskarasubramanian and their relatives to that extent, no other Director and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution

**ANNEXURE TO NOTICE – DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director DIN	Dr. (Mrs). Rajeshkumar Thilagam 00006783	L. Venkatapathy 00003095	Howard Michael Gladstone '02703986	R Dhamodaraswamy 00003230
Category	Non Executive Director	Independent Director	Independent Director	Non Executive Director
Date of Birth	03/12/1972	11/04/1930	19/04/1948	24/08/1931
Date of Appointment on the Board	30/03/2015	17/12/1986	28/09/2002	17/12/1986
Qualification	MBBS, DGO	B A. B.Com,		B A (Hons)
Brief profile and nature of their expertise in specific functional areas	Heading 50 bedded Multi Speciality Hospital & having vast administrative experience	Having wide experience in business management and administration by virtue of holding various important positions in leading Companies in Coimbatore and having sound knowledge and expertise in finance and administration.	Technical Collaborator for Toroidal Transformers and possess sound experience on product development business management and corporate business management being the president of Plitron Manufacturing Inc., Canada.	Having rich business acumen and outlook in corporate management and administrative matters. He is a member of Lion Clubs and actively engaged in corporate social welfare activities being the philanthropist
Directorships held in other companies.	K R Health Care P Ltd SRVE Industries Ltd		Plitron Global Corp. Canada	Micro Instruments Limited
Memberships / Chairmanships of committees across all companies	NIL	2	NIL	NIL
Shareholding in the Company	4,32,255 shares	300 shares	50,000 shares	42871 share
Inter se relationship, if any	Wife of Shri. D Rajesh Kumar, Joint Managing Director and Chief Financial Officer and daughter in law of Mr. R Doraiswamy Managing Director	NIL	NIL	Elder brother of Mr. R Doraiswamy, Managing Director

ANNEXURE TO NOTICE – DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Kantilal Vajeshakar Vakharia	D Rajeshkumar	P Ramachandran	S. Baskarasubramanian
DIN	00003146	00003126	01043572	M No.4605 & DIN 00003152
Category	Non Executive Director	Joint Managing Director & Chief Financial Officer	Whole Time Director (Marketing)	Director (Corporate Affairs) & Company Secretary
Date of Birth	24/10/1928	25/09/1971	01/09/1948	15/07/1943
Date of Appointment on the Board	28/09/2002	22/12/2001	26/09/1998	01/10/1994
Qualification	Inter Science	B E & MBA	B A	B.Com., FCS
Brief profile and nature of their expertise in specific functional areas	Having wide experience in Banking Sector with a Nationalised Bank for more than 3 decades and rich knowledge and expertise in Capital Market, Investment related matters. He is a well known philanthropist, contributing to educational and general development of society at large.	He is a young and energetic entrepreneur and is managing the Salzer group of companies under the guidance of Mr.R.Doraiswamy, his father, being the Promoter of Salzer group of companies.	He is a Post Graduate in Economics with wide experience in the field and good contacts both in domestic and international markets, have contributed to achieve the performance and corporate objectives of the company all these years	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.
Directorships held in other companies.	Vakharia Financial Services Ltd and Salzer Magnet Wires Limited	Supertex Mills (I) Pvt Ltd, . K.R.Health Care P.Ltd, Sri Ram Arts Centre P Ltd., Salzer Exports Limited, S R V E Industries Ltd, Salzer Securities Holdings Ltd, K.G. Entertainment Company (P) Ltd & Salzer Magnet Wires Limited	Salzer Securities Holdings Ltd	NIL
Memberships / Chairmanships of committees across all companies	NIL	1. CSR : Member 2. Employees Compensation Committee : Member 3. Risk Management Committee : Chairman 4. Shareholders Grievances Committee – Member	Nil	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
Shareholding in the Company	98745 shares	213966 shares	17852 Equity Shares	1223 Shares
Inter se relationship, if any	NIL	Son of R Doraiswamy, Managing Director and Husband of Dr. (Mrs) Rajeshkumar Thilagam, Non Executive Director	nil	NIL

Coming together is a beginning.
Keeping together is progress.
Working together is success.
- Henry Ford

Directors' Report

To the members

Your Directors have pleasure in presenting their 30th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. Financial Summary of the Company

(₹ in Lakh)

Particulars		31/03/2015		31/03/2014	
I	Revenue from operations:		28330.22		24452.90
II	(Less) Operating Expenses				
a)	Cost of Materials Consumed	19869.96		17409.14	
b)	Changes in inventories of finished goods and work in progress	(278.71)		(584.53)	
c)	Employee benefits expenses	1553.78		1313.15	
d)	Other expenses	3639.61		3293.28	
	Total		24784.64		21431.04
III	Operating Profit (I-II)		3545.58		3021.86
IV	Other Income		100.25		93.23
V	Profit before Interest, Depreciation & Tax (III-IV)		3645.83		3115.09
VI	Finance Costs	1234.26		1194.13	
VII	Depreciation and amortization expenses	714.46		751.78	
	Total		1948.72		1945.91
VIII	Profit before tax (V-VI-VII)		1697.11		1169.18
IX	Less: Tax expense:				
a)	Current tax	364.21		301.09	
b)	Deferred tax	134.83	499.04	23.80	324.89
X	Profit After Tax (VIII-IX)		1198.07		844.29
XI	Balance in Profit & Loss A/c (b/f)		4255.19		3656.37
	Total		5453.26		4500.66
XII	Appropriations				
a	Transfer to Reserves		45.00		65.00
b	Proposed Dividend (Incl Tx)		185.66		18047
	Closing Balance (c/f)		5222.59		4255.19
XI	Earnings per equity share:				
a	Basic (in ₹)		11.65		8.21
b	Diluted (in ₹)		10.79		8.21

2. State of the Company's affairs

The year 2014-15 was a significant year for your Company that witnessed its gross turnover crossing the ₹300 Crs mark in otherwise subdued market conditions, where many players found their growth to contract. In 2014-15, Your Company posted its highest ever sales turnover of ₹30813.47 Lacs, compared to ₹26763.84 Lacs registered in 2013-14 which represented a growth of 15%.

Your Company's export performance has strongly been moving up and has established a foothold in various untapped global markets. USA and Brazil are leading the pack in your Company's exports. Amidst geopolitical crisis in different parts of the world, your Company has posted an export growth of 25% in 2014-15, facilitating the sustenance of 30% Compounded Annual Growth Rate (CAGR) in the last five years in the context of 7% CAGR in domestic sales in the same period. This export performance stands as testimony to the accreditation of the products of your Company in the international markets, and to the efforts on unlocking value in the global market.

On the operating front in 2014-15, there was a growth of 17% in the EBITDA and margin improved significantly backed by the stabilization in the cost of raw materials, more particularly copper, an essential ingredient for cables and wires, constituting 42% of the total sales of your Company.

As result of better pricing of loan facilities from the bankers and consequent benefits in depreciation provisions under Schedule II to the Companies Act 2013 in the financial year 2014-15, your Company has managed to register a net profit growth of 42%, compared to the financial year 2013-14.

Your Company, in association with M/s. Schnell Energy Equipments Private Limited, is actively executing energy efficiency projects in the state of Tamil Nadu under the Public Private Partnership model. This is a prestigious order issued by the Government of Tamil Nadu under the Integrated Urban Development Mission (IUDM) for execution of projects in three Corporations – Vellore, Erode and Trippur, and 16 Municipalities under the Trippur Region. Your Company expects considerable yield on the investment in the project in 2015-16.

3. Dividend

Considering the Company's growth objectives to be met by internal cash accruals and shareholders' aspirations, your Board of Directors have recommended a Dividend of ₹1.50 (15%) per equity share of ₹10/- each for the Financial year 2014-15 as that of last year, entailing a total dividend outgo of ₹185.66 Lacs inclusive of the Dividend Distribution Tax.

The dividend will be paid to the members whose names appear in the Register of Members as on August 08, 2015, in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on that date.

The dividend amount, which remained Unclaimed / Unpaid in the unpaid Dividend Account for the financial year 2006-07, has already been transferred to the "Investor Education and Protection Fund" in the financial year 2014-15.

4. Share capital

During the year under the review, the Company has not issued Shares / Convertible / non convertible securities nor granted any stock options/ sweat equity. As at March 31, 2015, 1,02,83,737 equity shares of ₹10/- each were outstanding, besides 10,28,000 outstanding stock option granted to the Employees in the Financial year 2013-14 under "Salzer Electronics Limited Employees Stock Option Scheme 2012-13, adequately dealt with as required under rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

5. Reserves

Your Board of Directors, as a prudent policy in the absence of specific provisions in the Companies Act 2013 and Rules made there-under, has transferred ₹45.00 Lacs to the General Reserve Account, and written off ₹97.26 Lacs, being the excess carrying amount on re-estimation of Useful life of the Assets under Schedule II to the Companies Act 2013. As on March 31, 2015, your Company was having aggregate reserve of ₹9678.64 Lacs

comprising of Share Premium ₹2529.18 Lacs, Contingency Reserve – 105.00 Lacs General Reserve – ₹1733.46 Lacs and Profit & Loss A/c. ₹5222.59 Lacs and Employees Stock Options Outstanding – 88.41 Lacs.

6. Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance attached with this report Annexure :1.

7. Liquidity

As at March 31, 2015, your Company had adequate cash and cash equivalents in its Books taking care of all such current liabilities comfortably.

8. Change in the nature of business, if any

During the year, the nature of the business of your Company – Manufacturing of Electrical Installation Products- has not been changed.

9. Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

10. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

No orders passed by any Court in India or by any Regulator or by Tribunals affecting the going concern status and Company's operations in future.

11. Details in respect of adequacy of internal financial controls with reference to the financial statements.

Your Company has an adequate Internal Control System in commensuration with the size, scale of its operations. In line with the objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee on the matters affecting the materiality of the transactions taking place in all units of the Company.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all units of the Company. Based on the report of internal audit function, respective heads of the Department will undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions taken thereon are being presented to the Audit Committee of the Board.

12. Details of subsidiary / joint ventures / associate companies

Your company does not have any subsidiary company and do not have any associate company as defined under Sec. 2(87) and Sec. 2(6) of the Companies Act, 2013, respectively during the year under review.

Foreign investment:

Aiming to globalize the trading of the products of your Company efficiently, your Company formed M/s.Salzer Global Services, LLC, USA (SGS) with 40% controlling interest in United States. This venture since formation has been facilitating your Company to identify the market opportunities in Unites States and serving them without any loss of time besides establishing proximity of contacts with the customers in this market as was evident in steady growth of export sales. As part of diversification, M/s. Salzer Global Services, LLC acquired 100% controlling interest in IT and ITES Corporation viz., M/s. Global Technical Talent, Inc, USA, a leading outsourcing firm providing services in the areas of human resources for the IT and ITES companies in USA and Canada.

13. Deposits

During the Financial year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

14. Statutory auditors

In terms of Proviso to Section 139 (1) of the Companies Act 2013, M/s. Swamy & Ravi, Chartered Accountants (FRN:004317S) Coimbatore has been appointed as a Statutory Auditor of the Company for a term of five years from 2014-15, subject to ratification by the shareholders at the every general meeting in terms of ordinary resolution passed by the Members at their 29th Annual General Meeting held on August 9, 2014.

In pursuance of above term, necessary resolution, ratifying appointment of M/s. Swamy & Ravi, Chartered Accountants,

Coimbatore as the Statutory Auditor for the financial year 2015-16 is being placed before members for their consideration in this Annual General Meeting.

M/s. Swamy & Ravi, declares and confirms in pursuance of Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 in their letter dated May 02, 2015 that

- The firm does not suffer any disqualification under the Companies Act 2013 and the Chartered Accountants Act, 1949 and the rules or regulations made thereunder;
- There is no such proceedings/litigations against the audit firm or any partner of the audit firm, pending with respect to professional matters of conduct.
- The Firm is holding the appointment within the limits laid down by or under the authority of the Act and

15. Auditors' report

The Independent Audit Report along with the Annexure as prescribed under Companies (Auditors' Report) Order 2015 as issued by the Auditors' are appended in this Annual Report, wherein the Auditors have not made any qualification / adverse remarks based on the auditing.

16. Extract of the annual return

The extract of the annual return in Form No. MGT – 9 forms part of the Board's report given as Annexure 2 herewith in compliance with Rule 12(1) of the Companies (Management and Administration) Rules, 2014

17. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given as Annexure 3 herewith separately.

18. Corporate social responsibility (CSR)

Your Company, under Corporate Social Responsibility initiative, has been spending the amount for various social causes like education, health, community development etc., Appended as Annexure -4 herewith, Annual Report on CSR Activities of the Company as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

19. Directors:

A) Changes in Directors and Key Managerial Personnel

- i) Shri D Rajesh Kumar, Joint Managing Director has been appointed as Chief Financial Officer of the Company on

09/08/2014 in compliance with Section 203(1) of the Companies Act 2013.

- ii) On the recommendation of Nomination and Remuneration Committee, Dr. (Mrs.) Rajesh Kumar Thilagam, wife of Shri D Rajesh Kumar, was appointed as an additional (Non Executive) Director in order to comply with Section 149 of the Companies Act 2013 and SEBI Circular dated April 17,2014 requiring all the listed Company to have atleast one woman director on the Board.

Now your Company has received a notice in writing from a member of the Company along with requisite deposits under Section 160 of the Companies Act, 2013 proposing the candidature of Dr.(Mrs) Rajeshkumar Thilagam for the office of Director as a Non Executive Director with term of office subjected to retirement by rotation. Necessary resolutions are being placed before the Members for consideration and approval.

- iii) Shri P R Thiruvengadam has been appointed as an alternate director to Shri Howard M Gladstone, Independent Director.
- iv) In the ensuing Annual General Meeting, Shri L Venkatapathy and Shri. Howard M Gladstone, Independent Directors whose term of office subjected to retirement by rotation under the erstwhile Companies Act 1956, have been proposed to be Independent Directors for a term of consecutive five years, not liable to retire by rotations. Necessary resolutions are being placed before the Members for consideration and approval.
- v) Shri N Rangachary, Shri Nirmal Kumar Chandria, Shri P K Shah, Shri V Sankaran and Shri. N Jayabal, Independent Directors whose term of office subjected to retirement by rotation under the erstwhile Companies Act 1956, have been appointed as the Independent Directors for a term of consecutive five years, not liable to retire by rotations, in the 29th Annual General Meeting held on August 09,2014.
- vi) Shri R Dhamodharaswamy and Shri Kantilal V Vakharia, retiring directors at this 30th Annual General Meeting, offer themselves for re-appointment.
- vii) In order to comply with the Provisions of Section 152 of the Companies Act 2013, the Office of Mr. D Rajesh Kumar, Joint Managing Director of the Company, Mr. P Ramachandran, Whole Time Director (Marketing) & Mr. S Baskarasubramanian, Director (Corporate Affairs) have been proposed to be made subjected to retirement by rotations at the Annual General Meetings.

B) Declaration by an Independent Director(s) and re-appointment, if any

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

C) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

20. Meetings

The details in respect of the Meeting of the Board of Directors, Audit Committee and all other sub Committee are given in the Corporate Governance Report.

21. Vigil mechanism

A vigil Mechanism has been in place providing opportunity to Directors/Employees

- To access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company,
- to prohibit managerial personnel from taking any adverse personnel action against those employees and
- to provide necessary safeguards for protection of employees from reprisals or victimization

This policy applies to all directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy

To report such incidents, practices etc., the concerned Employees / Directors can contact / report to

Office of the Audit Committee (Compliance Officer)	E-Mail : baskarasubramanian@salzergroup.com Contact No. 0422 4233614
Office of the Managing Director	E-Mail: rd@salzergroup.com Contact No. 0422-4233612
Office of Joint Managing Director & Chief Financial Officer	E-Mail: rajesh@salzergroup.com Contact No. 0422-4233610

22. Prevention of sexual harassment at the work place

Your Company is having suitable Policy in place on Prevention of Sexual Harassment at Workplace and pursuant of which, an Internal Compliance Committee has been constituted to look into such harassment at the work places at Units.

23. Nomination and remuneration committee

The policy formulated by nomination and remuneration committee given as Annexure-5 herewith.

24. Particulars of loans, guarantees or investments

During the year under review, your Company has not given any loan to any person or other body corporate or given any guarantee or provide security in connection with a loan to any other body corporate or person. However, your company has made further investment of ₹0.57 Lacs not as a strategic investment but as investment under commercial parlance to comply with the regulations of TANGEDCO / TNERC for procuring third party power from the said company by acquiring additional 3000 equity shares of ₹10/- each with a premium of ₹9 per share in Beta Wind Farm Pvt Limited.

The investments in other bodies corporate are well within the limit prescribed under Section 186 of the Companies.

25. Salzer employees stock options scheme 2012-13

The shareholders at their 27th Annual General Meeting held on August 11, 2012 passed necessary resolutions approving "Salzer Employees Stock Option Scheme 2012 -13" for grant of stock options to the eligible employees upto 10% of the paid capital of the Company, as a reward to the employees who are behind the growth of the Company.

Accordingly, the Employees Compensation Committee [ECC], constituted by the Board for administration of Stock option Plan, granted 10,28,000 Stock Options, constituting 10% of the paid up capital, to such eligible employees with one year vesting period and five years exercise period on November 19, 2013. The Bombay Stock Exchange in its letter dated May 08, 2014 granted In-principle listing approval for allotment of 10,28,000 shares which are likely to arise on exercise of stock options

The aforesaid Committee on April 18, 2015 allotted 2,19,900 Equity Shares against equivalent amount of options exercised by the employees concerned and as on the date of this report, 8,08,100 stock options vested upon grantees, outstanding to be exercised .

The relevant disclosures are required SEBI Guidelines are appended herewith as Annexure :6

The Company has received a certificate dated 04th May, 2015 from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the Resolution passed by the shareholders dated August 11,2012. The Certificate would be placed at the Annual General Meeting for inspection by members.

26. Related party transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

In response to Rule 8(2) of Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties during the year under review given in the Form AOC-2, annexed herewith as Annexure :7.

27. Managerial remuneration:

- A) The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- B) The Company does not have such director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company

Details pursuant to section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as Annexure - 8.

28. Secretarial audit report

A Secretarial Audit Report given by M/s. G V Associates, a company secretary in practice annexed with the report as Annexure :9.

29. Risk management policy

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the firm and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats. In order to tackle such risks emanating during the course of business operation, , the Board of Directors, constituted Risk Management Committee with an objective of identifying the potential threats that are likely to impact the growth of the organization and evolve suitable measure strategically to mitigate such identified Risks.

30. Management's discussion and analysis report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of this Directors Report as Annexure :10.

31. Cost Auditor

Your Board of Directors have appointed CMA Mr. A.R. Ramasubramania Raja, as Cost Auditor of the Company for the Financial year 2015-16 to conduct audit of Cost Accounting Records maintained by the Company, for the product(s) covered under relevant heads of Central Excise Tariff Act (CETA) as notified by the Minister of Corporate Affairs vide its notification dated 31/12/2014.

32. Directors' responsibility statement

In terms of Section 134(5) of the Companies Act, 2013, your Directors make the following statements :

- that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting

standards have been followed along with proper explanation relating to material departures, if any;

- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that internal financial controls are being followed by the company and that such internal financial controls are adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

33. Credit ratings

Your Company's Loan facilities from the Banks are being rated by CRISIL and assigned the following rating scales on January 05,2015:

Long Term Rating	CRISIL A-/Stable (Reaffirmed)
Short Term Rating	CRISIL A2+ (Reaffirmed)

CRISIL observed while assigning the rating that your Company's Banks facilities continue to reflect the benefits that Salzer derives from its leading market position in the domestic rotary switches market, its marketing tie-up with Larsen & Toubro Ltd and its sustained focus on research and development which facilitates product improvement and resource optimization. This rating continues to reflect the company's adequate financial risk profile, marked by adequate capital structure and debt protection metrics.

34. Industrial Relations

During the year under review, industrial relations of the Company continued to remain cordial and peaceful.

35. Acknowledgements

Your Directors place on record their deep sense of appreciation and gratitude to the Shareholders, various Government Agencies, Canara Bank, Union Bank of India, ICICI Bank, Citi Bank NA, M/s. HDFC Bank, M/s. Larsen & Toubro Limited - Marketing Associates, M/s. Plitron Manufacturing Inc, Canada (Collaborators), CRISIL, M/s. GNSA Infotech Ltd, (Registrar & Share Transfer agent) for their continued support and co-operation. Your Directors also wish to record their appreciation for the dedicated services being rendered by the employees at all levels.

For and on behalf of the Board

Place : Coimbatore
Date : June 13,2015

N Rangachary
Chairman

ANNEXURE – 1

Corporate Governance Report

(As Required under Clause 49 of the Listing agreement entered into with the Stock Exchanges)

1. Company's Philosophy of Corporate Governance.

At Salzer, our philosophy of Corporate Governance comprises transparency, full disclosure, independent monitoring of the state of affairs and being fair to all the stakeholders, which is scrupulously being adopted by the company. We not only comply with the statutory requirements but also go well beyond this to attain a high level of transparency and accountability in the functioning of the Company to enhance value for all stakeholders.

2. Board of Directors

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, your Board has optimum combination of Executive and Non-Executive Directors. The Board is headed by a Non-Executive Chairman. Executive Directors includes Managing Director also. The composition of Board of Directors is as under.

Composition

The Board headed by the Non-Executive Chairman, comprises 16 Directors from varied disciplines like Engineering, Finance, Banking, Capital Market, Management, Administration sectors.

The Company is having the office of the Chairman and office of the Managing Director / CEO separately by different individuals.

Composition of the Board as on March 31, 2015

Category	No of Directors
Executive Director (Managing Director, Joint Managing Director, Whole-time Director & Director (Corporate Affairs) & Company Secretary)	4
Non Executive & Independent Directors including the Chairman	7
Other Non Executive & Non Independent Directors	3
Nominee Directors	2

Profile of Directors

1. Shri.N.Rangachary, Non-Executive Independent Chairman

Shri.N.Rangachary, Chairman of the company, aged 77 years, possesses appropriate skills, integrity, experience and knowledge, inter alia, in the field of Finance including the Management Accounting and Costing, Taxation, Insurance and Company Law matters and Corporate Governance. In the Opinion of the Board, Shri.Rangachary Nambi lyengar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

Shri Rangachary Nambi lyengar is an IRS officer having over 40 years of experience under the Government of India, Ministry of Finance. He is also a Fellow Member of all the three Professional Bodies viz., the Institute of Chartered Accountants of India, the Institute of Cost and Works Accountants of India, the Institute of Company Secretaries of India. He has also served as a Chairman of Central Board of Direct Taxes and also first Chairman of Insurance Regulatory and Development Authority (IRDA) from 1997 till June 2003 and retired. He is an awardee of International Insurance Man for the year 1999. Further, he was also an advisor to the Government of Andhra Pradesh – Finance department during the period 2002 – 2008. He is a Honorary Member of Indian Institute of Actuary.

2. Shri.R.Doraiswamy, Managing Director

Shri.R.Doraiswamy, Managing Director of the company, aged 72 years basically a graduate in electrical engineering and a technocrat entrepreneur being the core promoter of Salzer Electronics Limited and other Salzer Group Companies for manufacture of electrical installation products, comparable with the international quality standards, both for industrial and domestic segments. He has got wide experience in design, development and manufacture of electrical installation products, having served in leading industrial manufacturing company like Lakshmi Machine Works Limited, REITER MACHINE WORKS,

M/S. BROWN BOVERY BADEN, And M/S. SORECHER + SCHVE ARROW, both in India and Switzerland respectively, for over two decades. He is having good business acumen and expertise in Industrial and Business Management with wide contacts globally.

3. **Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer**

Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer of the company, aged 44 years, is a graduate in Electrical Engineering with Post Graduation in Business Administration, a technocrat turned into an industrialist. Mr.D.Rajeshkumar did his post graduation in Business Management in the US and has taken over as Managing Director of erstwhile Salzer Controls Limited and was at the helm of the Management of Salzer Controls Limited for over a period of 5 years. On merger of Salzer Controls Limited with Salzer Electronics Limited, he has occupied the position of Joint Managing Director in Salzer Electronics Limited, virtually acting as CEO of the concern. He is a young and energetic entrepreneur and is managing the Salzer group of companies under the guidance of Mr.R.Doraiswamy, his father, being the Promoter of Salzer group of companies.

4. **Dr. (Mrs.) Rajeshkumar Thilagam, Non-Executive Woman Director**

Dr.(Mrs.)Rajeshkumar Thilagam, aged 43 years, is a Doctor by profession, having MBBS & DGO qualification. Presently, engaged in practice and managing affairs of the K R Health Care Private Limited, a multi specialty 50 bedded hospital with annual revenue of ₹3.50 Crores. Spouse of Mr.D.Rajesh Kumar, Joint Managing Director of the Company. Having wide and rich knowledge on the administration of the business affairs and ability to take strategic decisions in any given situation.

5. **Shri.N.Jayabal, Non-Executive Independent Director**

Shri.N.Jayabal, aged 71, is an Electrical Engineer, having wide overseas experience for about three decades and with good international contacts. He is also a Director in M/s.Salzer Exports Limited. His association on the Board of Directors of the Company has contributed to improve the market share for the products of the Company in the Global Market.

6. **Shri.P.Ramachandran, Whole Time Director**

Shri.P.Ramachandran, aged 67 years, who is a Post Graduate in Economics with wide experience in the field and good contacts both in domestic and international markets, have contributed to achieve the performance and corporate objectives of the company all these years.

7. **Shri.R.Dhamodharaswamy, Non-Executive Director**

Shri.R.Dhamodharaswamy, aged 84 years, is a graduate and is a Non Executive Director on the Board of Directors of the Company for the last more than 25 years. He is a dynamic industrialist having wide exposure in business administration and Corporate Affairs and is well known in the society being an active member of social institutions like Lions Club etc., His acumen in business administration has helped the Company in its growth path all these years. He is also one of the Directors on the Board of M/s. Micro Controls Private Limited and M/s Micro Instruments Limited.

8. **Shri.Nirmal Kumar M Chandria, Non-Executive Independent Director**

Shri.Nirmal Kumar M Chandria, aged 55 years, having graduation in Commerce and is an Industrialist and Promoter of a Company in Aluminium Sector and associated himself with leading industries. He is a Director of M/s. Nirmal Aluminium Industries Ltd, M/s. Motijay Investments Pvt Ltd, M/s. Jaymoti Investments Pvt Ltd, M/s. Nirmal Insulations P Ltd & M/s. Parsvir Alloys P Ltd.

9. **Shri.P.K.Shah, Non-Executive Independent Director**

Shri.P.K.Shah, aged 71 years, is a graduate and also basically a business man and financier for the last more than 3 decades in Bangalore. He is associated with Salzer Electronics Limited for the last 20 years and his business acumen and expertise in financial aspects contributed for the growth of the company all these years. He is also a Partner of M/s. Suk Electronics and Proprietor of M/s. Jayashree Industrial Accessories.

10. **Shri.L.Venkatapathy, Non-Executive Independent Director**

Shri. L.Venkatapathy, aged 85 years, was the Chief Executive Officer of one of the leading Textile Machinery Manufacturer in the South viz., Textool Company Ltd, Coimbatore. He is associated with Salzer Electronics Limited for the last 20 years as a Director. He has a vast expertise in General Management and Administration as well as in depth knowledge in finance, which helped the company in its growth.

11. **Shri.Howard M Gladstone, Non-Executive Independent Director**

Shri.Howard M Gladstone, aged 67 years is a Canadian citizen and holding directorship as Non-Executive and Independent Director on the Board. He is the President of M/s. Plitron Manufacturing Inc., Canada, the Collaborator.

12. Shri. P.R.Thiruvengadam, Alternate Director for Shri. Howard M Gladstone

Shri.P.R.Thiruvengadam, aged 77 years, is an Engineering graduate – B.E., (Electrical) from Madras University, and holds post graduation in Industrial Management (MBA). He has gained 33 years of experience in M/s. Lakshmi Machine Works, Coimbatore, and has held various positions from Engineer to General Manager – Administration and production. He is now appointed as Alternate Director on the Board of Directors to Mr.Howard M Gladstone.

13. Shri.V.Sankaran, Non-Executive Independent Director

Shri.V.Sankaran, aged 72 years, is an Independent and Non Executive Director on the Board of Directors for the last 10 years and holds a Master's Degree in Commerce and is an Associate Member of both the Institute of Cost & Works Accountants of India and the Institute of Company Secretaries of India. He also holds a Postgraduate Diploma in Management Accounting from Jamnalal Bajaj Institute of Management Studies, Bombay (University of Bombay). He is well known in the Financial Services Industry. He has over 35 years of experience in reputed companies in various areas of Finance and General Management. Mr.Sankaran is a Director of Smile Electronics Limited.

14. Shri.Kantilal V Vakharia, Non-Executive Director

Shri.Kantilal V Vakharia, aged 87 years, has rich experience of over 46 years in the areas of finance, banking and capital market sectors. He is also a Director in M/s.Vakharia Financial Service Ltd., M/s.Salzer Magnet Wires Ltd, and Partner in M/s. Teekay International, Mumbai.

15. Shri.S.R.Swaminathan, Nominee Director

Shri.S.R.Swaminathan, aged 58 years, is an engineering graduate – BE., (Hons) in Electrical and Electronics from Regional Engineering College, Trichy and has joined M/s.L&T in the year 1987. He has held various positions as Branch Engineer, Section Head, Zonal Head (Southern and Western Region) and presently Joint General Manager. Under his leadership, he has contributed a lot in the areas of Channel Management and also looking after the training centre and customer interaction centre. Prior to joining M/s.L&T, he was associated with English Electrics, Chennai at its Relay and Control panel division. He is also a Director in M/s. J S K Electricals Pvt Limited.

16. Shri.P.Ramakrishnan, Nominee Director

Shri.P.Ramakrishnan, aged 48 years is a qualified Chartered Accountant and associated with M/s. Larsen & Toubro Limited for more than 20 years and presently working as Head - Finance & Accounts, M/s.L&T Electrical and Automation Independent Company Ltd. Besides his Directorship in Salzer Electronics Limited, he is also a Director of M/s. TAMCO Switchgear (Malaysia) SDN Bhd, M/s.L&T Electricals and Automation Independent Company Ltd, M/s.JSK Electricals Pvt Ltd and M/s.HENIKWON Corporation SDN, Bhd.

17. Shri.S.Baskarasubramanian, Director (Corporate Affairs) & Company Secretary

Shri. S.Baskarasubramanian, aged 72 years, who is a qualified Company Secretary and Fellow member of Institute of Company Secretaries of India (FCS), is having wide experience in the field of Company Law matters / Corporate Affairs. He is at present employed in your Company as Director (Corporate Affairs) & Company Secretary.

Position of Board of Directors

Directors	Category	Attendance Particulars		No. of Membership in The Boards of other Companies
		Board meeting	Last AGM (09.08.2014)	
N.Rangachary *,@	Non-Executive Independent Chairman	4	√	12
R.Doraiswamy #,@	Managing Director	3	√	5
D.Rajeshkumar #,@,%,©	Joint Managing Director & Chief Financial Officer	4	√	8
Dr.(Mrs.) Rajeshkumar Thilagam (appointed on 30.03.2015)	Non-Executive Woman Director	-	-	5
N.Jayabal *,#,@	Non-Executive Independent Director	4	X	1
P. Ramachandran	Whole-time Director (Marketing)	3	√	1
R.Dhamodharaswamy @	Non-Executive Director	4	√	1
L.Venkatapathy *,#,\$,%,©	Non-Executive Independent Director	4	√	0
Nirmal Kumar K Chandria	Non-Executive Independent Director	4	√	3
P.K.Shah \$	Non-Executive Independent Director	4	√	2
Kantilal V Vakharia	Non-Executive Director	2	√	2
V.Sankaran *,#,\$,%,©	Non-Executive Independent Director	4	√	1
S.R.Swaminathan	Non-Executive Nominee Director	1	X	1
P.Ramakrishnan	Non-Executive Nominee Director	3	√	2
Howard M Gladstone	Non-Executive Independent Director	-	X	1
P.R.Thiruvengadam (appointed on 12.02.2015)	Alternate Director for Mr.Howard M Gladstone	1	0	2
S.Baskarasubramanian *,#,\$,@,%,©	Director (Corporate Affairs) & Company Secretary	4	√	0

* Members of Audit Committee

Members of the Shareholders / Investors Grievance Committee

\$ Members of the Nomination and Remuneration Committee

@ Members of CSR Committee

% Members of Risk Management Committee

© Members of Employees Compensation Committee

Meeting of the Board of Directors

During the year under report, Four Board meetings were held on 10.05.2014, 09.08.2014, 11.11.2014, & 12.02.2015.

Committees of Directors:

The Board has constituted the following mandatory committee viz. Audit Committee, Shareholders' Grievance Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and non mandatory committee viz., Employees Compensation Committee. The terms of reference of these Committees are

determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, and the minutes of the meeting has also been placed before the meeting of Board of Directors for their approval.

3. Audit committee:

The Audit Committee consisting of the following independent Directors met five times on 09.05.2014, 08.08.2014, 10.11.2014 & 12.02.2015 & 21.03.2015 during the year under review, to consider the financial performance of the Company

as well as compliance of Accounting Standards, Company Law/ Stock Exchange provisions, adequacy of Internal Control system, etc, and found satisfactory.

Terms of reference:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with stock exchange and legal requirements
- Concerning financial statements.
 - Any related party transactions i.e, transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholder in case of non-payment of declared dividends) creditors.

Composition and attendance :

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2014-15 are given below:

Sl. No	Committee Members	Designation in the Committee	Designation in the Board
1	Mr. L Venkatapathy	Chairman of the Committee	Non Executive Independent Director
2	Mr. V Sankaran	Member	Non Executive Independent Director
3	Mr. N Jayabal	Member	Non Executive Independent Director
4	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary

The Audit Committee stands re-constituted with the following members effective from 10.05.2014.

Sl. No	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. N Rangachary	Chairman of the Committee	Non Executive Independent Chairman	4
2	Mr. L Venkatapathy	Member	Non Executive Independent Director	5
3	Mr. V Sankaran	Member	Non Executive Independent Director	5
4	Mr. N Jayabal	Member	Non Executive Independent Director	5
5	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary	5

4. Nomination and Remuneration Committee:

With effect from 09.08.2014, the Remuneration Committee has been rechristened as "Nomination and Remuneration Committee". The Nomination and Remuneration Committee, with the following members met three times on 08.08.2014, 12.02.2015 & 23.03.2015 during the year under review,

Terms of reference:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with laid down criteria,
2. To recommend to the Board their appointment and removal,
3. To carry out evaluation of every director's performance.
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
5. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. To formulate the policies so as to ensure that
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Composition and attendance:

Sl. No	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. V Sankaran	Chairman of the Committee	Non Executive Independent Director	3
2	Mr. L Venkatapathy	Member	Non Executive Independent Director	3
3	Mr. P K Shah	Member	Non Executive Independent Director	2
4	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary	3

Formulation of Policy for Selection and Appointment of Directors and their Remuneration

The Nomination and Remuneration Committee discussed and evolved a policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

Criteria for appointment of Whole-time / Executive / Managing Director / Non-Executive Independent Director / KMP and Senior Management Personnel

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there-under.
4. The Company shall appoint or continue the employment of any person as Whole-time Director as per the relevant provisions of the Companies Act, 2013 read along with the relevant schedule and rules made thereunder.

Remuneration to Whole-time / Executive / Managing Director

Remuneration

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration

approved by the shareholders and Central Government, wherever required.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive / Independent Director

Sitting Fees - The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee is paid to Non-executive Non Independent Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors for their travelling on Company's business.

Profit-linked Commission - The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 2½ % of the net profits of the Company computed as per the applicable provisions of the Regulations.

Stock Options - Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

Remuneration to KMP and Senior Management Personnel

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee/ Board. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

5. Shareholders / Investors Grievance Committee:

The Shareholders' / Investors' Grievance Committee consisting the following Directors met four times on 09.05.2014, 08.08.2014, 10.11.2014 & 11.02.2015 and reviewed system of handling investor's complaints, redressal of Grievance, etc., and found that during the year under review the Investors/ shareholders complaints have been redressed then and there to the satisfaction of the investors. The Committee also noted that there are no investors / shareholders complaints pending redressal as on 31.03.2015.

Terms of reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly.

Composition and attendance :

Sl. No	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	L.Venkatapathy	Chairman	Non-Executive Independent Chairman	4
2	R.Doraiswamy	Member	Managing Director	4
3	D.Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	4
4	N.Jayabal	Member	Non-Executive Independent Director	4
5	S.Baskarasubramanian	Member Secretary	Director (Corporate Affairs) & Company Secretary	4

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	27
Non-Receipt of Dividend Warrants	22
Non-Receipt of Certificates	21
Total	70

As on March 31, 2015, no complaints were outstanding.

6. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee has been

constituted by the Board at its meeting held on 10.05.2014 with the following members.

Terms of reference:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause 3;
3. Monitor the Corporate Social Responsibility Policy of the company from time to time; and
4. Such other activities as may be prescribed by the Board from time to time."

Composition and attendance :

Sl. No	Committee Members	Designation in the Committee	Designation in the Board
1	Mr.N.Rangachary	Chairman	Non Executive Independent Director & Chairman of the Company
2	Mr.R.Doraiswamy	Member	Managing Director of the company
3	Mr.R.Dhamodharaswamy	Member	Director
4	Mr.D.Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company
5	Mr.N.Jayabal	Member	Director
6	Mr.S Baskarasubramanian	Member Secretary	Director (Corporate Affairs) & Company Secretary

The CSR Committee has passed the following resolutions dt. 17.06.2014 by circulation, which has also been approved by the Board of Directors of the company by circulation vide resolution dt. 25.06.2014 and also subsequently confirmed the decision taken by the circulation at their meeting held on 09.08.2014.

1. Considered, approved and recommended the draft CSR policy for the approval of Board.
2. Considered, approved and recommended to the Board the proposed social activities for Financial Year 2014-15 and its estimated amount of expenditure.

The details of the expenditure to be allocated under CSR policy and the actual expenditure incurred by the company during the year under review, as per the relevant provision of the Companies Act, 2013 read along with the Schedule VII of the Act have been furnished under the Directors Report.

7. Risk Management Committee:

The Risk Management Committee has been constituted by the Board at its meeting held on 11.11.2014 with the following members.

Terms of reference:

1. Assessment of the Company's risk profile and key areas of risk in particular,
2. Formulating suitable Risk Management Policies taking care of all foreseeable risks that may likely affect the business growth,
3. Recommending to the Board for adopting risk assessment procedures on various matters
4. Determining the sufficiency of the Company's internal control system.

5. Assessing and recommending to the Board acceptable levels of risk,
6. Monitoring compliance with Company Policies.
7. Reviewing the nature and level of insurance coverage of the assets
8. Co-ordination with the Statutory Auditors to ascertain the Compliance level of Accounting Policies and Standards
9. Such other duties as committee thinks fit for execution of the policies.

Composition and attendance :

Sl. No	Name of the Member	Position in the Committee	Position in the Company
1	Mr. D Rajesh Kumar	Chairman	Joint Managing Director and Chief Financial Officer
2	Mr. V Sankaran	Member	Independent Non Executive Director
3	Mr. P.Ramakrishnan	Member	Nominee Director
4	Mr. L Venkatapathy	Member	Independent Non Executive Director
5	Mr. P R Thiruvengadam	Member	Alternate Director
6	Mr. S.Baskarasubramanian	Member Secretary	Director (Corporate Affairs) & Company Secretary
7	Mr. P.Sivakumar	Member	General Manager (Marketing) - unit I
8	Mr. B.Mahendran	Member	Sr.Manager (Works) –Unit I
9	Mr. M.Lakshminarayana	Member	Gen.Manager – Operations -Unit II
10	Mr. S.Venkatachalam	Member	Manager–Commercial-Unit II
11	Mr. R.Menaka	Member	Manager Accounts –Unit I

Accordingly, the Committee has been taking every effort to Monitor the Risks involved with respect to business of the company in the manufacture of electrical installation products and other allied products thereof to take suitable measures strategically to mitigate the impact of such risks on a continuous basis.

8. Employees Compensation Committee:

Terms of reference:

1. determining the Eligible Employees to whom the Options are to be granted;
2. the time when the Options are to be granted;
3. the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
4. the quantum of Options to be granted at various points in time;
5. the terms and conditions subject to which the Options vested in Eligible Employee may lapse in case of termination of employment for misconduct;
6. the criteria for determining the number of Options to be granted to the Eligible Employees;
7. the terms and conditions subject to which the Options granted would vest in the Eligible Employee;
8. the vesting schedule and the date of vesting of the Options granted;
9. the terms and conditions subject to which the Options vested would be exercised by the Eligible Employee;
10. the date by which the Options have to be exercised by the Eligible Employee, including extension of such date subject to the approval of ECC and that option would lapse on failure to exercise the option within the exercise period;
11. the specified time period within which the Eligible Employee shall exercise the vested Options in the event of his / her termination or resignation;

12. the number of Options to be apportioned / allocated for various grades of Eligible Employees;
13. the assignment of weights to length of service, grade and performance rating;
14. the right of an Eligible Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
15. the Grant, Vest and Exercise of Options in the case of Eligible Employees who are on long leave;
16. the procedure for cashless Exercise of Options, if any;
17. the number of Options reserved, if any, for granting to new employees who would join the services of the Company; and
18. the procedure for making adjustments in relation to the Options in case of corporate actions such as rights issues, bonus issues, sub-division of shares, merger, acquisition, sale of division etc.
19. the recommendations, if any, to be made to the Company / other entity, as the case may be, from time to time on implementation of any or all the above matters;

Composition and attendance :

The Employee Compensation Committee consisting of the following Directors met on 22.11.2014 during the year under review;

Sl. No	Director	Designation in the Committee	Designation in the Board
1	Mr. L Venkatapathy	Chairman of the Committee	Non Executive Independent Director
2	Mr. V Sankaran	Member	Non Executive Independent Director
3	Mr. N Jayabal	Member	Non Executive Independent Director
4	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary

Composition and attendance :

The Employee Compensation Committee consisting of the following Directors met on 22.11.2014 during the year under review;

Sl. No	Director	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. V Sankaran	Chairman	Non Executive Independent Director	1
2	Mr. D.Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	1
3	Mr. L.Venkatapathy	Member	Non-Executive	1
4	Mr. S Baskarasubramanian	Member Secretary	Director (Corporate Affairs) & Company Secretary	1

The Committee reviewed the status that the employees, who have been vested their options granted under the Salzer ESOS 2012-13, and the details of the same has been provided in the Directors Report.

9. General Body Meetings

Information regarding last 3 years General Body meetings are given below:

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
Hotel Sree Annapoorna, R.S.Puram, Coimbatore - 02	27th AGM	Saturday	11/08/12	11.30 am	Approval of the ESOS Scheme by the Shareholders Approval of the shares under Stock Options to the Employees of Subsidiary Company / Holding Company and Allotment of the Options more than 1% of the issued capital to the identified employees during any one year.
Hotel Sree Annapoorna, R.S.Puram, Coimbatore - 02	28th AGM	Saturday	10/08/13	11.30 am	Re-appointment of Mr.P.Ramachandran as a Whole Time Director for a further term of 5 years.
Hotel Sree Annapoorna, R.S.Puram, Coimbatore - 02	29th AGM	Saturday	09/08/14	11.30 am	Approval of the proposal of delegation of powers and authority to the Board of Directors of the company to borrow money(ies) for the purpose of the business of the company. Approval of the proposal of delegation of authority to the Board of Directors of the Company to deal with the transactions including material transaction, if any, from time to time, with the Related Parties pursuant to the provisions of Sec.188 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules 2014 *

- Pursuant to Clause 35(B) of Listing Agreement, the above resolutions were passed by way of both e-voting, Postal ballot and vote at the meeting, in the last AGM.
 - Similarly, the following special businesses / resolutions are being proposed to be conducted through the postal ballot, remote E-voting and vote at the Meeting, in the ensuing Annual General Meeting.
 - Appointment of Dr.(Mrs) Rajeshkumar Thilagam (DIN: 00006783) as a Non Executive Director on the Board by means of ordinary resolutions
 - Appointment of Shri. L.Venkatapathy (DIN: 00003095) as an Independent Director on the Board by means of ordinary resolutions
 - Appointment of Shri. Howard Michael Gladstone (DIN: '02703986) as an Independent Director on the Board by means of ordinary resolutions
 - Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 by means of special resolutions
 - Approving the Office of the Joint Managing Director & Chief Financial Officer Shri D Rajesh Kumar (DIN 00003126), subjected to determination by retirement of Director by rotation, by means of special resolutions .
 - Approving the Office of the Whole Time Director (Marketing) Shri P Ramachandran (DIN 01043572), subjected to determination by retirement of Director by rotation, by means of special resolutions .
 - Approving the Office of the Director (Corporate Affairs) & Company Secretary Shri S Baskarasubramanian (DIN 00003152), subjected to determination by retirement of Director by rotation, by means of special resolutions .
- The Board had appointed Mr. G. Vasudevan, a Practicing Company Secretary of M/s. G.V. Associates, Coimbatore as a Scrutinizer for e-voting, postal ballot and voting at the meeting in a fair and transparent manner.

Independent Directors' Meeting

During the year under review, the Independent Directors met on March 21, 2015, inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, as authorized at the Independent Directors' meeting, the Chairman of the Company appraised and evaluated the performance of all the Directors including Executive / Whole Time Directors for the year under review.

10. Disclosures

Information Under Clause 49(VI)(A) of Listing Agreement in Respect of Directors Being Appointed / Re-Appointed:

The following Non-Independent / Independent Directors are retiring by rotation and are being re-appointed in this general body meeting, whose profiles are given in the Notice calling the Annual General Body meeting.

1. Shri. R.Dhamodaraswamy - Non-Independent Director
2. Shri. Kantilal V Vakhara - Non-Independent Director
3. Shri .L. Venkatapathy - Independent Director

Shri L.Venkatapathy, being liable for retirement by rotation during this year as per the provisions of Companies Act, 2013 and as he is not related to any of the Promoter and connected with Promoter Group companies as per the provisions of the Companies Act, 2013 and relevant SEBI regulations, his re-appointment is being considered at this meeting as an Independent Director with a term of office Five years not liable for retirement by rotation until the date of 35th Annual General Meeting of the company to be held in the calendar year 2012 and necessary resolutions has been placed before this meeting for approval of the shareholders.

4. Dr. (Mrs.) Rajeshkumar Thilagam

Dr.(Mrs.) Rajeshkumar Thilagam, has been inducted on the Board of Directors of the company as a Woman Director pursuant to the relevant provisions of Companies Act, 2013 and related SEBI regulations thereof with effect from 30.03.2015 with a term of office till the conclusion of this AGM and in

order to comply with the relevant provisions of the Act, on a continuous basis necessary resolutions has been placed at this meeting for approval of the shareholders for the office of the Director with a term of office liable for retirement by rotation as a non-executive and non-independent director.

Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large.

During the period under review, the Company had not entered into any material transaction with any of its related parties.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 28 of Financial Statements, forming part of the Annual Report.

The related party transactions dealt within the financial statements of the company for the year 2014-15 have been in the ordinary course of business of the company and at arms length basis without prejudices to the interest of the company.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

During the last year, BSE Ltd has issued a Notice in connection with late submission of Annual Report for the year 2013-14 and imposed penalty of ₹7000/-. The Company has remitted the said amount to BSE Ltd.

Equity shares in suspense account

The Company does not have any of its securities lying in suspense account arising out of public / bonus / right issues as at the 31.03.2015. Hence, the particulars relating to aggregate number of shareholders viz-a-vis outstanding securities in suspense account and other related matters thereof does not arise.

Whistle Blower Policy

In order to ensure good Corporate Governance the company has appropriate mechanism for the employees to report on the matters relating to un-ethical behavior, actual or suspected fraud / dishonesty / violation / deviation of the Company's code of conduct or ethics policy and the mechanism / system provides safeguards against victimization of employees in the matter and also having direct access to the Chairman / Management / Chairman of the Audit Committee as the case may be. During the year under review, no employee was denied access to the Audit Committee.

Prevention of Sexual Harassment at workplace

The company is having suitable policy for prevention of sexual harassment at workplace and the working environment and atmosphere are being closely monitored and no incident was reported during the year under review.

Compliances:

- Pursuant to the provisions of the Companies Act, 2013, the annual accounts for the period under review have been prepared as per the requirements of the said revised Schedule-III.
- All applicable accounting standards have been followed in the preparation of Annual Accounts and there are no material deviation;
- All such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Statement of Profit & Loss of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis ;
- The Company is having appropriate systems to ensure the compliance of all laws applicable to the Company;
- The Company is having appropriate system to ensure payment of statutory dues in time without any delay.
- Materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.
 - None of the transactions with any of the related parties were in conflict with the interests of the Company.
- Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.
 - No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.
- Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges:
 - None.

Inter-se relationships between Directors of the Company.

Sl. No	Name	Position	Inter-se relationships
1	R.Doraiswamy	Managing Director	Brother of Mr.Dhamodharaswamy, Director and father of Mr. D. Rajeshkumar, Joint Managing Director and father-in-law of Dr. (Mrs.) Rajeshkumar Thilagam
2	D.Rajeshkumar	Joint Managing Director & Chief Financial Officer	Son of Mr.R.Doraiswamy, Managing Director and husband of Dr.(Mrs.) Rajeshkumar Thilagam
3	R.Dhamodharaswamy	Director	Brother of Mr.R.Doraiswamy, Managing Director
4	Dr. (Mrs.) Rajeshkumar Thilagam	Director	Wife of Mr.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer and Daughter-in-law of Mr.R.Doraiswamy, Managing Director

Non –Mandatory Requirements

Chairman's Office

During the year under review, the Company has not maintained any office for Non-Executive Chairman. However, the Company has been reimbursing the Travelling and other out-of –pocket expenses incurred by the Non-Executive Chairman in the performance of Company's business.

Audit Qualifications

There are no qualifications in the Auditors' Report to the

Members on the Financial Accounts for the year ended 31.03.2015.

Shareholders' Right

The Quarterly, Half yearly and Annual Financial Results of the Company are published in the Newspapers, besides notifying to the Stock Exchanges where the Company's Shares are listed www.bseindia.com. The Quarterly / Half yearly and Annual Financial Results are also available in the Company's web-site : www.salzergroup.com. The Audited Annual Report is also

sent to every shareholders of the Company.

■ **Reminder to Investors**

Reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures are sent to shareholders/debenture holders as per records every year as the case may be.

■ **BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

■ **SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

■ **Other Non Mandatory Requirements**

The other Non mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.

Secretarial Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-viz the issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2014-15 have also been carried out by Mr.G.Vasudevan, Practicing Company Secretary of M/s.G.V. Associates, Coimbatore and accordingly his report is appended to Directors' Report.

Means of Communication

The Quarterly, Half Yearly and Annual Financial Results are published in leading Newspapers besides notifying to the Stock Exchanges where the Company's shares are listed as well as posted in the Company's website for the benefit of all stakeholders. The Quarterly, Half yearly and Annual Financial Results of the Company are also available in the BSE website www.bseindia.com and in company's website www.salzergroup.com.

General Shareholder Information

a) Annual General Meeting

Day & Date	8th August 2015, Saturday
Time	11.30 AM
Venue	Hotel Sree Annapoorna, R.S.Puram, Coimbatore-02
Financial year	1st April, 2014 to 31st March, 2015
Date of Book Closure	01.08.2015 to 08.08.2015 (both days inclusive)
Dividend Payment Date	05.09.2015
Listing on Stock Exchanges	BSE Limited
STOCK / SCRIP CODE	517059
Audited Financial Results Announced	13.05.2015
Announcement of Quarterly Results	10.05.2014, 09.08.2014, 11.11.2014 & 12.02.2015
Posting of Notice calling AGM and Annual Reports	All communications required to be sent to the shareholders are being either sent through the registered e-mail addresses of the shareholders as well as by post as required by the shareholders. Accordingly, the Notice along with the audited annual accounts would be sent either through e-mail or by post as the case may be. Despatch of physical report – 15.07.2015
Last date of receipt of Proxy forms	06.08.2015
Period of e-voting	03.08.2015 to 07.08.2015
Last date of receipt of Ballot paper	07.08.2015
e-voting Even No.	
CIN No.	L03210TZ1975PLC001535

b) Market Price Data

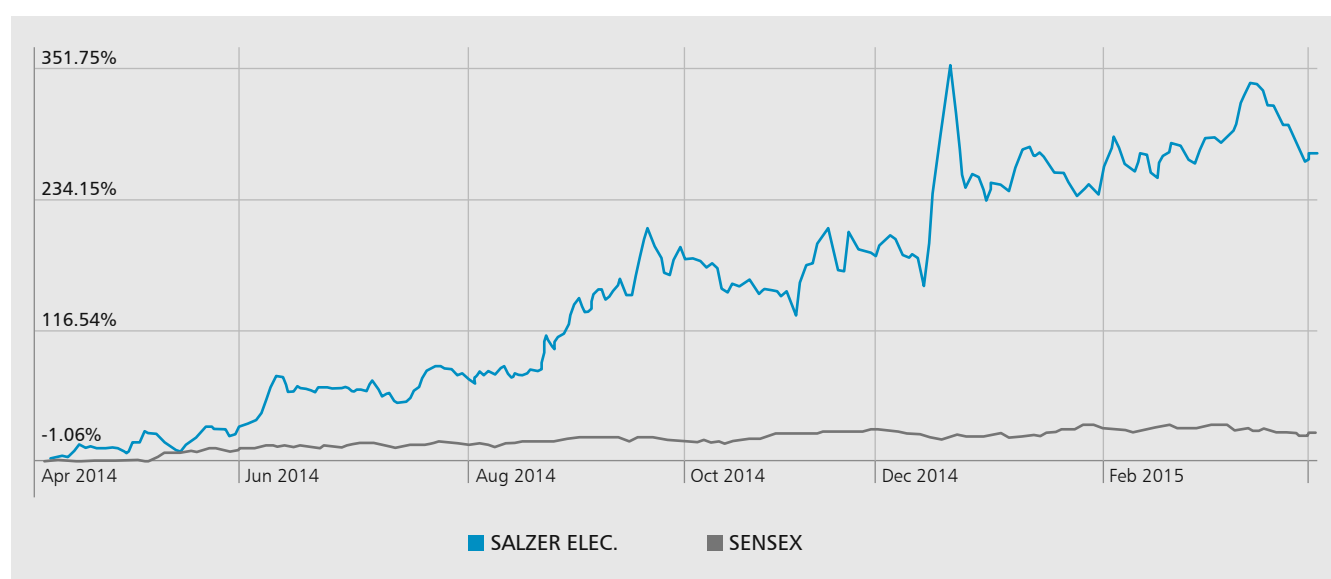
Share Trading Details in BSE Limited

For the period: 1-Apr-2014 to 31-Mar-2015

(Amt in ₹)

Month	Open	High	Date	Low	Date	Closing
April '14	61.50	73.00	17.04.2014	52.40	09.04.2014	65.35
May '14	57.00	85.00	26.05.2014	57.00	02.05.2014	75.60
June '14	82.25	110.00	12.06.2014	74.55	02.06.2014	101.55
July '14	102.40	120.00	25.07.2014	92.10	14.07.2014	109.10
August '14	108.50	136.00	27.08.2014	102.10	04.08.2014	130.65
September '14	133.95	196.00	23.09.2014	131.20	01.09.2014	179.15
October '14	180.00	180.00	01.10.2014	132.00	28.10.2014	154.40
November '14	145.00	201.95	19.11.2014	137.05	10.11.2014	175.85
December '14	179.95	280.20	19.12.2014	149.95	12.12.2014	202.90
January '15	202.90	240.15	12.01.2015	193.00	01.01.2015	206.50
February '15	207.00	243.00	05.02.2015	207.00	02.02.2015	236.50
March '15	235.50	281.80	12.03.2015	216.00	27.03.2015	233.80

SENSEX vs SALZER in 2014-15



Market Capitalization

As on 31st March 2015, the market capitalization of the company stood at ₹240.43 Crores as at 31.03.2015.

BSE Comparison

c) Registrar & Share Transfer / Demat Agents

Company's share transfer Registry works both for Demat and Physical forms are being undertaken by M/s. GNSA Infotech Limited, Nelson Chambers, 'F' Block, 4th Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai – 600 029., Tel: 044-42962025, e-mail: info@gnsaindia.com.

The shares of the Company are dematerialised and registered in Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under ISIN No.: INE457F01014.

d) Share Transfer System**Share Transfer Committee:**

The Share transfer committee consisting of the following members:

1.	D.Rajeshkumar	Chairman	Joint Managing Director
2.	N.Jayabal	Member	Non-Executive Independent Director
3.	S. Baskarasubramanian	Member	Director (Corporate Affairs) & Company Secretary

The Company's share transfer works, both physical and electronic form, are being done by M/s.GNSA Infotech Limited, Chennai.

Application for share transfer held in physical form are received both at the Registered office of the Company and at the office of the Registrar / Share Transfer Agent of the Company and if the documents are found to be in order, the transfer work is completed and the share certificate are returned within the stipulated time as per the Regulations.

To consider share transfers, the committee meets at least once in 15 days.

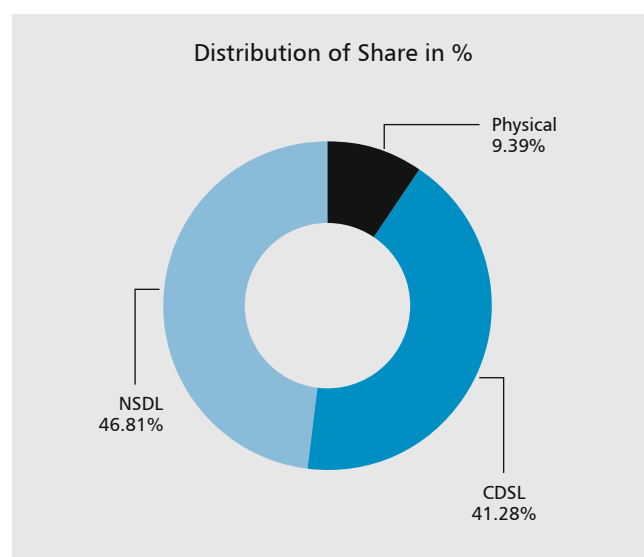
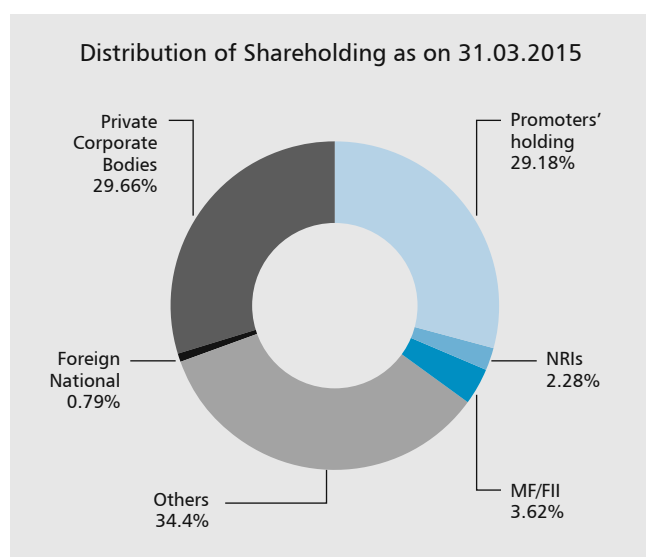
The Shares held in the demat form are electronically traded in the depositories and the Registrar and Transfer Agents of the Company periodically receive from the depositories the beneficiary holdings to enable them to update their records.

e) Distribution Schedule (As on 31.03.2015)

Range	No. of Folios	No. of shares	% of holding
Upto – 5000	13382	1768141	17.19
5001 – 10000	45	339365	3.30
10001 – 20000	23	336229	3.26
20001 – 30000	10	251274	2.44
30001 – 40000	6	208251	2.05
40001 – 50000	10	461582	4.49
50001 – 100000	9	613055	5.96
100001 & above	15	6305840	61.31
TOTAL	13500	10283737	100%

f) Distribution of Shareholding as on 31.03.2015

Category	No. of Shares held	Percentage of Share Holding
A Promoter's holding		
1 Promoters		
Indian Promoters	3001078	29.18%
Foreign Promoters	0	0%
2 Persons acting in concert	0	0%
Sub-Total	3001078	29.18%
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds	274822	2.67%
b Banks, Financial Institutions, Insurance companies (Central/ State Govt, Institutions / Non-Government Institutions)	0	0%
c Foreign Institutional Investors	97470	0.95%
Sub-Total	372292	3.62%
4 Others		
Private Corporate Bodies	3049860	29.66%
Indian Public	3544574	25.63%
NRIs / OCBs	234220	2.28%
Any other (Foreign Collaborator/National)	81714	0.79%
Sub-Total	6910367	67.20%
Grand Total	10283737	100.00%



g) Demat Information (As on 31.03.2015)

	CDSL	NSDL	TOTAL
No. of Shares Dematerialized	4504330	4814188	9318518
% of Total Capital	43.80	43.26	90.61

h) Nomination Facility

As provided in the provisions of Companies Act, 1956 / Companies Act, 2013 as the case may be nomination facility is available for the shares held in a Company. The nomination form along with instruction shall be provided to the members on request.

i) Plant Location

Unit - I	: Samichettipalayam, Coimbatore - 641 047
Unit - II	: Chinnamaddampalayam, Coimbatore – 641 019.
Unit - III	: # 2, Gudalur Village Samichettipalayam, Coimbatore - 641 047
Unit - IV	: No.882/3, Coimbatore Main Road, Bettathapuram, Coimbatore – 641 104
UNA Unit	: Khasara No: 2826, Una Nangal to Behdala Road, V.P.O Behdala, Tehsil & Dist-UNA, UNA (H.P) 174306.

J) Address for Correspondence

All correspondence should be addressed to:

The Managing Director / Company Secretary, Salzer Electronics Ltd, Samichettipalayam, Coimbatore - 641 047

CIN No. L03210TZ1985PLC001535

Website : The Company's website www.salzergroup.com contains a separate dedicated section "Investors" where shareholders information is available. The Annual Report of the Company along with Directors' Report, Auditors' Report and Balance Sheet and Profit & Loss account is also available on the website in a user-friendly manner.

e-mail : investor_relations@salzergroup.com

Compliance Officer id : baskarasubramanian@salzergroup.com

Phone : 0422 4233600 / 0422 4233614

The Company has exclusive e-mail id: investor_relations@salzergroup.com for investor services.

The above report has been placed before the Board at its meeting held on 13th May, 2015 and the same was approved.

Declaration

As provided under the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the members of Senior Management have confirmed compliance with the Code of Conduct.

For and on behalf of the Board

Place : Coimbatore

Date : 13.05.2015

(Sd/-)

N. Rangachary

Chairman

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Mr. R.Doraiswamy, Managing Director of the Company hereby certify

1. that I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2015 and that to the best of my knowledge and belief,
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - these statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. that there are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. that I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take to rectify the identified deficiencies and
4. that I have informed the auditors and the audit committee that there are
 - Significant changes in internal control during the year, if any.
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
 - No instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place : Coimbatore

Date : 13.05.2015

(Sd/-)

R. Doraiswamy

Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Shareholders
Salzer Electronics Ltd

1. We have examined the compliance of conditions of Corporate Governance by Salzer Electronics Ltd, for the year ended 31.03.2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, where the Shares of the Company are listed.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investors' grievances are pending for a period exceeding one month, as on 31st March 2015 against the Company as per the records maintained by the Company.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In terms of our report attached

For Swamy & Ravi
Chartered Accountants
FRN :0043175

(Sd/-)

S. Ravichandran

Partner

Membership No.023783

Coimbatore
May 13,2015

ANNEXURE – 2

Form No. MGT-9

Extract of Annual Return as on the Financial year ended on 31st March 2015

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

I. Registration and Other Details

i)	CIN	:	L03210TZ1985PLC001535
ii)	Registration date	:	08th January 1985
iii)	Name of the company	:	SALZER ELECTRONICS LIMITED
vi)	Category / Sub-Category of the Company		
	Category	:	Public Company
	Sub-Category	:	Company Limited by shares
v)	Address of the registered office and contact details		
	Address of the registered office	:	Samichetti Palayam, Jothipuram Post, Coimbatore, Tamilnadu, Tamil Nadu India - 641047
	Contact details	:	Telephone :0422-4233600, Fax : 0422-2692170 E.Mail : salzer@salzergroup.com
vi)	Whether listed company		Yes
vii)	Name, address and contact details of registrar and transfer agent, if any		
	Name		GNSA Infotech Ltd
	Address		Nelson Chambers, "F" Block, 4th Floor, #115, Nelson Manickam Road, Aminthakara, Chennai - 600 029
	contact		Phone : 044-42962025, E.Mail: sta@gnsaindia.com

II. Principal Business Activities of the Company

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

Sl. No	Name and description of main products/ services	NIC code of the product/service	% to total turnover of the company
1	CAM Operated Rotary Switches	3689	13.13%
2	Wires & Cables	3610	41.70%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No	Name and description of main products/ services	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
	Nil				

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category Wise Shareholding

Sl. No	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ HUF	1599382	-	1599382	15.55	1602436	-	1602436	15.58	0.03
(b)	Central/State Govt.(s)		-				-			-
(c)	Bodies corporate	783029	-	783029	7.61	1277997	-	1277997	12.43	4.81
(d)	FI/ Banks									-
(e)	Any other (Relative)	740112	-	740112	7.20	120645	-	120645	1.17	-6.02
	Sub-total (A)(1)	3122523	-	3122523	30.36	3001078	-	3001078	29.18	-1.18
(2)	Foreign									
(a)	Individuals (Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of promoter and promoter group (A)= (A)(1)+ (A)(2)	3122523	-	3122523	30.36	3001078	-	3001078	29.18	-1.18
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual funds/UTI	-	-	-	-	274822	-	274822	2.67	2.67
(b)	FI/Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt. (s)	-	-	-	-	-	-	-	-	-
(d)	Venture capital funds	-	-	-	-	-	-	-	-	-
(e)	Insurance companies	-	-	-	-	-	-	-	-	-
(f)	FII	-	-	-	-	97470	-	97470	0.95	0.95
(g)	Foreign venture capital	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	372292	-	372292	3.62	3.62
(2)	Non-institutions									
(a)	Bodies corporate	3675591	76954	3752545	36.49	3013514	36346	3049860	29.66	-6.83
(b)	Individuals - i.Individual	1015133	644923	1660056	16.14	1239664	629183	1868847	18.17	2.03
	Individuals - ii.Individual shareholders holding nominal share capital in excess of ₹1 Lacs	1060688	344238	1404926	13.66	1508250	167477	1675727	16.29	2.63
(d)	Any other	-	-	-	-	-	-	-	-	-
(d)	i) (Non Resident Indian)	211474	50500	261974	2.55	183720	50500	234220	2.28	-0.27
(d)	ii) Foreign Company	-	81713	81713	0.79	-	81713	81713	0.79	-
	Sub-total (B)(2)	5962886	1198328	7161214	69.64	5945148	965219	6910367	67.20	-2.44
	Total public shareholding (B)= (B)(1)+ (B)(2)	5962886	1198328	7161214	69.64	6317440	965219	7282659	70.82	1.18
	Total (A)+(B)	9085409	1198328	10283737	100.00	9318518	965219	10283737	100.00	0.00

ii) Shareholding of promoters as on 31st March, 2015

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total share	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
A	Promoters							
1.	Vishnu Rangaswamy D.	667787	6.49	NIL	667787	6.49	NIL	0.00
2.	Thilagam R.	432255	4.20	NIL	432255	4.20	NIL	0.00
3.	Doraiswamy R.	288428	2.80	NIL	288428	2.80	NIL	0.00
4.	Rajesh Kumar D.	210912	2.05	NIL	213966	2.08	NIL	0.03
	Total (A)	1599382	15.55		1602436	15.58		0.03
B	Bodies Corporate							
1	Srve Industries Ltd	287105	2.79	NIL	287105	2.79	NIL	0.00
2	Quebec Information Services I Ltd	199192	1.94	NIL	221692	2.16	NIL	0.22
3	Salzer Exports Limited	145725	1.42	NIL	145725	1.42	NIL	0.00
4	Salzer Securities Holdings Limited	101007	0.98	NIL	101007	0.98	NIL	0.00
5	K R Health Care P Limited	50000	0.49	NIL	50000	0.49	NIL	0.00
6	Saradha Investment Ltd	NA	NA		472468	4.59	NIL	4.59
	Total (B)	783029	7.61		1277997	12.43		4.81
C	Directors And Relatives							
1	Mrudu Kantilal Vakharia	233300	2.27	NIL	NA	NA	NA	NA
2	Manish Umed Doshi	118421	1.15	NIL	NA	NA	NA	NA
3	Kantilal Vajeshanker Vakharia	98765	0.96	NIL	NA	NA	NA	NA
4	Damodaraswamy R	42763	0.42	NIL	42871	0.42	NIL	0.00
5	R Pappammal	35472	0.34	NIL	59922	0.58	NIL	0.24
6	P K Shah	30675	0.30	NIL	NA	NA	NA	NA
7	Smita P Shah	26775	0.26	NIL	NA	NA	NA	NA
8	Vijayalakshmi B	26400	0.26	NIL	NA	NA	NA	NA
9	Kantilal V. Vakharia (HUF)	23400	0.23	NIL	NA	NA	NA	NA
10	Vijayalakshmi B	20834	0.20	NIL	NA	NA	NA	NA
11	Ramachandran P	17852	0.17	NIL	17852	0.17	NIL	0.00
12	Rajiv Rangaswamy J.	17400	0.17	NIL	NA	NA	NA	NA
13	Deepak K Shah	12750	0.12	NIL	NA	NA	NA	NA
14	M/S Vakharia Financial Services Ltd	10849	0.11	NIL	NA	NA	NA	NA
15	Srilatha Jaganathan	8238	0.08	NIL	NA	NA	NA	NA
16	Nirmal Kumar M. Chandria	4000	0.04	NIL	NA	NA	NA	NA
17	Nirmal Kumar M Chandria	3900	0.04	NIL	NA	NA	NA	NA
18	P K Shah (HUF)	3000	0.03	NIL	NA	NA	NA	NA
19	Deepak K Shah	2000	0.02	NIL	NA	NA	NA	NA
20	Nithin J	1950	0.02	NIL	NA	NA	NA	NA
21	Neela Tarun Vakharia	1368	0.01	NIL	NA	NA	NA	NA
	Total (C)	740112	7.20		120645	1.17	NA	-6.02
	Total (A+B+C)	3122523	30.36		3001078	29.18		-1.18

iii) Change in Promoters' Shareholding

During the year, the Share Transfer Committee reviewed and redefined shareholding pattern in respect of Promoters and Promoters Group in Compliance with applicable SEBI Regulations and the Companies Act 2013, which resulted in reduction in Promoters' and Promoters Group share holding by 1.18% only.

iv) Shareholding pattern of top ten shareholders (Other than Promoters and Directors)

Sl. No	For each of the top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Larsen and Toubro Limited	2679808	26.06	2679808	26.06
	At the end of the year (31.03.2015)	2679808	26.06	2679808	26.06
2	Mrudu Kantilal Vakharia	233300	2.27	233300	2.27
Add	31.03.2014	39400	0.38	272700	2.65
Add	25.07.2014	9100	0.09	281800	2.74
Less	01.08.2014	-20000	-0.19	261800	2.55
Less	06.03.2015	-30000	-0.29	231800	2.25
	At the end of the year (31.03.2015)	231800	2.25	231800	2.25
3	Vijay Kishanlal Kedia	102500	1.00	102500	1.00
Add	27.02.2015	44710	0.43	147210	1.43
Add	13.03.2015	52790	0.51	200000	1.94
	At the end of the year (31.03.2015)	200000	1.94	200000	1.94
4	Dhiren Uttamchand Dadia	134077	1.30	134077	1.30
	At the end of the year (31.03.2015)	134077	1.30	134077	1.30
5	Dipak Kanayalal Shah	125408	1.22	125408	1.22
Less	30.09.2014	-408	0.00	125000	1.22
Less	13.03.2015	-5000	-0.05	120000	1.17
	At the end of the year (31.03.2015)	120000	1.17	120000	1.17
6	Pramerica Midcap Opportunities Fund	0	0.00	0	0.00
Add	09.01.2015	7	0.00	7	0.00
Add	16.01.2015	26000	0.25	26007	0.25
Add	30.01.2015	3834	0.04	29841	0.29
Add	06.02.2015	35402	0.34	65243	0.63
Add	13.02.2015	44479	0.43	109722	1.07
	At the end of the year (31.03.2015)	109722	1.07	109722	1.07
7	Sundaram Mutual Fund A/C Sundaram V	0	0.00	0	0.00
Add	13.03.2015	100000	0.97	100000	0.97
	At the end of the year (31.03.2015)	100000	0.97	100000	0.97
8	Kantilal Vajeshanker Vakharia	98765	0.96	98765	0.96
Less	28.11.2014	-20	0.00	98745	0.96
	At the end of the year (31.03.2015)	98745	0.96	98745	0.96
9	Sharad Kanayalal Shah	67137	0.65	67137	0.65
Less	30.06.2014	-2137	-0.02	65000	0.63
	At the end of the year (31.03.2015)	65000	0.63	65000	0.63
10	Divyesh Mansukhlal Kamdar	98000	0.95	98000	0.95
Less	11.07.2014	-1275	-0.01	96725	0.94
Less	25.07.2014	-5725	-0.06	91000	0.88
Less	01.08.2014	-1000	-0.01	90000	0.88
Less	29.08.2014	-10000	-0.10	80000	0.78
Less	30.09.2014	-5000	-0.05	75000	0.73
Less	19.12.2014	-5000	-0.05	70000	0.68
Less	31.12.2014	-5000	-0.05	65000	0.63
	At the end of the year (31.03.2015)	65000	0.63	65000	0.63

v) Shareholding of Key Managerial Personnel

Sl. No	Shareholding of each Directors and each Key Managerial Personnel		Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	R Doraiswamy -Managing Director					
	At the beginning of the year		288428	2.80		
	At the end of the year		288428	2.80	288428	2.80
2	D Rajesh Kumar – Joint Managing Director & Chief Financial Officer					
	At the beginning of the year		210912	2.05		
Add	01.08.2014	1054				
Add	05.12.2014	2000			211966	2.06
	At the end of the year		213966	2.08	213966	2.08
3	P Ramachandran – Whole Time Director (Marketing)					
	At the beginning of the year		17852	0.17		
	At the end of the year		17852	0.17	17852	0.17
4	S Baskarasubramanian – Director (Corporate Affairs) & Company Secretary					
	At the beginning of the year		1223	0.01		
	At the end of the year		1223	0.01	1223	0.01

b) Directors of the Company

Sl. No	Shareholding of each Directors and each Key Managerial Personnel		Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Thilagam Rajesh - Non Executive & Non Independent					
	At the beginning of the year		432255	4.20		
	At the end of the year		432255	4.20	432255	4.20
2	R Damodharaswamy - Non Executive & Non Independent					
	At the beginning of the year		42763	0.42		
	At the end of the year		42871	0.42	42871	0.42
3	Kantilal V Vakharia Non Executive & Non Independent					
	At the beginning of the year		98765	0.96		
	At the end of the year		98765	0.96	98765	0.96
4	Nirmal Kumar Chandria -Independent Director					
	At the beginning of the year		7900	0.08		
	At the end of the year		7900	0.08	7900	0.08
5	N Jayabal -Independent Director					
	At the beginning of the year		665	0.01		
	At the end of the year				665	0.01
6	L Venkatapathy -Independent Director					
	At the beginning of the year		300	0.00		
	At the end of the year		300	0.00	300	0.00

Sl. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	V Sankaran -Independent Director				
	At the beginning of the year	0	0.00		
	At the end of the year	0	0.00	0	0.00
8	N Rangachary - Chairman - Independent Director				
	At the beginning of the year	0	0.00		
	At the end of the year	0	0.00	0	0.00
9	P K Shah -Independent Director				
	At the beginning of the year	30675	0.30		
Add	Mar-15	2000	0.02		
	At the end of the year	32675	0.32	32675	0.32
10	Howard M Gladstone -Independent Director				
	At the beginning of the year	50000	0.49		
	At the end of the year	50000	0.49	50000	0.49
11	P R Thiruvengadam (Alternate to Howard M Gladstone)				
	At the beginning of the year	0	0.00		
	At the end of the year	0	0.00	0	0.00
12	P Ramakrishnan –Nominee Director				
	At the beginning of the year	0	0.00		
	At the end of the year	0	0.00	0	0.00
13	S R Swaminathan –Nominee Director				
	At the beginning of the year	0	0.00		
	At the end of the year	0	0.00	0	0.00

V) Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,04,12,910	87,50,000	-	7,91,62,910
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,04,12,910	87,50,000	-	7,91,62,910
Change in Indebtedness during the financial year				
Addition	14,55,35,541		-	14,55,35,541
Reduction	-	63,00,000	-	6,30,000
Net Change	14,55,35,541	63,00,000		
Indebtedness at the end of the financial year				
i) Principal Amount	21,59,48,451	24,50,000	-	21,83,98,451
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	21,59,48,451	24,50,000		21,83,98,451

VI) Remuneration of Directors and Key Managerial Personnel

a) Remuneration of Managing Director and other Whole Time Directors

	R.Doraiswamy, Managing Director	D.Rajeshkumar Joint Managing Director & Chief Financial Officer	P.Ramachandran Whole Time Director	Total
Gross salary	23,01,500	22,51,500	3,91,500	49,44,500
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	20,10,206	20,10,205	-	40,20,411
- as % of profit				
- Others, specify...				
Others, please specify	-	-	-	-
Total (A)	43,11,706	42,61,705	3,91,500	89,64,911
Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director			

b) Remuneration to other Directors

i) Independent Directors

Sl. No		Fees for attending the meeting	Commission	Others	Total
		(A)	(B)	(C)	A+B+C
1	N Rangachary	80,000	-	-	80,000
2	Nirmal Kumar Chandria	40,000	-	-	40,000
3	L Venkatapathy	80,000	-	-	80,000
4	V Sankaran	80,000	-	-	80,000
5	P R Thiruvengadan (Alternate to Howard M Gladstone)	10,000	-	-	10,000
6	P K Shah	40,000	-	-	40,000
7	N Jayabal	40,000	-	-	40,000

ii) Other Non Executive Directors and Nominees Directors

Sl. No		Fees for attending the meeting	Commission	Others	Total
		(A)	(B)	(C)	A+B+C
1.	Thilagam Rajesh Kumar (Non Executive)	-	-	-	-
2	Kantilal V Vakharia (Non Executive)	20,000			20,000
3	R Dhamodharaswamy (Non Executive)	40,000			40,000
Overall Ceiling as per the Act- 1% of Net Profits of the Company for all Non-Executive Directors					
4	P Ramakrishnan – L & T Nominee	30,000	-	-	-
5	S R Swaminathan – L & T Nominee	10,000			20,000

c) Remuneration to other Key Managerial Personnel (Other than Managing Director & Whole Time Director)

	S Baskarasubramanian Director (Corporate Affairs) & Company Secretary
Gross salary	8,02,500
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
Stock Option	-
Sweat Equity	-
Commission	-
- as % of profit	
- Others, specify...	
Others, please specify	-
Total (A)	8,02,500

VII. Penalties / Punishment/ Compounding of Offences:

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

ANNEXURE – 3

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013
read with Rule 8(3) of the Companies (Accounts) Rules, 2014

Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Out Go.

A. Conservation of Energy

Your Company, being a modest power intensive one, continues to ensure measures for conservation of energy wherever possible.

B. Particulars with Respect to Technology Absorption:

Research & Development:

As stated in the Directors' Report, the recognition of in-house R & D by the Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, New Delhi is continuously maintained since 2004 and the present renewal of the recognition is valid upto 31.03.2017.

1. Specific areas in which R&D was carried out by the Company.

The R&D wing of the Company has been working to achieve the following objectives:

- Sustainability of the quality standards comparable to the international standards.
- Ensuring process development on continuous basis, to be cost effective and cost competitiveness.
- Enlarging the utilities of the product by continuous improvement in specifications, design, etc.,
- Ensuring technological upgradation and know-how for the products of the Company.
- Developing new products to increase market share & profitability.

2. Benefits derived as a result of the above R&D activities:

As already reported in our earlier Annual Reports, the efforts of our R&D have continuously contributing to the growth in the turnover of the Company on year to year basis and also has resulted in reduction of rejection levels and wastages due to improved process specifications and balancing facilities, Automation of processes, etc.

The Energy Saver equipment developed by our R&D and implemented in Madurai and Coimbatore Municipal Corporations have already proved the saving in the consumption

of electricity not less than 30% in the areas of mass / street lighting management system. Your company is marketing this Energy Saving Devices either on BOOT model or as a Product. This system is not only on go-green concept but also helps to reduce the emission of Carbon, which is also contributing to reduce the warming up of earth and facilitates to avail Carbon Credit facilities being extended on go-green projects.

Your Company is also contemplating to popularize this product in other Corporations/ Municipalities in Tamil Nadu under projects being evolved by Tamil Nadu Energy Development Authority (TEDA) to combat the power crisis being prevailed in the State. In this context, your company has been successfully awarded the Tender to implement the Energy Saving Projects under Public Private Participation (PPP) in Vellore, Erode, Tirupur and Tirupur Regions (comprising of 16 Municipalities) for total Tender value of ₹106 Crores. Your company has already completed the Investment Grade Audit and submitted to the Corporation. Your Company has actively been executing the projects.

The products – Contactors and Overloaded relays upto 105 A, Motor protection circuit breakers, DC isolators for PV applications, Tinned Copper Wires, which are developed by your R&D Department, have already been added in the manufacturing profile of the company during the current fiscal, which will contribute to the growth of Turnover and Profitability of your company in the coming years.

Technology Absorption, Adaptation & Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The technical know-how obtained for the manufacture of CAM Operated Rotary Switches is continuously developed and improved through in-house R&D activities for enlarging its applications, in design and process technology, cost competitiveness, etc. The Collaboration agreement with M/s. Plitron Global Services, Inc, an affiliate of M/s. Plitron Manufacturing Inc, Canada, for technical know-how for manufacture of improved and higher capacity of Toroidal Transformers to meet the customers' requirements continues

to work with good speed. The above technologies have been continuously developed and improved through in house R & D efforts.

Your Company has also undertaken the development of Contactors for C3 Controls, USA who is one of the reputed manufacturer and supplier of the electrical goods worldwide.

2. Benefits derived as a result of the above R&D:

The Company is consistently improving its design compatibility, process development and capabilities and utility of its Switches and other switchgear products and thereby consistently improving its market share both in domestic and international markets.

3. During the year under review the following expenditures were incurred with regard to R & D:

- Capital Expenditure as additions to Plant & Machineries, Tools, Dies etc.,
₹596.13 Lakhs
- New Products and Process development
₹154.92 Lakhs
- Salary and other expenses for R&D personnel
₹86.73 Lakhs

4. Details of Imported Technology:

- Technology Imported : For the manufacture of
 - (i) CAM Operated Rotary Switches
 - (ii) Toroidal Transformers
- Year of Import : (i) 1985
(ii) 1995 / 2005
- Has the technology : Yes, Fully absorbed
been fully absorbed

C. Foreign Exchange Earnings and Outgo:

- a) Foreign Exchange earned during the year (Direct export ₹4545.46 lakhs, Merchant Export ₹1940.43 lakhs & ₹40.61 lakhs for technical services)
₹4586.07 Lakhs
- b) Foreign Exchange outgo
₹4389.76 Lakhs

For and on behalf of the Board

(Sd/-)

Place : Coimbatore
Date : May 13, 2015

N. Rangachary
Chairman

ANNEXURE – 4

Annual Report on CSR Activities**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs****Outline of the Policy**

Social Responsibility is one of the many responsibilities of a Corporate to contribute something from its earnings for the development of the society without any anticipation. In order to ensure and streamline such social and economic development of the society at large and also to ensure all citizens including corporates' participation along with the Government, corporate social activities is brought under the regulatory frame work under the relevant statute – Companies Act, 2013. Accordingly, the regulatory frame work stipulate 2% of the average net profit of the preceding three years should be spent by the Corporate under the CSR policy framed by the corporate concerned every year. The Corporate are expected to spent such amount for the social and economic upliftment of the society in and around the Corporate concerned and also society at large, in order to upliftment of literary level of the people by way of extending educational assistance, development of infrastructure facilities of the educational institutions, society in and around the Corporate, Health care programmes to the needy people, etc., Accordingly, your company has formulated a CSR Policy with the following objectives.

Objectives of the CSR Activities

- Providing financial assistance to economically challenged students for pursuing education of the local regions where the Company operates comprising of Gudalur, Periyanaickenpalayam, Naickenpalayam, Coovanoor, Chinnamadhampalayam, Bettathapuram, Veerapandi, etc.,
- Providing financial assistance to the deserved people to undergo the medical treatment for any ailments,
- Distribution of stationeries to the students of the Governments School,
- Conducting the sports events like Ball Badminton, Kabadi etc.
- Plantation of siblings etc., in local villages,
- Providing in-plant training for development of Job Skills and Knowledge
- Part funding for construction of public utility and amenities such as Roads, Rest Rooms, Drainages, Community Hall etc., for the local regions,
- Organizing free health check-up for the people of the underprivileged Sections etc.,

Your Board of Directors had also constituted a Board's Sub-Committee to administer and manage the CSR activities under the CSR policy of the Company with the following members.

2. The Composition of the CSR Committee.

Sl. No	Committee Member	Type	Category in the Board
1	Shri R Rangachary	Chairman	Independent Director
2	Shri R Doraiswamy	Member	Managing Director
3	Shri R Dhamodharaswamy	Member	Non Executive Director
4	Shri D Rajesh Kumar	Member	Joint Managing Director & Chief Financial Officer
5	Shri N. Jayabal	Member	Independent Director
6	Shri S Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary

The above composition of the CSR Committee duly complied with the Provisions of Section 135 of the Companies Act 2013 viz., a Corporate Social Responsibility Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an independent director.

3. Average net profit of the company for last three financial years

Particulars	2013-14 ₹ in Lacs	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Net profit under Section 198 of the Companies Act 2013	1142.83	940.36	1010.32

4. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)

Last three years average net profit	₹1031.17 Lacs
2% of the above Net Profit	₹20.63 Lacs

5. Details of CSR spent during the financial year.

a. Total amount to be spent for the financial year	₹20.63 Lacs
b. Amount unspent , if any;	₹9.40 Lacs

c. Details of the amount spent during the financial year are detailed below

Sl. No	CSR Project/ activity Identified	Sector in which the Project is covered	Location	Amount outlay	Amount spent on projects	Cumulative expenditure upto reporting period	Direct or through implementing agency
1	2	3	4	5	6	7	8
				₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
1	Contribution to a Trust engaged in upliftment of social and economic status of the society	General	Coimbatore, Tamil Nadu	10.00	8.60	8.60	8.60
2	Sponsorship for education	Education	Coimbatore, Tamil Nadu	0.55	0.30	0.30	0.30
3	Promotion of sports	Sports	Coimbatore, Tamil Nadu		0.50	0.50	0.50
					9.40	9.40	9.10

6. Reason for not spending the amount earmarked for CSR Activities in the Financial year 2014-15

The Company has been taking all out efforts for the social economic activities of the society as per the CSR policy of the company and also on the broad categories of areas covered under the CSR activities vide schedule VII of the Act., but was unable to make full utilization of ₹20.60 Lacs approved by the Board under the said categories stipulated for CSR activities. However, the Company will take earnest efforts to contribute under the CSR Policies and Activities in the Coming years.

R Doraiswamy
Managing Director

N Rangachary
Chairman of the Committee

Date : May 13, 2015

Place : Coimbatore

ANNEXURE – 5

Policy For Nomination and Remuneration Committee**1. Introduction**

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company is being formulated and shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

1.1. Objective of the Policy

The policy is framed with the objective(s):

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
3. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration
4. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry

5. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
6. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
7. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance

2. Guiding Principles for Constitution of Nomination and Remuneration Committee

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Committee will meet at such intervals as deems fit to carry out the objectives set out in the Policy. A quorum of two members) is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee

2.1. Committee Members

The Nomination and Remuneration Committee comprises of the following Directors:

Sl. No	Committee Member	Category	Designation
1	Mr. V Sankaran	Chairman of the Committee	Non Executive Independent Director
2	Mr. L Venkatapathy	Member	Non Executive Independent Director
3	Mr. P K Shah	Member	Non Executive Independent Director
4	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary

2.2. Functions of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance

with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors
4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability
5. Decide / approve details of fixed components and performance linked incentives along with the performance criteria
6. Devise a policy on Board diversity
7. Formulate the criteria for evaluation of Independent Directors and the Board
8. The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company
9. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management.
10. The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

3. Applicability

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel
3. Senior Management Personnel

4. Appointment of Director, KMP and Senior Management

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there-under
4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

5. Term / Tenure

5.1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

5.2. Independent Director

Subject to the provisions of the applicable Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory Authority from time to time.

6. Training of Independent Directors

1. The company shall provide suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.
2. The details of such training imparted shall be disclosed in the Annual Report

7. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

8. Disqualifications for Appointment of Directors

1. Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:
 - a. He is of unsound mind and stands so declared by a competent court;
 - b. He is an undercharged insolvent;
 - c. He has applied to be adjudicated as an insolvent and his application is pending;
 - d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not

less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;

He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

He has not complied with sub-section (3) of section 152.

2. No person who is or has been a director of a company which:
 - a. Has not filed financial statements or annual returns for any continuous period of three financial years; or
 - b. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

9. Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

10. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11. Matters Relating to the Remuneration, Perquisites for the Whole-Time Director, KMP and Senior Management Personnel

1. The remuneration / compensation etc. to the Whole-time Director, Directors and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation etc. shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required
2. As regards the remuneration of KMP, Senior Management Personnel, the determination shall be effected by way of annual presentation before the Committee by Principal – HR and / or by the Chief Financial Officer, which would have requisite details. The Committee shall peruse the same and approve accordingly.
3. Increments to the Whole Time Director(s) should be within the slabs approved by the Shareholders.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration

12. Remuneration to Whole-time / Executive / Managing Director

12.1. Remuneration

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

12.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its

profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

12.3. Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

13. Remuneration To Non-Executive / Independent Director

13.1. Sitting Fees

The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors based out of Coimbatore.

13.2. Profit-linked Commission

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 2 ½ % of the net profits of the Company computed as per the applicable provisions of the Regulations.

13.3. Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

14. Remuneration to KMP and Senior Management Personnel

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee/ Board. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies

ANNEXURE – 6

The information furnished under SEBI (ESOS & ESPS) Guidelines, 1999

Title of the Scheme	:	Salzer Electronics Limited Employees Stock Option Scheme 2012-13
options granted;	:	10,28,000 Options at issue of ₹40 Per option
the pricing formula;	:	The latest available closing price on Bombay Stock Exchange on November 18 2013, preceding the date of grant on November 19, 2013 – ₹48.60 per share. Employees Compensation Committee has approved the exercise price of ₹40/- per equity share at its meeting held on 19th November 2013.
options vested;	:	10,28,000 Options
options exercised;	:	As on March 31, 2015 : NIL As on date of this reporting, 2,19,900 shares allotted against the similar number of options exercised by the grantees
the total number of shares arising as a result of exercise of option;	:	2,19,900 equity shares
options lapsed;	:	NIL
variation of terms of options;	:	NIL
money realized by exercise of options;	:	R. 87,96,000
total number of options in force	:	8,08,100 Options
employee wise details of options granted to		
i) Senior managerial personnel;	:	Not disclosed.
ii) Any other employee who receives a grant in any one year option amounting to 5% or more of option granted during that year.	:	NIL
iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	:	NIL
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earning per share"	:	₹10.79

ANNEXURE – 7

Form No. AOC-2

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

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

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

a	Name(s) of the related party and nature of relationship	:	NIL
b	Nature of contracts/arrangements/transactions	:	NIL
c	Duration of the contracts / arrangements/ transactions	:	NIL
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
e	Justification for entering into such contracts or arrangements or transactions	:	NIL
f	date(s) of approval by the Board	:	NIL
g	Amount paid as advances, if any	:	NIL
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	NIL

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

a	Name(s) of the related party and nature of relationship	:	Larsen & Toubro Ltd. Salzer is an Associate Company to Larsen & Toubro Ltd in terms of Section 2(6) of the Companies Act 2013
b	Nature of contracts/arrangements/transactions	:	Sale of Materials in the normal course of business and at arm length basis
d	Duration of the contracts / arrangements/transactions	:	Regular
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	In 2014-15, the Company sold materials for a value of ₹124.99 Crs, representing 40.56% of the gross turnover of the Company
e	Date(s) of approval by the Board, if any or such other approvals	:	The Company is effecting the Transactions with Larsen & Toubro upon the approval of the shareholders at their 29th AGM held on August 09,2014
f	Amount paid as advances, if any:	:	NIL

**As defined under clause 49 of the Listing Agreement and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual turnover of the company as per the last audited financial statements of the company.

ANNEXURE – 8

Details Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Ratio of the remuneration of Shri R Doraiswamy, Managing Director to the median remuneration of the employees : 22:1 Ratio of the remuneration of Shri D Rajesh Kumar, Joint Managing Director & Chief Financial Officer to the median remuneration of the employees : 22:1 Ratio of the remuneration of Shri P Ramachandran, Whole Time Director (Marketing) to the median remuneration of the employees : 2:1		
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Shri R Doraiswamy – 12% Managing Director Shri D Rajesh Kumar – 12% Joint Managing Director & Chief Financial Officer Shri P Ramachandran – 3% Whole Time Director – Marketing Shri S Baskarasubramanian Director (Corporate Affairs) & Company Secretary -10%		
(iii)	the percentage increase in the median remuneration of employees in the financial year;	7%		
(iv)	the number of permanent employees on the rolls of company;	446		
(v)	the explanation on the relationship between average increase in remuneration and company performance;	Average increase in Remuneration – 9% Average increase in Profit before Tax- 35%		
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;			
		K M P	Remuneration ₹ in Crs	Co's performance PBT (₹ in Crs)
		Shri R Doraiswamy - Managing Director	0.43	16.97
		Shri D Rajesh Kumar - JMD & CFO	0.43	16.97
		Shri P Ramachandran - WTD	0.03	16.97
		Shri S Baskarasubramanian - D (CA) & C S	0.08	16.97

(vii)	variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Market Capitalization as at March 31, 2014 - ₹63.73 Crs Market Capitalization as at March 31, 2015 - ₹233.14 Crs Variation in the PE Ratio P E Ratio as at March 31, 2014 – 8 P E Ratio as at March 31, 2015 – 19 23 times increase in the market quotations of the shares in comparison to the rate at which the Company came out with IPO in the year 1985
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in remuneration of Managerial personnel -9% Average increase in remuneration other than the Managerial Personnel - 7% Managerial Personnel – Mr. Shri R Doraiswamy and Shri D Rajesh Kumar are entitled for the Profit Commission @2 ½ % on the profit of the Company
(x)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Refer vi
(xi)	the key parameters for any variable component of remuneration availed by the directors;	Profit commission depends upon the profitability of the Company
(xii)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not applicable. There is no such employee who received remuneration in excess highest paid Director during the year
(xiii)	Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

ANNEXURE – 9

Secretarial Audit Report

To,
The Members,
Salzer Electronics Limited
Samichettipalayam,
Coimbatore

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For G.V and Associates,

G. Vasudevan
FCSNo.6699
C P No.6522

Date: 13th May 2015

Place: Coimbatore

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2015

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

To,
The Members,
Salzer Electronics Limited
Samichettipalayam,
Coimbatore

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Salzer Electronics Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances (with the statutory provisions listed hereunder) and expressing my opinion thereon.

Based on my verification of the Salzer Electronics Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year from 1st April, 2014 to 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Salzer Electronics Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules

and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28th October 2014);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company is not issued any debt securities during the financial year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review
- and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) Since there no other laws specifically apply to the company during the year under review, we are not able to comment on the same.
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (not applicable as not notified during the period under review).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with laws, rules, regulations and guidelines mentioned herein above.

Place : Coimbatore
Date : May 13,2015

For G.V. and Associates
Company Secretaries

Sd/-
G. Vasudevan
Proprietor
FCS No.: 6699
C P No .: 6522

ANNEXURE – 10

Management Discussion and Analysis

Forward Looking Statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting standards notified under section 211(3C) of the act read with the Companies (Accounting standards) rules, 2006. The management of Salzer Electronics has used estimates and Judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Salzer" are to Salzer Electronics Limited and its subsidiaries and associates.

Economic Overview

The Indian Economy witnessed a fixed performance in 2014-15 owing to lack of revival of some sectors, especially the Infrastructure Sector, languishing for a long time for want of adequate reforms and stimulus from the Government. Today,

the Government is initiating various reform-oriented measures expeditiously to rejuvenate the languishing sectors and in all probability, the Indian economy would see all round growth in 2015-16.

The Indian economy grew at 7.3% in 2014-15 due to improvement in the performance of both services as well as manufacturing sectors, compared with the 6.9% economic growth in 2013-14 as per the new series of national accounts with base year of 2011-12.

The manufacturing sector rose by 7.1% during the year as against 5.3% in 2013-14. Similarly, the output of electricity, gas, water supply and other utility services rose by 7.9% as against 4.8% a year ago.

The construction activity too registered an increase of 4.8%, up from 2.5% a year ago. Financial, real estate and professional services also showed an improvement by registering a growth of 11.5% as against 7.9% in the previous fiscal.

The above data clearly indicates the fact that our economy is back on the growth track.

International Scenario

At the global level, in the short term, macroeconomic and geopolitical developments depict a mixed picture with increased uncertainty. Some macroeconomic signs in the U.S. remain positive and growth in China is expected to continue. At the same time, the market remains impacted by slow growth in Europe and geopolitical tensions in various parts of the world. Currency volatility has increased over the last 12 months, including the weakening of the Euro against the U.S. dollar.

Performance of the Indian Electrical Industry

The Indian Electrical Industry is one of the prominent industries in India, directly connected with the growth story of the infrastructure development in the country. The industry witnessed some volatility in the recent past due to a poor show of the infra sector. In spite of an absence of significant spurt in the sector in 2014-15, the electrical industry has gone ahead and witnessed a 13% growth in Q4 of FY 2014-15. The overall growth of the industry is 9.98% in the fiscal under

report. Although higher imports still plague the industry, policy changes and various initiatives undertaken by the industry and government are eventually showing signs of revival of the sector.

The major drivers in this growth are cables & conductors and LV and HV switchgear, while power transformers and LT motors continue to show declining trends. Rotating machines continue to witness negative growth on the back of huge rise of imports of about ₹2,000 cr and even capacitors have shown a decline in demand. Demand from power generation, sub-station and growth of the infrastructure and realty sectors coupled with increasing exports is helping the industry remain competitive.

In FY15, many industry customers took a more cautious approach to large capital expenditures in light of the ongoing macroeconomic uncertainties. However, operational spending to maintain and improve the performance of existing assets remained generally stable.

In this backdrop, Salzer is well-positioned to tap all the available opportunities for long-term profitable growth with its strong market presence and broad geographic presence and business scope, technology leadership and financial strength.

About Salzer

Salzer is a leading player offering total and customized electrical solutions in switchgears, wires and cables and energy management business. It is the largest manufacturer of CAM operated rotary switches with a market share of 25%. The Company caters to a wide range of products with five in-house manufacturing facilities, located in Coimbatore and Himachal Pradesh.

The Company has a wide distribution network locally and globally, exporting to more than 50 countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has its own state-of-the-art R&D facilities, recognized by the Department of Science and Technology, Government of India and a strong R&D team that focuses on developing and commercializing product technologies and as a result, can offer total customized electrical solutions to customers.

Financial Overview

Salzer derived 26% sales growth in 2014-15 in an environment where the economy and the industry were still finding its way towards recovery. Exports remained on the upward trend in the last five years at an average growth of 33%. Asian and European countries are some of the geographies where Salzer enjoys a strong foothold.

The financial performance of the Company for the financial year ended March 2015 is as follows

- The total revenue for the year ended March 31, 2015 is ₹283.3 cr as against ₹224.5 cr for the corresponding previous period, an increase of 26.2%.
- The operating expenses for the financial year ended March 31, 2015 stood at ₹247.9 cr as against ₹214.3 cr for the corresponding previous period, an increase of 15.6%.
- The employee expenses for the financial year ended March 31, 2015 was ₹15.5 cr as against ₹13.1 cr for the corresponding previous period, an increase of 18.3%.
- The other expenses for the financial year ended March 31, 2015 was ₹36.4 cr as against ₹32.9 cr for the corresponding previous period, an increase of 10.6%

The increase has been in line with the growth in revenues.

The EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) was ₹35.5 cr for the year ended March 31, 2015, as against ₹30.2 cr for the corresponding previous period, an increase of 17.5%.

The depreciation for the financial year ended March 31, 2015 was ₹7.1 cr as against ₹7.5 cr for the corresponding previous period, a decline of 5.3%.

The interest outflow for the financial year ended March 31, 2015 was ₹12.3 cr as against ₹11.9 cr for the corresponding previous period, an increase of 3.3%.

The EBIT (Earnings before Interest and Tax) for the financial year ended March 31, 2015 was ₹28.4 cr as against ₹22.7 cr for the corresponding previous period, an increase of 25.1%.

The EPS (Earnings per Share) for the financial year ended March 31, 2015 was ₹11.6 as against ₹8.2 for the corresponding previous period, an increase of 41.5%.

Resources and Liquidity

As on March 31, 2015 the consolidated networth stood at ₹107.1 cr and the consolidated debt was ₹23.5 cr.

The cash and cash equivalents at the end of March 31, 2015 was ₹9 cr.

The net debt to equity ratio of the company stood at 4.5 as on March 31, 2015.

Business Performance

Salzer primarily operates in four segments, viz. Industrial Switchgear, Copper Business, Building Segment and Energy Savers.

Industrial Switchgear

- The switchgears division include transformers, terminal blocks, rotary switches, isolators, general purpose relays, wiring ducts, MPCBs, contactors, control panels, and overload relays.
- The total revenue for the year ended March 31, 2015 was ₹148.9 cr as against ₹123.4 cr for the corresponding previous period, an increase of 21%.
- The segment contributes 52% of the total revenues.

Copper Business

- The copper division includes wires and cables, flexible bus bars, enamelled wires, bunched conductors and tinned copper wires.
- The total revenue for the year ended March 31, 2015 was ₹115.5 cr as against ₹99 cr for the corresponding previous period, an increase of 16%.
- Copper business contributes 41% of the total revenues.

Building Segment

- Salzer has a wide range of products under this segment which include modular switches, wires and cables, changeovers and MCBs (under development).
- The total revenue for the year ended March 31, 2015 was ₹14.7 cr as against ₹17.7 cr for the corresponding previous period, a decrease of 17%.
- The building segment contributes 5% of the total revenues.

Energy Savers

- The energy saving business is a new business vertical and expects to further boost growth by focusing on the manufacturing and installation of energy saving and efficient products like street light controllers and energy saving panels.
- The total revenue from the business for the year ended March 31, 2015 was ₹5.7 cr as against ₹3.4 cr for the corresponding previous period, representing an increase of 65%.
- The energy saver business contributes 2% of the total revenues.
- In FY15, the Company won an order of ₹106 crore from the Government of Tamil Nadu for the supply and installation of energy saver panels to three corporations and 16 municipalities.

New Developments / Achievements in Businesses during the year

- The Company entered into a strategic alliance with C3 Controls, a leading electrical switchgear player in the U.S., to manufacture contactors. The developed product is currently under validation with UL, an international certification agency. Salzer has started to manufacture these contactors and is targeting the U.S. and Asia as key markets for this product.
- Salzer has been given the 'Preferred Supplier' status at GE and Schneider for its international operations.
- The Company innovated and designed two new products for its customer – the Indian Railways. These two products are 'fuse change over system' for railway signalling and 'track feed battery system' for changing over the battery chargers in the railway track feeding system.

Risks and Concerns

The Company faces the following risks and concerns.

Commodity risks:

A part of the business is substantially dependent on copper and factors that could affect the copper business include rising copper prices. However, copper prices will not affect the business much since rising prices are passed on to customers. The Company operates on a monthly average pricing mechanism and does not expect to be significantly affected by this risk.

Competition risks:

This risk arises from more players wanting a share of the same pie. Like in most other industries, opportunity brings with itself competition. The Company faces different levels of competition in each business segment from domestic as well as multinational companies. However, Salzer has established a strong brand goodwill and a strong foothold in the electrical switchgear business. Over the years, the Company has expanded its presence geographically and added more customers. It also offers total and customized electrical solutions to its customers. As a result, the Company has achieved a 'Preferred Supplier' status with GE and Schneider who source their products from Salzer on a global basis.

The Company can counter this risk with the quality of their infrastructure, customer-centric approach and ability to innovate customer-specific solutions, coupled with prudent financial and human resources management and better control over costs. Thus, the Company does not expect to be significantly affected by this risk.

Regulatory risks:

If the Company is unable to obtain the required certifications and approvals for existing and new products, growth will be affected. However, the Company has all the necessary international certifications for existing products. Moreover, with the previous experience of obtaining the necessary certifications for new products, the Company does not expect this risk to affect it in the coming years.

Execution risks:

The Company has plans to add new technologically-advanced new products. The execution of the project is dependent on land purchase and project management skills. However, land acquisition is not a concern as the Company has a sufficient land-bank to increase capacity and support the addition of new products.

Concerns like unprecedented natural calamities, political/ social turmoil may remain. However, these threats are faced by the whole industry. With improved and efficient processes in place, the Company is well-positioned for sustainable growth.

Forex risks:

In the recent past, forex risk is one of the pre-dominate risks impacting the strength of the profitability of the Company with cross-country transactions. The heavy swing is weighing more on the bottomline. In order to meet such exigencies, hedging tools are being adopted to arrest the negative impact. Importantly, Salzer has a natural hedge having both import and export at appropriate value and as the result, any volatility in the forex market does not have a significant material impact on the business.

Opportunities

- Foray into the development of new products
- Entering the Western and Northern parts of India and expanding the distribution network
- Achieve higher growth in the energy management business that helps in the reduction of energy consumption and thus supporting the 'Make in India' initiative

Threats

- Competition from local and international players
- Regulatory changes
- Execution risks

Human Resources

The company has proper human resource and industry

relations policies, which are reviewed periodically. The human resource team conducts various training sessions for employee development on an ongoing basis.

These development programs are aimed at augmenting employee potential and represent an integral part of the overall business goals. Besides, employees profile represents a well-balanced mix of experience and youth.

Outlook

After some fluctuations in 2014, the U.S. economy is expected to improve in 2015 and 2016 and its GDP is projected to expand by 2.8% and 3.1%, respectively. This is on account of the increase in business investments, increase in the household consumption along with the improvement in employment.

In the U.S., apart from the temporary contraction witnessed in the beginning of 2014, growth has been above expectations above since mid-2013 and in the third quarter of 2014, it reached its fastest pace since 2003. Growth is expected to reach 3.2% in 2015 before gradually decelerating to 2.4% in 2017. The recovery is supported by the monetary policy, which bolstered capital market valuations and easing fiscal consolidation.

In the United Kingdom, the recovery has gained momentum, supported by the robust housing market and expanding credit. Growth has reached 2.6% in 2014 and is expected to be strong until 2016, despite slowing net exports, partly as a result of the weak Euro area demand. Inflation was slightly below target in 2014 and should remain at these levels until 2015, partly due to continued decline in oil prices. As the recovery broadens, the Bank of England is expected to have a begin view on tightening in the second half of 2015. However, subdued wage growth, low inflation and spill-over's from weak activity in the rest of Europe may delay the first rate hike. The UK is the only example of a region demonstrating more robust growth in the European Union thanks to the recovering domestic demand, the abandonment of the austerity measures and the turnaround in the inventory cycle.

The initiatives taken by the Indian government are well-positioned for industry growth in the medium to long term. Revival is expected to be aided by de-bottlenecking of core sectors and the Indian economy is expected to grow at 7.3% in 2015.

The "Make in India" campaign that touches almost all the sectors has the potential to significantly improve the share of the electrical industry in the country's GDP.

The real voyage of discovery consists
not in seeking new landscapes, but
in having new eyes.

- Marcel Proust

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Salzer Electronics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Salzer Electronics Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2015;

- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at 31st March 2015 on its financial statements.
 - ii. The company has entered into a long-term maintenance contract with Municipal Corporations for executing Energy Saver Project and no provision is necessary for any material foreseeable losses thereon as on date, and the company did not have any derivative contracts during the year.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Swamy & Ravi
Chartered Accountants
Firm Registration Number: 0043175

S.Ravichandran
Partner
Membership No: 023783

Coimbatore
Date 13.05.2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- | | |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Physical verification of Fixed Assets is done by the management as per regular programme of verification. As informed, no material discrepancies were noticed on such verification.</p> <p>(ii) (a) As per the information and explanation given to us, the inventories have been physically verified by the management at reasonable intervals during the year.</p> <p>(b) In our opinion and as per the information and explanation given to us, procedures of physical verification of inventory followed by the management is adequate in relation to the size of the company and its nature of its business.</p> <p>(c) The company is maintaining proper records of inventories. In our opinion, discrepancies noticed on physical verification of inventory were not material in relation to the operation of the Company, and same has been properly dealt with in the books.</p> <p>(iii) (a) According to the information and explanations given to us, the Company has taken and granted loans, unsecured, from or to Companies, firms or other parties, listed in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'), the terms and conditions are not prima facie prejudicial to the interest of the Company and the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.</p> <p>(b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies</p> | <p>corporate listed in the register maintained under section 189 of the Act.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory & fixed assets and sale of goods and services. .</p> <p>(v) The Company has not accepted any deposits from the public.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.</p> <p>(vii) According to the records of the Company and the information and explanations given to us in respect of statutory and other dues:</p> <p>(a) The Company was regular in depositing Provident Fund and Employees' State Insurance dues, Excise duty, Service tax, Customs duty, CESS, Investor Education & Protection Fund, Income Tax, Sales Tax and all other applicable statutory dues with the appropriate authorities and there were no arrears outstanding for a period of more than 6 months as at 31st March, 2015.</p> <p>(b) The Company has no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty that were outstanding, except the following, as at 31st March, 2015</p> |
|---|---|

Name of Statute	Nature of Dues	Amount	Forum where the dispute is pending
Central Excise Act	Excise Duty	₹36,94,921/=	CESTAT-APPEAL

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) As informed to us, the term loans were utilized by the Company for the purpose for which they were obtained.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Swamy & Ravi
Chartered Accountants
Firm Registration Number: 0043175

S.Ravichandran
Partner
Membership No: 023783

Coimbatore
Date 13.05.2015

BALANCE SHEET AS AT 31st MARCH, 2015

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PARTICULARS	Note No.	As at 31/03/2015		As at 31/03/2014	
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share Capital	3	10,28,37,370		10,28,37,370	
(b) Reserves and Surplus	4	96,78,64,103		86,42,03,139	
			107,07,01,473		96,70,40,509
1a Share application money pending allotment	4a	87,96,000		-	
			87,96,000		-
2 Non- current liabilities					
(a) Long-term borrowings	5	17,57,45,478		4,74,90,595	
(b) Deferred Tax liabilities (Net)	6	1,93,61,179		91,84,016	
(c) Other Long term liabilities	7	2,50,81,040		4,49,76,840	
(d) Long-term Provisions	8	82,71,235		57,21,113	
			22,84,58,932		10,73,72,564
3 Current Liabilities					
(a) Short term borrowings	9	75,00,43,618		74,80,45,178	
(b) Trade payables	10	27,12,23,481		23,08,17,427	
(c) Other current liabilities	11	36,71,16,270		21,96,12,760	
(d) Short term provisions	8	5,49,86,896		4,81,56,188	
			144,33,70,265		124,66,31,553
TOTAL			275,13,26,670		232,10,44,626
II ASSETS					
1. Non-current assets					
(a) Fixed assets	12				
(i) Tangible assets		77,04,68,403		67,71,68,130	
(ii) Intangible assets		77,17,677		65,19,984	
(iii) Capital work-in-progress		5,55,25,062		130,232	
(b) Non-current investments	13A	4,86,30,471		4,85,73,471	
(c) Long-term loans and advances	14	71,64,971		1,96,36,266	
(d) Other non-current assets	15	20,44,166		30,04,267	
			89,15,50,750		75,50,32,350
2. Current assets					
(a) Current investments	13B	80,17,923		1,23,51,280	
(b) Inventories	16	66,08,05,365		57,80,94,6567	
(c) Trade receivables	15	77,89,86,911		57,65,16,106	
(d) Cash and Bank Balances	17	9,03,92,884		11,39,26,730	
(e) Short-term loans and advances	14	22,87,23,520		20,93,12,458	
(f) Other current assets	15	9,28,49,317		7,58,11,045	
			185,97,75,920		156,60,12,276
TOTAL			275,13,26,670		232,10,44,626
Summary of Significant Accounting Policies	1 & 2				

The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N.RANGACHARY
ChairmanR.DORAISWAMY
Managing DirectorFor Swamy & Ravi
Chartered Accountants
FRN :004317SD.RAJESHKUMAR
Joint Managing Director
& Chief Financial OfficerS.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company SecretaryS.RAVICHANDRAN
Partner
Membership No.023783Coimbatore - 47.
May 13,2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

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PARTICULARS	Note No.	For the Year Ended 31/03/2015		For the Year Ended 31/03/2014	
I Revenue from operations:	18	283,30,22,745		244,52,88,609	
II Other Income	19	1,00,24,693		93,22,780	
III Total Revenue (I + II)			284,30,47,438		245,46,11,389
IV Expenses					
Cost of Materials Consumed	20	198,69,95,979		174,09,13,635	
Changes in inventories of finished goods and work in progress	21	(2,78,71,186)		(5,84,53,774)	
Employee benefits expenses	22	15,53,78,814		13,13,14,875	
Finance Cost	23	12,34,25,705		11,94,13,457	
Depreciation and amortization expenses	12	7,14,46,886		7,51,77,640	
Other expenses	24	36,39,60,507		32,93,28,303	
Total Expenses			267,33,36,705		233,76,94,136
V Profit before exceptional and extraordinary items and tax (III-IV)			16,97,10,733		11,69,17,253
VI Exceptional Items			-		-
VII Profit before tax (V-VI) & extraordinary items		16,97,10,733		11,69,17,253	
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			16,97,10,733		11,69,17,253
X Tax expense:					
(1) Current tax		3,64,21,000		30,109,000	
(2) Deferred tax		(+)1,34,83,204	4,99,04,204	(+)2,379,628	3,24,88,628
XI Profit for the period - After Tax(IX-X)			11,98,06,529		8,44,28,625
XIII Earnings per equity share:					
(1) Basic			11.65		8.21
(2) Diluted			10.79		8.21
Summary of Significant Accounting Policies	1 & 2				

The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N.RANGACHARY
ChairmanR.DORAISWAMY
Managing DirectorFor Swamy & Ravi
Chartered Accountants
FRN :0043175D.RAJESHKUMAR
Joint Managing Director
& Chief Financial OfficerS.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company SecretaryS.RAVICHANDRAN
Partner
Membership No.023783Coimbatore - 47.
May 13,2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

Amt in ₹

	Year Ended 31.03.2015		Year Ended 31.03.2014	
A. Profit before tax				
profit before tax		16,97,10,734		11,69,17,253
Adjusted for:				
Depreciation		7,14,46,886		7,51,77,640
ESOP Expenses		88,40,800		
Interest received		(63,34,146)		(60,67,616)
Interest & Finance Charges		12,34,25,705		11,94,13,457
Exchange Rate Differences		(25,06,987)		-
Dividend Income		(1,97,787)		(3,18,533)
Profit on Sale of Investment		(1,87,136)		(2,82,004)
Loss/(Profit) on Sale of Assets-Net		66,444		(23,15,912)
Other Non-operating Income		(7,98,637)		
Operating profit before working capital changes		36,34,65,876		30,25,24,285
Adjusted for working capital changes				
Inventories		(8,27,10,709)		(4,75,70,918)
Trade Receivables		(20,24,70,805)		3,82,61,866
Long Term Loans & Advances		1,24,71,295		(1,29,00,083)
Short Term Loans and Advances		(1,94,11,060)		(6,64,84,239)
Trade Payables		4,04,06,054		(38,07,799)
Other Current liabilities		14,75,03,508		(4,01,58,929)
Other Current assets		4,95,79,711		63,39,988
Other Long Term Liabilities		(1,98,95,800)		(1,14,67,503)
Provisions		25,50,122		32,78,717
other Non-Current Assets		9,60,101		-
Cash generated from Operations		29,24,48,293		16,80,15,385
Direct Taxes Paid		(3,01,09,000)		(2,34,00,000)
Net Cash flow from operating activities A		26,23,39,293		14,46,15,385
B. Cash flow from Investing Activities				
Purchase of Fixed Assets		(23,12,82,636)		(10,06,12,204)
Capital work In Progress reversed		-		27,45,420
Non-Operating Income		7,98,637		-
Profit on Sale of Investment		1,87,136		2,82,004
Investment in Mutual fund & Equities		42,76,357		(25,95,866)
Sale of Fixed Assets		1,50,000		34,47,096
Dividend Income		1,97,787		3,18,533
Interest Received		63,34,146		60,67,616
Net Cash used in investigating activities B		(21,93,38,573)		(9,03,47,401)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015 (contd.)

Amt in ₹

	Year Ended 31.03.2015		Year Ended 31.03.2014	
c. Cash flow from financing activities				
Long Term Borrowings		16,42,59,553		3,76,54,286
Long Term Borrowings from others				
Share Application Money received		87,96,000		
Short Term Borrowings		19,98,440		6,76,06,059
Repayment of Long Term Borrowings		(2,97,04,670)		(1,90,03,689)
Exchange Rate Difference		25,06,987		
Interest & Finance Charges		(12,34,25,705)		(11,94,13,457)
Repayment of Loans to Others & Directors		(63,00,000)		43,00,000
Dividend & Dividend Tax Paid		(1,80,47,188)		(1,41,74,357)
Net Cash Generated Financing Activities C		83,417		(4,30,31,158)
Net Increase In Cash and Cash Equivalents A+B+C		4,30,84,137		1,12,36,826
Cash & equivalent at the beginning of the year		2,86,16,357		1,73,79,531
Cash & Equivalent at the end of the year		7,17,00,494		2,86,16,357
Components of Cash and cash Equivalents:		7,17,00,494		2,86,16,357
Cash on Hand		34,49,248		27,01,658
Bank Balance:				
In Current Accounts		1,35,26,992		2,31,96,671
In Unclaimed Dividend		27,01,992		25,02,760
As Margin Money		7,07,14,652		8,55,25,641
less than 3 months	5,47,24,254		27,18,028	
More than 3 Months	1,59,90,398		8,28,07,613	
Total Cash and Cash Equivalents as per Balance sheet (Refer Note No.17)		9,03,92,884		11,39,26,730

The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N.RANGACHARY
ChairmanR.DORAISWAMY
Managing DirectorFor Swamy & Ravi
Chartered Accountants
FRN :0043175D.RAJESHKUMAR
Joint Managing Director
& Chief Financial OfficerS.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company SecretaryS.RAVICHANDRAN
Partner
Membership No.023783Coimbatore - 47.
May 13,2015

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS TO THE FINANCIAL STATEMENTS

Significant accounting policies:

NOTE 1: Corporate information & history:

Salzer Electronics Ltd is incorporated on 08.01.1985 for manufacture of electrical installation products such as CAM operated rotary switches, switch gear products and allied products and is an ongoing concern since then. The company is listed in the Bombay Stock Exchange Limited.

NOTE 2:

(a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost conception, on accrual basis of accounting (unless otherwise stated hereinafter) in conformity with the Accounting principles generally accepted in India and comply with the Accounting standards issued by the Institute of Chartered Accountants of India and notified under relevant provisions of the Companies Act, 2013. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

(b) Use of estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in current and future period.

(c) Fixed assets:

(i) Tangible Assets:

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses if any and net of Cenvat / Value Added Tax. Cost includes all attributable expenses in bringing the assets to its working condition. Net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

(ii) Intangible assets:

Software development expenditure of capital nature are shown as intangible assets. They are stated at cost of acquisition less depreciation.

(d) Impairment:

The carrying amount of asset is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

(e) Depreciation:

Depreciation on Fixed Assets has been provided based on the life assigned to each asset in accordance with the Schedule II of Companies Act, 2013 and based on internal technical evaluation, with effect from 01.04.2014. The Depreciation has been provided on the depreciable amount of asset over useful life of asset after retaining 5% of original cost of asset as residual value.

(f) Investments:

Long term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long term investments are stated at the lower of cost and fair value.

(g) Inventories:

(i) Raw materials including consumables and stores & spares are valued at cost. The cost is determined on the basis of FIFO method.

(ii) Work-in-process is valued at cost of materials and labour together with relevant factory overheads. The cost of work in progress is determined on the basis of weighted average method.

(iii) The finished goods are valued at cost inclusive of excise duty (or) net realizable value whichever is less.

(h) Research and Development:

Revenue expenditure on Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of fixed assets.

(i) Foreign Currency Transactions:

a) Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

- b) Monetary items (i.e. receivables, payables, loans, etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.
- c) The exchange difference arising on the settlement of monetary items on reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognized as income/expense in the period in which they arise.

(j) Taxation:

1. Current Tax:

Provision for taxation has been made on assessable profits of the Company as determined Under the Income Tax Act, 1961.

2. Deferred Tax:

In terms of AS.22, the deferred tax for timing differences between the book and tax profit arising out of capital expenditure on research and development, depreciation and provisions for the year is accounted by using the tax rates and laws that have been in force as of the Balance Sheet date.

(k) Revenue Recognition:

- i. Revenue in respect of sale of products is recognized at the point of dispatch to customers.
- ii. Sales comprise of value of sale of goods (Net of returns) excluding Sales Tax and Excise Duty.
- iii. Revenue in respect of investments is recognized as and when these incomes are ascertained and quantified.
- iv. Income from Services is recognized as and when the services are rendered.
- v. Export benefits are recognized in the profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of exports made.
- vi. Dividend income is recognized when the right to receive dividend is established.
- vii. Lease income under operating lease is recognized in Profit and Loss Account on the basis of accrual of income as per terms of the agreement.
- viii. Revenue from PPP project (Energy Saver) is recognized based on stage of completion and based on the agreement/arrangements with the concerned parties.

(l) Employees Benefits:

1. Defined contribution plans:

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme.

2. Defined benefit plan (gratuity):

The employees' gratuity scheme is a defined benefit plan. The Company has taken Group Gratuity Policies with the Life Insurance Corporation of India ('LIC') for future payment of gratuities. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service costs are recognized immediately in the Profit and Loss account.

3. Pension & Leave Salaries:

Pension:

The scheme is discretionary in nature. The Company operates a funded pension defined benefit scheme for qualifying employees. The scheme is funded with LIC of India – Pension and Group scheme.

Leave Salaries:

No provision has been made for leave salaries as the Company does not have any leave encashment scheme and the same is at the discretion of management.

(m) ESOS

The company has formulated employees' stock option scheme in accordance with the SEBI Guidelines. Employee stock option granted is accounted under Market value method. In respect of Employees Stock Options, the excess of market price on the date of grant over the exercise price is recognized as deferred employees compensation cost and amortized over the vesting period.

(n) Earnings Per Share (EPS):

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive.

(o) Borrowing Costs

Borrowing costs, which are directly attributable to the acquisition / constructions of fixed assets, till the time such assets are ready for intended use, are capitalized as part of the assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

(p) Leases:

Lease income is treated as operating lease in accordance with AS 19 of ICAI and the income is recognized on accrual basis as per the terms of agreement with Municipal Corporation.

Since the income has the character of fluctuations and not pre determined, straight line basis of adopting the income is not possible.

(q) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(r) Segment Reporting:

Based on the guiding principles given in Accounting Standards on "Segment Reporting (AS-17) issued by the ICAI and on the basis of Management Certification, the Company's primary business segment is Electrical installation products. As the Company's business activity falls within a single primary business segment, the disclosure requirements of AS-17 in this regard does not arise.

(s) Cash and Cash Equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTE 3: SHARE CAPITAL

			₹
Particulars	31-Mar-15	31-Mar-14	
a. Authorised			
1,50,00,000 Equity Shares of ₹10/- each	15,00,00,000	150000000	
[Previous Year : 1,50,00,000 Equity Shares of ₹10/- each]			
b. Issued, Subscribed and Paid up			
1,02,83,737 Equity Shares of ₹10/- each fully paid-up.	10,28,37,370	10,28,37,370	
[Previous Year : 1,02,83,737 Equity Shares of ₹10/- each]			
TOTAL	10,28,37,370	10,28,37,370	

c. Reconciliation of shares outstanding at the beginning and at the end of the period

					₹
	31-Mar-15		31-Mar-14		
	No. of Shares	Amount	No. of Shares	Amount	
At the Beginning of the Period	1,02,83,737	10,28,37,370	1,02,83,737	10,28,37,370	
ADD.: Shares issued during the Year	-	-	-	-	
LESS.: Shares bought back during the Year	-	-	-	-	
ADD.: Other Movements during the Year	-	-	-	-	
Outstanding at the end of the Period	1,02,83,737	10,28,37,370	1,02,83,737	10,28,37,370	

NOTE 3: SHARE CAPITAL (contd.)**d. Terms/rights attached to the Equity Shares**

- The Company has only one class of Equity Shares having par value of ₹10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees.
- The Dividend Proposed is as recommended by the Board of Directors and subject to the approval of the Shareholders' in the ensuing Annual General Meeting and
- For the year Ended 31st March, 2015, The amount of dividend per share recognized as distributions to Equity is ₹1.50. (31st March, 2014 : ₹1.50)

e. List of Share Holders having 5% or more shares in the Company

	31-Mar-15		31-Mar-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Larsen & Toubro Ltd	26,79,808	26.06	26,79,808	26.06
Vishnu Rangaswamy	6,67,787	6.49	6,67,787	6.49
Saradha Investments Limited			6,01,135	5.85

NOTE 4: RESERVES AND SURPLUS

Particulars	31-Mar-15	31-Mar-14
A. Capital Reserve		
Share Premium	25,29,18,270	25,29,18,270
B. Contingent Reserve		
As per last Balance sheet	1,05,00,000	85,00,000
Add : Transfer from Profit and Loss / Profit and Loss Appropriation account	-	20,00,000
Closing Balance	1,05,00,000	1,05,00,000
C. General Reserve		
As per last Balance sheet	17,52,66,232	17,07,66,232
Add : Transfer from Profit and Loss Account	45,00,000	45,00,000
Add: Deferred Tax Adjustment on Depreciation	33,06,041	-
Less : Excess of carrying amount over life of the Asset	97,26,510	-
Closing Balance	17,33,45,763	17,52,66,232
D. Profit and Loss Account		
As per last Balance sheet	42,55,18,637	36,56,37,200
Add: Profit During The Year	11,98,06,529	8,44,28,625
Less: Transferred to Contingent reserve	-	20,00,000
Less: Proposed Dividend (Incl .Tax) (Amount per Share ₹1.50 (31.03.2014 ₹1.50))	1,85,65,896	1,80,47,188
Less: Transfer to General Reserves	45,00,000	45,00,000
Closing Balance	52,22,59,270	42,55,18,637
E. Employee Stock options Outstanding	88,40,800	-
TOTAL(A+B+C+D+E)	96,78,64,103	86,42,03,139

NOTE 4a: Share application money pending allotment

Particulars	31-Mar-15	31-Mar-14
Money Received towards Employees Stock Option Plan Pending Allotment under the Employee Stock option plan formulated by the company .The Company has sufficient Authorised Equity Share Capital to cover the allotment of these shares.	8796000	-
TOTAL	8796000	-

NOTE 5: LONG TERM BORROWINGS

Particulars	Non-Current Portion		Current Maturities	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
-Secured Loan				
(A)Term Loans				
-From Bank				
CANARA BANK : UNIT I				
Term Loan 1	-	85,26,521	-	93,78,000
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-I) and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director]				
Term Loan -2	2,32,54,873	-	1,25,04,000	43,33,312
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-I) and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director]				
(Plant & Machinery Term Loan Repayable within 47 EMI of ₹1042000/- & 1 EMI of ₹1026000/-)				
(₹38884873/- is availed against sanctioned limit of ₹50000000/-)				
Term Loan -3				
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-I) and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director]				
(Energy saver Working Capital Term Loan ₹96751906/- is availed against sanctioned limit of ₹290000000/-)	9,67,51,906	-	-	-
BANK OF INDIA : UNIT II				
Term Loan	-	86,87,848	-	42,86,004
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-II) and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director]				
CITI BANK : UNIT II				
Term Loan -1				
[Plant & Machinery Term Loan Repayable within 21 EMI of ₹417345/-]	37,56,106	-	50,08,140	-
Term Loan -2 (Phase-1)				
[Plant & Machinery Term Loan Repayable within 56 EMI of ₹348333/-]	1,53,26,671	-	41,79,996	-
Term Loan -2 (Phase-2)				
[Plant & Machinery Term Loan Repayable within 58 EMI of ₹132500/-]	60,95,001	-	15,89,999	-
Term Loan -2 (Phase-3)				
[Plant & Machinery Term Loan Repayable within 59 EMI of ₹150000/-]	70,50,000	-	18,00,000	-
Term Loan -2 (Phase-4)				
[Plant & Machinery Term Loan Repayable within 60 EMI of ₹133333/-]	64,00,004	-	15,99,996	-
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-II) and Guaranteed by Mr.D.Rajeshkumar, Joint Managing Director]				

NOTE 5: LONG TERM BORROWINGS (contd.)

Particulars	Non-Current Portion		Current Maturities	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
CITIBANK UNIT : III				
Term Loan -1	24,93,746		13,25,004	
[Plant & Machinery Term Loan Repayable within 34 EMI of ₹110417/- & 1 EMI of ₹64572/-]				
Term Loan -2	31,31,246	-	11,75,004	-
[Plant & Machinery Term Loan Repayable within 43 EMI of ₹97917/- & 1 EMI of ₹95819/-]				
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-III) and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director]				
UNION BANK OF INDIA : UNIT IV				
Term Loan from Union Bank of India - Unit-4				
Term Loan -1				
[Plant & Machinery Term Loan Repayable within 10 EMI of ₹102083/-]	-	10,66,309	10,20,834	12,24,999
Term Loan -2	90,35,925	2,04,59,917	1,24,50,000	1,24,50,000
[Secured by First charge on Land & Building and Plant and Machinery of Unit IV and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, JMD) (₹3,46,99,917 is availed against sanctioned limit of ₹9,00,00,000/- during the year)				
(B) - Unsecured Loan				
-From Others				
Directors	24,50,000	37,50,000	-	-
Others	-	50,00,000	-	-
TOTAL	17,57,45,478	4,74,90,595	4,26,52,973	3,16,72,315

NOTE 6: DEFERRED TAX LIABILITY

Particulars	31-Mar-15	31-Mar-14
Deferred Tax Liabilities		
Deferred Tax Liabilities on Research and Development Expenses	2,02,62,391	1,47,85,650
Gross Deferred Tax Liability	2,02,62,391	1,47,85,650
Deferred Tax Assets		
Fixed Assets.: Impact of difference between Tax Depreciation and book depreciation/ Retained Earnings	-	56,01,634
Gross Deferred Tax Assets	9,01,212	56,01,634
Deferred Tax Liabilities (Net)	1,93,61,179	91,84,016

NOTE 7: OTHER LONG TERM LIABILITIES

Particulars	31-Mar-15	31-Mar-14
Other Long Term Liability	2,50,81,040	4,49,76,840
TOTAL	2,50,81,040	4,49,76,840

NOTE 8: PROVISIONS

Particulars	Long Term		Short Term	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Present value of obligations as at the end of the Period	3,76,26,440	31,037,859	-	-
Fair value of plan assets as at the end of the Period	2,93,55,205	2,53,16,746	-	-
Net assets / (Liability) recognized in balance sheet	82,71,235	57,21,113	--	-
Other Provisions:				
Provision for Taxation	-	-	3,64,21,000	3,01,09,000
Proposed Dividend	-	-	1,54,25,606	1,54,25,606
Corporate Dividend Tax	-	-	31,40,290	26,21,582
TOTAL	-	-	5,49,86,896	4,81,56,188

NOTE 9: SHORT TERM BORROWINGS

Particulars	31-Mar-15	31-Mar-14
(A)-Secured		
Loans repayable on demand		
From Banks		
Cash Credit From Canara Bank	14,78,28,130	13,87,60,197
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-I		
Cash Credit From Bank of India	-	15,72,86,083
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-II		
Packing Credit From Bank of India	-	54,06,882
Open Cash Credit has been secured on hypothecation of Inventories of Unit-II		
Cash Credit From Citi Bank	45,12,436	-
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-II		
Buyer's Credit Loan from Citi Bank	191,10,632	-
Buyers Credit Loan has been secured on hypothecation of Inventories of Unit-II		
Pre-shipment Loan from Citi Bank		
Preshipment Loan has been secured on hypothecation of Inventories of Unit-II	26,38,71,195	6,74,18,427
Cash Credit From Union Bank of India	19,46,22,466	22,27,26,435
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-IV		
Buyer's Credit From Union Bank of India	5,87,59,919	11,40,50,97
Buyers Credit has been secured on hypothecation of Inventories and Book Debts of Unit-IV		
Cash Credit From Citi Bank	6,13,38,840	6,98,93,184
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-III		
[All the Working Capital loans (Except Citi Bank for Unit2) are guaranteed by Mr.R.Doraiswamy,		
Managing Director and Mr.D.Rajeshkumar, Joint Managing Director]		
[Citi Bank Loans for Unit-2 are guaranteed by Mr.D.Rajeshkumar, Joint Managing Director]		
(B) -Unsecured		
From Banks		
Credit From Citi Bank (Pre-shipment / Buyer's credit)	-	7,51,48,873
TOTAL	75,00,43,618	74,80,45,178

NOTE 10: TRADE PAYABLES

Particulars	31-Mar-15	31-Mar-14
Trade Payables		
For Goods	23,47,35,478	21,60,97,331
For Capital Goods and Capital Expenses	3,03,22,878	1,30,81,675
Others		
For Advances from Customers	61,65,125	16,38,421
TOTAL	27,12,23,481	23,08,17,427

Disclosure

There are no dues to any creditors constituting "Suppliers" within the meaning of Section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006

NOTE 11: OTHER CURRENT LIABILITIES

Particulars	31-Mar-15	31-Mar-14
Current Maturities of long term borrowings	4,26,52,973	3,16,72,315
Unpaid dividends	27,01,992	25,02,760
For Expenses	30,53,58,084	17,27,03,108
Other Payables (Specify Nature)		
ESI Payable	1,06,004	92,922
PF Payable	4,58,009	3,78,304
TDS Payable	16,80,447	11,05,122
Excise Payable	3,53,522	11,50,469
Sales Tax Payable	1,38,05,239	1,00,07,760
TOTAL	36,71,16,270	21,96,12,760

NOTE 12: FIXED ASSETS

₹

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK			TOTAL COST AS AT 31.03.2015	DEPRECIATION			NET BLOCK		
		COST AS ON 01.04.2014	ADDITION DURING THE PERIOD	ADJ. DURING THE PERIOD		DEP AS AT 01.04.2014	ADDITION DURING THE PERIOD	DEP ADJ.	TOTAL DEPRE. AS AT 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
Tangible Assets											
1	LAND										
	- Free Hold	2,52,61,663	-	-	2,52,61,663	-	-	-	-	2,52,61,663	2,52,61,663
2	BUILDING	15,21,73,813	23,45,954	-	15,45,19,767	3,27,96,851	50,31,678		3,78,28,529	11,66,91,238	11,93,76,962
3	PLANT AND MACHINERY	96,06,63,860	15,55,93,030	-	111,62,56,890	47,66,19,095	5,60,51,148	(55,53,955)	53,82,24,197	57,80,32,693	48,40,44,765
4	WINDMILL	60,44,7887	-	-	6,04,47,887	4,91,46,218	7,59,714	-	4,99,05,932	1,05,41,956	1,13,01,669
5	ELECTRICAL MACHINERY (SOLAR)	72,52,019	86,00,000		1,58,52,019	1,22,289	62,058	-	1,84,347	1,56,67,672	71,29,730
6	FURNITURE AND FIXTURES	4,40,27,502	51,95,101	-	4,92,22,603	1,98,19,265	63,48,335	(40,44,209)	3,02,11,810	1,90,10,793	24,20,8237
7	VEHICLES	1,02,20,951	24,46,834	6,00,000	1,20,67,785	43,75,847	26,84,759	2,55,210	68,05,396	52,62,388	58,45,104
	Total (A)	126,00,47,695	17,41,80,919	6,00,000	143,36,28,614	58,28,79,565	7,09,37,692	(93,42,954)	66,31,60,211	77,04,68,403	67,71,68,130
Intangible Assets											
1	SOFTWARE	65,66,058	17,06,887	-	82,72,945	46,074	5,09,194	-	5,55,268	77,17,677	6,51,99,84
	TOTAL (B)	65,66,058	17,06,887	-	82,72,945	46,074	5,09,194	-	5,55,268	77,17,677	65,19,984
	TOTAL (A+B)	126,66,13,753	17,58,87,806	6,00,000	144,19,01,559	58,29,25,639	71,44,6,886	(93,42,954)	66,37,15,479	77,81,86,080	68,36,88,114
	Capital Work in Progress	-	-	-	-	-	-	-	-	5,55,25,062	1,30,232
	TOTAL	126,66,13,753	17,58,87,806	6,00,000	144,19,01,559	58,29,25,639	7,14,46,886	(93,42,954)	66,37,15,479	83,37,11,142	68,38,18,346
PREVIOUS YEAR											
	Tangible Assets	118,38,28,971	9,87,56,476	2,25,37,752	126,00,47,695	52,91,52,929	7,51,33,204	2,14,06,568	58,28,79,565	67,71,68,130	65,46,76,042
	Intangible Assets	47,10,330	18,55,728		65,66,058	1,638	44,436	-	46,074	65,19,984	47,08,692
	Capital Work in Progress									1,30,232	28,75,652
	TOTAL	118,85,39,301	10,06,12,204	2,25,37,752	126,66,13,753	52,91,54,567	7,51,77,640	2,14,06,568	58,29,25,639	68,38,18,346	66,22,60,386

NOTE.: EXCESS OF CARRYING AMOUNT OVERLIFE OF THE ASSET

PLANT & MACHINERY	(55,53,955)
FURNITURE AND FIXTURES	(40,44,209)
VEHICLES	(1,28,346)
TOTAL	(97,26,510)
LESS : VEHICLE SOLD	3,83,556
	(93,42,954)

NOTE 13A: NON-CURRENT INVESTMENTS

Particulars	31-Mar-15	31-Mar-14
Trade Investments		
Quoted		
Bank of India (2300 Shares of ₹10/- each at a premium of ₹35/- per share) (Closing Price as at 31.03.2015 @ 195.75/-per share aggregate ₹450225/-)	1,03,500	1,03,500
Unquoted		
Investments in Other Bodies Corporate		
1. Salzer Technologies Ltd (83250 Equity Shares of ₹10/- each)	8,32,500	8,32,500
2. Salzer Spinners Ltd (1865500 Equity Shares of ₹10/- each - at realizable value)	55,96,500	55,96,500
3. Salzer Global Services LLC (400000 shares of Limited Liability Company, New Hampshire- share value 10,00,000 US Dollars.)	4,18,46,183	4,18,46,183
4. Beta Wind Farm Pvt Ltd (13252 Equity Shares of ₹10/- each with premium of ₹9/- per share)	2,51,788	1,94,788
TOTAL	4,86,30,471	4,85,73,471

Disclosure

Particulars	31.03.2015		31.03.2014	
	No. of Shares	%	No. of Shares	%
1 Salzer Global Services LLC	400000	40.00	400000	40.00

NOTE 13B: CURRENT INVESTMENT

Particulars	31-Mar-15		31-Mar-14	
State Bank Of India - Infrastructure Fund	-		5,00,000	
Reliance Equity Fund	1,60,000			
UTI Dividend Yield Fund	-		1,95,587	
ICICI Prudential Infrastrure Fund	-		15,66,764	
Reliance Diversified Power Sector	-		15,63,971	
ICICI Prudential Discovery Fund	4,33,291		6,00,000	
Sundaram BNP Paribas Select Mid Cap	3,73,198		6,00,000	
Birla Sun Life Frontline Equity Fund	4,74,314		6,00,000	
HDFC TOP 200 Fund	4,89,982		5,75,000	
Canara Robeco Mutual Fund	41,99,900		34,00,000	
		61,30,685		96,01,322
ICICI Pru Real Estate Portfolio SSI		18,87,238		27,49,958
TOTAL		80,17,923		1,23,51,280

NOTE 14: LOANS AND ADVANCES

Particulars	Non Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Unsecured Considered Good:				
Capital Advances	-	-	1,07,35,559	7,16,60,268
Security Deposits	71,64,971	1,96,36,266	-	-
Loans and Advances to Related Parties	-	-	1,61,44,762	1,27,13,581
Other Loans and Advances (Specify Nature)	-	-	8,81,83,077	5,11,18,817
Loans and Advances to Suppliers	-	-	5,00,23,292	2,35,06,506
Prepaid Expenses	-	-	22,66,306	14,47,670
Advances to Staff & Others	-	-	1,76,02,773	69,36,583
Balance with Statutory Authorities	-	-	4,37,67,751	4,19,29,035
TOTAL	71,64,971	1,96,36,266	22,87,23,520	20,93,12,460

NOTE 15: TRADE RECEIVABLES AND OTHER ASSETS

Particulars	Non Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Trade Receivables				
Unsecured Considered Good				
Over Six Months	20,44,166	30,04,267	1,43,78,314	1,32,51,529
Below Six Months	-	-	76,46,08,597	56,32,64,577
	20,44,166	30,04,267	77,89,86,911	57,65,16,106
Other Assets				
TDS Receivables	-	-	34,85,332	19,50,729
Energy Saver Income Receivables	-	-	1,19,85,553	2,53,99,645
Energy Saver Deposit Receivables	-	-	40,27,773	49,51,730
Excise Receivables	-	-	5,21,85,337	3,00,35,811
Vat Receivables	-	-	53,26,915	23,03,653
Vat Receivables (CG/ES.)	-	-	1,35,65,590	80,28,660
Windmill Income Receivables	-	-	14,319	1,59,010
Duty Drawback Receivables	-	-	16,64,355	26,37,480
Other Receivables	-	-	5,94,143	3,44,327
TOTAL	-	-	9,28,49,317	7,58,11,045

NOTE 16: INVENTORIES

Particulars	31-Mar-15	31-Mar-14
Raw Material	22,01,03,848	16,27,10,693
Packing Material	58,68,314	84,21,947
Work In Process	38,30,63,579	34,78,24,128
Finished Goods	5,17,69,624	5,91,37,888
TOTAL	66,08,05,365	57,80,94,656

NOTE 17: CASH AND BANK BALANCES

Particulars	Non Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
-Cash and Cash Equivalents				
Cash on Hand	-	-	34,49,248	27,01,658
Balance with Banks				
-In Current Accounts	-	-	1,35,26,992	2,31,96,671
- Deposit/Margin below 3 months maturity	-	-	5,47,24,254	27,,18,028
- Other Bank Balances	-	-		
- Deposit/Margin above 3 months maturity	-	-	1,59,90,398	8,28,07,613
-Unclaimed Dividend Accounts	-	-	27,01,992	25,02,760
TOTAL	-	-	9,03,92,884	11,39,26,730

NOTE 18: REVENUE FROM OPERATION

Particulars	31-Mar-15	31-Mar-14
A. Sale of Product		
Sales - Domestic	243,27,57,302	215,59,40,689
Sales - Exports	64,85,89,452	52,04,43,199
	308,13,46,754	2,67,63,83,888
Less : Excise Duty & Taxes	31,90,76,558	29,37,17,052
Sub Total	276,22,70,196	238,26,66,836
B. Sale of Services		
Income by Energy Saver	3,58,75,250	3,49,29,971
Income by Street Light Maintenance	21,24,464	-
Technical Services	85,88,370	2406258
Sub Total	4,65,88,084	3,73,36,229
C. Other Operating Revenues		
Conversion Charges Received	78,55,546	79,35,533
Income by Power Generation	93,10,740	97,94,017
Duty drawback Income	69,98,179	75,55,994
Sub Total	2,41,64,465	2,52,85,544
TOTAL (A+B+C)	283,30,22,745	244,52,88,609

NOTE 19: OTHER INCOME

Particulars	31-Mar-15	31-Mar-14
Interest from Bank Deposits	61,15,836	59,03,334
Interest received against short term investments	2,18,310	1,64,282
Capital Gain/Loss on Redemption of short Term Investments	1,87,136	-
Foreign Exchange Rate Difference	25,06,987	-
Other non-operating income (net of expenses)	6,18,415	3,38,715
Insurance Claim Received	1,80,222	-
Profit on Sale of Assets	-	23,15,912
Net gain/ loss on sale of Term investments	-	2,82,004
Dividend from Long Term Investments	1,97,787	3,18,533
TOTAL	1,00,24,693	93,22,780

NOTE 20: COST OF MATERIAL CONSUMED

Particulars	31-Mar-15	31-Mar-14
Raw Materials Consumption		
Stock at Commencement	16,27,10,693	17,48,40,817
Add: Purchases	198,75,55,964	168,44,40,891
Less : Stock at Close	22,01,03,848	16,27,10,693
	193,01,62,809	169,65,71,015
Packing Materials Consumption		
Stock at Commencement	84,21,947	71,74,680
Add: Purchases	5,42,79,537	4,55,89,887
Less : Stock at Close	58,68,314	84,21,947
	5,68,33,170	4,43,42,620
TOTAL	198,69,95,979	174,09,13,635

NOTE 21: CHANGE IN STOCKS

Particulars	31-Mar-15	31-Mar-14
Stock at Commencement		
Work-in Process	34,78,24,129	29,57,65,923
Finished Goods	5,91,37,888	5,27,42,319
	40,69,62,017	34,85,08,242
Less: Stock at Close		
Work-in-Process ,	38,30,63,579	34,78,24,128
Finished Goods	5,17,69,624	5,91,37,888
	43,48,33,203	40,69,62,016
Change in Inventories of Finished Goods and Work-in-process	(2,78,71,186)	(5,84,53,774)

NOTE 22: EMPLOYEE BENEFITS EXPENSES

Particulars	31-Mar-15	31-Mar-14
Salaries, Wages, Bonus etc.	12,00,61,413	11,18,32,600
Employee Compensation cost (Stock Option)	88,40,800	-
Contribution to P.F, E.S.I and Other Statutory Funds	70,86,667	63,13,658
Workmen and Staff Welfare Expenses	1,43,39,812	98,58,519
Provision for Gratuity	50,50,122	33,10,098
TOTAL	15,53,78,814	13,13,14,875

Disclosure

The above Salaries and Wages include Directors Remuneration.

NOTE 23: FINANCE COSTS

Particulars	31-Mar-15	31-Mar-14
Interest Expense		
Interest on Term Loan	1,14,17,918	66,77,764
Interest on Working Capital	6,45,15,786	6,98,99,533
Interest on Pre-shipment Loan	38,43,481	32,20,370
Interest on Unsecured Loans (Citibank)	-	82,292
Interest Others	4,36,48,520	3,95,33,498
TOTAL	12,34,25,705	11,94,13,457

NOTE 24: OTHER EXPENSES

Particulars	31-Mar-15	31-Mar-14
Consumptions of Store and Spares	1,24,71,990	1,04,78,154
Freight and Forwarding Charges	6,35,46,579	6,54,32,066
Power and Fuel	5,15,70,405	4,77,37,072
Repairs To - Buildings	,31,96,453	51,01,641
Repairs To - Machinery	1,21,00,,886	1,40,18,740
Repairs To - Others	1,27,94,257	63,90,126
Subcontracting Expenses	8,79,26,395	7,38,63,256
Advertisement Expenses	3,10,857	7,95,517
Audit Fees	5,89,890	5,89,890
Director's Sitting Fees	4,51,000	1,68,000
Donation	12,17,000	3,51,000
Energy saver Expenses	2,18,51,746	2,06,16,677
General Expenses	62,91,957	63,82,234
Insurance	22,31,229	26,79,082
Loss on Sale of Asset	66,444	-
Loss on Export Sales Realisation	-	3,50,673
Management system Expenses (ISO9000 & OSHASExps.)	5,37,556	1,83,880
Postage, Telephone & Telegram	28,16,646	24,23,938
Printing & Stationery	31,25,658	20,92,278
Rates and Taxes	1,64,42,190	1,21,12,740

NOTE 24: OTHER EXPENSES (contd.)

Particulars	31-Mar-15	31-Mar-14
Rent	9,18,600	7,74,400
Research & Development Expenses	1,54,92,492	80,35,342
Royalty	9,73,250	12,59,749
Sales Promotional Expenses	2,62,52,883	3,54,31,475
Subscription & Periodicals	3,61,442	4,06,106
Technical/Professional Fee	61,51,172	35,56,212
Travelling and Conveyance	1,11,58,726	80,98,055
CSR Expenses	9,41,516	-
Bad Debts	21,71,288	-
TOTAL	36,39,60,507	32,93,28,303

NOTE 25: AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS", THE DISCLOSURES OF EMPLOYEE BENEFITS AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW:

	31.03.2015	31.03.2014
I. Table showing changes in present value of obligation as on 31.03.2015		
Present value of obligations as at beginning of year	3,10,37,859	2,64,08,936
Interest cost	24,83,029	21,12,715
Current service cost	19,36,076	17,84,527
Benefits paid	7,46,492	(5,36,078)
Actuarial (gain)/ loss on obligations	29,15,968	12,67,759
Present value of obligations as at end of year	3,76,26,440	3,10,37,859
II. Table showing changes in the fair value of plan assets as on 31.03.2014		
Fair value of plan assets at beginning of year	2,53,16,746	1,80,55,932
Expected return on plan assets	22,84,951	18,71,980
Contributions	25,00,000	59,24,912
Benefits paid	7,46,492	(5,36,078)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the year end	2,93,55,205	2,53,16,746
III. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	2,53,16,746	180,55,932
Actual return on plan assets	22,84,951	18,71,980
Contributions	25,00,000	59,24,912
Benefits paid	7,46,492	(5,36,078)
Fair value of plan assets at the end of year	2,93,55,205	2,53,16,746
Funded status	(82,71,235)	(57,21,113)
Excess of Actual over estimated return on plan assets	NIL	NIL
IV. Actuarial Gain/Loss recognized as on 31/03/2015		
Actuarial (gain)/loss on obligations	29,15,968	(12,67,759)
Actuarial (gain)/loss for the year – plan assets	NIL	NIL
Total (gain)/loss for the year	29,15,968	12,67,759
Actuarial (gain)/loss recognized in the year	29,15,968	12,67,759
V. The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	37,626,440	3,10,37,859
Fair value of plan assets as at the end of the year	2,93,55,205	2,53,16,746
Funded status	(82,71,235)	(57,21,113)
Net asset/(liability) recognized in balance sheet	8271235	(57,21,113)
VI. Expenses recognized in statement of profit and loss		
Current service cost	19,36,076	17,84,527
Interest cost	24,83,029	21,12,715
Expected return on plan assets	22,84,951	(18,71,980)
Net Actuarial (gain)/loss recognized in the year	29,15,968	12,67,759
Expenses recognized in statement of profit and loss	50,50,122	32,93,021

NOTE 26: ESOS:**Employees' Stock option Scheme 2012-2013**

Pursuant to the decision of the shareholders, at their meeting held on 11.08.2012. the company has established an "Employees Stock Option Scheme 2012-2013" (ESOS 2012-2013 or the Scheme) to be administered by the Compensation and nomination Committee of the Board of Directors. Under the Scheme, option not exceeding 10,28,000 have been reserved to be issued to the eligible employees. The option granted under the scheme vest not less than 1 year from the date of grant of option. The option granted to the employees would be capable of being exercised within period of 5 years from the date of vesting.

The Exercise price of the option ₹40/-

Pursuant to the above mentioned scheme on the recommendation ECC 2012-2013 committee, the company has up to 31.03.2015 granted 10,28,000 options (face of value of ₹10/=each).

The Company has received ₹87.96 towards application money pending allotment.

NOTE 27: EARNING PER SHARE:

Particulars	31-Mar-15	31-Mar-14
i Net profit after tax for the year	₹11,98,06,529	₹8,44,28,625
ii Weighted average number of equity shares	1,02,83,737	1,02,83,737
iii Nominal value per share	₹10/-	₹10/-
iv Earnings per share	₹11.65	₹8.21

NOTE 28: RELATED PARTY DISCLOSURE

Related parties with whom transactions have taken place during the year:

- Key Management Personnel :
- Relative of Key Management Personnel :
- Enterprise owned or significantly influenced by key management personnel or their relatives:

The following table provides the total amount of transactions that have been entered into with related parties for the financial year 2014-2015

S.No.	Name of Related Party	Nature of Transaction	Transaction Value for the Year (₹)	
a Key Management Personnel			Dr.	Cr.
1	R.Doraiswamy	Remuneration		43,11,706
2	D.Rajeshkumar	Remuneration		42,61,705
3	P.Ramachandran	Remuneration		3,91,500
b Relative of Key Management Personnel				
1	R.Dhamodharaswamy - Director	Brother of R.Doraiswamy, Managing Director		
c Enterprise owned or significantly influenced by key management personnel or their relatives				
1	Salzer Exports Limited	Sale of Materials	10,37,82,374	-
		Labour Charges	-	90,33,685
		Purchase of Materials	-	5,29,357
2	Salzer Magnet Wires Ltd	Sale of Materials	9,70,73,315	5,55,23,542
		Sale of Power		
		Labour Charges	34,47,165	-
		Purchase of Materials	-	1,79,713
3	Salzer Spinners Ltd	Sale of Power	20,86,756	-
4	Micro Instruments Ltd	Sale of Materials	2,48,248	-
		Labour Charges	-	7,00,666
		Purchase of Materials	-	33,99,198
5	Plitron Mfg.Inc	Sale of Materials	6,21,335	40,640
		Purchase of Materials	-	-
		Payment Received	-	-
6	Roots Multiclean Limited	Sale of Materials	23,42,150	-
7	Larsen & Toubro Ltd	Sale of Materials	1,24,98,77,598	-

NOTE 29: CONTINGENT LIABILITIES

₹ in lacs

Particulars	31, MARCH 2015
1 Towards import Obligation under EPCG Scheme is	388.73
2 Letter of credit (foreign and inland) for import and purchase of Rawmaterials is	1207.62
3 Obligation towards Bank Guarantee is	468.28

NOTE 30: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The Company has sent request letter to all its suppliers calling for their status under MSMED Act, 2006 and since many of them have not responded, the amount payable to these parties could not be disclosed. However, no party has claimed any interest for the due payable by the Company details furnished below:

Particulars	31-Mar-15	31-Mar-14
Dues outstanding as at the end of the year for more than 45 Days	Nil	Nil

NOTE 31: VALUE OF IMPORTS ON CIF BASIS

S.No	Particulars	31, MARCH 2015	31, MARCH 2014
a	Raw materials	21,18,31,355	16,48,56,804
b	Components and Spare parts	20,49,85,038	19,90,17,734
c	Capital Goods	1,67,01,046	33,99,213
	Total	43,35,17,439	36,72,73,751

NOTE 32: EXPENDITURE OF FOREIGN CURRENCY

Particulars	31, MARCH 2015	31, MARCH 2014
a Warehouse Maintenance	5,00,850	4,75,842
b Foreign Tour	17,61,478	29,83,041
c Dividend	2,57,964	2,06,371
d Royalty	9,73,249	12,59,749
f Others (R&D Samples./Sales commission)	19,65,087	12,80,475

NOTE 33: IMPORTED AND INDIGENOUS RAWMATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	% of total Consumption as on 31.03.2015	Value on 31.03.2015 (₹)	% of total Consumption as on 31.03.2015	Value on 31.03.2014 (₹)
a Rawmaterial				
- Imported	15.40	21,18,31,355	13.30	16,48,56,804
- Indigenous	84.60	116,36,96,968	86.70	107,43,33,507
b Components				
- Imported	37.15	20,49,85,038	43.51	19,90,17,734
- Indigenous	62.85	34,96,49,448	56.49	25,83,62,970
c Packing Materials				
- Imported	-	-	-	-
- Indigenous	100.00	5,68,33,170	100.00	4,43,42,620
d Stores & Spares				
- Imported	-	-	-	-
- Indigenous	100.00	1,24,71,990	100.00	1,04,78,154

NOTE 34: SALES AND STOCK PARTICULARS OF FINISHED GOODS

Particulars	Sales Value	Closing Inventory	Opening Inventory
1 Current Year	276,22,70,196	66,08,05,365	57,80,94,657
2 Previous Year	238,26,66,836	57,80,94,657	53,05,23,739

NOTE 35: EARNING IN FOREIGN CURRENCY

		₹	
Particulars		31, MARCH 2015	31, MARCH 2014
a Export of Goods calculated on FOB Basis		45,45,45,900	40,97,89,000
b Others		40,60,702	24,06,258
Total		45,86,06,602	41,21,95,258

NOTE 36: DIRECTORS' REMUNERATION OF ₹8964911/- COMPRISING OF:

Sl.No. Particulars	R.Doraiswamy, Managing Director		D.Rajeshkumar, Joint Managing Director		P.Ramachandran, Whole Time Director	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1 Salaries and Allowances	22,70,000	21,50,000	22,20,000	21,00,000	3,60,000	3,60,000
2 Contribution to Provident Fund	16,500	9,360	16,500	9,360	16,500	9,360
3 Bonus	15,000	10,000	15,000	10,000	15,000	10,000
4 Contribution to Pension Fund	-	-	-	-	-	-
5 Commission	20,10,206	16,81,642	20,10,205	16,81,640	-	-
Total	43,11,706	38,51,002	42,61,705	38,01,000	3,91,500	3,79,360

NOTE 37: PAYMENT TO AUDITORS

		₹	
Particulars		31, MARCH 2015	31, MARCH 2014
A As auditors			
As auditors Statutory Audit Fees		5,05,620	5,05,620
Tax Audit Fees		8,42,70	84,270
B In Other Capacity		-	-
Total		5,89,890	5,89,890

NOTE: 38. IMPAIRMENT OF ASSETS

No material Impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standards (AS 28) issued by the Institute of Chartered Accountants of India.

NOTE: 39.

In the opinion of the Board, the Current Assets, Loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

NOTE: 40. PENDING LITIGATION:

CESTAT appeal regarding dispute between notification for amount of ₹36,94,921/=, out of which ₹12 Lakhs has been paid as per the Condition of CESTAT.

Case against removal of Employee is Pending at Labour Court, Coimbatore.

NOTE: 41.

In respect of debtors, creditors and other parties request for confirmations of balances were sent and reconciliations with the parties are carried out as an ongoing process.

NOTE: 42.

The outstanding debtors for more than six months include ₹20.44 lakhs due from M/s.Crompton Greaves Ltd, Mumbai.

NOTE: 43.

Previous year's figures have been regrouped/rearranged wherever necessary, to confirm with current year's presentation.

NOTE: 44.

Figures have been rounded off to the nearest rupee

NOTE: 45. RESEARCH AND DEVELOPMENT:

The capital expenditure on R&D incurred during the year by the Company was ₹596.13 lakhs and shown as additions to fixed assets of the Company. The revenue expenditure ₹154.92 lakhs is charged to the Profit & Loss account, is incurred for new products & process development. Further ₹86.73 lakhs represented the salary and other expenses of R&D personal which is included under Note No.22 – Employees Benefit expenses.

In terms of our report attached

N.RANGACHARY
Chairman

R.DORAISWAMY
Managing Director

For Swamy & Ravi
Chartered Accountants
FRN :004317S

D.RAJESHKUMAR
Joint Managing Director
& Chief Financial Officer

S.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company Secretary

S.RAVICHANDRAN
Partner
Membership No.023783

Coimbatore - 47.
May 13,2015

NOTES

NOTES

Form No. MGT-12

BALLOT PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]

CIN : L03210TZ1985PLC001535
Name of the company : Salzer Electronics Limited
Registered office : Samichettipalayam, Coimbatore – 641 047

S.No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal address	
3	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No of shares held by me	I assent to the resolution	I dissent from the resolution
Resolution under Ordinary Business				
1.	Adoption of Audited Financial Statements for the year ended March 31, 2015.			
2.	Declaration of a dividend on equity shares for the year 2014-2015.			
3	Appointment of a Director in place of Shri R Dhamodaraswamy who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment			
4	Appointment of a Director in place of Shri Kantilal Vajeshakar Vakharia, who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment			
5	Ratification of the appointment of statutory auditor for the financial year 2015-16			
Resolution under Special Business				
6.	Appointment of Dr. Mrs.Thilagam Rajeshkumar as an Non Executive Director			
7.	Appointment of Shri L Venkatapathy as an Independent Director			
8.	Appointment of Shri. Howard M Gladstone as an Independent Director			
9.	Adoption of New Set of Articles of Association of the Company			
10.	Approving the office of Joint Managing Director & Chief Financial Officer Shri D Rajesh Kumar, subjected to determination by retirement of Director by rotation			
11.	Approving the office of Whole Time Director (Marketing) Shri P Ramachandran, subjected to determination by retirement of Director			
12.	Approving the office of Director (Corporate Affairs) Shri.S Baskarasubramanian, subjected to determination by retirement of Director by rotation			

Place:

Date:

(Signature of the shareholder)

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E-Voting Event No).	User ID	PASSWORD

Please follow the steps for e-voting procedure as given in the Notice of AGM by logging on to – <https://www.evoting.nsdl.com/>

INSTRUCTIONS

1. Members may fill up the Ballot Form and submit the same in a sealed envelope to the Scrutiniser, Mr.G.Vasudevan, Practising Company Secretary, Unit: Salzer Electronics Limited, Samichettipalayam, Coimbatore – 641 047 or to his email id vasudevanacs@gmail.com as to reach by 6.00 p.m. on or before August 07, 2015. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible, if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event a member casts his votes through both the processes, i.e., e-voting and Ballot Form, the votes in the electronic system will be considered and the Ballot Form will be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e., GNSA Infotech Limited). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorised representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization / Board resolution to vote should accompany the Ballot Form.

Instructions for the e-voting procedure are available in the Notice of the AGM and are also placed on the website of the Company.

Form No. MGT-11

Proxy form

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

CIN L03210TZ1985PLC001535 Name of the member (s)
Name of the company Salzer Electronics Limited Registered address
.....
.....
Registered Office Samichettipalayam,
Coimbatore – 641 047 E-mail id
Folio No. / Client Id.
DP Id

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :, or failing him
2. Name :
Address :
E-mail Id :
Signature :, or failing him
3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual general meeting of the company, to be held on Saturday, August 8, 2015 at 11.30 a.m. at Hotel Sree Annapoorna, R.S.Puram, Coimbatore – 641 002, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution under Ordinary Business.

1. Adoption of Audited Financial Statements for the year ended March 31, 2015.
2. Declaration of a dividend on equity shares for the year 2014-2015.
3. Appointment of a Director in place of Shri R Dhamodaraswamy who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment
4. Appointment of a Director in place of Shri Kantilal Vajeshakar Vakharia, who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
5. Ratification of the appointment of statutory auditor for the financial year 2015-16

Resolution under Special Business.

6. Appointment of Dr. Mrs.Thilagam Rajeshkumar as an Non Executive Director by passing an Ordinary Resolution:
7. Reappointment of Shri L Venkatapathy as an Independent Director by passing a Special Resolution.
8. Reappointment of Shri. Howard M Gladstone as an Independent Director by passing a Special Resolution.
9. Adoption of New Set of Articles of Association of the Company by passing Special Resolution
10. Approving the office of Joint Managing Director & Chief Financial Officer Shri D Rajesh Kumar, subjected to determination by retirement of Director by rotation by passing Special Resolution.
11. Approving the office of Whole Time Director (Marketing) Shri P Ramachandran, subjected to determination by retirement of Director by rotation by passing Special Resolution and
12. Approving the office of Director (Corporate Affairs) Shri.S Baskarasubramanian, subjected to determination by retirement of Director by rotation by passing Special Resolution

Signed this day of 2015.

On ₹1/-
Revenue
stamp to be
affixed here

Signatureof shareholder

Signature of Proxy holder(s)

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

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events and financial and operating results of Salzer Electronics Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Salzer Electronics Limited Annual Report 2014-15.



Salzer Electronics Limited

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