



# **SALZER ELECTRONICS LIMITED**

**CIN: L03210TZ1985PLC001535,**

Registered Office: Samichettipalayam, Coimbatore 641 047, Tamil Nadu, India

**Tel: 0422-4233600, Fax: 422-2692170,**

Email: [baskarasubramanian@salzergroup.com](mailto:baskarasubramanian@salzergroup.com) & [investor\\_relations@salzergroup.com](mailto:investor_relations@salzergroup.com)

Website: [www.salzergroup.net](http://www.salzergroup.net)

**NOTICE**

**FOR**

**EXTRA-ORDINARY GENERAL MEETING**

**OF**

**EQUITY SHAREHOLDERS**

**Date : December 16, 2017**

**Day : Saturday**

**Time : 11.30 a.m.**

**Venue : Registered Office - Samichettipalayam,  
Jothipuram (Post), Coimbatore - 641 047.**

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**NOTICE TO THE SHAREHOLDERS**

**NOTICE is hereby given that an Extraordinary General Meeting ("EGM") of the Members of SALZER ELECTRONICS LIMITED will be held on Saturday, the 16th Day of December 2017 at 11.30 A.M., at the registered office of the Company at Samichettipalayam, Jothipuram (Post), Coimbatore - 641 047 to transact the following business:**

**Special Business**

**1. RECLASSIFICATION OF THE AUTHORIZED SHARE CAPITAL OF THE COMPANY**

*To consider and if thought fit, to pass with or without modification(s), the following resolutions as the **Special Resolutions**:*

**"RESOLVED THAT** pursuant to Section 13, 61 and all other applicable provisions of the Companies Act, 2013, if any, and the Rules notified thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the re-classification of the share capital of the Company from Rs.20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores only) Equity Shares having face value Rs. 10/- (Rupees ten only) each to Rs.20,00,00,000 (Rupees Twenty Crores only) divided into:

- i. 1,90,00,000 (One Crore Ninety Lakhs Only) Equity Shares having a face value of Rs. 10/- (Rupees ten only) each aggregating to Rs.19,00,00,000 (Rupees Nineteen Crores only); and
- ii. 10,00,000 (Ten Lakhs Only) Non Cumulative Convertible Preference Shares having a face value of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,00,00,000 (Rupees One Crore only)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any director or duly constituted committee of directors and/or any officer(s) of the Company for the purpose of giving effect to the resolution."

**"RESOLVED FURTHER THAT** all actions and decisions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed."

**2. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

*To consider and if thought fit, to pass with or without modification(s), the following resolutions as the **Special Resolutions**:*

**"RESOLVED THAT** pursuant to Sections 13, 61 and all other applicable provisions of the Companies Act, 2013, if any, and the Rules notified thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded to alter the Memorandum of Association of the Company by substituting the existing clause V of the Memorandum of Association with the following Clause V:

*The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores only) divided into:*

- i. 1,90,00,000 (One Crore Ninety Lakhs Only) Equity Shares having face value of Rs. 10/- (Rupees ten only) each aggregating to Rs.19,00,00,000 (Rupees Nineteen Crores only);
- ii. 10,00,000 (Ten Lakhs Only) Non Cumulative Convertible Preference Shares having a face value of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,00,00,000 (Rupees One Crore only)

*with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase or re-classify or alter the capital of the Company and to divide/consolidate the shares in the capital for the time being into several classes and face values and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company and the legislative provisions for the time being in force."*

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any director or duly constituted committee of directors and/or any officer(s) of the Company for the purpose of giving effect to the resolution."

**"RESOLVED FURTHER THAT** all actions and decisions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed."

### **3. ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

*To consider and if thought fit, to pass with or without modification(s), the following resolutions as the **Special Resolutions**:*

**"RESOLVED THAT** pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 and the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to alter the Articles of Association of the Company by inserting a new Article 13 (a) after Article 13 under the Articles of Association of the Company:

#### **"Article 13 (a): Issue of Non Cumulative Convertible Preference Shares**

*The Company shall have the power to issue Non Cumulative Convertible Preference Shares which are eligible to be converted fully into equity shares of the Company as a part of its authorized share capital in the manner permissible under the Act and relevant SEBI Regulations and the Board may, subject to the provisions of the Act, exercise such powers in any manner as they may think fit and provide for the conversion of Non Cumulative Convertible Preference Shares into Equity on such terms and conditions including payment of the Dividend and the right to convert at premium or otherwise as the Board may think fit."*

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard."

### **4. ACQUISITION AND PURCHASE OF THE BUSINESS OF SALZER MAGNET WIRES LIMITED ON A SLUMP SALE BASIS**

*To consider and if thought fit, to pass with or without modification(s), the following resolutions as the **Ordinary Resolutions**:*

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with the Companies (Meeting of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Memorandum and Articles of Association of the Company and such other applicable laws and regulations and subject to the permissions, approvals, consents and sanctions as may be necessary to be obtained from appropriate authorities including but not limited to Central/State Government and/or local authorities, departments, institutions, bodies, banks, financial institutions and agencies, to the extent applicable and wherever necessary, consent of the Members of the Company be and is hereby accorded to acquire and purchase the whole business undertaking of Salzer Magnet Wires Limited ("**Seller**"), a related party within the meaning of the Section 2(76) of the Act, with all its assets and liabilities, movable and immovable properties, underlying licenses, consents, permissions and approvals in relation to its business (hereinafter referred to as the "**Undertaking**") as a going concern with appointed date April 01, 2017 on a slump sale basis as per Business Transfer Agreement for a lump sum consideration of Rs. 20.29 Crores (Rupees Twenty Crores and Twenty Nine Lakhs only) ("**Consideration**") as per the valuation report issued by an Independent Qualified Valuer- Mr. K. Jayaraman, Chartered Accountant, Bangalore - 560 079 (M.No. 051174) and on such terms and conditions in such a manner as the Board may deem fit and in the interest of the Company."

**RESOLVED FURTHER THAT** the Consideration as said in the foregoing resolution shall be discharged by way of issue and allotment of the following securities to the Seller on preferential basis at an issue price as determined in terms of Regulation 76 of SEBI (Issue of Capital and Disclosure Requirements) 2009:

Sr.No.	Type of Securities	Aggregate Value
1.	5,00,000 (Five lakhs) Equity Shares having a face value of Rs.10/- at an issue price of Rs.197.00 per Share	Rs. 9.85 Crores
2.	5,30,000 (Five Lakhs and Thirty Thousand) Non-Cumulative Convertible 5% Preference Shares of the Company having a face value of Rs.10/-each at an issue price of Rs. 197.00 per Share and to be converted into 5,30,000 fully paid up Equity Shares by the Seller over the period of two years from the date of allotment.	Rs. 10.44 Crores
<b>Total Value of Securities against Purchase Consideration</b>		<b>Rs. 20.29 Crores</b>

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and such matters and things, as may be necessary, including but not limited to the following actions:

- i. To negotiate and finalize the terms and conditions of acquisition or purchase of the Undertaking;
- ii. To finalize and execute necessary documents, agreements, contracts, deeds, undertakings such as definitive agreements, business transfer agreement, deed of transfer, sale deeds, etc.;
- iii. To file all such applications, forms, documents, letters, etc. as the case maybe and make representations before the relevant statutory or regulatory authorities;
- iv. To seek approvals, consents, permissions, etc. from the relevant Central and/ or State Government or local authorities, if any and suitably inform the concerned authorities, including but not limited to the stock exchanges on which the shares of the Company are listed; and
- v. To do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any director or duly constituted committee of directors and/or any officer(s) of the Company for the purpose of giving effect to the resolution."

**"RESOLVED FURTHER THAT** all actions and decisions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed."

## 5. ISSUE AND ALLOTMENT OF 5,00,000 EQUITY SHARES TO SALZER MAGNET WIRES LIMITED

*To consider and if thought fit, to pass with or without modification(s), the following resolutions as the **Special Resolutions**:*

**"RESOLVED THAT** pursuant to Section 62 (1) (c) and other applicable provisions of the Companies Act, 2013 and the rules notified thereunder, read along with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended ("**SEBI ICDR Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulation, 2015 ("**SEBI LODR Regulations**"), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and the Rules, Regulations, Guidelines, Notifications and Circulars, if any, issued by the Government of India, the Reserve Bank of India, and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, and any other Rules / Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India, Stock Exchange and/or any other Statutory / Regulatory Authority whether in India or abroad, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law), the Board be and is hereby authorized, on behalf of the Company, to create, offer, issue and allot 5,00,000 (Five lakhs) fully paid up Equity Shares having face value of Rs. 10 (Rupees Ten only) each ("**Equity Shares**") at an issue price of Rs.197/- (Rupees One Hundred and Ninety Seven only) with a premium of Rs.187/- (Rupees One Hundred and Eighty Seven only) per Equity Share for aggregate Value of Rs. 9.85 Crores to Salzer Magnet Wires Limited ("**Proposed Allottee**"), a related party of the Company

within the meaning of Section 2(76) of the Act, on a preferential basis for consideration other than cash (that is, in lieu of the acquisition and purchase of whole of the Undertaking of the Seller as per Business Transfer Agreement) and on such terms and conditions as the Board may deem fit.

Sr.No.	Name of the Allotee	Address	Parmanent Account Number	Category	Proposed acquisition of Equity Shares
a)	Salzer Magnt Wires Limited (CIN:U31300TZ 2008PLC014746)	882/3, Bettathapuram, Coimbatore Main Road, Coimbatore -641104	AAMCS7364N	Promoters' Body Corporate	5,00,000 equity shares having an face of Rs.10/- at an Issue Price of Rs. 197 per Equity Share

**"RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted pursuant to the aforesaid resolution shall rank *pari passu* with the existing equity shares of the Company in all respects."

**"ESOLVED FURTHER THAT** in accordance with the SEBI (ICDR) Regulations, the **"Relevant Date"** for arriving at the Issue Price of the Equity Shares is November 15, 2017, being the date which is 30 (thirty) days prior to the date of passing this resolution by the Members of the Company at their Extra Ordinary General Meeting"

**"RESOLVED FURTHER THAT** the aforesaid issue of Equity Shares shall be subject to the following terms and conditions:

- The Equity Shares to be allotted to the Proposed Allottee shall be under lock in for such period ("**Lock In Period**") as may be prescribed under Chapter VII of the SEBI ICDR Regulations;
- The Equity Shares so allotted to the Proposed Allottee shall not be sold, transferred, hypothecated or encumbered in any manner during the Lock In Period provided under SEBI ICDR Regulations except to the extent and in the manner permitted thereunder;
- Allotment shall only be made in dematerialized form; and
- Allotment of shares will be subject to the terms as contained in the Business Transfer Agreement entered into with the Seller."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the Resolutions described above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things and execute such agreements, deeds and other documents including without limitation the private placement offer letter, with regard to the issue or allotment of aforesaid Equity Shares and listing of the Equity Shares with the Stock Exchange as it may, in its absolute discretion, deem fit and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in relation to the proposed issue, offer and allotment of the said Equity Shares and to do all acts and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise and to file applications and obtain any approvals, permissions sanctions which may be necessary or desirable and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards to the terms and conditions as may be required by the SEBI, Stock Exchange, Registrar of Companies or other authorities or agencies involved in or concerned with the proposed issue."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board be and are hereby authorized to appoint consultants and advisors to the issue and pay their fees, remuneration, charges, etc."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers in such manner as may be deemed fit."

**"RESOLVED FURTHER THAT** all actions and decisions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed."

## 6. ISSUE AND ALLOTMENT 5,30,000 NON-CUMULATIVE CONVERTIBLE 5% PREFERENCE SHARES TO SALZER MAGNET WIRES LTD

To consider and if thought fit, to pass with or without modification(s), the following resolutions as the **Special Resolutions**:

**"RESOLVED THAT** pursuant to Section 62 (1) (c) and other applicable provisions of the Companies Act, 2013 and the rules notified thereunder, read along with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended ("**SEBI ICDR Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulation, 2015 ("**SEBI LODR Regulations**"), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and the Rules, Regulations, Guidelines, Notifications and Circulars, if any, issued by the Government of India, and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, and any other Rules / Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchange and/or any other Statutory / Regulatory Authority whether in India or abroad, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law), the Board be and hereby authorized to create, issue, offer and allot 5,30,000 (Five Lakhs and Thirty Thousand Only) Non-Cumulative Convertible 5% Preference Shares ("**NCCPS**") on a preferential basis to Salzer Magnet Wires Limited, ("**Proposed Allottee**") at a nominal value of Rs.10/- each and at an issue price of Rs. 197/- aggregating to Rs. 10.44 Crores (Rupees Ten Crores and Forty Four Lakhs only) for the consideration other than cash in respect of the acquisition of the whole the Undertaking of the Proposed Allottee as a going concern basis by means of slump sale in terms of the Business Transfer Agreement, and convertible into 5,30,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 187/- per share (Rupees One Hundred and Eighty Seven Only) of the Company over the period of two years from the date of allotment at a conversion ratio of 1:1 which price will be subject to compliance with the SEBI ICDR Regulations as in force for preferential allotment."

Sr.No.	Name of the Allotte	Address	Parmanent Account Number	Category	Proposed acquisition of NCCPS
a)	Salzer Magnt Wires Limited (CIN:U31300TZ 2008PLC014746)	882/3, Bettathapuram, Coimbatore Main Road, Coimbatore -641104	AAMCS7364N	Promoters' Body Corporate	5,30,000 (Non-Cumulative Convertible 5% Preference Shares of the Company having face value of Rs. 10 (Rupees Ten only) each at an issue Price of Rs. 197/-

**"RESOLVED FURTHER THAT** the NCCPS shall be issued on *inter alia* the following terms and conditions:

- Each NCCPS shall be entitled to a preferential dividend of 5% (Five percent) per annum in preference to any dividend on the Equity Shares of the Company. The Dividend on NCCPS shall be on a Non Cumulative basis;
- In any given Financial Year, the Company may not declare any dividend or other distribution to its holders of Equity Shares unless it has first declared the preferential dividend for such financial year to the holder of the NCCPS.
- The holder of NCCPS shall carry a preferential rights *vis-a-vis* equity shares of the Company with respect to matters of repayment of the Capital during the winding up of the Company;
- The holders of NCCPS shall not participate in the surplus assets and profits which may remain after winding up of the Company;
- Subject to the Adjustment provisions below and applicable law, each NCCPS will get converted into equity at a conversion ratio of 1:1 and upon such conversion of 5,30,000 NCCPS, the holder shall be entitled to get 5,30,000 Equity Shares at a nominal value of Rs.10/- each at a premium of Rs.187/-per share;
- The price, at which the NCCPS being issued, is above the price calculated as per Reg 76 of the SEBI ICDR Regulations, 2009;
- NCCPS are convertible at any time at the option of the holder into Equity Shares over the period of two years from the date of allotment;



8. Upon conversion, the equity shares issued to the holder of NCCPS shall be fully paid-up and shall rank *pari passu* in all respects with the existing equity shares of the Company. Upon conversion, the Equity Shares will be subject to receipt of necessary approvals, be listed and traded on the Stock Exchanges where the current equity shares of the company are listed and traded;
9. The NCCPS shall be locked in for such period as may be specified under the SEBI ICDR Regulation, 2009;
10. Relevant Date for arriving at the Issue Price of the NCCPS is November 15, 2017 being the date which is 30 (thirty) days prior to the date of passing this resolution by the Members of the Company at their Extra Ordinary General Meeting;
11. If there is any increase in the equity shares of the company after the date of allotment of the NCCPS as a result of a bonus issue, sub division, split or additional shares issued by the Company without any consideration, then the conversion ratio of the NCCPS shall be adjusted in proportion to such increase in the equity shares;
12. NCCPS will have no voting rights other than as provided under Section 47 of the Act (including any statutory modifications or re-enactments thereof for the time being in force and
13. Allotment of NCCPS shall only be made in dematerialized Form.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise in regard to the proposed preferential issue of NCCPS and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the preferential issue of the NCCPS without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** Board be and are hereby severally authorized for and on behalf of the Company to finalize, sign and issue private placement offer letter and to take all steps and do all things and give all such directions as may be required, necessary, expedient or desirable for giving effect to the proposed preferential issue including but not limited to filings necessary forms and intimations to Registrar of Company or any other regulatory body"

**For SALZER ELECTRONICS LIMITED**

**S. Baskarasubramanian**  
**Director (Corporate Affairs) & Company Secretary**  
**(DIN : 00003152 & FCS : 4605)**

**Place: Coimbatore**

**Date: November 17, 2017**

**Notes:**

1. The explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposal is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder



3. The instrument 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 an Extraordinary General Meeting (EGM).
4. A Proxy form is annexed in Page No. 23 to this Notice. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.
5. Members/Proxy holders and Authorized representatives are requested to bring to the Meeting, the duly filled in attendance slip(s) enclosed herewith. Corporate Members intending to send their Authorised Representatives to attend the Meeting pursuant to Section 113 Act, are requested to send to the Company, a certified copy of the Board Resolution authorizing representative to attend and vote on its behalf at the Meeting.
6. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
7. Electronic copy of the Notice is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent in the permitted mode. A copy of the Notice will also be available on the website of the Company viz. [www.salzergroup.net](http://www.salzergroup.net).
8. A route map showing directions given in Page No. 27, to reach the venue of the Meeting forms part of the Notice
9. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the Extra Ordinary General Meeting.
10. The Board of Directors has appointed Mr. G Vasudevan, Practicing Company Secretary as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
11. The facility for voting by polling paper shall also be made available at the EGM and the Members attending the meeting who have not already cast their vote by remote E-Voting or Postal Ballot shall be able to exercise their right to vote at the EGM.
12. The Members who have cast their Vote by Remote E-Voting / Postal Ballot prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.
13. The voting period begins on Monday, December 11, 2017 (9.00 a.m.) and ends on Friday, December 15, 2017 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 08, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
14. All the material documents referred to in the explanatory statement will be available for inspection at the Company's office in Coimbatore, Tamil Nadu during office hours on all working days from the date of dispatch of the Notice till date of the EGM.
- 15. The instructions for E-Voting are as follows**
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

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

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for SALZER ELECTRONICS LIMITED on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

16. The Scrutinizer's decision on the validity of the E-Voting will be final.

**17. 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 (Page No. 25) is being sent along with the Notice of the EGM. 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 Friday, December 15,2017.

18. 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/ Managing Director/ Company Secretary or any person authorized by the Board

19. The Results shall be declared on or after the EGM of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.salzergroup.com](http://www.salzergroup.com) and on the website of CDSL within two (2) working days of passing of the resolutions at the EGM of the Company and communicated to the Stock Exchanges.

20. 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.

21. If any member buys the shares of the company after November 17,2017 they may either write to the company for call for notice or down load the notice from the website of the company to cast their vote as advised therein.

22. 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.

23. Contact details of the person responsible to address the queries/grievances connected with the voting by Postal Ballot including voting by electronic means are as under:-

- i) Mr. S Baskarasubramanian, Director (Corporate Affairs) & Company Secretary, Salzer Electronics Limited, Samichettipalayam, Coimbatore -641 047, Tamil Nadu. Tel: 0422-4233614/696, e-mail: baskarasubramanian@salzergroup.com
- ii) Mr. A Krishna Kumar, Director / Mr. Ravi / Mr. Balasubramanian M/s. GNSA Infotech Limited, The Registrar and Share Transfer Agents, Nelson Chambers, 'F' Block, 4<sup>th</sup> Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai 600 029, Tamil Nadu, Tel: 044-42962025, e-mail: info@gnsaindia.com

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 1: To reclassify the Authorized Share Capital of the Company**

The Board has in its meeting held on November 17,2017 passed a resolution approving reclassification of the Authorized Share Capital of the Company, presently comprising of 2,00,00,000 (Two crore) Equity Shares having face value Rs. 10/- (Rupees ten each) aggregating to Rs. 20,00,00,000/- (Rupees twenty crores only), in the manner as described hereunder:

- i. 1,90,00,000 (One Crore Ninety Lakhs Only) Equity Shares having face value of Rs. 10/- (Rupees ten only) each aggregating to Rs.19,00,00,000 (Rupees Nineteen Crores only);
- ii. 10,00,000 (Ten Lakhs Only) Non Cumulative Convertible Preference Shares having a face value of Rs.10/- (Rupees Ten Only) aggregating to Rs.1,00,00,000 (Rupees One Crore only).

The Board has sought the approval of the Members of the Company by means of a special resolution to give effect to the reclassification of the Authorised Share Capital of the Company.

The Board recommends the resolution for approval of the Members of the Company.

None of the directors of the Company are concerned or interested in the resolution.

**Item No. 2: To alter the Capital Clause of the Memorandum of Association of the Company**

The Board has in its meeting held on November 17,2017 passed a resolution approving alteration of the Capital clause of the Memorandum of Association of the Company to reflect the reclassification of the Authorized Share Capital of the Company.

The amended Capital clause shall read as under:

*“The Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into:*

- i. *1,90,00,000 (One Crore Ninety Lakhs Only) Equity Shares having face value of Rs. 10/- (Rupees ten only) each aggregating to Rs.19,00,00,000 (Rupees Nineteen Crores only); and*
- ii. *10,00,000 (Ten Lakhs Only) Non Cumulative Convertible Preference Shares having a face value of Rs.10/- (Rupees Ten Only) aggregating to Rs.1,00,00,000 (Rupees One Crore only)*

*with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase or re-classify or alter the capital of the Company and to divide/consolidate the shares in the capital for the time being into several classes and face values and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company and the legislative provisions for the time being in force.”*

The Board has sought the approval of the Members of the Company by means of a special resolution to give effect to the alteration of the Capital clause of the Memorandum of Association of the Company. The Board recommends the resolution for approval of the Members of the Company. None of the directors of the Company are concerned or interested in the resolution.

**Item No. 3 To alter the provisions of the Articles of Association of the Company**

The Board has in its meeting held on November 17, 2017 passed a resolution approving alteration of the Articles of Association of the Company to insert a new Article No. 13 (a) after Article 13. This new Article shall read as under:

**“Article 13 (a): Issue of Non Cumulative Convertible Preference Shares**

*The Company shall have the power to issue Non Cumulative Convertible Preference Shares which are eligible to be converted fully into equity shares of the Company as a part of its authorized share capital in the manner permissible under the Act and relevant SEBI Regulations and the Board may, subject to the provisions of the Act, exercise such powers in any manner as they may think fit and provide for the conversion of Non Cumulative Convertible Preference Shares into Equity on such terms and conditions including payment of the Dividend and the right to convert at premium or otherwise as the Board may think fit.”*

The Board has sought the approval of the Members of the Company by means of a special resolution to give effect to the alteration of the Articles of Association of the Company by inserting a new Article providing for issue and allotment of Non Cumulative convertible preference shares.

None of the directors of the Company are concerned or interested in the resolution. The Board recommends the resolution for approval of the Members of the Company.

**Item No. 4 To acquire and purchase Whole of the Business of Salzer Magnet Wires Limited as a going concern and on a slump sale basis**

As a part of the growth strategies seeking to achieve ambitious business volume of Rs.1000 Crores before 2021 both by means of organic and inorganic approach, The Board, after considering the following rational, decided at its meeting held on November 17, 2017 to acquire the whole of the business of Salzer Magnet Wires Limited (“**Seller**”), a Company duly incorporated under the then Companies Act, 1956 and primarily engaged in the business of manufacturing of enameled coated copper wires for the domestic and Industrial purposes, as a going concern on slump sale basis, :-

- Immediate addition of Rs. 60 Crores in the Sales Volume of your Company in FY 2018 with an incremental of growth of 20%-25% in the Next Five years;
- The acquisition will be EPS accretive. The proposed increase in Capital towards acquisition will be 10.30 lakhs shares (on fully converted basis)
- Strengthening the Products Portfolio with products like Enamelled Copper Wire, Fine Enamelled Copper Wires, and giving your Company an opportunity for further improvement of market penetration of these products, and to focus global markets over the period of time;
- Cables and wires being made by your Company and Enamelled Copper Wires made by Seller are more copper intensive. Thus integration of business of the seller would provide your Company a leverage for better price negotiation with suppliers of the Copper on the volume growth basis, and able to attain 1-2% price benefit;
- Since both Companies products are complementary in nature, the acquisition would bring cost efficiency in certain areas and provide scope for improvement in operational synergies of Wires and Cables business;
- The products of your Company like Three Phase Transformers and Torodial Transformers would get more benefits in terms of better pricing and margin as these products are consuming materials from Seller currently.
- The Products of Seller having more scope for innovation and application of refinement with the support of your Company's In-House R & D Facility which would help penetration in the global market and potential of the growth in export.

- Seller's State of Art Facility would provide complementary support synergistically for making wires and cables of your Company with improved competency in cost which would facilitate higher margin with potential to improve the sales and marketing by way of market network built in by Seller
- Seller would bring in new customer base which are completely new to your Company

The acquisition of whole of the business undertaking from Seller includes all its assets and liabilities, movables and immoveable properties, approvals, permissions, licenses, etc.(hereinafter collectively referred to as the "**Undertaking**").

The Seller, is a entity incorporated under the Companies Act, 1956 in the year 2008 and having its registered office at 882/3, Coimbatore Main Road, Bettathapuram, Coimbatore, Tamil Nadu - 641 104. The business of this Company has witnessed an compounded annual growth of around 20% since its inception. The Seller is one of the major supplier of enameled coated copper wires to the motor industry in Coimbatore, a hub of motor manufacturers.

Considering certain limitations in supporting the further growth of its products in highly competitive market with contemporary technology, the Seller intends to sell its business to your Company on slump sale basis.

The Seller is a related party to your Company in terms of Section 2(76) of the Companies Act 2013, and accordingly as required under Section 188 of the Companies Act, 2013 read along with Companies (Meeting of the Board and its Powers) Rules 2014, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and our Salzer Policy on the Related Party Transactions, the proposed transaction with Seller shall be treated as Related Party Transaction which warrants your Company to seek for approval of the members by means of Ordinary Resolutions. All related parties shall abstain from voting on the transaction pursuant to the provisions of the proviso to Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI LODR Regulations.

The particulars of the transaction pursuant to Rule 15 (3) of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

<b>Name of the related party</b>	Salzer Magnet Wires Limited
<b>Name of the director or key managerial personnel who is related, if any</b>	Mr. R Doraiswamy, Managing Director, Mr. D Rajesh Kumar, Joint Managing Director and Chief Financial Officer, Mr. P Ramachandran, Whole Time Director, Mr. L Venkatapathy, Independent Director and Mr. N Jayabal, Independent Director are Directors on the Board of the Seller.
<b>Nature of relationship</b>	The Company and the Seller are related parties within the meaning of Section 2 (76)(v) of the Companies Act, 2013.
<b>Nature, material terms and monetary value of the contract or arrangement</b>	The Company is acquiring the Undertaking of the Seller as a going concern and for a lump sum consideration of Rs. 20.29 Crores- (Rupees Twenty Crores and Twenty Nine Lakhs only) on a slump sale basis. The consideration shall be paid by the Company by issue and allotment of 5,00,000 Equity Shares at an issue price of Rs.197/- per share and 5,30,000 Non Cumulative Convertible 5% Preference Shares at an issue price of Rs.197/- per share to the Seller on a preferential basis under SEBI ICDR Regulations.

Subject to the approval of the Members of the Company, the Board has in its meeting held on November 17, 2017 considered the proposed acquisition based on recommendation of the audit committee, approved the acquisition and purchase of the business of the Seller along with all its assets and liabilities, movables and immoveable properties, approvals, permissions, licenses, etc.(hereinafter collectively referred to as the "**Undertaking**") for consideration other than cash and on such terms and conditions as the Board may deem appropriate. The Undertaking shall be acquired on a slump sale basis in accordance with the provisions of the Income Tax Act, 1961 for a lump sum consideration without attributing values to the individual assets and liabilities and on a going concern basis.



The consideration for acquisition of the Undertaking has been arrived at Rs. 20.29 Crores (Rupees Twenty Crores and Twenty Nine Lakhs only) (“**Consideration**”) based on the valuation report dated November 11, 2017 (“**Valuation Report**”) issued by Mr.K Jayaraman, Chartered Accountant, Bangalore -560 079 (M No.051174), an independent qualified valuer. The Consideration shall be discharged by the Company by way of offer, issue and allotment of the following securities to the Seller on preferential basis in terms of Chapter VII of the SEBI(ICDR) Regulations:-

- 5,00,000 fully paid up Equity Shares at an issue price of Rs. 197/- for an aggregate consideration of Rs.9.85 Crores and
- 5,30,000 Non- Cumulative Convertible 5% Preference Shares, to be converted in to similar number of equity shares over the period of two years from the date of the allotment for an aggregate consideration of Rs.10.44 Crores

A copy of the Valuation Report and Business Transfer Agreement are kept for inspection at the Registered Office of the Company during the business hours of the Company till the date of the EGM

The Board has sought the approval of the Members of the Company at their General Meeting to give effect to the resolution as set out in the notice. None of the directors of the Company are concerned or interested in the resolution. The Board recommends the resolution for approval of the members of the Company.

**Item No. 5: To issue and allot 5,00,000 equity shares of the Company to the Seller for consideration other than cash**

In pursuance of the facts as set out under item No. 4 of this Explanatory Statement, Your Board has decided to issue and allot 5,00,000 Equity Shares of Rs.10/- each at an issue price of Rs.197/- per share with a premium of Rs.187/- each aggregating to Rs.9.85 Crores, to the Seller as a part of consideration of acquisition and purchase of the Undertaking as a going concern and on a slump sale basis.

Subject to the approval of the Members of the Company, the Board has in its meeting held on November 17, 2017 passed a resolution approving the aforesaid issue and allotment of the Equity Shares to the Seller.

In terms of Regulation 73 of the SEBI (ICDR) Regulations, the following disclosures with respect to the issue and allotment of Equity Shares are required to be made by the Company:

**a) The objects of the preferential issue**

The Equity Shares are proposed to be issued and allotted to the Seller as a part of consideration of acquisition and purchase of the entire business of the Seller as a going concern on a slump sale basis in terms of the Business Transfer Agreement.

**b) The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer**

Except Salzer Magnet Wires Limited, being a member of Promoter and Promoter Group, no other Promoters / Directors / key management personnel of the Company are intending to participate by subscribing in the present offer.

**c) The shareholding pattern of the issuer before and after the preferential issue**

Sr. No.	Category of Shareholder	Pre-issue		Additions	Post-issue	
		No. of shares held	% on Total Holding		No. of shares held	% on Total Holding

**A. Shareholding of Promoter and Promoter Group**

	Indian:					
	Individual	18,05,228	12.45 %	-	18,05,228	12.04 %
	Bodies Corporate	24,93,380	17.20 %	5,00,000	29,93,380	19.96 %
	Foreign Promoters	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>42,98,608</b>	<b>29.65 %</b>	<b>5,00,000</b>	<b>47,98,608</b>	<b>32.00 %</b>



**B. Public Shareholding**

<i>Institutions</i>						
	Mutual Funds / UTI/Banks/ FIs	12,89,768	8.90 %	-	12,89,768	8.60 %
	Foreign Institutional Investors	-	-	-	-	-
	<b>Sub-Total (B1)</b>	<b>12,89,768</b>	<b>8.90 %</b>	<b>-</b>	<b>12,89,768</b>	<b>8.60 %</b>
<i>Non-institutions</i>						
	Bodies Corporate	16,37,417	11.30 %	-	16,37,417	10.92 %
	Individuals	67,99,722	46.91 %	-	67,99,722	45.34 %
	Non Resident Indians	3,39,459	2.34 %	-	3,39,459	2.26 %
	Foreign Individuals & Company	1,31,713	0.91 %	-	1,31,713	0.88 %
	<b>Sub-Total (B2)</b>	<b>89,08,311</b>	<b>61.45 %</b>	<b>-</b>	<b>89,08,311</b>	<b>59.40 %</b>
	<b>GRAND TOTAL (A)+(B1)+(B2)</b>	<b>1,44,96,687</b>	<b>100 %</b>	<b>5,00,000</b>	<b>1,49,96,687</b>	<b>100 %</b>

Notes forming part of above shareholding pattern

- The shareholding reflected in the table above is without considering the dilution in the shareholding pursuant to the exercise of the outstanding stock options by the employees as on the relevant date
- The Seller will form part of the Promoters Group of your Company in the post issue of 5,00,000 Equity Shares in terms of Regulation 2(zb) of SEBI ICDR Regulation 2009.

**d) The time within which the preferential issue shall be completed**

In terms of Regulation 74 of the SEBI (ICDR) Regulations, 2009, allotment of shares in the present Preferential Issue will be made within a period of 15 days from the date of passing of the aforesaid Resolution, provided that if any approval or permissions by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of order on such application/approval or permission as the case may be.

**e) The identity of the Proposed Allottee, the percentage of post preferential issue capital that may be held by them and change in control, if any in the issuer consequent to the preferential issue**

Sr. No.	Name of the Proposed	Present holding as on 17/11/2017		Shares to be allotted	Post Issue Holdings	
	Allottee (s)	% on Pre-			Shares	%
		Shares	%			
1	Salzer Magnet Wires Limited	-	-	5,00,000	5,00,000	3.33 %
	Total	-	-	5,00,000	5,00,000	3.33 %

**Details of the ultimate beneficial owners who ultimately control aforesaid proposed Bodies Corporate allottee**

Sr. No.	Name of the bodies corporate with CIN	Ultimate Beneficial Owners and/or who ultimately control and the percentage of total paid up share capital held by individuals in bodies corporate		
		Individuals	Percentage (%)	
1	<b>Salzer Magnet Wires Limited</b> (CIN: U31300TZ2008PLC014746) Address: 882/3, Bettathapuram, Coimbatore Main Road, Karamadai, Coimbatore - 641 104			
		R. Doraiswamy	0.54	
		D. Rajesh Kumar	0.55	
		Thilagam Rajeshkumar	2.80	
		D. Vishnu Rangaswamy	2.80	
		<b>Total</b>	<b>6.69</b>	
		<b>Individuals' bodies corporate</b>		
		Quebec Information Services India Limited	5.05	
		S R V E Industries Limited	7.28	
		Saradha Invesments Limited	5.10	
		Salzer Exports Limited	3.79	
		K R Health Care Private Limited	5.07	
		<b>Total</b>	<b>26.29</b>	
		<b>Grand Total</b>	<b>32.98</b>	

- There will be no change in the control or composition of the Board of the Company consequent to the said Preferential Issue.
- The proposed allottee has declared to the effect that No shares in the Company have been sold during the six months prior to the relevant date

**f) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provisions of these regulations**

The Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the SEBI (ICDR) Regulations, in case it is required to do so.

**g) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees**

The Company undertakes that if the amount payable on re-computation of the price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares shall continue to be locked-in till such time such amount is paid by the allottees.

**h) Pricing of Preferential Issue:**

The Shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations, 2009.

The issue price has been determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations. Since the Company's trading volume of the shares in NSE were higher than BSE during the relevant period, The average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on NSE has been considered in terms of explanation

given under aforesaid Regulation. The proposed allotment of Shares shall be made at the issue price of Rs. 197/- per share, which is not less than the higher of the (a) average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the NSE Limited during the 26 weeks preceding the Relevant Date and (b) average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the NSE Limited during the 2 weeks preceding the Relevant Date.

**i) Lock-In Period**

The Equity Shares allotted to the Proposed Allottee will be subject to applicable lock-in, for such period as prescribed under Regulation 78 of SEBI ICDR Regulations. The entire pre-preferential holding of the Proposed Allottee, if any, shall be locked in from the Relevant Date up to a period of 6 (six) months from the date of trading approval granted by the Stock Exchange.

**j) Number of Persons to whom allotment on preferential basis have been made during the year:**

During the year, the Company has not issued any shares on preferential basis or private placement basis.

**k) Valuer's Report**

As per Regulation 73(3) of SEBI Chapter VII of SEBI (ICDR) Regulations, when equity shares are issued on a preferential basis to Promoter, for a consideration other than cash, the valuation of the assets in consideration for which the equity shares are issued shall be done by an Independent Qualified Valuer. Since Salzer Magnet Wires Limited, the proposed allottee will be categorized as a Promoter Group Entity of the Company, the Company has obtained a valuation report dated November 11, 2017 from Mr. K Jayaraman, Chartered Accountant, Bangalore - 560079, (M.No. 051174), Independent qualified valuer. A copy of the Valuation report shall be available for inspection at the registered office of the Company on all working days during the business hours till the conclusion of this meeting and shall also be laid before the members at the meeting.

**l) Auditors' Certificate:**

A copy of the Certificate of the Statutory Auditors of the Company certifying adherence to the SEBI (ICDR) Regulations for preferential issue for the proposed issue will be available for inspection for the members of the Company at the registered office of the Company on all working days during the business hours till the conclusion of this meeting and shall also be laid before the members at the meeting

As it is proposed to issue and allot the aforesaid shares through preferential issue, special resolution is required to be approved by members pursuant to the provisions of Section 42 & 62 of the Companies Act, 2013 and Chapter VII of the SEBI (ICDR) Regulations, 2009. Your Directors, therefore, recommend the resolution for your approval

The Board has sought the approval of the Members of the Company to give effect to this resolution as set out in the notice. None of other Directors, any other Key Managerial Person(s) of the Company and their relatives do not have any pecuniary interest on the said resolution. The Board recommends the resolution for approval of the members of the Company.

**Item No. 7: Issue and allotment of 5,30,000 Non-Cumulative Convertible 5% Preference Shares to Seller for consideration other than cash**

In pursuance of the facts set out under Item No. 4 forming part of this Statement, the Board of Directors at their meeting held on November 17, 2017 approved the offer and issuance of 5,30,000 (Five Lakhs and Thirty Thousand Only) Non Cumulative Convertible 5% Preference Shares ("NCCPS") on a preferential basis to Salzer Magnet Wires Limited, ("Proposed Allottee") a company incorporated under then the Companies Act 1956 at a nominal value of Rs. 10/- each at an issue price of Rs. 197/- aggregating to Rs. 10.44 Crores for the part of the consideration other than cash in respect of the acquisition of the whole of business undertaking of the proposed allottee on a going concern basis under the method of slump sale in terms of the Business Transfer Agreement, which shall be convertible into 5,30,000 Equity Shares of Rs.10/- at a premium of Rs. 187/- of the Company over the period of two years from the date of allotment at a conversion ratio of 1:1 which price will be subject to compliance with the SEBIICDR Regulations as in force for preferential allotment.

The disclosures in accordance with the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the other applicable provisions of law, in relation to the Special Resolution set out in the accompanying Notice are as follows:

**(a) The object of the issue:**

The NCCPS are proposed to be issued and allotted to the Seller as a part of consideration of acquisition and purchase of the entire business of the Seller as a going concern on a slump sale basis in terms of the Business Transfer Agreement.

**(b) The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer**

Except the Proposed Allottee, being a member of the Promoter & Promoter Group, no other promoters / Directors / Key Management Personnel of the company are intending to participate by subscribing in the present offer

**(c) Pre Issue and Post issue Shareholding pattern**

Sr. No.	Category of Shareholder	Pre-issue		Additions by Equity**	Post-Issue of equity shares		Additions by NCCPS	Post-Issue of NCCPS	
		No. of shares held	% on Total Holding		No. of shares held	% on Total Holding		No. of shares held	% on Total Holding

**A. Shareholding of Promoter and Promoter Group**

	Indian:								
	Individual	18,05,228	12.45 %	-	18,05,228	12.04 %	-	18,05,228	11.63 %
	Bodies Corporate	24,93,380	17.20 %	5,00,000	29,93,380	19.96 %	5,30,000	35,23,380	22.69%
	Foreign Promoters		-	-	-	-	-		-
	<b>Sub Total (A)</b>	<b>42,98,608</b>	<b>29.65 %</b>	<b>5,00,000</b>	<b>47,98,608</b>	<b>32.00 %</b>	<b>5,30,000</b>	<b>53,28,608</b>	<b>34.32 %</b>

**B. Public Shareholding**

	<i>Institutions</i>								
	Mutual Funds / UTI/Banks/ FIs	12,89,768	8.90 %	-	12,89,768	8.60 %	-	12,89,768	8.31 %
	Foreign Institutional Investors	-	-	-	-	-	-	-	-
	<b>Sub-Total (B1)</b>	<b>12,89,768</b>	<b>8.90 %</b>	<b>-</b>	<b>12,89,768</b>	<b>8.60 %</b>	<b>-</b>	<b>12,89,768</b>	<b>8.31 %</b>
	<i>Non-institutions</i>								
	Bodies Corporate	16,37,417	11.30 %	-	16,37,417	10.92 %	-	16,37,417	10.55 %
	Individuals	67,99,722	46.91 %	-	67,99,722	45.34 %	-	67,99,722	43.79 %
	Non Resident Indians	3,39,459	2.34 %	-	3,39,459	2.26 %	-	3,39,459	2.19 %
	Foreign Individuals & Company	1,31,713	0.91 %	-	1,31,713	0.88 %	-	1,31,713	0.85 %
	<b>Sub-Total (B2)</b>	<b>89,08,311</b>	<b>61.45 %</b>	<b>-</b>	<b>89,08,311</b>	<b>59.40 %</b>	<b>-</b>	<b>89,08,311</b>	<b>57.37 %</b>
	<b>GRAND TOTAL (A)+(B1)+(B2)</b>	<b>1,44,96,687</b>	<b>100 %</b>	<b>5,00,000</b>	<b>1,49,96,687</b>	<b>100 %</b>	<b>5,30,000</b>	<b>1,55,26,687</b>	<b>100 %</b>

\*\* Note: 1. Allotment of 5,00,000 Equity Shares in Terms of resolutions to be Passed Under Item No. 4 of this Notice and  
2. The shareholding reflected in the table above is without considering the dilution in the shareholding pursuant to the exercise of the outstanding stock options by the employees as on the relevant date

**(d) Proposed time limit within which the allotment shall be complete**

The allotment of NCCPS on preferential basis shall be completed within a period of 15 days from the date of passing of resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

**(e) Pricing of the issue**

NCCPS will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations, 2009.

The issue price has been determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations. Since the Company's trading volume of the shares in NSE were higher than BSE during the relevant period, the average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on NSE has been considered in terms of explanation given under aforesaid Regulation. The proposed allotment of NCCPS shall be made at the issue price of Rs. 197/- per share, which is not less than the higher of the (a) average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the NSE Limited during the 26 weeks preceding the Relevant Date and (b) average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the NSE Limited during the 2 weeks preceding the Relevant Date.

**(f) Identity of the proposed allottee and percentage of post issue capital that may be held:**

The percentage of the post-preferential issue capital held by the proposed allottee assuming full conversion of NCCPS into fully paid equity shares is as under:

Sr. No.	Name of the Proposed Allottee (s)	Present holding as on 17/11/2017		Shares to be allotted	Post Issue Holdings	
		% on Pre-			Shares	%
	Shares	%	Shares	%		
1	Salzer Magnet Wires Limited	-	-	10,30,000	10,30,000	6.63 %
	Total	-	-	<b>10,30,000</b>	<b>10,30,000</b>	6.63 %

**i) Additions of 10,30,000 Shares comprising of**

- Proposed allotment of 5,00,000 Equity Shares of Rs.10/- on preferential basis and
- Proposed allotment of 5,30,000 Non Cumulative Convertible 5% Preference shares of Rs. 10/- on preferential basis

**➤ Details of the ultimate beneficial owners who ultimately control aforesaid proposed Bodies Corporate allottee**

Sr. No.	Name of the bodies corporate with CIN	Ultimate Beneficial Owners and/or who ultimately control and the percentage of total paid up share capital held by individuals in bodies corporate	
		Individuals	Percentage (%)
1	<b>Salzer Magnet Wires Limited</b> (CIN: U31300TZ2008PLC014746) Address: 882/3, Bettathapuram, Coimbatore Main Road, Karamadai, Coimbatore - 641 104	R. Doraiswamy	0.54
		D. Rajesh Kumar	0.55
		Thilagam Rajeshkumar	2.80
		D. Vishnu Rangaswamy	2.80
		<b>Total</b>	<b>6.69</b>
		<b>Individuals' bodies corporate</b>	
		Quebec Information Services India Limited	5.05

	S R V E Industries Limited	7.28
	Saradha Invesments Limited	5.10
	Salzer Exports Limited	3.79
	K R Health Care Private Limited	5.07
	<b>Total</b>	<b>26.29</b>
	<b>Grand Total</b>	<b>32.98</b>

- There will be no change in the control or composition of the Board of the Company consequent to the said Preferential Issue.
- The proposed allottee has declared to the effect that No shares in the Company have been sold during the six months prior to the relevant date

**(g) An undertaking that the issuer shall recompute the price of the specified securities in terms of the provisions of these regulations:**

The Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the SEBI (ICDR) Regulations, in case it is required to do so.

**(h) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees**

The Company undertakes that if the amount payable on re-computation of the price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares shall continue to be locked-in till such time such amount is paid by the allottees.

**(i) Terms of the Issue of Non Cumulative Convertible 5% Preference Shares ("NCCPS")**

1. Each NCCPS shall be entitled to a preferential dividend of 5% (Five percent) per annum in preference to any dividend on the Equity Shares of the Company. The Dividend on NCCPS shall be on a Non Cumulative basis;
2. In any given Financial Year, the Company may not declare any dividend or other distribution to its holders of Equity Shares unless it has first declared the preferential dividend for such financial year to the holder of the NCCPS.
3. The holder of NCCPS shall carry a preferential rights *vis-a-vis* equity shares of the Company with respect to matters of repayment of the Capital during the winding up of the Company;
4. The holders of NCCPS shall not participate in the surplus assets and profits which may remain after winding up of the Company;
5. Subject to the Adjustment provisions below and applicable law, each NCCPS will get converted into equity at a conversion ratio of 1:1 and upon such conversion of 5,30,000 NCCPS, the holder shall be entitled to get 5,30,000 Equity Shares at a nominal value of Rs.10/- each at a premium of Rs.187/-per share;
6. The price, at which the NCCPS being issued, is above the price calculated as per Regulation 76 of the SEBI ICDR Regulations, 2009;
7. NCCPS are convertible at any time at the option of the holder into Equity Shares over the period of two years from the date of allotment;
8. Upon conversion, the equity shares issued to the holder of NCCPS shall be fully paid-up and shall rank *pari passu* in all respects with the existing equity shares of the Company. Upon conversion, the Equity Shares will be subject to receipt of necessary approvals, be listed and traded on the Stock Exchanges where the current equity shares of the company are listed and traded;

9. The NCCPS shall be locked in for such period as may be specified under the SEBI ICDR Regulation, 2009;
10. Relevant Date for arriving at the Issue Price of the NCCPS is November 15, 2017 being the date which is 30 (thirty) days prior to the date of passing this resolution by the Members of the Company at their Extra Ordinary General Meeting;
11. If there is any increase in the equity shares of the company after the date of allotment of the NCCPS as a result of a bonus issue, sub division, split or additional shares issued by the Company without any consideration, then the conversion ratio of the NCCPS shall be adjusted in proportion to such increase in the equity shares;
12. NCCPS will have no voting rights other than as provided under Section 47 of the Act (including any statutory modifications or re-enactments thereof for the time being in force and
13. Allotment of NCCPS shall only be made in dematerialized Form.

**(j) Number of persons to whom allotment on preferential basis have been made during the year:**

During the year, the Company has not issued any shares on preferential basis or private placement basis.

**(k) Valuer's Report**

As per Regulation 73(3) of SEBI Chapter VII of SEBI (ICDR) Regulations, when equity shares are issued on a preferential basis to Promoter, for a consideration other than cash, the valuation of the assets in consideration for which the equity shares are issued shall be done by an Independent Qualified Valuer. Since Salzer Magnet Wires Limited, proposed allottee will be categorized as a Promoter Group Entity of the Company, the Company has obtained a valuation report dated November 11, 2017 from Mr. K Jayaraman, Chartered Accountant, Bangalore - 560079, (M.No. 051174), Independent qualified valuer. A copy of the Valuation report shall be available for inspection at the registered office of the Company on all working days during the business hours till the conclusion of this meeting and shall also be laid before the members at the meeting.

**(l) Auditor's Report**

A copy of the Certificate of the Statutory Auditors of the Company certifying adherence to the SEBI (ICDR) Regulations for preferential issue for the proposed issue will be available for inspection for the members of the Company at the registered office of the Company on all working days during the business hours till the conclusion of this meeting and shall also be laid before the members at the meeting.

As it is proposed to issue and allot the aforesaid shares through preferential issue, special resolution is required to be approved by members pursuant to the provisions of Section 42 & 62 of the Companies Act, 2013 and Chapter VII of the SEBI (ICDR) Regulations, 2009. Your Directors, therefore, recommend the resolution for your approval

The Board has sought the approval of the Members of the Company at their Extra Ordinary General Meeting to give effect to this resolution as set out in the notice. None of other Directors, any other Key Managerial Person(s) of the Company and their relatives do not have any pecuniary interest on the said resolution. The Board recommends the resolution for approval of the members of the Company.

**For SALZER ELECTRONICS LIMITED**

**S. Baskarasubramanian**  
**Director (Corporate Affairs) & Company Secretary**  
**(DIN : 00003152 & FCS : 4605)**

**Place: Coimbatore**  
**Date: November 17, 2017**



# 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 : ..... 2. Name : .....

Address : ..... Address : .....

E-mail id : ..... E-mail id : .....

Signature : ....., or failing him 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 Extra Ordinary General Meeting of the company, to be held on Saturday, December 16, 2017 at 11.30 a.m. at the Registered Office of the Company at Samichettipalayam, Jothipuram, Coimbatore, Coimbatore 641 047, and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolutions under Special Business.

1. Reclassification of the Authorized Share Capital of the Company - Special Resolution
2. Amendment of the Memorandum of Association of the Company - Special Resolution
3. Alteration of the Articles of the Association of the Company - Special Resolution
4. Acquisition and purchase of the business of Salzer Magnet Wires Limited on slump sale basis - Ordinary Resolution
5. Issue and allotment of 5,00,000 Equity Shares to Salzer Magnet Wires Limited - Special Resolution
6. Issue and Allot 5,30,000 Non-Voting Convertible 5% Preference Shares to Salzer Magnet Wires Limited - Special Resolution

Signed this ..... day of ..... 2017

Signature of Proxy holder(s) .....

Signature ..... of shareholder

On Re.1/-  
Revenue  
stamp to be  
affixed here

**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.

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# 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	

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:

S. No.	Item No.	No of shares held by me	I assent to the resolution	I dissent from the resolution
<b>Resolutions under Special Business</b>				
1	Reclassification of the Authorized Share Capital of the Company - Special Resolution			
2	Amendment of the Memorandum of Association of the Company - Special Resolution			
3	Alteration of the Articles of the Association of the Company - Special Resolution			
4	Acquisition and purchase of the business of Salzer Magnet Wires Limited on slump sale basis - Ordinary Resolution			
5	Issue and allotment of 5,00,000 Equity Shares to Salzer Magnet Wires Limited - Special Resolution			
6	Issue and Allot 5,30,000 Non-Voting Convertible 5% Preference Shares to Salzer Magnet Wires Limited - Special Resolution			

Place : .....

(Signature of shareholder)

Date :

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# SALZER ELECTRONICS LIMITED

Samichettipalayam (PO), Jothipuram, Coimbatore – 641 047.

## ATTENDANCE SLIP

( Extra Ordinary General Meeting – December 16, 2017)

Reg. Folio No./ DP & Client ID: \_\_\_\_\_

I certify that I am a registered Shareholder/Proxy for the Registered shareholder of the Company and I hereby record my presence at the Extra Ordinary General Meeting of the Members of the Company being held at Registered Office of the Company at Samichettipalayam (PO), Jothipuram, Coimbatore – 641 047, on Saturday, December 16, 2017, at 11.30 AM.

Member's/Proxy's  
Name in BLOCK Letters

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

### EGM Venue - Route Map



