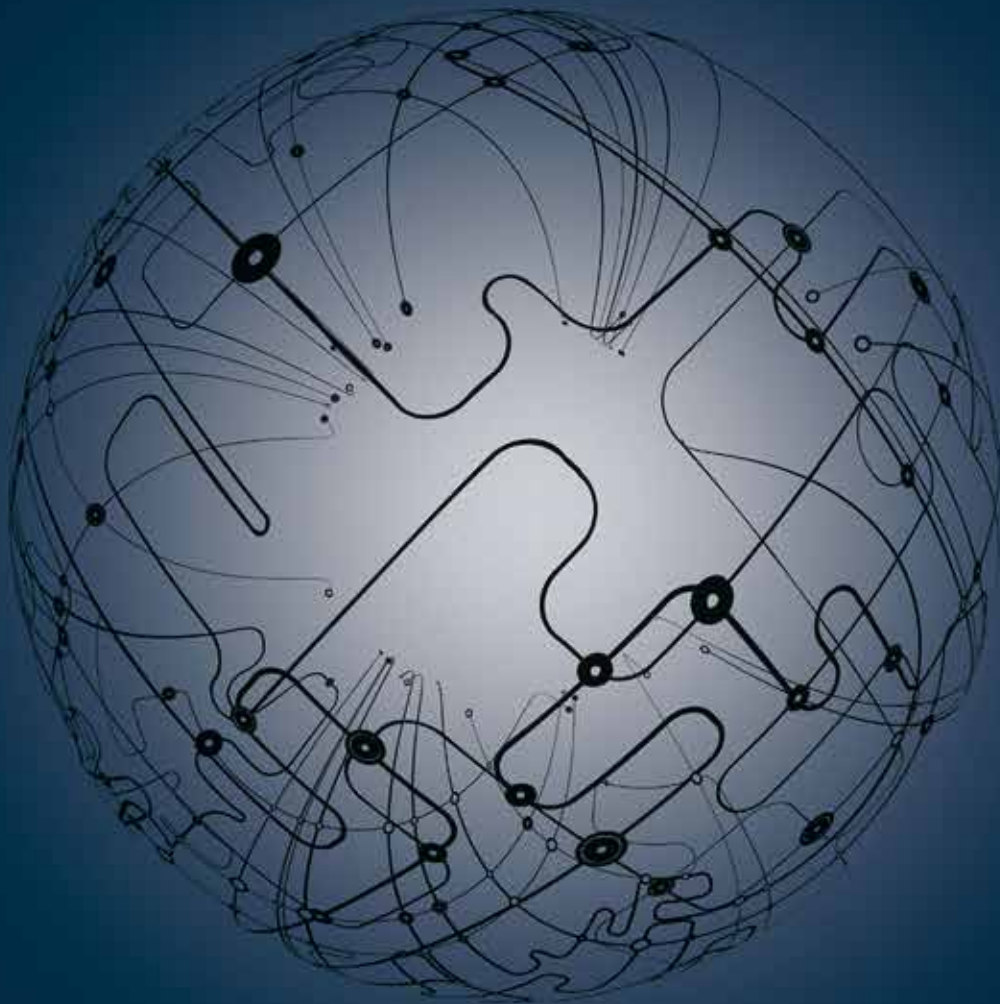


FOCUSED ON EMERGING STRONGER



salzer

SALZER ELECTRONICS LIMITED
ANNUAL REPORT 2015-16

Corporate information

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. Nirmal Kumar M. Chandria
Mr. Sankaran V.
Mr. Shah P.K.
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

Statutory 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
Aminthakurai, Chennai-600 029
Tel: 044-42962025
E-mail:sta@gnsaindia.com

Listing Arrangements

Bombay Stock Exchange and
National Stock Exchange (Effective December 02, 2015)

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

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Directors' report **27** Corporate governance report **37** Management discussion and analysis **82** Financial statements **88**

Salzer Electronics Limited.

Focused on emerging stronger.

For the benefit of customers, country, shareholders, community and the world.

The most demanding global electrical and industrial utilities, contractors and component brands (transformers, UPS devices, inductors and others) work with select resource-respecting partners.

Partners like Salzer, whose products protect their expensive cutting-edge installations.

Partners like Salzer, who make it possible to generate a higher systemic productivity.

Partners like Salzer, whose products enhance downstream capital equipment efficiency.

At Salzer, we have reinforced our efficiency-enhancing focus. We optimize the use of resources. We emphasise operational leanness. We focus on generating more from less.

Besides, we are committed to introduce technologies from across the continents and make products for the country and the world.

Making our Company a fitting proxy of India's Make in India campaign.

Performance at a glance

₹ in crore

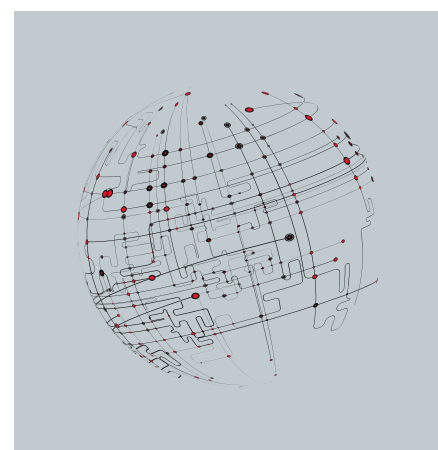
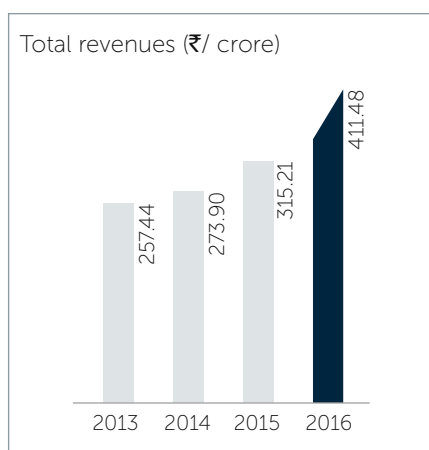
	2016	2015	2014	2013	2012	2011	2010	2009
Results from operations								
Domestic (gross)	334.46	243.28	215.59	201.91	206.41	171.84	174.49	100.76
Exports (gross)	71.27	64.86	52.04	43.96	33.87	19.51	16.18	16.73
Sale of services (energy saver)	3.56	4.66	3.73	9.06	7.46	6.87	4.43	1.19
Other operating income	2.18	2.42	2.53	2.51	1.38	1.18	1.01	1.49
Total gross sales	411.48	315.21	273.90	257.44	249.12	199.39	196.11	120.17
Duties and taxes	50.34	31.91	29.37	28.71	26.24	18.74	19.51	14.88
Net sales	361.13	283.30	244.53	228.73	222.88	180.65	176.6	105.29
Operating profit (EBITDA)	42.89	35.46	30.22	28.46	28.76	25.81	23.63	16.50
Other income	2.80	1.00	0.93	1.39	0.91	0.68	0.52	0.58
Depreciation and amortization	8.32	7.14	7.52	8.67	7.96	6.90	5.24	4.66
Finance cost	13.14	12.34	11.94	11.77	11.59	8.90	7.66	6.30
Profit before tax	24.24	16.97	11.69	9.42	10.12	10.68	11.25	6.12
Profit after tax	17.05	11.98	8.44	7.06	8.19	9.05	8.28	5.35
Dividend pay-out incl tax	2.65	2.44	1.80	1.44	1.43	1.92	1.92	1.93
Balance Sheet								
No of shares (in crore)	1.36	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Face value (in ₹)	10	10	10	10	10	10	10	10
Share capital	13.64	10.28	10.28	10.28	10.28	10.28	10.28	10.28
Reserves & surplus	177.62	96.79	86.42	79.78	74.16	67.82	60.05	53.00
Net worth	191.26	107.07	96.70	90.07	84.45	78.11	70.33	63.28
Secured borrowings	94.38	96.60	74.33	59.32	55.64	56.78	45.24	41.26
Net fixed assets	110.36	83.37	68.38	66.23	62.09	56.22	51.64	44.33
Investments (current and non-current)	17.52	5.66	6.10	5.83	5.70	4.84	4.84	4.84
Current assets	239.39	185.98	156.60	148.50	144.48	120.60	101.45	77.76
Current liabilities	157.61	144.34	124.66	121.32	117.24	95.86	75.87	54.16
Net working capital	81.78	41.64	31.94	27.18	27.24	24.74	25.58	23.61
Performance indicators								
Domestic sales growth (%)	37	13	7	(2)	20	(2)	73	84
Exports sales growth (%)	10	25	18	30	74	21	(3)	(4)
Total gross sales growth (%)	31	15	6	3	25	2	63	64
Export contribution to the sales (%)	18	21	19	18	14	10	8	14
Operating profit margin (%)	12	13	12	12	13	14	13	16
Operating profit growth (%)	21	17	6	(1)	11	9	43	46
Net profit margin (%)	5	4	3	3	4	5	5	5
Net profit growth (%)	42	42	20	(14)	(10)	9	5	14
Earnings per share – Basic (in ₹)	13.54	11.65	8.21	6.87	7.97	8.80	8.05	5.20
Earnings per share – Diluted (in ₹)	12.87	10.79	8.21	6.87	7.97	8.80	8.05	5.20
Book value per share (in ₹)	140.19	104.12	94.04	87.58	82.12	75.95	68.39	61.53
Dividend per cent (%)	16**	15	15	12	12	16	16	16
Dividend per share (in ₹)	1.6	1.5	1.5	1.2	1.2	1.6	1.6	1.6
Dividend pay-out ratio (%)	16	20	21	20	17	21	23	36
Current ratio	1.52	1.29	1.26	1.22	1.23	1.26	2.45	3.06
Debt equity ratio	0.17	0.25	0.14	0.13	0.16	0.14	0.64	0.66
Return on net worth (RoNW) (%)	9	11	9	8	10	12	12	8
Return on capital employed (%)	10	11	11	10	11	11	10	11
Interest coverage ratio (times)	2.85	2.38	1.98	1.80	1.87	2.20	2.47	1.97
Market cap (₹ in crore) as at March 31	287.59	240.43	63.71	55.94	59.39	54.71	113.18	38.56
Price earnings ratio (times)	14	20	8	8	7	6	14	7

** Recommended for FY 2015-16

At Salzer, we are focused on emerging stronger through a number of initiatives.

- Strengthening capital allocation across an innovative product mix.
- Marketing to discerning customers to generate a larger wallet share.
- Strengthening terms of trade to moderate working capital.
- Enhancing quality and standards continuously for sustainable growth.
- Enhancing skills to strengthen per person productivity.
- Attacking waste at all levels through a culture of optimization.
- Maximising the use of accruals in growing our business.
- Moderating our average cost of debt.

This is the dashboard of **our financial health.**



Definition

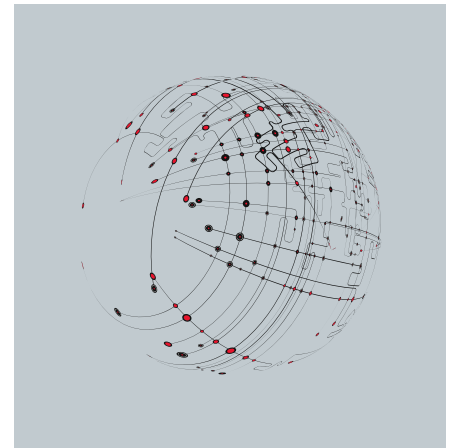
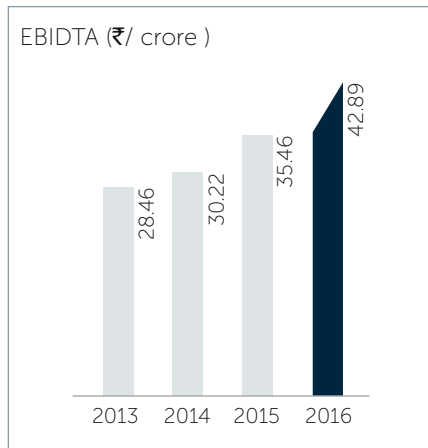
Revenue growth without deducting excise duties.

Why we measure

This measure reflects the result of our capacity to and market needs and service them with corresponding innovation and superior manufacture, cost management, dealer engagement and service – virtually the entire value chain.

Performance

Our aggregate sales increased 31% to ₹411.48 crore in FY 16, which compared favourably with the 8% growth of the country's electrical industry and 7.6% growth of the national economy.



Definition

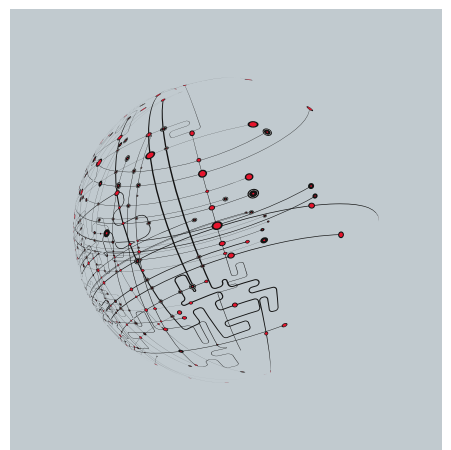
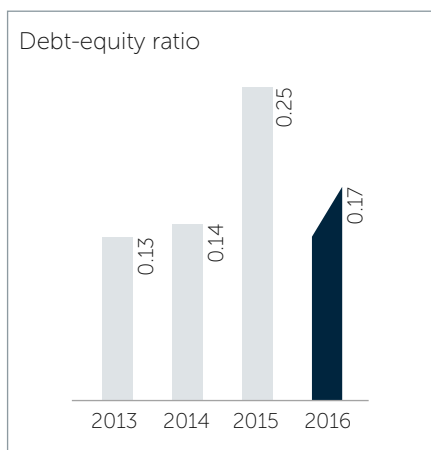
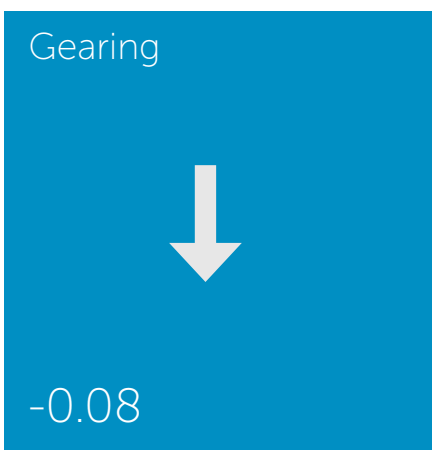
What the company earned before the deduction of interest, depreciation, extraordinary items and tax.

Why we measure

This measure is an index of the company's operating profitability, which can be easily compared with sector peers.

Performance

The Company reported a 21% increase in its operating profit in FY 16, which was the sharpest increase reported by the company in six years, against a CAGR of 11% over the last five years. This was the result of timely capacity investments, cost reduction and product mix changes.



Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

Performance

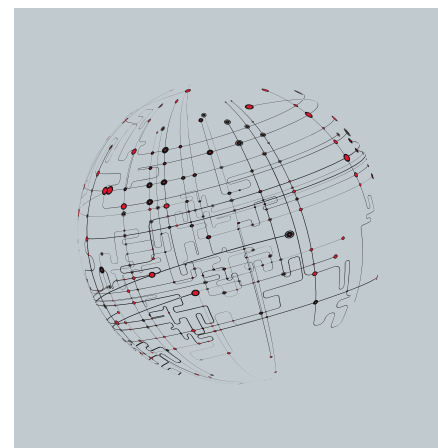
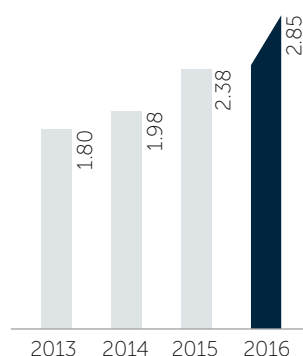
The company's gearing moderated from 0.25 in FY15 to 0.17 in FY16. We recommend that this ratio be read in conjunction with net debt: operating profit (declining number, indicating a growing ability to service debt).

Interest cover



0.47 x

Interest cover (x)

**Definition**

This is derived through the division of the EBIDTA by the interest outflow.

Why we measure

This indicates the company's comfort in servicing interest obligations, the higher the interest cover the better.

Performance

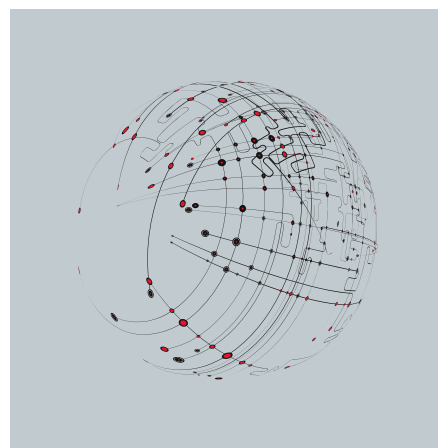
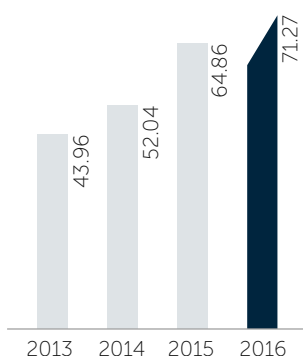
The company enhanced its interest cover to 2.85 in 2015-16, strengthening organisational stability.

Exports revenue



₹6.41 crore

Exports revenue (₹/ crore)

**Definition**

This highlights the growing quantum of exports, contributing to the overall sales growth of the Company and a growing share of the global market.

Why we measure

Exports validate the company's global competitiveness as well as its ability to service the needs of some of the largest and most demanding global capital equipment companies.

Performance

The exports business has continuously headed north in the last five years, growing from ₹33.87 crore in FY12 to ₹71.27 crore in FY2016, creating a strong base for the overall growth of the business. This is a clear testimony of Salzer's global recognition.

Corporate **snapshot**

Salzer Electronics Limited.

One of the most competitive global manufacturers – cost and quality – of advanced electrical products.

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

Dependable research-driven supplier to some of the largest multinational brands.

Growing its share of exports year-on-year.

Indian origin. Global citizen.



Background

Salzer Electronics Limited was established in 1985 to design and manufacture a wide range of world-class CAM-operated rotary switches in technical collaboration with Saelzer Schaltgerate Fabrik, GmbH., Germany initially. The Company also entered into a collaboration with Plitron Manufacturing Inc., Canada (a leading transformers manufacturer in North America) in 1995 for manufacturing toroidal transformers with a 50% buy-back agreement. Larsen & Toubro Ltd. entered into an agreement to market Salzer switches in India from 1993 onwards.

Management

Salzer was founded and promoted by Mr. R. Doraiswamy, a first generation entrepreneur and a sector veteran with over 20 years of industrial experience. Today, the second generation of

the promoter's family, comprising the US-educated Mr. Rajesh Doraiswamy, Joint Managing Director, is spearheading the day-to-day business.

Product mix

Salzer manufactures the widest range of electrical products including load-break switches, wiring ducts, energy-saving products, terminal connectors, selector switches, DC disconnectors, electro-magnetic relays flexible bus bars, wire harnesses, motor control products and magnetic wires besides modular wiring accessories and allied specialty products.

Business divisions

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

Certifications

Salzer obtained the prestigious ISO 9001 certification bestowed

by NQA-UK for 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 and its products have also been approved by Canadian Standards Association, Underwriters Laboratories, VDE (Association of German Electrical Technologists) and Conformite Europeenne (CE) with RoHS compliance.

Research

Salzer has a strong R&D franchisee with a full-fledged laboratory and captive tool room to upgrade and develop products, setting with new market trends. Importantly, its in-house R&D has been

recognized by the Ministry of Science and Technology, Department of Science and Industrial Research, Government of India.

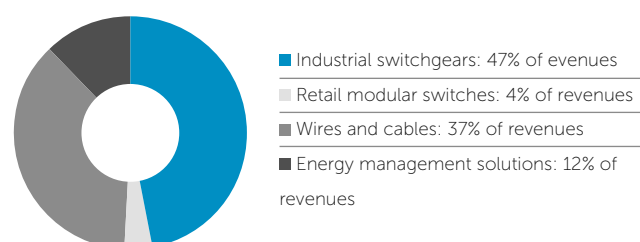
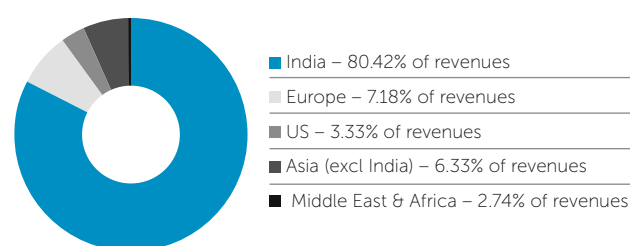
Customers

The Company provides integrated products and solutions that strengthen customer convenience. Some of its prominent clients include Schneider, Philips, C3 Controls, Larsen & Toubro, LMW, Premier, Valeo, Europa, V-Guard, BHEL, Elgi, ABB, Yokogawa, Nuclear Power Corporation, SEARS, CED, Alstom, Philips and Plitron, among several others.

Locations

Salzer has five manufacturing facilities – four located in Tamil Nadu and one in Himachal Pradesh.

Sales footprint, 2015-16



Performance

The Company's product acceptance across a large number of prominent customers has driven CAGR in turnover of 15% over the five years ending 2015-16, one of the fastest in the business in India. Besides, Salzer is also a market leader in India for rotary switches, PV application switches and PVC wiring ducts (channels) and provides complete customized electrical solutions. The Company has one patent for its rotary switch and five products are awaiting patent approvals. The Company enjoys a consistent track record for the last 22 years in profit-making and has been declaring dividends since 1991-92. The Company is EE empanelled Grade 1 Energy Service Company (ESCO),

qualifying it for execution of various projects throughout the country.

Listing and market capitalization

Salzer is listed on the BSE (code: 517059) and NSE (code: Salzerelec). The Company's market capitalization was ₹288 crore (31 March 2016).

Financial highlights, 2015-16

- Incremental turnover to incremental net profit up from 15% in 2014-15 to 31%, indicating profitability accretion
- 31% growth in turnover to ₹411 crore led by new product launches, increasing share of income from existing customers and mandates from new customers

- 21% growth in operating profit (EBIDTA) to ₹43 crore led by robust topline growth and increasing value engineering and cost optimisation enabling tighter control on expenses

- 42% growth in net profit as a result of strategic utilization of available resources and better monetary management.

- ₹1.60 per share of dividend declared for 2015-16, up from ₹1.50 in 2014-15, consistent with our philosophy of striking a balance between shareholder value creation and increasing fiscal plough-backs into our business

Gross sales (₹ crore)

2015-16	2014-15	2013-14	2012-13	2011-12
411.48	315.21	273.90	257.44	249.12

Net profit (₹ crore)

2015-16	2014-15	2013-14	2012-13	2011-12
17.05	11.98	8.44	7.06	8.19

Dividend payout (including tax) (₹ crore)

2015-16	2014-15	2013-14	2012-13	2011-12
2.65	2.44	1.80	1.44	1.43

Market capitalization (₹ crore)

2015-16	2014-15	2013-14	2012-13	2011-12
287.59	240.43	63.71	55.94	59.39



Operational review

A discussion with Mr R. Doraiswamy, Managing Director

Salzer and pride

Salzer is among the first few companies in India to comply with the stringent RoHS directive regulating the European markets

The Company is the largest supplier 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

Q: Were you happy with the Company's working during the financial year under review?

At Salzer, we believe that the Company's working was in line with our expectations, primarily because we were able to achieve our turnover target set at the year's start. During 2015-16, we achieved a gross turnover of about ₹411 crore, which was about 30% higher than the previous financial year, a reflection of sectoral outperformance (industry grew 7-8% during the period).

Q: The industrial landscape needs to be appraised in the context of this outperformance.

That's true. Despite India reporting one of the fastest growth rates in the world, not much private sector investment actually happened on the ground. This proved challenging as almost 75% of our topline was derived from domestic sales. In this challenging scenario, we addressed product replacement and brownfield demand, finding niches where the superiority of our products could be showcased, delighted customers with world-class service, rode our deep relationship with L&T and focused on exports.

A large part of the improvement was also derived from a ₹40 crore Tamil Nadu government project tender covering the implementation of

energy-efficient street lights. We were awarded the project and these revenues accounted for almost 10% of our topline in 2015-16. Without taking this one-off project into account, our turnover growth would have been around 20%, which would still have been twice the sectoral growth average.

Q: What other initiatives helped Salzer outperform the sectoral growth average?

Our development team is one of the most skilled in the sector. This, along with the speed with which we are able to complete projects, resulted in Salzer having a considerable advantage over other companies. We continuously widened our product range, upgrade the product mix and offered clients customized solutions that addressed a growing need of large OEMs. For example, we became GE's and Schneider's preferred/recommended supplier in 2015, addressing a number of customized projects, completing around ₹15 crore business for GE and approx ₹24 crore for Schneider during the year under review (doubled from 2014-15) and projected to increase by around 30% in the current fiscal year (effectively almost quadrupling our GE business in two years).

Most OEMs are engaged in vendor rationalization, preferring to source products from one

company in exchange for larger volumes and superior terms of trade. Salzer is capitalizing on this trend by offering a range of customized products.

Besides, Salzer strengthened relationships with multinational brands like Schneider and GE. We also entered into a technical collaboration with Trafomodern, an Austrian company, in 2015 to expand our transformer range (from single phase to three phases) and commence production by September 2016. This development could generate ₹75-80 crore revenues in three to four years at attractive margins.

Q: What is the standout product in your line?

There are quite a few including rotary switches that are still the largest selling in our portfolio. We are also proud of our new launch, motor control products. Toroidal transformers gave us good growth during the year. Besides, we were among the few in the industry to manufacture customized toroidal transformers. We generated around 125% growth in toroidal transformer sales during the year under report. For GE, we manufactured a special transformer (Rogowsky coil), a specialized CT coil that not many can make. During the year under report, almost 9% of our total revenues were derived from this product range. By offering high levels of

customisation, we were able to diversify and increase our toroidal transformers range, which augurs well for the foreseeable future.

Q: How would you describe the Company's competitiveness?

Our overarching strategy has always been to bring technologically advanced products to India otherwise not manufactured or available in India – at attractive costs. There are not too many companies – Indian or international - who can develop or customize such electrical, electronic and electromechanical products. This competitiveness reflected in our sales mix in 2015-16: almost 80% of our sales were derived from India and 20% from exports. We grew our exports 20% YoY, which is creditable as the European market, one of our largest, is not growing. We grew in the North American market and enlisted new customers in Iraq engaged in rebuilding the country, promising business proposes for at least a decade. Almost 70% of our total exports were to developed markets such as Europe and the United States.

Q: What are the company's targets?

We are optimistic of not only sustaining, but of growing our revenues by 15-18% during the current year. Our bottomline should show a sharper increase than our topline. We intend

to increase our exports to 30% of revenues. We expect to grow a number of India-specific products like wires and cables with a large volume potential. This year, there should be an improvement in profitability for our Company due to increased stability in the markets as well as lower commodity prices. We also expect an increase in demand, which should result in better pricing. We are focusing on improving margins and volumes, which should enhance organizational and shareholder value.

We have seen almost three years of low growth (or even de-growth). India needs to grow faster. Given all the Government initiatives and reforms, I am bullish about the power and core infrastructure segments. With the RBI moderating interest rates, we expect a robust capex cycle to start soon. Besides, the Government has been undertaking huge reforms in the power sector, especially on the renewable and power transmission/distribution side; the Jawaharlal Nehru Solar Mission envisages 100,000 MW of solar power capacity in India by 2022 while UDAY (Ujwal Discom Assurance Yojana) is likely to strengthen finances of state transmission boards.

When a large investment of this kind happens, for example in the area of renewable energy, large

Salzer strengthened relationships with multinational brands like Schneider and GE. We also entered into a technical collaboration with Trafomodern, an Austrian company, in 2015 to expand our transformer range

opportunities would be created for electrical and electromechanical products within our sector. The result is that the country's relative underinvestment in the past and a willingness to catch up, India presents itself as one of the largest sectoral opportunities in the world. We have always seen that we are able to grow at a rate of more than double industry growth. We believe that if the GDP grows 6%, our industry will grow 8-10%, and Salzer is likely to grow 20-25%. Given the GDP growth expectations for the next year at more than 7.5% we are optimistic about our prospects.

Q: What makes you optimistic about Salzer?

Our R&D-led engineering capabilities make us distinctive in a competitive space.

Our enduring customer relationships are translating

into stronger client retention and growing revenue share per customer.

Our manufacturing integration and in-house tooling cum testing facilities resulted in almost 80% value-addition for each product.

We offer a range of products (15) customized around customer needs.

Q: What is the one message you would like to communicate to your shareholders?

We raised ₹62 crore through a QIP in July 2015. We utilized approximately ₹25 crore in a transformer project; we are proposing to invest another ₹20 crore during the coming financial year to widen and upgrade our project basket, the benefits of which will transpire fully from 2017-18 onwards.

We expect that the mix

of these initiatives should increase our technological innovation, grow our EBITDA margins by 100 bps and strengthen ROCE by 500 bps to around 18% in three years. Besides, we are also focusing on improving our working capital cycle by bringing our inventory down by at least 15 days of turnover equivalent and improving our debtors' cycle. We have already begun to see some effects on our inventory levels and expect to see an improvement in receivables during the coming financial year, optimizing our working capital outlay. Besides, our focus on value-added products should improve our EBITDA (quantum and margins). Our organizational focus is not just on growth but on growing profitably, attractively and sustainably.

Our performance ambition

Aim: We are likely to become a ₹1,000 crore company in the next 4-5 years (2021 vision). We intend to enhance our EBITDA margin by 100 bps and increase RoCE to attractive levels during this period.

Approach: We believe that revenues from our existing products should grow at a 15% CAGR during this period.

Route: This will be possible through:

- Progressive investments in global technology alliances and partnerships
- Widening value-added product basket that addresses India's growing needs

- Stronger engagement with large global MNCs for their advanced electrical product needs

- Competitive bidding for government schemes



Salzer Electronics Limited is one of India's largest exporters of rotary switches, cable ducts, and toroidal transformers.

The Company's world-class modular switches are accepted across key Indian realty markets (Karnataka, Kerala and Tamil Nadu) and now venturing into the western and northern markets.

The Company leveraged its rich experience in the electric equipment business, extending into the exciting space of energy conservation, energy metering and control through a dedicated vertical.



A New York tattoo artist continues to work despite torrential snow.

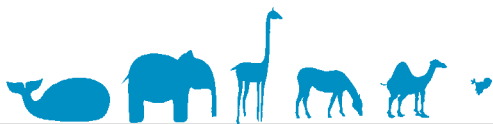


A Doha foot spa owner keeps her customers engaged due to the consistent 22⁰ Celsius chilling.

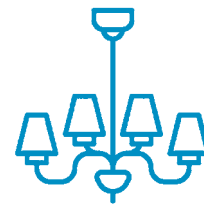
Besides, Salzer is among the few in its industry to manufacture customized toroidal transformers.

125%

growth generated in toroidal transformer sales during the year under report.



A Kenyan safari owner's SUV starts at the press of a switch in the jungle.



A Chennai office owner is confident of switch longevity just been installed.

Salzer's competence drivers

salzer

Brand

Salzer's brand equity with customers and trade resolves 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.



Solutions

Salzer is acclaimed as a leading Indian solutions provider in electrical installations comprising switchgears, accessories, wires, cables and allied products



Value-addition

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



Research

Salzer's R&D function comprises 35 professionals, full-fledged 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.



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.



Diversified customer mix

Salzer has selected to address the needs of customers in the electrical equipment, medical equipment, automotive and uninterrupted power system spaces, each of which is a proxy of a modern and growing India



Leadership

Salzer enjoys market leadership in India for rotary switches, PV application switches and PVC wiring ducts (channels).



Relationships

Salzer generated nearly 25% of revenues from institutional customers it has been working with for three years or more



Certifications

Salzer products enjoy international product approvals like Underwriters Laboratories (UL); it carries CE mark, with RoHS compliance. The other certifications comprise ISO9001:2008, ISO14001:2004, and OHSAS ISO18001:2007



Global

Salzer's products are exported to more than 45 countries, no country accounting for more than 5% of the Company's revenues. Exports accounted for 20% of the Company's revenues, 2015-16.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Salzer Electronics Limited will be held at Hotel Sree Annapoorna, R S Puram, Coimbatore - 641002 on Saturday, the 13th day of August 2016 at 11.30 a.m to transact the following businesses:

Ordinary Business:

1. To consider and adopt the audited Financial statements of the Company for the Financial year ended March 31, 2016, comprising of balance sheet as at March 31, 2016, statement of profit and loss for the year ending on that date, Cash Flow statement as on that date and the reports of the Board of Directors with annexures and Auditors thereon;
2. To declare a dividend on Equity Shares for the financial year 2015-16.
3. To appoint a Director in place of Dr. Mrs. Rajeshkumar Thilagam (DIN: 00006783), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
4. To appoint a Director in place of Shri Perumal Reddiar Ramachandran (DIN: 01043572), 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 2016-17

"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 2016-17 be and is hereby ratified on such remuneration as shall be fixed by the Board of Directors of the company."

Special Business:

6. To confirm re-appointment of Shri Rangaswamy Naidu Doraiswamy (DIN: 00003131) as Managing Director of the Company for another term of five years 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 subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder

(including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, upon such regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in terms of Company's policy for Nomination and Remuneration Committee and on the recommendation of Nomination and Remuneration Committee, the re-appointment of Shri Rangaswamynaidu Doraiswamy (DIN: 00003131), as Managing Director of the Company for another consecutive term of five years effective from May 02, 2016, as well as eventual payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed below be and is hereby approved and confirmed:

- Salary ₹3,00,000/- per month with an increase of ₹25,000/- every year for five years with effect from May 02, 2016 and
- Commission at the rate of 2½% on the net profit of the company after taxation as being computed from time to time within the limit in accordance with Schedule-V and other applicable provisions of the Companies Act, 2013.

PERQUISITES AND OTHER ALLOWANCES AND BENEFITS

House Rent Allowance:

No accommodation is being provided by the Company. House Rent Allowance is 50% of the salary over and above 10% of the salary payable by the appointee, as rent.

Medical Allowance:

Expenses incurred by him and his family subject to a ceiling of one-month salary in a year or three months' salary over a period of three years.

Leave Travel Concession:

Once in a year for him and his family members by Air/ AC/1st class anywhere in India.

Personal Accident Insurance:

Premium not exceeding ₹10,000/- per annum.

Club Fees:

Fees of clubs subject to maximum two clubs. This will not include admission and life membership.

Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

Gratuity payable at a rate not exceeding 15 days' salary for each completed year of service and

Encashment of leave at the end of tenure."

"RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year during the tenure of office, the aforesaid remuneration payable to Shri Rangaswamynaidu Doraiswamy, Managing Director of the Company, shall be the minimum remuneration payable to him, in terms of the Provisions of Schedule-V, Part II – Sec -II, read with the relevant sections of the Companies Act, 2013 being in force from time to time."

7. To approve re-appointment of Shri Rajesh kumar Doraiswamy (DIN: 00003126) as Joint Managing Director of the Company and Chief Financial Officer for another term of five years and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an SPECIAL RESOLUTIONS:

"RESOLVED THAT subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re- enactment thereof) read with Schedule-V of the Companies Act, 2013, upon such regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in terms of Company's policy for Nomination and Remuneration Committee and on the recommendation of Nomination and Remuneration Committee, the re-appointment of Shri Rajeshkumar Doraiswamy (DIN: 00003126), as Joint Managing Director and Chief Financial Officer of the Company for an another consecutive term of five years effective October 01, 2016, as well as eventual payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed below be and is hereby approved:

- Salary ₹3,00,000/- per month with an increase of ₹25,000/- every year for five years with effect from October 01, 2016 and

- Commission at the rate of 2½ % on the net profit of the company after taxation as being computed from time to time within the limit in accordance with Schedule-V and other applicable provisions of the Companies Act, 2013.

PERQUISITES AND OTHER ALLOWANCES AND BENEFITS

House Rent Allowance:

No accommodation is being provided by the Company. House Rent Allowance is 50% of the salary over and above 10% of the salary payable by the appointee, as rent

Medical Allowance:

Expenses incurred by him and his family subject to a ceiling of one-month salary in a year or three months' salary over a period of three years.

Leave Travel Concession:

Once in a year for him and his family members by Air/ AC/1st class anywhere in India.

Personal Accident Insurance:

Premium not exceeding ₹10,000/- per annum.

Club Fees:

Fees of clubs subject to maximum two clubs. This will not include admission and life membership.

Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

Gratuity payable at a rate not exceeding 15 days' salary for each completed year of service and

Encashment of leave at the end of tenure."

"RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year during the tenure of office, the aforesaid remuneration payable to Shri Rajeshkumar Doraiswamy (DIN: 00003126), as Joint Managing Director and Chief Financial Officer of the Company, shall be the minimum remuneration payable to him, in terms of the Provisions of Schedule-V, Part II – Sec - II, read with the relevant sections of the Companies Act, 2013 being in force from time to time."

"RESOLVED FURTHER THAT aforesaid term of office

of Shri Rajeshkumar Doraiswamy be hereby subjected to determination by retirement by rotation in terms of Section 152 of the Companies Act, 2013, and in accordance with the resolutions passed by the shareholders at their 30th Annual General Meeting held on August 08, 2015."

8. To approve the Material related Party Transactions and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTIONS

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modification(s) or enactment thereof for the time being in force), in accordance with "Salzer's Policy on Related Party Transactions and also pursuant to the ratification and consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the

approval of the Company be and is hereby accorded to the Material Related Party Transactions which were in the ordinary course of business and at arm's length pricing as entered by the company for the Financial Year 2015-16 of a value of ₹44.10 Crores and transactions to be entered for Financial Year 2016- 17 of a value of ₹105.00 Crores in aggregate as per details as set out under item no. 8 of the Statement annexed to this Notice and that the Board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including delegate such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

By Order of the Board
For **Salzer Electronics Limited**

Date : May 26, 2016
Place : Coimbatore

S Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary

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. 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 8 is annexed hereto.
6. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from June 11, 2016 to June 16, 2016 (both days inclusive) for the purpose of payment of dividend.
8. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within the stipulated time to those Members whose names stand registered on the Company's Register of Members:-
 - a) As Beneficial Owners as at the end of business hours on June 10, 2016 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 June 10, 2016 and whose names appearing in the Register of Members as at June 16, 2016 in respect of Members holding shares in physical form.
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 2009 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 2008, have been transferred to the Investor Education and Protection Fund.
 11. Members are requested to contact either the Company or the Registrar and Share Transfer Agent M/s. GNSA Infotech Limited, Nelson Chambers, 'F' Block, 4 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 or its Registrar and Share Transfer Agents, viz., M/s. GNSA Infotech Limited, Nelson Chambers, 'F' Block, 4 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 Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, the relevant details of Directors retiring by rotation and seeking re-appointment as well as re-appointment of Managing Director, Joint Managing Director and Chief Financial Officer at the ensuing Annual General Meeting are given in the annexure to the notice of the Annual General Meeting.
 15. Shareholders, intending to require clarification 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 e-mail id viz., investor_relations@salzergroup.com and sta@gnsaindia.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 Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and NSE Ltd – www.nseindia.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, 2016 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. This is in 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 and sta@gnsaindia.com clearly mentioning their Folio number / DP and Client ID.
24. In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 and Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members.

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 Participant(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 Number) of Salzer Electronics Limited. EVEN No.104136
- 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. 1 & 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 12.08.2016. 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 pooling 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 08.08.2016 (9.00 a.m) and ends on 12.08.2016 (5.00 p.m). During this period, Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 06.08.2016, 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.
- 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) If any member buys the shares of the company after 15.07.2016 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.
- 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

Shri Rangaswamy Naidu Doraiswamy (DIN: 00003131) was last re-appointed as Managing Director by the shareholders at their 26th Annual General Meeting held on September 24, 2011 with a term of five years commencing on May 02, 2011 and ending on May 01, 2016.

Considering his term expiring on May 01, 2016, your Board of Directors, on the recommendation of Nomination and Remuneration Committee, in compliance with provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule-V of the Companies Act, 2013, upon such regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in line with terms of Company's policy for Nomination and Remuneration Committee and subject to confirmation by the Shareholders at their 31st Annual General Meeting, re-appointed Shri Rangaswamynaidu Doraiswamy (DIN: 00003131), as Managing Director of the Company for another consecutive term of five years effective from May 02, 2016 with a set of terms and conditions as more particularly given in the resolutions, at their meeting held on February 10, 2016.

Shri Rangaswamynaidu Doraiswamy is a Promoter and has been steering the Company since its inception in the year 1985. During these last 31 years, the Company, under his stewardship, has established a niche place in the market and has become a global player. His rich experience in the electrical field and noble ideas towards designing and launching of the Products are the critical assets for the Company.

Considering his long standing contribution and requirement of his guidance, going forward, to achievable vision of Salzer, your Board thought it appropriate to re-appoint Shri Rangaswamynaidu Doraiswamy for another term of five years, accordingly made re-appointment and now necessary resolutions have been placed before the Members for their consideration, confirmation and approval by means of special resolutions as required under section 196(3) of the Companies Act 2013 which provides that no company shall continue the employment of a person, who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution

Except Shri Rangaswamynaidu Doraiswamy, Shri Rajeshkumar

Doraiswamy, Joint Managing Director and Chief Financial Officer (being son), Dr. Mrs. Rajeshkumar Thilagam, Non Executive Director (being daughter in law), Shri. R Damodharaswamy, Non-Executive Director (being elder brother) or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 6.

Item No.7

Similarly Shri Rajeshkumar Doraiswamy (DIN: 00003126) was last re-appointed as Joint Managing Director by the shareholders at their 26th Annual General Meeting held on September 24, 2011 with a term of five years effective October 01, 2011.

The Board of Directors, at their meeting held on August 09, 2014, appointed aforesaid Shri Rajeshkumar Doraiswamy as a Chief Financial officer of the Company in order to fulfill the requirements under Section 203 of the Companies Act 2013.

Considering his term expiring on September 30, 2016, your Board of Directors, at their Meeting held on May 26, 2016, re-appointed Shri Rajeshkumar Doraiswamy (DIN: 00003126), as Joint Managing Director and Chief Financial Officer of the Company for another consecutive term of five years effective October 01, 2016 based on the recommendation of Nomination and Remuneration Committee, in compliance with provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder read with Schedule-V of the Companies Act, 2013, upon such regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in line with terms of Company's policy for Nomination and Remuneration Committee and subject to approval by the Shareholders at their 31st Annual General Meeting, with a set of terms and conditions as more particularly given in the resolutions.

Shri Rajeshkumar Doraiswamy is also a promoter and young entrepreneur having a dynamic power to elevate the Company's performance. He has demonstrated his wide array of skills in the last 10 years to make the Company from ₹100 Crores business to ₹400 Crores business now. Accordingly, your Board recommended his re-appointment for another term of five years and necessary resolutions have been placed before the Members for their consideration and approval by means of special resolutions.

Approval of the members is required by way of special Resolution for appointment and payment of remuneration.

The office of Joint Managing Director and the Office of Chief Financial Officer in respect of Shri Rajeshkumar Doraiswamy will not co-exist. If he happens to resign any office under any circumstances, he may, if Board decides, continue with other office as well in pursuance of applicable Act and Regulations.

Except Shri Rajeshkumar Doraiswamy, Joint Managing Director and Chief Financial Officer, Shri Rangaswamynaidu Doraiswamy, (being father), Dr. Mrs. Rajeshkumar Thilagam, Non-Executive Director (being wife) or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 7.

Item No.8

During the Financial Year 2015-16, your Company has entered

into certain business transactions with M/s. Salzer Magnet Wires Limited, a Company, which is a "Related Party" as defined under Section 2 (76)(v) of the Companies Act, 2013. These transactions which were in the ordinary course of business and at arm's length basis, having a value of ₹44.10 Crores for Financial year 2015- 16 exceeding 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement.

The Company also proposed to enter into certain similar business transactions with M/s. Salzer Magnet Wires Limited and M/s. Salzer Exports Limited during Financial Year 2016-17 which is estimated at ₹60.00 Crores and ₹45.00 Crores respectively which are of value individually also exceeding 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement of the Company.

M/s. Salzer Exports Limited is also a Company, which is a "Related Party" as defined under Section 2 (76) (v) of the Companies Act, 2013.

The details of such transactions are given below:-Transaction during the year 2015-16

S. No	Nature of Transactions	₹ In Crs
1	Sale of Materials	33.43
2	Purchase of Materials	8.95
3	Sale of Power	—
4	Labour Charges	1.72
	Total	44.10

Proposed transactions during the year 2016-17

		Salzer Magnet Wires Limited	Salzer Exports Limited	Total
S. No	Nature of Transactions	₹ In Crs	₹ In Crs	₹ In Crs
1	Sale of Materials	40.00	15.00	55.00
2	Purchase of Materials	13.00	15.00	28.00
3	Sale of Power	2.00	—	2.00
4	Labour Charges	5.00	15.00	20.00
	Total	60.00	45.00	105.00

The Securities and Exchange Board of India (SEBI), vide its Notification dated September 02, 2015, brought out SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("LODR Regulation") by replacing then the Listing Agreement with the Stock Exchanges. The said LODR came into force on December 01, 2015.

In terms of Regulation 23 of LODR Regulation, all material related party transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not, notwithstanding such transactions have been done at arm's length basis and normal course of business.

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

All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations (i.e before September 02, 2015) and which may continue beyond such date shall be placed for approval of

the shareholders in the first General Meeting subsequent to notification of these regulations.

As this is first Annual General Meeting subsequent to September 02, 2015 and In light of above provisions, the transactions with Salzer Magnet Wires Limited and M/s. Salzer Exports Limited was considered as Material and necessary resolutions have been placed before the Members for the approval by ordinary resolutions.

Mr. R. Doraiswamy, Managing Director, Mr. D. Rajeshkumar, Joint Managing Director and Mr. S Baskarasubramanian, Director (Corporate Affairs) & Company Secretary or their relatives or related entities, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution as set out at No 8 of the Notice.

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

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015)

Name of the Director	Dr. Mrs. Rajesh Kumar Thilagam	Perumal Reddiar Ramachandran	Rangaswamynaidu Doraiswamy	Rajeshkumar Doraiswamy
DIN	00006783	01043572	00003131	00003126
Category	Non Executive Director	Whole Time Director (Marketing)	Managing Director	Joint Managing Director & Chief Financial Officer
Date of Birth	03/12/1972	01/09/1948	17/03/1943	25/09/1971
Date of Appointment on the Board	30/03/2015	26/09/1998	08/01/1985	22/12/2001
Qualification	MBBS, DGO	B A	B E – Electrical Engineering	B E – Electrical Engineering & MBA (US)
Brief profile and nature of their expertise in specific functional areas	Heading Multi Specialty Hospital & having vast administrative and Management experience	He is a 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 Electrical Engineer and technocrat entrepreneur with wide experience in the leading engineering industries like M/s. Lakshmi Machine Works Limited, Coimbatore, M/s Reiter Machine Works, M/s. Brown Boveri Baden and M/s. Sorecher + Schve Arrow, in Switzerland for more than two decades before promoting M/s. Salzer Electronics Limited	He is a young and energetic entrepreneur and is managing the Salzer group of companies
Directorships held in other companies.	1. K R Health Care P Ltd 2. SRVE Industries Ltd 3. Quebec Information Services India Limited 4. Coimbatore Kalpana Chit Funds P Ltd 5. Sarojini Chit Funds Private Limited 6. Saradha Investments Ltd 7. Kalpana Medical Centre Private Limited	Salzer Securities Holdings Ltd	1. K.R. Health Care P. Ltd 2. Salzer Spinners Ltd 3. Salzer Exports Limited 4. Salzer Securities Holdings Ltd. 5. Salzer Magnet Wires Limited	1. K.R. Health Care P. Ltd 2. Sri Ram Arts Centre P Ltd 3. Salzer Exports Limited 4. S R V E Industries Ltd 5. Salzer Securities Holdings Ltd 6. Salzer Magnet Wires Limited

Name of the Director	Dr. Mrs. Rajesh Kumar Thilagam	Perumal Reddiar Ramachandran	Rangaswamynaidu Doraiswamy	Rajeshkumar Doraiswamy
Memberships / Chairmanships of committees across all companies	NIL	Nil	Members – CSR Committee	In Salzer Electronics Ltd 1. Chairman – Risk Management Committee 2. Members – CSR Committee 3. Member - Employees Compensation Committee 4. Member - Stakeholders Relationship Committee
Shareholding in the Company	4,44,755 Equity Shares- 0.32%	NIL	3,13,428 Equity shares -0.23%	2,26,466 Equity shares –0.17%
Inter se relationship, if any	Wife of Shri Rajeshkumar Doraiswamy, Joint Managing Director and Chief Financial Officer and daughter in law of Shri Rangaswamynaidu Doraiswamy, Managing Director	NIL	Father of Shri Rajeshkumar Doraiswamy, Joint Managing Director and Chief Financial Officer and Father in Law of Dr. Mrs. Rajeshkumar Thilagam, Non Executive Director and brother of Shri R. Damodharaswamy, Non Executive Director	Son of Shri Rangaswamynaidu Doraiswamy, Managing Director and Husband of Dr. Mrs. Rajeshkumar Thilagam, Non Executive Director

Directors' Report

To the members

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial Summary of the Company

₹ In Lakhs

PARTICULARS		31-03-2016		31-03-2015	
I	Revenue from operations:		36113.49		28330.23
II	(Less) Operating Expenses				
	a) Cost of Materials Consumed	25179.35		19869.96	
	b) Changes in inventories of finished goods and work in progress	480.06		(278.71)	
	c) Employee benefits expenses	1768.43		1553.79	
	d) Other expenses	4396.42		3639.61	
	Total		31824.27		24784.64
III	Operating Profit (I-II)		4289.23		3545.59
IV	Other Income		280.37		100.25
V	Profit before Interest, Depreciation & Tax (III+IV)		4569.60		3645.84
VI	Finance Costs	1313.58		1234.26	
VII	Depreciation and amortization expenses	831.89		714.47	
	Total		2145.47		1948.73
VIII	Profit before tax (V-VI-VII)		2424.13		1697.11
IX	Less: Tax expense:				
	a) Current tax	521.19		364.21	
	b) Deferred tax	198.19		134.83	
	Total		719.38		499.04
X	Profit After Tax (VIII-IX)		1704.75		1198.07
XI	Balance in Profit & Loss A/c (b/f)		5222.59		4255.19
XII	Total		6927.34		5453.25
XIII	Appropriations				
	a) Transfer to Reserves		45.00		45.00
	b) Proposed Dividend (Incl Tax) for 2015-16		264.68		185.66
	c) additional Provisions for 2014-15		58.42		-
	d) Excess Provision for prior year written back		5.48		-
	Closing Balance (c/f) (XIII-a-b-c+d)		6564.72		5222.59
XI	Earnings per equity share:				
	a) Basic (in ₹)		13.54		11.65
	b) Diluted (in. ₹)		12.87		10.79

2. Status of Company Performance

Your Company has made significant achievement in 2015-16 almost in line with projected target. Your Company has established substantial share for its products both in the domestic and international markets. The Company's export footprint is widening at compounded annual growth rate of around 30% in the last five years. USA, Europe and Some of the Gulf Countries are major export markets for your Company. Your Company has good synergy in driving the export market and improving its market share across the Globe. Now, various leading players in the international markets such Siemens, C3 Controls, Schneider are part of our export business.

In FY 2015-16, revenues from Operations stood at ₹361 Crores as against ₹283 Crores in the corresponding year with a registered growth of 28%. Exports contribution to total revenue remained encouraging and constituting around 22% of the revenues in the full year with a reported growth of 18% corresponding to the last year.

The revenues have grown in line with our expectation especially from the profitable segments industrial switchgear business. The breakup of revenues as per the segment for the full year is as follows.

- The industrial Switch Gear business contributed 47% with a growth of 16% corresponding to the last year,
- The Building segment product business contributed to 4% to the total revenues with a year-on-year growth of 9%,
- The Energy Management business contributed 12% to the total revenues with a year-on-year growth of 600% and
- The copper business, consisting wire and cables contributed 37% to the total revenue with a year-on-year growth of 15%.

The full year EBITDA (Earnings before Interest Tax Depreciation and Amortization) was ₹43 Crores as against ₹36 Crores with a year-on-year growth of 21%. The EBITDA margin was at 12% and remains flat compared to the last year. The Profit after Tax (PAT) is at ₹17 Crores in the full FY2016 as against ₹12 Crores in the corresponding year with a year-on-year growth of 42%.

Net worth stood at ₹191 Crores at the end of FY 16 as against ₹107 Crores last year and accordingly, the Book value of an equity share increased to ₹140.32 in FY 16 from ₹104.12 last year on the expanded capital basis.

Your Company is quite confident of achieving a double digit growth in the range of 18% - 20% for FY 2017 on the revenues with higher contribution coming from Industrial Switch Gears

business which has relatively higher business margin in our portfolio and going forward, more focus and concentration to be given on this segment.

Your Company has signed a distinguished agreement with a company called IPD group limited in Australia. IPD is a leading distributor and a wholesaler in Australia for electrical products and they will be marketing Salzer branded electrical products for solar photovoltaic applications in Australia and New Zealand. This agreement opens in new large market for your Company.

3. Dividend

The Board of Directors at their meeting held on May 26, 2016 recommended a Dividend at a rate of 16% (₹1.60 per share) for the financial year ended March 31, 2016. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting to be held on August 13, 2016. The total dividend appropriation (excluding dividend tax) for the current year is ₹219.91 Lacs as against ₹202.79 Lacs in the previous year.

Dividend (including dividend tax) as a percentage of net profit after tax is 15.53%, on the expanded capital as compared to 20.40% in the previous year. In order to strengthen the internal accruals of the Company, Your Board of Directors moderated the Dividend Payment out of available surplus for the financial year 2015-16 on the expanded capital.

The Register of Members and Share Transfer Book of the company will remain closed from 11th June 2016 to 16th June 2016 (both days inclusive) for the purpose of dividend, if declared in above AGM, will be paid to the members, whose names appear in the company's register of members on Friday, June 16, 2016 and in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on the closing hours of the business on June 10, 2016 as per details to be furnished by the depositories for this purpose.

4. Share Capital and Other Related Securities

a. Equity share Capital

During the year under the review, the Company has added 33,59,450 Equity Shares of ₹10/- each in its issued, subscribed and paid-up shares by means of allotment under Qualified Institutions Placement, Conversion of share warrants issued under pre-preferential basis and Exercise of Stock Options by the Employees. Thereby, the total number of shares increased from 1,02,83,737 equity shares to 1,36,43,187 equity shares. The details of increase are as under:

	Description	Date of allotment	No of shares	Face Value	Shares
				In ₹	In ₹
	Opening as on 01/04/2015		1,02,83,737	10.00	10,28,37,370
Add :	Allotted 2,19,900 shares under "Salzer Employees Stock Options Scheme 2012-13" at a grant price of ₹40/-	18-04-2015	2,19,900	10.00	21,99,000
Add :	Allotted 3,75,000 Shares on Conversion of share Warrants at an issue Price of ₹251.45/- per share	21-07-2015	3,75,000	10.00	37,50,000
Add :	Allotted 26,41,000 Shares under Qualified Institutions Placement at an issue Price of ₹235/- per share	24-07-2015	26,41,000	10.00	26,410,000
Add:	Allotted 78,550 Shares under "Salzer Employees Stock Options Scheme 2012-13" at a Grant Price of ₹40/- per share	25-01-2016	78,550	10.00	7,85,500
Add:	Allotted 45,000 shares under Conversion of share warrants at an issue Price of ₹251.45/- per share	11-03-2016	45,000	10.00	4,50,000
	Closing as on 31/03/2016		1,36,43,187		13,64,31,870

b. Outstanding share warrants

With the approval of the shareholders by means of special resolutions passed at their Extra Ordinary General Meeting held on July 10, 2015, the Company has issued 10,00,000 Share warrants convertible into similar number of equity shares within given period of 18 Months from the date of issue –July 14,2015 at an issue price of ₹251.45/- to the Promoters and Promoters Bodies Corporate under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009. Details of the issue, conversion of warrants and balance outstanding as at March 31, 2016 furnished hereunder

	Descriptions	Date	Warrants
	Opening as on 01/04/2015		–
Add	Allotment on July 14,2015	14-07-2015	10,00,000
Less	Conversion of 375000 Warrants on July 21,2015	21-07-2015	3,75,000
Less	Conversion of 45000 Warrants on March 11,2016	11-03-2016	45,000
	Outstanding warrants on 31/03/2016		5,80,000

c. Employees Stock Options

Your Company has granted 1028000 Stock Options to eligible employees under Salzer Electronics Limited Employees Stock Options Scheme 2012-13. Details of the grant, exercise and balance options outstanding as at March 31, 2016 furnished hereunder

	Descriptions	Date	Stock Options
	Opening as on 01/04/2015		10,28,000
Less	Conversion of 219900 Options on April 18,2015	18-04-2015	2,19,000
Less	Conversion of 78550 Options on Jan 25,2016	25-01-2016	78,550
	Outstanding warrants on 31/03/2016		7,30,450

5. Capital Raised and its utilization during the year

Capital raised by	₹ In Crs	Utilized by	₹ In Crs
Under Qualified Institutions Placement - 2641000 @ issue price of ₹235	62.06	Issue expenses	6.50
Allotment of 1000000 share warrants at an issue Price of ₹251.45 and of which, 25% of the issue Price received in upfront	6.29	Assets additions	31.65
Conversion of 375000 shares warrants on the payment of 75% of the issue price of ₹251.45	7.07	Intangible assets	0.64
Conversion of 45000 shares warrants on the payment of 75% of the issue price of ₹251.45	0.85	Capital work in progress	7.71
Exercise of 219900 stock options at the grant price of ₹40 per options on April 18,2015	0.88	Short term investments	15.00
		Working capital optimization	15.65
Total	77.15		77.15

6. Corporate Governance

As required under Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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. Reserves

Your Board of Directors, as a prudent policy in the absence specific provisions in the Companies Act 2013 and Rules made there-under, has transferred ₹45.00 Lacs to the General Reserve Account.

8. Liquidity

As at March 31, 2016, your Company had adequate cash and cash equivalents in its Books, taking care of all such current liabilities comfortably.

9. 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.

10. 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

During the period between closure of the financial year 2015-16 and date of this report, the following material changes took place:-

- 26,500 equity shares allotted on April 29,2016 on exercise of stock options by the employees under Salzer Electronics Ltd Employees Stock Options Scheme 2012-13 and
- 50,000 equity shares allotted on May 25, 2016 on conversion of share warrants subscribed by the Promoters
- Subject to consent by the shareholders, the Board of Directors at their meeting held on February 10, 2016 re-appointed Shri Rangaswamynaidu Doraiswamy (DIN:00003131) as Managing Director of the Company effective from May 02,2016 for a term of Five years with the following terms, inter alia,
 - Salary ₹3,00,000/- per month with an increase of ₹25,000/- every year for five years with effect from October 01, 2016 and
 - Commission at the rate of 2½ % on the net profit of the company after taxation as being computed from time to time within the limit in accordance with Schedule-V and other applicable provisions of the Companies Act, 2013.
- Shri Kantilal Vajeshakar Vakharia (DIN: 00003146), a Non Executive and Non Independent Director passed away on 30/04/2016 and ceased to be Director on the Board accordingly.

11. 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 the Company's operations in future.

12. 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.

13. Equity stake sale by Larsen & Toubro Limited

During the year, Larsen & Toubro Limited, which held 26,79,808 equity shares constituting 26.06% of equity stake in your Company, sold off its entire holdings as a part of its treasury transactions. Upon which, it withdrew its two nominees - Shri Sambavar Vadakarai Raja Swaminathan (DIN: 03327098) and Shri Parameswaran Ramakrishnan (DIN: 06374491) from the Board.

14. 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(6) of the Companies Act, 2013, during the year under review.

Foreign investment:

During the Financial year 2015-16, your Company sold out around 13% stake in Salzer Global Services LLC, USA which is having complete controlling interest in Global Technical Talent, INC, USA which is an outsourcing Firm in IT and ITES providing services to the IT industry in USA. After such disinvestment, your Company is having a strategic investment of 27% in Salzer Global Services, LLC, USA and not having any controlling interest over day to day management.

15. Deposits

During the Financial year under the 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.

16. 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 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 2016-17 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

17. 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.

18. 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.

19. 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.

20. Corporate Social Responsibility (CSR)

The Company, for the past many years, fulfills the objectives of social nature in the areas of education, health and other social causes in and around Periyanaickenpalayam Region, Coimbatore District. The Company works primarily through its Trust, Salzer Educational Medical Research Trust, towards promoting education, healthcare etc. The Company is at the service of the society in general for uplift of literacy and health care.

Accordingly, the Company was required to spend ₹25.20 Lacs towards CSR activities and against which, spent ₹25.40 Lacs in respect of the activities enshrined in Schedule VII of the Companies Act, 2013, and also in Salzer's Corporate Social Responsibility Policy.

Details of the CSR policy and initiatives adopted by the Company on CSR during the year is available on our website (<https://www.salzergroup.net/files/CSR%20Policy.pdf>). The annual report on our CSR activities is appended as Annexure 4 to the Board's report.

21. Directors

A) Changes in Directors and Key Managerial Personnel

- i) Shri Sambavar Vadakarai Raja Swaminathan (DIN: 03327098) and Shri Parameswaran Ramakrishnan (DIN: 06374491), Nominees Directors, resigned from the Board on August 08, 2015 consequent to withdrawal of their nomination by L&T following its 26.06% equity stake sale in the Company.
- ii) On the recommendation of Nomination and Remuneration Committee, Shri Rangaswamy Doraishwamy (DIN: 00003131), was appointed as Managing Director subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder.
- iii) On the recommendation of Nomination and Remuneration Committee, Mr. D Rajesh Kumar (DIN: 00003126), would be re-appointed as Joint Managing Director and Chief Financial Officer subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder effective from October 01, 2016.

- iv) Appointment of a Director in place of Dr. Mrs. Rajeshkumar Thilagam (DIN: 00006783), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re- appointment.
- v) Appointment of a Director in place of Shri Perumal Reddiar Ramachandran (DIN: 01043572), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
- vi) Consequent to death on April 30, 2016, Shri Kantilal Vajeshakar Vakharia (DIN: 00003146) ceased to be director on the Board accordingly.

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 Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

C) Formal Annual Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as: -

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness

Peer evaluation

The Companies Act, 2013, states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance report.

D) Committees of the Board.

Currently, the Board has eight committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Share Transfer Committee, The Shareholders / Investors Grievances Committee, the Risk Management Committee, the Employees Compensation Committee and a Sub Committee for Securities Issue. A detailed note on the composition of the Board and its committees is provided in the Corporate governance report section of this Annual Report.

Considering the objectiveness and functions, the Shareholders / Investors Grievances Committee and the Share Transfer Committee have been amalgamated and named as Stakeholders Relationship Committee effective May 26, 2016.

Sub Committee for the Securities issue has been constituted for the purpose of issue of shares under the Qualified Institutions Placement (QIP) Programme, and issue of share warrants and consequent allotment of shares arising out of conversion of share warrants. After completion of such issues, this Sub Committee will stand automatically vacated.

22. Listing Agreement

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 01, 2015.

Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. Your Company has duly complied with this regulation by entering into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited.

23. Listing at National Stock Exchange

In addition to Bombay Stock Exchange, the shares of your Company have now been listed at National Stock Exchange and begun its trading effective December 02, 2015.

24. 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.

25. 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 & Chief Financial Officer	E-Mail: rd@salzergroup.com Contact No. 0422-4233612
Office of Joint Managing Director	E-Mail : rajesh@salzergroup.com Contact No.0422-4233610

26. Prevention of Sexual harassment at the work place

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, the Committee has not received any such complaint.

27. Nomination and Remuneration Committee

The purpose of the committee is to screen and to review

individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with policies approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

The committee also makes recommendations to the Board on candidates for:

- (i) nomination for election or re-election by the shareholders; and
- (ii) any Board vacancies that are to be filled.

It also reviews and discusses all matters pertaining to candidates and evaluates the candidates. The nomination and remuneration committee coordinates and oversees the annual self-evaluation of the Board and of individual directors.

The nomination and remuneration committee charter and policy are available on our website (<https://www.salzergroup.net/files/NRC%20Policy.pdf>).

28. Particulars of Loans, Guarantees or Investments

During the year under review:

- During the year, the Company has granted/taken 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'), on the terms and conditions which are not prima facie prejudicial and / or detrimental to the interest of the Company during the course of its business and
- During the year, the Company acquired in Market 1243059 equity shares in a Listed Company Himadri Chemicals and Industries Limited

The investments in other bodies corporate are well within the limit as prescribed under Section 186 of the Companies 2013.

29. 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, 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 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
- On January 25,2016 allotted 78,550 Equity Shares against equivalent amount of options exercised by the employees
- On April 29,2016 allotted 26,500 Equity Shares against equivalent amount of options exercised by the employees

As on the date of this report, 7,03,050 stock options vested upon grantees and left for exercise.

The relevant disclosures as required SEBI Guidelines are appended herewith as Annexure :5

The Company has received a certificate 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.

30. 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 in compliance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. 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 :6.

31. Insider Trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website (<https://www.salzergroup.net/files/Salzer%20-%20Insider%20Trading%20%20Regulations%202015.pdf>)

32. 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 receiving 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 - 7.

33. 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 : 8.

34. 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 strategic measure to mitigate such identified Risks.

35. Management's Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report as Annexure :9.

36. 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.

37. 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, 2016, 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, 2016 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 are in place and are adequate and operating effectively

38. Credit Ratings

Your Company's Loan facilities from the Banks are being rated by CRISIL and assigned the following rating scales as under:

Total Bank Loan Facilities Rated: ₹1565.8 Million (Enhanced from ₹1,091 Million)

Long Term Rating : CRISIL A-/Positive (revised from 'CRISIL A-/Stable')

Short Term Rating : CRISIL A1 (Upgraded from 'CRISIL A2+')

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.

39. Industrial Relations

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

40. 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: May 26, 2016

N Rangachary

Chairman

ANNEXURE – 1

Corporate Governance Report

(As Required under Regulation 34(3) of SEBI (LODR) Regulations 2015)

1. Company's Philosophy of Corporate Governance

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

2. Board of Directors

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges read with Regulation 17 of SEBI (LODR) Regulation 2015, 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, 2016

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 **

* One of our senior Non Executive and Non Independent Director Mr. Kantilal V. Vakharia passed away on 30.04.2016.

** M/s L&T Limited has disinvested its entire shareholding in the

company and hence the Nominee Directors has relinquished their office of directors from the Board with effect from 08.08.2015.

Profile of Directors

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

Shri N. Rangachary, Chairman of the company, aged 78 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 Iyengar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

Shri Rangachary Nambi Iyengar 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 73 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 is an expert 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 45 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 USA 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 44 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 72, 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 68 years, who is a 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 85 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 56 years, having graduation in Commerce and is an Industrialist and Promoter of a Company in the 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 and M/s. Parsvir Alloys P Ltd.

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

Shri P.K. Shah, aged 72 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 86 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 68 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 78 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 73 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 88 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. He passed away on April 30, 2016

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

Shri S. Baskarasubramanian, aged 73 years, who is a graduate in Commerce and qualified Company Secretary and a Fellow member of Institute of Company Secretaries (FCS) of India, 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 EGM 13.06.2015	Last EGM 10.07.2015	Last AGM (08.08.2015)	
N. Rangachary*,@	Non-Executive Independent Chairman	6	✓	✓	✓	11
R. Doraiswamy #,@	Managing Director	6	✓	✓	✓	5
D. Rajeshkumar #,@,%©	Joint Managing Director & Chief Financial Officer	6	✓	✓	✓	8
Dr. (Mrs.) Rajeshkumar Thilagam (appointed on 30.03.2015)	Non-Executive Woman Director	6	✓	✓	–	5
N. Jayabal *,#,@	Non-Executive Independent Director	6	✓	✓	X	1
P. Ramachandran	Whole-time Director (Marketing)	5	✓	✓	✓	1
R. Dhamodharaswamy @	Non-Executive Director	6	✓	✓	✓	1
L. Venkatapathy *,#,\$,%©	Non-Executive Independent Director	6	✓	✓	✓	0
Nirmal Kumar K Chandria	Non-Executive Independent Director	6	✓	✓	✓	3
P.K. Shah \$	Non-Executive Independent Director	5	✓	✓	✓	2
Kantilal V. Vakharia	Non-Executive Director	1	X	X	✓	2
V. Sankaran *,\$,%©	Non-Executive Independent Director	6	✓	✓	✓	1

Directors	Category	Attendance Particulars				No. of Membership in The Boards of other Companies
		Board Meeting	Last EGM 13.06.2015	Last EGM 10.07.2015	Last AGM (08.08.2015)	
S.R. Swaminathan	Non-Executive Nominee Director	1	X	√	X	1
P. Ramakrishnan	Non-Executive Nominee Director	2	√	X	√	2
Howard M Gladstone	Non-Executive Independent Director	0	X	X	X	1
P.R. Thiruvengadam (appointed on 12.02.2015)	Alternate Director for Mr. Howard M Gladstone	6	√	√	0	2
S. Baskarasubramanian*, #, \$, @, %, ©	Director (Corporate Affairs) & Company Secretary	6	√	√	√	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 01.04.2015, 13.05.2015, 13.06.2015, 08.08.2015, 13.11.2015 & 10.02.2016.

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 have 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 four times on 13.05.2015, 07.08.2015, 12.11.2014 & 09.02.2016 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 2015-16 are given below:

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	3
3	Mr. V Sankaran	Member	Non Executive Independent Director	4
4	Mr. N Jayabal	Member	Non Executive Independent Director	4
5	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary	4

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee, with the following members met two times on 13.05.2015 & 10.02.2016 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 and
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:

S. 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	1
2	Mr. L Venkatapathy	Member	Non Executive Independent Director	2
3	Mr. P K Shah	Member	Non Executive Independent Director	2
4	Mr. S Baskarasubramanian	Member- Secretary	Director (Corporate Affairs) & Company Secretary	2

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 by way of commission on net profit being computed as per regulations 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 prior 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 to the Directors within the monetary limit approved by the shareholders of the Company, subject to the regulations thereof, on the net profits of the Company being computed.

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 30.06.2015, 30.09.2015, 31.12.2015 & 30.03.2016 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 31.03.2016.

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 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	1
Non-Receipt of Dividend Warrants	8
Non-Receipt of Share Certificates	12
Total	21

As on March 31, 2016, 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 10.05.2014 met on 13.05.2015, 07.08.2015 & 12.11.2015 during the year under review.

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 :

S.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, which has also been approved by the Board of Directors of the company.

1. Reviewed the CSR activities taken place during the year 2014-15.
2. Considered, approved and recommended to the Board the proposed social activities for the year 2015-16 and the amount to be spent.
3. Reviewed the CSR activities carried out 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 and accordingly a report thereof has been annexed 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. Discussing the results of the internal audit with the Company's auditors
10. Inquiring if there have been any significant disagreements between management and the Company's auditors
11. Monitoring management's response to the Company's auditors' recommendations that are adopted and
12. 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 Officer Director and Chief Financial
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

- On demitting office of the director on the Board of Directors of the company, Mr. P. Ramakrishnan, also ceased to be the member of the Committee effective from Aug 2015.

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 twice on 18.04.2015, & 25.01.2016 during the year under review:

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

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	28th AGM	Saturday	10/08/2013	11.30 am	Re-appointment of Mr. P. Ramachandran as a Whole Time Director for a further term of 5 years.

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
Hotel Sree Annapoorna, R.S. Puram, Coimbatore – 02	29th AGM	Saturday	09/08/2014	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*
Registered office of the company at Samichettipalayam, Coimbatore - 47	EGM	Wednesday	13/05/2015	11.30 am	Approval of Issue of Securities under QIP to QIBs. Approval of issue of share warrants on preferential basis. Increase in Authorized Share Capital and consequent amendment to the capital clause of MoA & AoA
Registered office of the company at Samichettipalayam, Coimbatore - 47	EGM	Friday	10/07/2015	11.30 am	As per SEBI instructions, revised approval obtained for: Issue of Securities under QIP to QIBs. Approval of issue of share warrants on preferential basis.
Hotel Sree Annapoorna, R.S.Puram, Coimbatore – 02	30th AGM	Saturday	08/08/2015	11.30 am	Adoption of new Articles of Association of the company. Approval of the office of Mr. D. Rajeshkuamr, JMD & CFO subject to determination by retirement of Director by rotation. Approval of the office of whole time director Mr. P. Ramachandran subject to determination by retirement of Director by rotation. Approval the office of whole time director Mr. S. Baskarasubramanian subject to determination by retirement of Director by rotation.

- 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 resolution is being proposed to be conducted through the postal ballot as well as e-voting for the ensuing Annual General Meeting.
- To confirm re-appointment of Shri Rangaswamynaidu Doraiswamy (DIN: 00003131) as Managing Director of the Company for another term of five years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION.

Special Business / Resolutions proposed to be transacted at the AGM scheduled on 08.08.2015:
- To confirm re-appointment of Shri Rangaswamynaidu

Doraiswamy (DIN: 00003131) as Managing Director of the Company for another term of five years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION.

- To approve re-appointment of Shri Rajeshkumar Doraiswamy (DIN: 00003126) as Joint Managing Director of the Company and Chief Financial Officer for another term of five years and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an SPECIAL RESOLUTIONS.
- To approve the Material related Party Transactions and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an ORDINARY 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 February 9, 2016, inter alia have discussed and reviewed the performance of the company and Board with respect to:

- i. The performance of non-independent directors and the Board as a whole;
- ii. 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.

And found the affairs of the company were being carried out effectively in a satisfactory manner.

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 36(3) OF SEBI (LODR) REGULATION 2015 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. Dr. Mrs. Rajeshkumar Thilagam - Non-Independent and Non Executive Director
2. Shri. P. Ramachandran - 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 transactions with the related parties as detailed in annexure-6 to the Directors Report.

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 with in the financial statements of the company for the year 2015-16 have been in the ordinary course of business of the company and at arms length basis without prejudices and detrimental 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
Nil

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 31.03.2016. Hence, the provisions of particulars relating to aggregate number of shareholders viz-a-viz 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 such instances were reported and 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 such 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, 2016 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 Regulations 23 of SEBI (LODR) Regulations 2015 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, Director
2	D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	Son of Mr. R. Doraiswamy, Managing Director and husband of Dr. (Mrs.) Rajeshkumar Thilagam, Director
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 31.03.2016.

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 and www.nseindia.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-à-vis 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 2015-16 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. (See Annexure-8).

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 NSE website www.nseindia.com and in company's website www.salzergroup.com.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day & Date	13th August 2016, Saturday
Time	11.30 AM
Venue	Hotel Sree Annapoorna, R.S. Puram, Coimbatore-02
Financial year	1st April, 2015 to 31st March, 2016
Date of Book Closure	11.06.2016 to 16.06.2016 (both days inclusive)
Dividend Payment Date	Within the stipulated time
Listing on Stock Exchanges	BSE Limited & NSE Limited
STOCK / SCRIP CODE	517059 (BSE) & SALZERELEC (NSE)
Audited Financial Results Announced	26.05.2016
Announcement of Quarterly Results	13.05.2015, 08.08.2015, 13.11.2015 & 10.02.2016
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	Within the stipulated time
Last date of receipt of Proxy forms	11.08.2016
Period of e-voting	08.08.2016 to 12.08.2016
Last date of receipt of Ballot paper	12.08.2016
e-voting Even No.	104136
CIN No.	L03210TZ1975PLC001535

b) Market Price Data

Share trading details in BSE Limited For the period: 1-Apr-2015 to 31-Mar-2016

(Amt in ₹)

Month	Open	High	Date	Low	Date	Closing
April '15	240.00	273.90	01.04.2015	225.00	22.04.2015	234.50
May '15	234.50	244.80	14.05.2015	215.00	07.05.2015	236.10
June '15	233.10	255.00	26.06.2015	213.00	15.06.2015	246.50
July '15	245.20	364.00	23.07.2015	237.00	08.07.2015	277.00
August '15	281.70	319.00	10.08.2015	212.50	25.08.2015	238.80
September '15	236.00	239.40	01.09.2015	200.00	07.09.2015	226.50
October '15	227.40	244.90	09.10.2015	204.50	30.10.2015	206.70
November '15	206.50	254.70	24.11.2015	204.00	02.11.2015	234.60
December '15	238.00	253.60	01.12.2015	228.00	11.12.2015	235.50
January '16	236.00	247.40	01.01.2016	197.00	18.01.2016	224.20
February '16	231.90	233.80	01.02.2016	160.00	29.02.2016	176.20
March '16	177.40	204.70	08.03.2016	175.90	01.03.2016	187.20

Share trading details in NSE For the period: 02-Dec-2015 to 31-Mar-2016

December '15	252.50	254.40	02.12.2015	226.70	14.12.2015	231.10
January '16	237.00	248.00	01.01.2016	199.75	20.01.2016	224.90
February '16	233.40	233.50	02.02.2016	158.95	29.02.2016	176.90
March '16	174.75	204.40	08.03.2016	172.30	01.03.2016	187.55

Note: Trading commenced only from December 02, 2015.

Trading Volume

Month	BSE			NSE		
	Open	High	Trading volume	Low	Date	Trading volume
April '15	240.00	273.90	898974	225.00	22.04.2015	Listed on 02.12.2015
May '15	234.50	244.80	503142	215.00	07.05.2015	
June '15	233.10	255.00	547727	213.00	15.06.2015	
July '15	245.20	364.00	6067170	237.00	08.07.2015	
August '15	281.70	319.00	11207970	212.50	25.08.2015	
September '15	236.00	239.40	1705050	200.00	07.09.2015	
October '15	227.40	244.90	2326041	204.50	30.10.2015	
November '15	206.50	254.70	3895659	204.00	02.11.2015	
December '15	238.00	253.60	1987091	228.00	11.12.2015	1114074
January '16	236.00	247.40	1050811	197.00	18.01.2016	1447878
February '16	231.90	233.80	522573	160.00	29.02.2016	685147
March '16	177.40	204.70	589130	175.90	01.03.2016	851009

Market Capitalization

As on 31st March 2016, the market capitalization of the company stood at ₹257.30 Crores.

Share Price Performance in comparison to broad based indices – BSE and NSE as on March 31, 2016

	BSE			NSE		
	SALZER	BSE Small Cap	SENSEX	SALZER	NIFTY Small Cap	NIFTY
FY 2015-16	-22%	-5%	-9%	-26%	-13%	-3%
2 years	204%	48%	13%	–	–	–
3 years	231%	78%	34%	–	–	–
5 years	253%	26%	30%	–	–	–

** NSE – Only for the period between 02/12/2015 and 31/03/2016 as the result of commencement of trading only on 02/12/2015

A) 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, Aminthakara, 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.: INE457F01013.

B) 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.

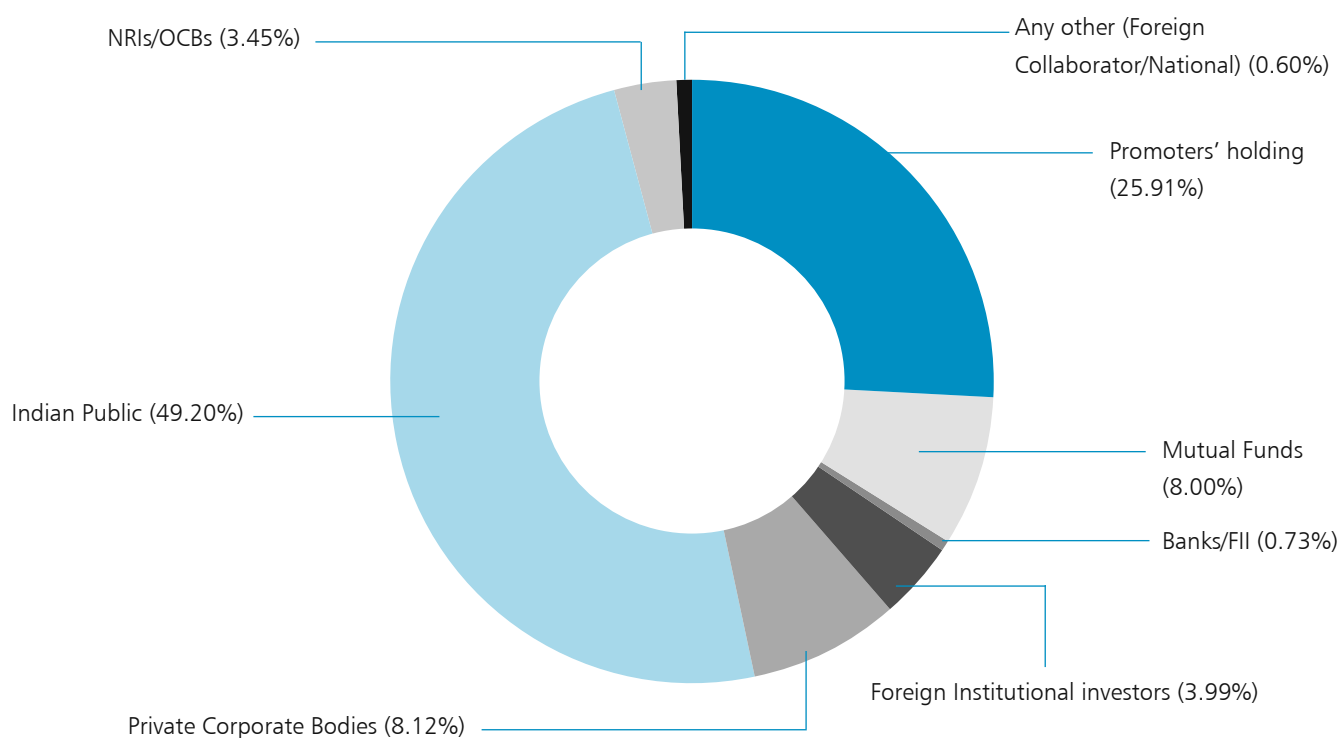
The Shares held in the demat form are electronically traded in the depositories and the Registrar and Transfer Agents of the Company periodically receive from the depositories the beneficiary holdings to enable them to update their records.

C) DISTRIBUTION SCHEDULE (As on 31.03.2016)

Range	No. of Folios	No. of shares	% of holding
Upto – 5000	18660	1724656	12.64
5001 – 10000	922	765282	5.61
10001 – 20000	503	807373	5.93
20001 – 30000	159	409806	3.00
30001 – 40000	72	259509	1.90
40001 – 50000	66	315410	2.31
50001 – 100000	89	676913	4.96
100001 & above	117	8684238	63.65
Total	20588	13643187	100%

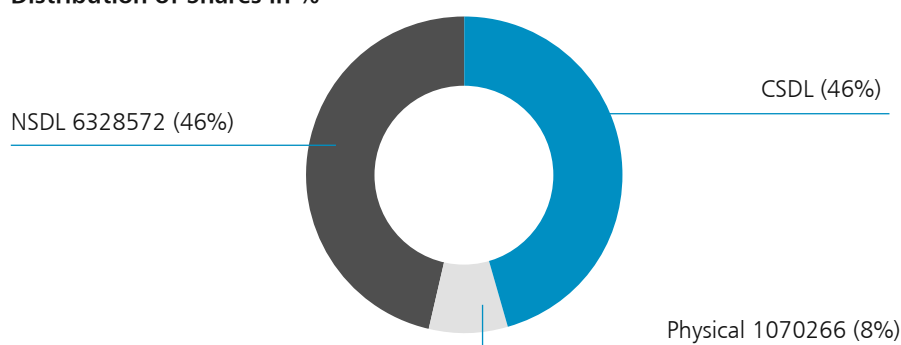
D) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016

Category	No. of Shares held	Percentage of Share Holding
A Promoter's holding		
1 Promoters		
Indian Promoters	3535309	25.91%
Foreign Promoters	–	–
2 Persons acting in concert	–	–
Sub-Total	3535309	25.91%
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds	1091101	8.00%
b Banks, Financial Institutions, Insurance companies (Central/State Govt, Institutions / Non-Government Institutions)	99558	0.73%
c Foreign Institutional investors	544361	3.99%
Sub-Total	1735020	12.72%
4 Others		
Private Corporate Bodies	1107991	8.12%
Indian Public	6713113	49.20%
NRIs / OCBs	470041	3.45%
Any other (Foreign Collaborator/National)	81713	0.60%
Sub-Total	8372858	61.37%
Grand Total	13643187	100.00%



E) DEMAT INFORMATION (AS ON 31.03.2016)

	CDSL	NSDL	Total
No. of Shares Dematerialized	6244349	6328572	12572921
% of Total Capital	45.77	46.39	92.16

Distribution of Shares in %**F) 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.

G) 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.

H) 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 26th May, 2016 and the same was approved.

Declaration

As provided under Reg.26(3) of SEBI (LODR) Regulations 2015, 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 : 26.05.2016

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 2016 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 :26.05.2016

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 ('the Company'), for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period April 01, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
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 according to the 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 / Listing Regulations, as applicable.
4. We state that no investors' grievances are pending for a period exceeding one month, as on 31st March 2016 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 No: 004317S

Date: May 26, 2016

S. Ravichandran
Partner Membership number: 023783

ANNEXURE – 2

Form No. MGT-9

Extract of Annual Return as on the Financial year ended on 31st March 2016

[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	#115,E-Block, Nelson Chambers Aminthakarai, 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:-

S.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	10%
2	Wires & Cables	3610	34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. no.	Name and address of the company	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 as at March 31,2016

S. 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	1602436	–	1602436	15.55	1664936	–	1664936	12.20	(+)0.46
(b)	Central/State Govt.(s)									
(c)	Bodies corporate	1277997	–	1277997	12.43	1767380	–	1767380	12.95	(+)3.59
(d)	FI/ Banks									
(e)	Any other (Relative)	120645	–	120645	1.17	102993	–	102993	0.75	(-)0.13
	Sub-total (A)(1)	3001078	–	3001078	29.18	3535309	–	3535309	25.91	(+)3.92
(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)	3001078	–	3001078	29.18	3535309	–	3535309	25.91	(+)3.92
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual funds/UTI	274822	–	274822	2.67	1091101	–	1091101	8.00	(+)5.98
(b)	FI/Banks					12746	–	12746	0.09	(+)0.09
(c)	Central/ State Govt. (s)									
(d)	Venture capital funds									
(e)	Insurance companies									
(f)	FII	97470	–	97470	0.95	544361	–	544361	3.99	(+)3.28
(g)	Foreign venture capital									
(i)	Any other									
	(i) Financial Institutions					7282	–	7282	0.05	(+)0.05
	(ii) Port Folio Investor					79530	–	79530	0.58	(+)0.58
	Sub-Total (B)(1)	372292	–	372292	3.62	1735020	–	1735020	12.72	(+)9.99
(2)	Non-institutions									
(a)	Bodies corporate	3013514	36346	3049860	29.66	1071645	36346	1107991	8.12	(-)14.23
(b)	Individuals - i.Individual shareholders holding nominal share capital up to ₹1 lacs	1239664	629183	1868847	18.17	3329275	849602	4178877	30.63	(+)16.93

S. 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	
	Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹1 Lacs	1508250	167477	1675727	16.29	2482131	52105	2534236	18.58	(+)6.29
(d)	Any other									
(d)(i)	(Non Resident Indian)	183720	50500	234220	2.28	419541	50500	470041	3.45	(+)1.73
(d)(ii)	Foreign Company	–	81713	81713	0.79	–	81713	81713	0.60	(-)0.00
	Sub-total (B)(2)	5945148	965219	6910367	67.20	7302592	1070266	8372858	61.37	(+)10.72
	Total public shareholding (B)= (B)(1)+ (B)(2)	6317440	965219	7282659	70.82	9037612	1070266	8372858	74.09	(+)20.71
	Total (A)+(B)	9318518	965219	10283737	100.00	12572921	1070266	13643187	100.00	(+)24.62

ii) Shareholding of promoters as on 31st March, 2016

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 share	
1	Vishnu Rangaswamy D	6,67,787	6.49%	NIL	6,80,287	4.99%	NIL	-1.51%
2	Thilagam R	4,32,255	4.20%	NIL	4,44,755	3.26%	NIL	-0.94%
3	Doraiswamy R	2,88,428	2.80%	NIL	3,13,428	2.30%	NIL	-0.51%
4	Rajesh Kumar D	2,13,966	2.08%	NIL	2,26,466	1.66%	NIL	-0.42%
5	Srve Industries Ltd	2,87,105	2.79%	NIL	3,54,605	2.60%	NIL	-0.19%
6	Quebec Information Services I Ltd	2,21,692	2.16%	NIL	3,97,392	2.91%	NIL	0.76%
7	Salzer Exports Limited	1,45,725	1.42%	NIL	2,60,725	1.91%	NIL	0.49%
8	Salzer Securities Holdings Limited	1,01,007	0.98%	NIL	1,01,007	0.74%	NIL	-0.24%
9	K R Health Care P Limited	50,000	0.49%	NIL	1,13,638	0.83%	NIL	0.35%
10	Saradha Investment Limited	4,72,468	4.59%	NIL	5,39,968	3.96%	NIL	-0.64%
11	R Damodaraswamy.	42,871	0.42%	NIL	43,071	0.32%	NIL	-0.10%
12	R Pappammal	59,922	0.58%	NIL	59,922	0.44%	NIL	-0.14%
13	Ramachandran P	17,852	0.17%	NIL	-	0.00%	NA	-0.17%
	% of total shares of the company	3001078	29.18%		35,35,309	25.91%		
	Total paid up shares	10283737			13643187			

** Percentage of Shareholding at the beginning of the year was calculated on the total paid up shares – 1,02,83,737 shares as at April 01, 2015 and Percentage of Shareholding at the end of the year was calculated on the total paid up shares – 1,36,43,187 shares as on March 31, 2016 after taking into account further allotment of 33,59,450 shares during the year .

iii) Change in Promoters' Shareholding

Sl No	Changes in Promoters Holdings, date & reason of change	Shareholding at the beginning of the year (01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vishnu Rangaswamy D.				
	At the beginning of the year	667787	6.49%	667787	6.49%
	Shares allotted on July 21,2015	12500	0.11%	680287	6.25%
	At the end of the year			680287	4.99%
2	Dr. Mrs. Rajesh Kumar Thilagam				
	At the beginning of the year	432255	4.20%	432255	4.20%
	Shares allotted on July 21,2015	12500	0.11%	444755	4.09%
	At the end of the year			444755	3.26%
3	R Doraiswamy				
	At the beginning of the year	288428	2.80%	288428	2.80%
	Shares allotted on July 21,2015	12500	0.11%	300928	2.77%
	Shares allotted on March 11,2016	12500	0.09%	313428	2.30%
	At the end of the year			313428	2.30%
4	D Rajeshkumar				
	At the beginning of the year	213966	2.08%	213966	2.08%
	Shares allotted on July 21,2015	12500	0.11%	226466	2.08%
	At the end of the year			226466	1.66%
5	SRVE Industries Limited				
	At the beginning of the year	287105	2.79%	287105	2.79%
	Shares allotted on July 21,2015	67500	0.62%	354605	3.26%
	At the end of the year			354605	2.60%
6	Quebec Information Services India Ltd				
	At the beginning of the year	221692	2.16%	221692	2.16%
	Shares allotted on July 21,2015	67500	0.62%	289192	2.66%
	Bought on August 17,2015	25500	0.19%	314692	2.33%
	Bought on August 20,2015	13500	0.10%	328192	2.43%
	Bought on August 24,2015	69200	0.51%	397392	2.94%
	At the end of the year			397392	2.91%
7	Salzer Exports Limited				
	At the beginning of the year	145725	1.42%	145725	1.42%
	Shares allotted on July 21,2015	82500	0.76%	228225	2.10%
	Shares allotted on March 11,2016	32500	0.24%	260725	1.91%
	At the end of the year			260725	1.91%

Sl No	Changes in Promoters Holdings, date & reason of change	Shareholding at the beginning of the year (01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Salzer Securities Holdings Limited				
	At the beginning of the year	101007	0.98%	101007	0.98%
	At the end of the year			101007	0.74%
9	K R Health Care Private Limited				
	At the beginning of the year	50000	0.49%	50000	0.49%
	Bought on April 16,2015	23,683	0.23%	73,683	0.72%
	Shares allotted on July 21,2015	40000	0.37%	1,13,683	1.05%
	At the end of the year			1,13,683	0.83%
10	Saradha Investments Limited				
	At the beginning of the year	472468	4.59%	472468	4.59%
	Shares allotted on July 21,2015	67500	0.62%	539968	4.96%
	At the end of the year			539968	3.96%
11	R Dhamodharaswamy				
	At the beginning of the year	42871	0.42%	42871	0.42%
	Bought on February 19,2016	200	0.00%	43071	0.32%
	At the end of the year			43071	0.32%
12	R Papammal				
	At the beginning of the year	59922	0.58%	59922	0.58%
	At the end of the year			59922	0.44%
13	P Ramachandran				
	At the beginning of the year	17852	0.17%	17852	0.17%
	Sold during August 2015	17852		—	—
	At the end of the year			—	—

Note : % of the holdings of concerned promoter has been calculated based on the expanded Capital prevailed on the relevant date of purchase / sale.

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

SI No	For each of the top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sundaram Mutual Fund A/C Sundaram Select Microcap Series				
	As on 01-04-2015	-	-	-	-
	31-07-2015 Market Purchase	700000	5.18%	700000	5.18%
	27-11-2015 Market Purchase	30052	0.22%	730052	5.40%
	18-12-2015 Market Purchase	17497	0.13%	747549	5.53%
	25-12-2015 Market Purchase	1478	0.01%	749027	5.54%
	12-02-2016 Market Purchase	8782	0.06%	757809	5.61%
	06-11-2015 Market Purchase	5000	0.04%	762809	5.64%
	11-12-2015 Market Purchase	144654	1.07%	907463	6.71%
	01-01-2016 Market Purchase	10342	0.08%	917805	6.79%
	at the End of the year 31-03-2016			917805	6.73%
2	Elara India Opportunities Fund Limited				
	As on 01-04-2015	-	-	-	-
	26-06-2015 Market Purchase	30000	0.29%	30000	0.29%
	03-07-2015 Market Purchase	20000	0.19%	50000	0.48%
	31-07-2015 Market Purchase	101000	0.75%	151000	1.12%
	07-08-2015 Market Purchase	1083800	8.02%	1234800	9.13%
	14-08-2015 Market Selling	64773	0.48%	1170027	8.65%
	28-08-2015 Market Selling	228870	1.69%	941157	6.96%
	04-09-2015 Market Selling	96400	0.71%	844757	6.25%
	25-09-2015 Market Selling	87100	0.64%	757657	5.60%
	02-10-2015 Market Selling	8075	0.06%	749582	5.54%
	09-10-2015 Market Selling	1361	0.01%	748221	5.53%
	13-11-2015 Market Selling	20760	0.15%	727461	5.38%
	04-12-2015 Market Selling	50000	0.37%	677461	5.01%
	11-12-2015 Market Selling	9100	0.07%	668361	4.94%
	18-12-2015 Market Purchase	45000	0.33%	713361	5.28%
	08-01-2016 Market Selling	74000	0.55%	639361	4.73%
	15-01-2016 Market Selling	95000	0.70%	544361	4.03%
	at the End of the year 31-03-2016			544361	3.99%
3	Zaki Abbas Nasser - Client Id: 10109561				
	As on 01-04-2015	-	-		
	07-08-2015 Market Purchase	40000	0.30%	40000	0.30%
	21-08-2015 Market Purchase	10000	0.07%	50000	0.37%

SI No	For each of the top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	28-08-2015 Market Purchase	10000	0.07%	60000	0.44%
	04-09-2015 Market Purchase	20000	0.15%	80000	0.59%
	25-09-2015 Market Purchase	25000	0.18%	105000	0.78%
	09-10-2015 Market Purchase	5000	0.04%	110000	0.81%
	16-10-2015 Market Purchase	10000	0.07%	120000	0.89%
	06-11-2015 Market Purchase	30000	0.22%	150000	1.11%
	20-11-2015 Market Purchase	70000	0.52%	220000	1.63%
	27-11-2015 Market Purchase	10000	0.07%	230000	1.70%
	18-12-2015 Market Purchase	20000	0.15%	250000	1.85%
	01-01-2016 Market Purchase	10000	0.07%	260000	1.92%
	22-01-2016 Market Purchase	5000	0.04%	265000	1.96%
	05-02-2016 Market Purchase	25000	0.18%	290000	2.15%
	19-02-2016 Market Purchase	20000	0.15%	310000	2.28%
	04-03-2016 Market Purchase	20000	0.15%	330000	2.43%
	11-03-2016 Market Purchase	20000	0.15%	350000	2.57%
	18-03-2016 Market Selling	20000	0.15%	330000	2.43%
	25-03-2016 Market Selling	10000	0.07%	320000	2.35%
	at the End of the year 31-03-2016			320000	2.35%
4	Mrudu Kantilal Vakharia				
	As on 01-04-2015	231800	2.25%	231800	2.25%
	10-04-2015 Market Selling	400	0.00%	231400	2.25%
	17-04-2015 Market Selling	2029	0.02%	229371	2.23%
	24-04-2015 Market Selling	50	0.00%	229321	2.18%
	01-05-2015 Market Selling	370	0.00%	228951	2.18%
	08-05-2015 Market Selling	68	0.00%	228883	2.18%
	24-07-2015 Market Selling	25000	0.18%	203883	1.51%
	31-07-2015 Market Selling	500	0.00%	203383	1.50%
	14-08-2015 Market Purchase	2500	0.02%	205883	1.52%
	28-08-2015 Market Purchase	14500	0.11%	220383	1.63%
	at the End of the year 31-03-2016			220383	1.62%
5	Sharmin Nasser				
	As on 01-04-2015	-	-	-	-
	04-09-2015 Market Purchase	20000	0.15%	20000	0.15%
	06-11-2015 Market Purchase	10000	0.07%	30000	0.22%
	18-12-2015 Market Purchase	30000	0.22%	60000	0.44%

SI No	For each of the top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	01-01-2016 Market Purchase	30000	0.22%	90000	0.67%
	05-02-2016 Market Purchase	10000	0.07%	100000	0.74%
	12-02-2016 Market Purchase	10000	0.07%	110000	0.81%
	19-02-2016 Market Purchase	25000	0.18%	135000	0.99%
	04-03-2016 Market Purchase	15000	0.11%	150000	1.10%
	at the End of the year 31-03-2016			150000	1.10%
6	Zaki Abbas Nasser - 18210710				
	As on 01-04-2015	-	-	-	
	07-08-2015 Market Purchase	9860	0.07%	9860	0.07%
	14-08-2015 Market Purchase	26000	0.19%	35860	0.27%
	21-08-2015 Market Purchase	10015	0.07%	45875	0.34%
	28-08-2015 Market Selling	15545	0.11%	30330	0.22%
	04-09-2015 Market Purchase	6000	0.04%	36330	0.27%
	11-09-2015 Market Selling	4400	0.03%	31930	0.24%
	18-09-2015 Market Selling	7000	0.05%	24930	0.18%
	25-09-2015 Market Purchase	20806	0.15%	45736	0.34%
	09-10-2015 Market Selling	5186	0.04%	40550	0.30%
	16-10-2015 Market Selling	2000	0.01%	38550	0.29%
	13-11-2015 Market Selling	819	0.01%	37731	0.28%
	20-11-2015 Market Purchase	5781	0.04%	43512	0.32%
	27-11-2015 Market Purchase	3899	0.03%	47411	0.35%
	04-12-2015 Market Purchase	13610	0.10%	61021	0.45%
	11-12-2015 Market Purchase	11	0.00%	61032	0.45%
	08-01-2016 Market Purchase	3512	0.03%	64544	0.48%
	15-01-2016 Market Purchase	12996	0.10%	77540	0.57%
	22-01-2016 Market Selling	1500	0.01%	76040	0.56%
	29-01-2016 Market Purchase	12347	0.09%	88387	0.65%
	05-02-2016 Market Purchase	5000	0.04%	93387	0.69%
	12-02-2016 Market Purchase	6046	0.04%	99433	0.73%
	26-02-2016 Market Purchase	1743	0.01%	101176	0.74%
	04-03-2016 Market Selling	5375	0.04%	95801	0.70%
	11-03-2016 Market Purchase	38093	0.28%	133894	0.98%
	18-03-2016 Market Purchase	1519	0.01%	135413	0.99%
	25-03-2016 Market Purchase	6267	0.05%	141680	1.04%
	at the End of the year 31-03-2016			141680	1.04%

SI No	For each of the top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Dipak Kanayalal Shah				
	As on 01-04-2015	120000	1.17%	120000	1.17%
	10-04-2015 Market Purchase	5000	0.05%	125000	1.22%
	11-12-2015 Market Purchase	3000	0.02%	128000	0.95%
	18-12-2015 Market Purchase	3000	0.02%	131000	0.97%
	08-01-2016 Market Purchase	5000	0.04%	136000	1.01%
	15-01-2016 Market Purchase	1000	0.01%	137000	1.01%
	22-01-2016 Market Purchase	5000	0.04%	142000	1.05%
	05-02-2016 Market Purchase	3500	0.03%	145500	1.07%
	19-02-2016 Market Purchase	500	0.00%	146000	1.07%
	at the End of the year 31-03-2016			146000	1.07%
8	Dhiren Uttamchand Dadia				
	As on 01-04-2015	134077	1.30%	134077	1.30%
	at the End of the year 31-03-2016			134077	0.98%
9	Jagdish N Master				
	As on 01-04-2015	-	-		
	14-08-2015 Market Purchase	78000	0.58%	78000	0.58%
	21-08-2015 Market Purchase	11000	0.08%	89000	0.66%
	28-08-2015 Market Purchase	4500	0.03%	93500	0.69%
	04-09-2015 Market Purchase	1000	0.01%	94500	0.70%
	11-09-2015 Market Purchase	500	0.00%	95000	0.70%
	18-09-2015 Market Purchase	9500	0.07%	104500	0.77%
	06-11-2015 Market Purchase	1000	0.01%	105500	0.78%
	11-12-2015 Market Purchase	20000	0.15%	125500	0.93%
	19-02-2016 Market Purchase	2000	0.01%	127500	0.94%
	at the End of the year 31-03-2016			127500	0.93%
10	Wallfort Financial Services Ltd				
	As on 01-04-2015	-	-		
	17-07-2015 Market Purchase	100000	0.95%	100000	0.95%
	05-08-2015 Market Selling	25000	0.18%	75000	0.55%
	07-08-2015 Market Purchase	25000	0.18%	100000	0.74%
	04-03-2016 Market Selling	25000	0.18%	75000	0.55%
	11-03-2016 Market Purchase	25000	0.18%	100000	0.73%
	at the End of the year 31-03-2016			100000	0.73%

Note: % of the holdings of concerned shareholder has been calculated based on the expanded Capital prevailed on the relevant date of purchase / sale

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				
	At the beginning of the year	288428	2.80%	288428	2.80%
	Shares allotted on July 21,2015	12500	0.11%	300928	2.77%
	Shares allotted on March 11,2016	12500	0.09%	313428	2.30%
	At the end of the year			313428	2.30%
2	D Rajeshkumar				
	At the beginning of the year	213966	2.08%	213966	2.08%
	Shares allotted on July 21,2015	12500	0.11%	226466	2.08%
	At the end of the year			226466	1.66%
3	P Ramachandran				
	At the beginning of the year	17852	0.17%	17852	0.17%
	Sold during August 2015	17852		—	—
	At the end of the year			—	—
4	Baskarasubramanian.S, Director (Corporate Affairs)& Company Secretary				
	At the beginning of the year	1223	0.01	1223	0.01
	25-01-2016 Allotment - Employees (ESOS)	2500	0.02	3723	0.03
	At the end of the year			3723	0.03

Note: % of the holdings has been calculated based on the expanded Capital prevailed on the relevant date of purchase / sale

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%	432255	4.20%
	Shares allotted on July 21,2015	12500	0.11%	444755	4.09%
	At the end of the year			444755	3.26%
2	R Damodharaswamy - Non Executive & Non Independent				
	At the beginning of the year	42871	0.42%	42871	0.42%
	Bought on February 19,2016	200	0.00%	43071	0.32%
	At the end of the year			43071	0.32%
3	Kantilal V Vakharia - Non Executive & Non Independent				
	At the beginning of the year	98745	0.96%	98745	0.96%
	At the end of the year			98745	0.72%

SI 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
4	Nirmal Kumar Chandria - Independent Director				
	At the beginning of the year	16850	0.16%	16850	0.16%
	At the end of the year			16850	0.12%
5	Narayanaswamy Jayabal - Independent Director				
	At the beginning of the year	665	–	665	–
	At the end of the year			665	–
6	L Venkatapathy -Independent Director				
	At the beginning of the year	300	–	300	–
	At the end of the year		–	300	–
7	V Sankaran -Independent Director				
	At the beginning of the year	–	–	–	–
	At the end of the year		–	–	–
8	N Rangachary - Chairman - Independent Director				
	At the beginning of the year	–	–	–	–
	At the end of the year		–	–	–
9	P K Shah - Independent Director				
	At the beginning of the year	32675	0.32%	32675	0.32%
	10-04-2015 Market Purchase	2470	0.02%	35145	0.34%
	17-07-2015 Market Selling	35	–	35110	0.32%
	24-07-2015 Market Selling	65	–	35045	0.32%
	11-09-2015 Market Purchase	600	–	35645	0.26%
	29-01-2016 Market Purchase	508	–	36153	0.27%
	05-02-2016 Market Purchase	100	–	36253	0.27%
	19-02-2016 Market Purchase	1000	0.01%	37253	0.27%
	At the end of the year			37253	0.27%
10	Howard M Gladstone - Independent Director				
	At the beginning of the year	50000	0.49%	50000	0.49%
	At the end of the year			50000	0.37%
11	P R Thiruvengadam (Alternate to Howard M Gladstone)				
	At the beginning of the year	–	–	–	–
	At the end of the year			–	–

Note: % of the holdings of concerned shareholder has been calculated based on the expanded Capital prevailed on the relevant date of purchase / sale

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	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
Change in Indebtedness during the financial year				
Addition	64,497,537		–	6,44,97,537
Reduction	–	24,50,000	–	24,50,000
	6,44,97,537	24,50,000		6,20,47,537
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	28,04,45,988	–	–	28,04,45,988
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	28,04,45,988	–	–	28,04,45,988

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				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,26,600	23,71,600	3,96,600	51,94,800
(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...	21,05,929	21,05,929	–	42,11,858
Others, please specify	–	–	–	–
Total (A)	45,32,529	44,77,529	3,96,600	94,06,658
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**

S.No	Director	Fees for attending the meeting	Commission	Others	Total
		(A)	(B)	(C)	A+B+C
1	Mr. N.Jayabal	80,000	-	-	80,000
2	Mr. Nirmal Kumar M Chandria	80,000	-	-	80,000
3	Mr. N.Rangachary	2,40,000	-	-	2,40,000
4	Mr. P K.Shah	60,000	-	-	60,000
5	Mr. V.Sankaran	2,40,000	-	-	2,40,000
6	Mr. L.Venkatapathy	2,40,000	-	-	2,40,000
7	Mr. P.R.Thiruvengadam	80,000	-	-	80,000

ii) Other Non Executive Directors and Nominees Directors

S.No	Director	Fees for attending the meeting	Commission	Others	Total
		(A)	(B)	(C)	A+B+C
1.	Thilagam Rajesh Kumar (Non Executive)	80,000	-	-	80,000
2	Kantilal V Vakharia (Non Executive)	20,000	-	-	20,000
3	R Dhamodharaswamy (Non Executive)	80,000	-	-	80,000
Overall Ceiling as per the Act- 1% of Net Profits of the Company for all Non-Executive Directors					
4	P Ramakrishnan – L & T Nominee**	20,000	-	-	20,000
5	S R Swaminathan – L & T Nominee**	-	-	-	-

**Resigned from the Board on August 08,2015

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

	S Baskarasubramanian Director (Corporate Affairs) & Company Secretary
Gross salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,66,000
(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 exercised	3,62,500
Sweat Equity	-
Commission	
- as % of profit	
- Others, specify...	
Others, please specify	-
Total (A)	13,28,500

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)
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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

Conservation of Energy & Others

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 OUTGO.

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

Research and Development (R&D) plays a critical role in the innovation process. It's essentially an investment in technology and future capabilities which is transformed into new products, processes, and services. R&D is essential to keep ahead in the Competition. R&D would make the products to get transformed frequently in line with changing needs of the end users. Besides, new products with contemporary technologies and new features are being developed at R&D House so to gain the market share.

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:

Major products developed by R&D and its significant benefits

1. Energy Saver products

Energy Saver products developed by the Company has got good response in the market. Corporations across the country are showing interest to adopt these products in their street lightings in order to save the energy and cut power cost considerably.

Benefits

- Guaranteed operating efficiency of 97% (higher than industry standards) with the use of highly efficient Toroidal transformers
- Dynamic Voltage reduction: provides stabilized voltage to the lamps
- Automatic On/Off based on Sunrise/Sunset or on programmed timings
- Wireless control and monitoring through sophisticated web-based software
- Automatic bypass in case of tripping with manual changeover in case of maintenance or emergency
- Reduces operational, maintenance and running cost
- Reliable and safe changeover with On-Load tap changing
- Completely remote programmable ON/OFF timings, alert and energy saving settings
- Instantaneous alerts for critical fault conditions to your mobile phone
- Energy saving reports and lamp failure reports on daily, weekly and monthly basis for single, multiple or all devices
- Detection of Energy theft or leakage
- Maintains a high power factor of above 0.85
- Guaranteed operating life of 10 years: No moving parts ensuring long life

- Eco-friendly - First in India to adhere to RoHS compliance
- Reduces public inconvenience
- Lighting levels conforming to ISI Standards

2. Automated Meter Reading Benefits.

- All consumer lines (Energy Meters) are connected with AMR modules
- All the AMR modules will communicate to a single IP, i.e. all the readings shall terminate at the central station
- Unpaid consumer accounts can be disconnected & re-connected from the central station itself
- Any tampering / fault occurrence of the meter can be found from the central station itself Hardware can be retrofitted to existing static energy meters
- Real-time data configurable for a frequency as less than 15/30 minutes is available in the Control Station
- Low implementation costs & Low Maintenance / Operating Cost
- AMR System becomes inherently expandable, i.e. addition of a new service at any point in the power line becomes plug n play
- Real-time data available

3. The products – Train Warning System, Energy saving Fan regulator, Ceiling Mount movement sensor, Touch cum remote switch, GE Earth Terminal, Bimetallic Overload Relay, Contactors and Overloaded relays upto 105 A, Motor protection circuit breakers, DC isolators for PV applications, Tinned Copper Wires etc., are developed by your R&D and are in different stage of testing and approval which will give considerable benefits on its usage.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

During the year:-

The Company has signed technical licensing agreement with Austria-based Trafomodern, Austria so to use former technology and design and assistance, to manufacture dry type air cooled transformers, Chokes and inductors in India. Dry type transformers is a highly specialised and technical product with applications in Medium & large UPS, renewable energy business, railways, power generation and the marine industry. Trafomodern is one of the leading manufacturers of dry type transformers in Europe.

The Company has been actively setting up necessary facilities and expecting the commencement of productions during later part of this fiscal.

- The Company has signed a Distribution Agreement with IPD Group Limited of Australia – a Leading Electrical distributor/Wholesaler and manufacturer in Australia for marketing and selling of Salzer Branded Electrical products for Solar Photovoltaic Applications in Australia and New Zealand. This understanding with IPD opens to the Company a Large New Market for its internationally tested and approved products.

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. 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.,	₹50.13 Lakhs
New Products and Process development	₹143.64 Lakhs
Salary and Other expenses for R&D Personnel	₹61.10 Lakhs

3. 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 been fully absorbed	Yes, Fully absorbed.

C. Foreign Exchange Earnings And Outgo

a)	Foreign Exchange earned during the year (Direct export ₹5413.30 lakhs, Merchant Export ₹1714.20 lakhs & ₹251.25 lakhs for technical services and others)	}	₹5664.55 Lakhs
b)	Foreign Exchange outgo	}	₹8388.60 Lakhs

For and on behalf of the Board

Place : Coimbatore
Date : May 26, 2016

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 Corporates 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, skill development through sponsorship of nationally recognised sports activities 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.

S.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

	2014-15	2013-14	2012-13
	₹ In Lacs	₹ In Lacs	₹ In Lacs
Net profit under Section 198 of the Companies Act 2013	1695.12	1142.83	940.36

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

Last three years average net profit	₹1259.44 Lacs
2% of the above Net Profit	₹25.20 Lacs

5. Details of CSR spent during the financial year.

a.	Total amount to be spent for the financial year 2015-16 :	₹25.20 Lacs
b.	Amount spent for the financial year 2015-16 :	₹25.40 Lacs
c.	Amount unspent , if any; :	₹NIL
d.	Details of the amount spent during the financial year:	

S. 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 implement ing agency
	1	2	3	4	5	6	7
				₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
1	Education related activities	Education	Coimbatore, Tamil Nadu	20.50	23.57	23.57	By Both
2	Health related Activities	Health	Coimbatore, Tamil Nadu	4.70	1.08	1.08	
3	Promotion of sports	Sports	Coimbatore, Tamil Nadu	–	0.75	0.75	
				25.20	25.40	25.40	

6. Reason for not spending the amount earmarked for CSR Activities in the Financial year 2015-16

Not applicable

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company

Date : May 26,2016
Place : Coimbatore

R Doraiswamy
Managing Director

N Rangachary
Chairman of CSR Committee

ANNEXURE – 5

ESOS Details

DISCLOSURES UNDER RULE 12(9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES 2014 READ WITH REGULATION 14 OF SEBI (SHARE BASED EMPLOYEES BENEFITS) REGULATIONS 2014.

Details of the Scheme

Your Company believes that appropriate appreciations and rewards to the employees for their contribution all these years would enable the Company to take its growth objectives forward with strong aspirations.

In this directions, a Scheme by name Salzer Employees Stock option Scheme 2012-13" (shortly Salzer ESOS 2012-13"), was instituted with the approval of the shareholders by means of special resolutions passed at their 27th Annual General Meeting held on August 11, 2012. The Scheme is in compliance with SEBI (Share Based Employees Benefits) Regulations 2014. The Scheme is administered by Employees Compensation Committee.

Some Salient Features of the Scheme

- 1) The total number of options to be granted under this Scheme shall not exceed 10% of the Paid-up Share Capital of the Company as on 31.03.2012 i.e. 10,28,374 Options (10% of 10283737 Equity Shares),
- 2) One Option entitles the holder of the options to apply for and be allotted one equity share of ₹10/- of the Company,
- 3) Chief Executive Officer / President (not being the Promoter / Promoter Group) / Whole Time Director (not being the Promoter / Promoter Group)/ Independent Director and other key senior management personnel posted in India or outside India and other employees, who are in regular role of the company, as may be determined by Employees Compensation Committee,
- 4) Employee(s) / Director(s) as stated above in respect of the

wholly-owned subsidiary(ies) / holding Company(ies) of the company whether in India or outside,

- 5) The scheme shall not apply to :-
 - An employee, who is a promoter or belongs to the Promoter Group.
 - Director, who either by himself or through his relative(s) or through any Body Corporate(s), directly or indirectly holds more than 10% of the outstanding equity shares of the company.
 - Nominee Director and
 - Independent Directors
- 6) There shall be minimum period of one year between the grant of the options and the vesting of options.

Status of the Scheme

- 1) In accordance with the Scheme, 10,28,000 options granted on November 19, 2013 to eligible employees at a grant price of ₹40/- against closing price of ₹48.60/- prevailed on November 18, 2013, with a discount of ₹8.60 per share constituting 22% of the grant price.
- 2) The vesting period of options is one year from the date of grant and exercise period is five years from the date of vesting.
- 3) The shares so allotted upon exercise of stock options by the employees shall be locked in for a period of two years from the date of allotment.
- 4) Up to May 26, 2016, 3,24,950 stock options have been allotted on the exercise of the vested stock options.

Information under Rule 12(9) of Companies (Share Capital and Debentures) Rules 2014

1	Scheme Name :	Salzer Employees Stock option Scheme 2012-13
2	options granted :	10,28,000 Options @ grant price of ₹40/- per Options
3	options vested :	10,28,000 Options on November 19,2014
4	options exercised :	2,98,450 Options as at March 31,2016
5	the total number of shares arising as a result of exercise of option:	2,98,450 Equity shares of ₹10/- each
6	options lapsed :	NIL
7	the exercise price :	₹40/- per share
8	variation of terms of options :	NIL
9	money realized by exercise of options :	₹1,19,38,000/-
10	total number of options in force :	7,29,550 options as at March 31,2016
11	Employee wise details of options granted to :	

- key managerial personnel as at March 31,2016

S No	Name	Grade	Options granted	Options exercised
a	S Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	15,000	2,500

- any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year : NA
- identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : NA

12. Diluted Earnings per share (EPS) pursuant to the issue of shares on the exercise of options calculated in accordance with Accounting Standard 20 " Earning per share" : ₹12.87 per share in FY 2015-16 against ₹10.79 in FY 2014-15.

ANNEXURE – 6

Related Party Transactions

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 arm's 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 :	Salzer Magnet Wires Limited, a related party within the meaning of Section 2 (76)(v) of the Companies Act, 2013
b	Nature of contracts/arrangements/transactions :	Sale and Purchase of Materials etc., in the normal course of business and at arm length basis
d	Duration of the contracts / arrangements/transactions :	Regular
e	Salient terms of the contracts or arrangements or transactions including the value, if any : In 2015-16, the Company had total transaction value of ₹44.10 Crs with Salzer Magnet Wires Limited, representing 11% of the gross turnover of the Company	
f	Date(s) of approval by the Board, if any or such other approvals : The Company is effecting the Transactions with Salzer Magnet Wires Limited upon the approval of the shareholders at their 29th AGM held on August 09, 2014	
g	Amount paid as advances, if any :	NIL

Place : Coimbatore
Date : May 26, 2016

N Rangachary
Chairman

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;	<p>Ratio of the remuneration of Shri R Doraiswamy, Managing Director to the median remuneration of the employees : 22:1</p> <p>Ratio of the remuneration of Shri D Rajesh Kumar, Joint Managing Director & Chief Financial Officer to the median remuneration of the employees : 21:1</p> <p>Ratio of the remuneration of Shri P Ramachandran, Whole Time Director (Marketing) to the median remuneration of the employees : 2:1</p>		
(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 Managing Director	5%	
		Shri D Rajesh Kumar, Joint Managing Director & Chief Financial Officer	3%	
		Shri P Ramachandran, Whole Time Director – Marketing	1%	
		Shri S Baskarasubramanian, Director (Corporate Affairs) & Company Secretary	66%	
(iii)	the percentage increase in the median remuneration of employees in the financial year;	8%		
(iv)	the number of permanent employees on the rolls of company;	457		
(v)	the explanation on the relationship between average increase in remuneration and company performance;	Average increase in Remuneration	3%	
		Average increase in Profit before Tax	44%	
(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	0.45	24.24
		Shri D Rajesh Kumar, JMD & CFO	0.45	24.24
		Shri P Ramachandran, WTD	0.04	24.24
		Shri S Baskarasubramanian, D (CA) & C S	0.13	24.24
(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;	<p>Market Capitalization as at March 31, 2016 - ₹255.40 Crs Market Capitalization as at March 31, 2015 - ₹240.43 Crs. Variation in the PE Ratio as at March 31, 2016 – 13.83 P E Ratio as at March 31, 2015 – 20.07.</p> <p>19 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.</p>		

(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;	<p>Average increase in remuneration of Managerial personnel -3%</p> <p>Average increase in remuneration other than the Managerial Personnel - 14%</p> <p>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</p>
(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 – 8

Secretarial Audit Report

FY 2015-16

To
The Members,
Salzer Electronics Limited Samichettipalayam, Coimbatore

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

Management's Responsibility

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

My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.

Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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,

Date: May 26,2016
Place: Coimbatore

G. Vasudevan
FCSNo.6699 C P No.6522

Form No. MR-3

For The Financial Year Ended 31st March, 2016

[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 - 641047.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Salzer Electronics Limited (CIN: L03210TZ1985PLC001535), a listed entity having its registered office at Samichettipalayam, Coimbatore – 641047 (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 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 the Company for the financial year ended on 31.03.2016 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 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;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable as the Company has not issued 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; and

Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review

- (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.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- (iii) SEBI (The Listing Obligations & Disclosures Requirements) Regulations 2015. (Effective from 1st December, 2015)

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.

I further report that during the audit period 2015-16, the Company has

- a. issued and allotted 26,41,000 equity shares to Qualified Institutional Buyers under Qualified Institutions Placement
- b. issued and allotted 2,98,450 Equity shares to the employees of the Company under Salzer Electronics Ltd Employees Stock Options Scheme 2012-13 .
- c. issued and allotted 1,00,000 share warrants on preferential basis to the Promoters and Promoters Group companies
- d. issued and allotted 420000 equity shares on conversion of equal number of warrants by the holders thereof
- e. Listed its shares in the National Stock Exchange of India Limited on 02.12.2015.

For G.V and Associates,

Date: May 26,2016
Place: Coimbatore

G. Vasudevan
FCS No.6699
C P No.6522

ANNEXURE – 9

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.

Global Economic Overview

During the year under review, the global economy grew by a modest 3.1%. The 2016 global growth expectation has been revised to 2.4% by the World Bank. The move is due to sluggish

growth in advanced economies, stubbornly low commodity prices, weak global trade and diminishing capital flows.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging.

Among major emerging market economies, China posted a single digit growth of 6.7% in 2016 compared to a 6.8 % expansion in the previous period, while Brazil and Russia are expected to remain in recession which is having significant potential impact for the growth of Indian trade with these countries.. A significant increase in private sector credit — fuelled by an era of low interest rates and, more recently, rising financing needs — raise potential risks for several emerging market and developing economies, the report finds.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a general slowdown in emerging market economies, China's rebalancing, lower commodity prices and the gradual exit from extraordinarily accommodative monetary conditions in the US. If these key challenges are not successfully managed, global growth could be derailed.

Indian Economic Overview

The Indian economy is set on a path of rapid growth in spite of global economic slowdown. The country's GDP grew 7.6% during FY2015-16 compared with a growth of 7.3% in 2014-15, 6.9% in FY2013-14 and 5.1% in FY2012-13. The year-on-year improvement by 30 bps was achieved despite two successively weak monsoons and a sluggish global environment, indicating that the country's consumption-driven fundamentals remained robust.

In Q4 FY16, the country posted a growth of 7.9%, which was the highest across four quarters, reinforcing the country's position as the fastest growing large economy in the world. The growth in the final quarter was driven by an increase in farm output, increase in mining activity and electricity, gas and water generation. Infrastructure output grew 8.5% over FY16,

the highest in 17 months. The economy remained relatively immune to inflation, fiscal deficit, weak demand, external account imbalances and a volatile rupee.

As per the World Bank, India's GDP growth is expected to sustain at 7.6% in 2016-17, but could accelerate to 7.7% in 2017-18 and 7.8% in 2018-19. This expectation comes on the back of significant increase in investment inflows, recent policy reforms, prospects of good monsoons and favourable oil prices. To push the Indian economy to a double digit growth rate, a number of factors, including agricultural policy, public investment,

services sector, manufacturing sector and monsoons will play a combined role.

Electrical and industrial electronics industry

The electrical and industrial electronics industry has witnessed a 4.85% growth in Q4 of FY 2015-16. The growth is mainly driven by domestic demand although there has been increase in exports for Transformers, Cables, Conductors, MCBs, Meters, Insulators etc. Policy changes and various initiatives undertaken by the industry and government are eventually showing signs of revival, as indicated in the table below.

Quarterly percentage growth

	FY 15-16	Q1	Q2	Q3	Q4
1	Power Contactors	(7.7%)	(0.8%)	(2.2%)	8.1
2	LT Circuit Breakers	3%	1.3%	(4.6%)	11.7
3	MCB	34.2	40%	(8.4%)	13.5
4	S/F & F/S Units	(5.8%)	11.8%	32.1%	7.2
5	Switchgear	7.1%	12.6%	(3.2%)	9.4
6	Power Cables: PVC	11.3%	0.6%	18.9%	1.6
7	Control Cables & other Special Purpose Cables	36.2%	0.9%	12.8%	(8.9)
8	Cables	19.7%	0.7%	17%	(1.6%)
9	Power Transformers	6.4%	12.3%	38.9%	24.8%
10	Transformers	19.2%	2.8%	15.9%	12%
11	HT Capacitors	8.1%	35.4%	1.4%	(24.9%)
12	LT Capacitors	(18%)	(4.6%)	17.5%	24.7%
13	Capacitors	(10.5%)	6.8%	12.1%	8.1%
14	Energy Meters	37.8%	2.7%	8.6%	5.9%
15	Conductors	47.3%	24.3%	0.7%	8.3%

Under the "Make in India" theme of the Government, the industry is in a position to attract more investment and eventually would seek for more growth.

Power Sector - India:

Power is essential for economic development and human progress. It not only enables sustainable and inclusive economic growth, but also the standard of living within a country.

Increase in power generation capacity and expansion of India's transmission and distribution (T&D) network has resulted in rapid growth in the electrical energy sector. The installed power generation capacity increased from 16,600 MW in 1974 to 303,083 MW by 31st May, 2016 (Central Electricity Authority, Ministry of Power, Government of India). This is set to reach 350 GW by 2020 as a result of economic development and increasing industrialization. Per capita power consumption in India increased from 126 KWh in 1974 to 1010 kWh in 2015.

24/7 Power for All Campaign

The Government is the first to have targeted 100% electrification in India by 2022, although it hopes to achieve this target by 2019. Union Power Minister Piyush Goyal expects \$1 trillion investment in power infrastructure by 2030. In the short term, till 2025, he expects this sector to attract at least \$250 bn, with the transmission and distribution sector witnessing an investment of \$50 bn during the short term.

The Government aims to ensure that its citizens receive adequate power supply by implementing the following steps:

- Develop a proper understanding of the coal sector and the dynamics at play within it in order to reduce inefficiencies
- The Government plans to increase generation capacity from roughly 1.2 trillion units at present to 2 trillion units till 2019
- Presently, around 280 million people in India do not have access to power. With per capita consumption levels in India one of the lowest in the world at 1010 KWh compared

Indian Electrical Equipment Industry Mission Plan 2012-22

Launched on the 24th of July, 2013, the Indian Electrical Equipment Industry Mission Plan 2012-22 seeks to 'steer, coordinate and synergise the efforts of all stakeholders to make India the country of choice for production of electrical equipment and reach an output of USD 100 billion by balancing exports and imports'.

The five areas that have been identified for strategic and policy interventions by the Government and the industry include:

- Industry competitiveness
- Technology up-gradation
- Skills development
- Exports
- Conversion of latent demand

to China's 4000 KWh and developed nations average of around 15,000 KWh, there exists significant scope for growth

- The distribution sector has been under tremendous stress due to high debt levels of approximately ₹3 trillion and accumulated losses of more than ₹2.5 trillion. Until the financial position of the DISCOMs improve, they will continue to opt for load shedding rather than supply the power to the customers, due to the average loss of ₹1.14/kWh on each unit supplied, as per rating agency, India Ratings.

As per the Central Electricity Authority of India, a generating capacity addition of 16,654.5 MW is being considered for 2016-17.

Transmission and distribution: during 2012-16,

- 84,000 circuit km (cKm) of transmission lines were added
- 2,49,400 MVA transformation capacity was added

These additions have been the highest ever in any Five Year Plan.

During 2015-16, a total of 28,114 circuit-km of transmission lines and 62,849 MVA transformation capacity was added. With the commissioning of these lines, for the first time in its history, India is likely to experience energy surplus of 1.1% in 2016-17 and peak surplus of 2.6%.

According to targets set by the Government, the transmission network will be expanded to 364,900 ckm by March 2017.

As per International Energy Agency (IEA) estimates, India would be investing about \$845 bn in transmission and distribution networks between 2015 and 2040 to ensure national access to power for all its customers.

About Salzer

Established in 1985, Salzer is a leading player offering total and customized electrical solutions in switchgears, wires and cables and energy management business. In India, it is the largest manufacturer of CAM operated rotary switches and Wire ducts with a market share of 25% and 20% respectively. Catering to a wide range of products, the Company has five in-house manufacturing facilities, located in Coimbatore and Himachal Pradesh.

Salzer has a wide distribution network locally and globally and exports to more than 50 countries with 40 international distributors. In India, Salzer markets its products through 350 local Larsen & Toubro distributors, and its own distributors. The

Launched by Piyush Goyal in November 2015, Ujwal DISCOM Assurance Yojana (UDAY) is a comprehensive power sector reform aiming to turnaround electricity distribution companies through improving on operational and financial efficiencies.

Problems being faced by the DISCOMs

- Annual losses of ₹60,000 crore
- Outstanding debt of approximately ₹4.3 lakh crore

The scheme comprises of a four pronged approach:

- Improving operational efficiencies
- Reducing cost of power
- Reducing interest costs
- Enforcing financial discipline

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 attained a 27.5% sales growth in 2015-16 in an environment which was not very conducive. As seen in the last five years, Exports remained on the upward trend with an average growth of 20%.

The financial performance of the Company for the financial year ended March 2016 is as follows:

The total revenue for the year ended March 31, 2016 is ₹361.1 cr as against ₹283.3 cr for the corresponding previous period, an increase of 27.5%.

The operating expenses for the financial year ended March 31, 2016 stood at 318.2 cr as against ₹247.9 cr for the corresponding previous period, an increase of 28.4%.

The employee expenses for the financial year ended March 31, 2016 was ₹17.7 cr as against ₹15.5 cr for the corresponding previous period, an increase of 13.8%.

The other expenses for the financial year ended March 31, 2016 was ₹44 cr as against ₹36.4 cr for the corresponding previous period, an increase of 20.8%. The increase has been in line with the growth in revenues.

The EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) was ₹42.9 for the year ended March 31, 2016, as against ₹35.5 cr for the corresponding previous period, an

increase of 21%.

The depreciation for the financial year ended March 31, 2016 was ₹8.3 cr as against ₹7.1 cr for the corresponding previous period, an increase of 16.4%.

The interest outflow for the financial year ended March 31, 2016 was ₹13.1 cr as against ₹12.3 cr for the corresponding previous period, an increase of 6.4%.

The EBIT (Earnings before Interest and Tax) for the financial year ended March 31, 2016 was ₹34.6 cr as against ₹28.3 cr for the corresponding previous period, an increase of 22.1%.

The EPS (Earnings per Share) for the financial year ended March 31, 2016 was ₹13.5 as against ₹11.6 for the corresponding previous period, an increase of 16.2%.

Resources and liquidity

As on March 31, 2016 the net worth stood at ₹191 cr and the debt was ₹28 cr.

The cash and cash equivalents at the end of March 31, 2016 was ₹12.5 cr.

The net debt to equity ratio of the company stood at 0.5 as on March 31, 2016.

Business performance

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

Industrial Switchgear

This business segment occupies the first place in contribution to the total business of the Company. This segment includes transformers, terminal blocks, rotary switches, isolators, general purpose relays, wiring ducts, MPCBs, contactors, control panels, and overload relays etc.,. The products are mainly targeted for the Original Equipment Manufacturers (OEMs) like Engineering Conglomerates Larsen & Toubro Limited etc., Panel Builders, special Machine Manufacturers etc.,. The Company commenced its operation in 1985 with this segment which is now having both domestic and export markets considerably. These products are having international certification like UL (Underwriters Laboratories Inc), CSA (Canadian Standards Association), Intertek Semko certification and CE (Conformite Europeane).

During the year, this segment posted gross revenue of ₹192 Crs against ₹163 Crs record in 2014-15, with the growth of around 18% and contributed 47% to the top-line.

Copper business

The copper business comes second in contribution to the business. In the segment, Larsen and Toubro plays a major role in the off take. This vertical commenced some 15 years back and focusing more on domestic market. After few years of flat performance, the segment witnessed robust recovery and posted growth of 37%. During the year, the segment reported gross business volume of ₹156 Crs as against ₹130 Crs with year on year growth of around 20%.

The copper division includes wires and cables, flexible bus bars, enamelled wires, bunched conductors and tinned wires.

Building Segment

Salzer has a wide range of products under this segment including modular switches, wires and cables, changeovers and MCBs. Modular Switches drives this segment in a major way. Some of the features are:

- Contemporary and aesthetically sleek switches - 10, 20 and 32 Amps AC
- Silver nickel contacts for enhanced electrical life
- Manufactured using high-grade engineering plastics
- Safety features: anti-spark shield and finger-protected switch terminals
- Specialty products viz. movement sensors, shock protectors, shaver sockets, key tag switch, programmable timers, remote switches and touch switches etc.

During the year, the Buildings Products business contributed only 4% of total revenues with year on year growth of 9%

Energy Savers

A new business vertical, 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 main objective of this segment are :-

- Guaranteed energy savings on outdoor lighting up to 32%
- Reduces operation, maintenance and replacement cost by 30%
- Increases lamp life by 25%
- Reduction in carbon emission
- GSM wireless connectivity to central monitoring station

- Generates energy-saving and lamp failure reports and sends alert messages on faults

The energy management business supported the Company's revenue with 10% with year-on-year growth of over 480%. New developments / achievements in businesses during the year

- Salzer entered into a technical alliance with Trafomodern, Austria
- Trafomodern, an Austrian company, is one of the leading manufacturers of transformers in Europe
- Salzer will use Trafomodern's Technology and design to manufacture Dry Type, Air Cooled Transformers, Chokes and Inductors in India
- The Company will set up manufacturing facilities for transformers in Coimbatore
- Salzer raised ₹62.1 crore of capital successfully through Qualified Institutional Placement (QIP)
- The Company issued 26.41 lac shares at ₹235 per share, resulting in dilution of 24% of the capital base
- The QIP was very well received resulting in well diversified representation and demand. Allocation – 55% FII and 45% domestic mutual funds
- Post issue, book value stood at ~ ₹140 per share
- The QIP proceeds will be used for new product development and growth plans of Company
- Salzer has signed a Distribution Agreement with IPD Group limited, Australia
- IPD is a leading Electrical distributor/ wholesaler and manufacturer in Australia

Government's achievements:

50,215 ckm transmission lines laid in 2014-16, as compared to 33,855 ckm laid in the previous two year period of 2012-14.

1,28,403 MVA increase in sub-station capacity in 2014-16 (highest ever increase over a two-year period).

Power Grid commissioned projects worth around ₹30,300 crore in 2015-16 (39% growth over the previous year).

₹1 lakh crore worth of projects initiated in 2015-16.

- IPD will market and sell Salzer branded Electrical Products for Solar Photovoltaic Applications in Australia and New Zealand
- Agreement with IPD opens to Salzer a large new market for its internationally tested and approved products

Risks and Concerns

The Company faces the following risks and concerns.

Commodity risk:

A part of the business is substantially dependent on copper. Factors that could affect the copper business include rising copper prices. However, this increase in prices is passed on to the customer, and as the Company operates on a monthly average pricing mechanism, it does not expect to be significantly affected by this risk.

Competition risk:

This risk arising from more players wanting to be a part of this business. Like in most other industries, opportunity brings with itself competition. IN each individual business segment the Company faces different kinds of competition risk from both domestic manufacturers and bigger international companies. However, Salzer's strong reputation, its brand goodwill and ability to customize orders as per its customers has differentiated the Company from its competition. 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 also has a substantial advantage over others due to the superior quality of infrastructure, customer-centric approach and highly innovative approach. Thus, the Company does not expect to be significantly affected by this risk.

Regulatory risk:

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 risk:

The Company is planning to expand its product range as well as add 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 risk:

Given the volatile global economy and fluctuations in the foreign exchange market, the Company does face forex risk. In order to mitigate this, hedging tools have been 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
- Capitalizing on the Government reforms and investments that are underway

Threats

- Competition from local and international players
- Regulatory changes
- Execution risks
- Raw material costs

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.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SALZER ELECTRONICS LIMITED

Report on the (Standalone) Financial Statements

We have audited the accompanying (Standalone) financial statements of Salzer Electronics Limited ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) 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 (Standalone) 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 (Standalone) 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 (Standalone) financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) 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, of the state of affairs of the Company as at March 31, 2016, and its Profits and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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 (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable
- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. 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 litigations as at 31st March 2016 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 there on 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
FRN No : 004317S

S. Ravichandran
Partner
Membership number: 023783
Place : Coimbatore

Place: COIMBATORE
Date: May 26, 2016

ANNEXURE "A" 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 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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.
- (c) According to the information and explanations given to us and on the basis of our Examination of the records of the Company, Title deeds of immovable properties which are held in the name of the company as at the Balance Sheet date and based on the certificate issued by the Banks that the original documents of Title Deeds of immovable properties were held with bank towards the loans availed by the company.
- (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.
- (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.
- (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.
- (iii) (a) According to the information and explanations given to us, the Company has granted/taken 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.
- (b) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the Provisions of Sec 185 and 186 of the Act, with respect to Loans and Investments made.
- (v) The Company has not accepted any deposits from the public.
- (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. An independent cost auditor has been appointed by the company to carry out the Audit.
- (vii) According to the records of the Company and the information and explanations given to us in respect of statutory and other dues:
 - (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, 2016.
 - (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, 2016

Name of Statute	Nature of Dues	Amount	Forum where the dispute is pending
Central Excise Act	Excise Duty	₹36,94,921/=	CESTAT-APPEAL
Income Tax Act, 1961	Income tax	₹10,40,800/=(₹5.20 lakhs paid under protest)	CIT – APPEAL For the AY 2013-14

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to the Banks.
- (ix) According to the information and explanations given to us the Term Loans were applied for the purpose for which it is drawn.
- (x) As per the information and explanation given by the management the Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the Provisions of Sec 197 read with Sch V to the companies Act, 2013
- (xi) According to the information and explanations given to us, no fraud on or by the Company by its officers / employees has been noticed or reported during the year.
- (xii) In our opinion, the company is not a Nidhi Company, accordingly, Para 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has made allotment of securities under qualified Institutions Placement program and under preferential allotment, and the amount raised has been used for the purpose for which funds are raised, though funds amounting to ₹15.00 Crs which were not required for immediate utilization, have been kept in short term investments..
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Swamy & Ravi
Chartered Accountants
FRN No : 004317S

S. Ravichandran
Partner
Membership number: 023783
Place : Coimbatore

Place: COIMBATORE
Date: May 26, 2016

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SALZER ELECTRONICS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SALZER ELECTRONICS LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Swamy & Ravi
Chartered Accountants
FRN No : 004317S

S. Ravichandran
Partner
Membership number: 023783
Place : Coimbatore

Place: COIMBATORE
Date: May 26, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Amount in ₹

PARTICULARS		Note No.	As at 31/03/2016		As at 31/03/2015	
I	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share Capital	3	13,64,31,870		10,28,37,370	
	(b) Reserves and Surplus	4	177,61,68,756		96,78,64,103	
				191,26,00,626		107,07,01,473
1a	Share application money on conversion of warrants and pending allotment	4A	4,11,74,938		-	
1b	Money received upon exercise of stock options and pending allotment	4B	10,60,000		87,96,000	
				4,22,34,938		87,96,000
2	Non- current liabilities					
	(a) Long-term borrowings	5	17,67,93,879		17,57,45,478	
	(b) Deferred Tax liabilities (Net)	6	3,91,79,746		193,61,179	
	(c) Other Long term liabilities	7	-		2,50,81,040	
	(d) Long-term Provisions	8	73,39,088		82,71,235	
	TOTAL			22,33,12,713		22,84,58,932
3	Current Liabilities					
	(a) Short term borrowings	9	81,33,12,542		75,00,43,618	
	(b) Trade payables	10	32,91,14,298		27,12,23,481	
	(c) Other current liabilities	11	35,50,95,719		36,71,16,270	
	(d) Short term provisions	8	7,85,87,047		5,49,86,896	
				157,61,09,606		144,33,70,265
	TOTAL			375,42,57,883		275,13,26,670
II	ASSETS					
1	Non-current assets					
	(a) Fixed assets	12				
	(i) Tangible assets		100,94,27,534		77,04,68,403	
	(ii) Intangible assets		1,30,32,273		77,17,677	
	(iii) Capital work-in-progress		8,11,22,669		5,55,25,062	
	(b) Non-current investments	13A	5,48,07,860		4,86,30,471	
	(c) Long-term loans and advances	14	93,00,004		71,64,971	
	(d) Other non-current assets	15	19,26,68,847		20,44,166	
2	Current assets			136,03,59,187		89,15,50,750
	(a) Current investments	13B	12,04,33,936		80,17,923	
	(b) Inventories	16	66,72,67,716		66,08,05,365	
	(c) Trade receivables	15	99,75,59,552		77,89,86,911	
	(d) Cash and Bank Balances	17	12,53,37,952		9,03,92,884	
	(e) Short-term loans and advances	14	38,80,68,683		22,87,23,520	
	(f) Other current assets	15	9,52,30,857		9,28,49,317	
				239,38,98,696		185,97,75,920
	TOTAL			375,42,57,883		275,13,26,670
	Summary of Significant Accounting Policies	1 & 2				

The accompanying Notes are an integral part of the financial statements

N.RANGACHARY
Chairman
(DIN :00054437)

D.RAJESHKUMAR
Joint Managing Director
& Chief Financial Officer
(DIN: 00003126)

Coimbatore - 47.
May 26,2016

R.DORAISWAMY
Managing Director
(DIN :00003131)

S.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company Secretary
(FCS No.4605)

In terms of our report attached

For Swamy & Ravi
Chartered Accountants
FRN :004317S

S.RAVICHANDRAN
Partner
Membership No.023783

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in ₹

PARTICULARS	Note No.	For the Year Ended 31/03/2016		For the Year Ended 31/03/2015	
I Revenue from operations	18	361,13,49,208		283,30,22,745	
II Other Income	19	2,80,36,586		1,00,24,693	
III Total Revenue (I + II)			363,93,85,794		284,30,47,438
IV Expenses					
Cost of Materials Consumed	20	251,79,35,297		198,69,95,979	
Changes in inventories of finished goods and work in progress	21	4,80,06,455		(278,71,186)	
Employee benefits expenses	22	17,68,42,632		15,53,78,814	
Finance Cost	23	13,13,58,083		12,34,25,705	
Depreciation and amortization expenses	12	8,31,88,989		7,14,46,886	
Other expenses	24	43,96,42,260		36,39,60,507	
Total Expenses			339,69,73,716		267,33,36,705
V Profit before exceptional and extraordinary items and tax (III-IV)			24,24,12,078		16,97,10,733
VI Exceptional Items			-		-
VII Profit before tax (V-VI) & extraordinary items			24,24,12,078		16,97,10,733
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII) Tax expense:			24,24,12,078		16,97,10,733
X Tax expense:					
(1) Current tax		5,21,18,597		3,64,21,000	
(2) Deferred tax		1,98,18,567	7,19,37,164	1,34,83,204	4,99,04,204
XI Profit for the period - Afer Tax(IX-X)			17,04,74,914		11,98,06,529
XIII Earnings per equity share:					
(1) Basic			13.54		11.65
(2) Diluted			12.87		10.79
Summary of Significant Accounting Policies	1 & 2				

The accompanying Notes are an integral part of the financial statements

N.RANGACHARY
Chairman
(DIN :00054437)

D.RAJESHKUMAR
Joint Managing Director
& Chief Financial Officer
(DIN: 00003126)

Coimbatore - 47.
May 26,2016

R.DORAISWAMY
Managing Director
(DIN :00003131)

S.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company Secretary
(FCS No.4605)

In terms of our report attached

For Swamy & Ravi
Chartered Accountants
FRN :004317S

S.RAVICHANDRAN
Partner
Membership No.023783

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in ₹

	Year ended 31.03.2016	Year ended 31.03.2015
A. Cash flow from operating activities		
profit before tax	24,24,12,078	16,97,10,734
Adjusted for:		
Depreciation	8,31,88,989	714,46,886
ESOP Expenses	-	88,40,800
Interest received	(71,66,018)	(63,34,146)
Interest & Finance Charges	13,13,58,083	12,34,25,705
Exchange Rate Differences	49,13,057	(25,06,987)
Dividend Income	(65,81,263)	(1,97,787)
Profit on Sale of Investment	(84,22,073)	(1,87,136)
Loss/(Profit) on Sale of Assets-Net	(19,67,096)	66,444
Other Non-operating Income	(6,18,466)	(7,98,637)
Operating profit before working capital changes	43,71,17,291	36,34,65,876
Adjusted for working capital changes		
Inventories	(64,62,351)	(827,10,709)
Trade Receivables	(21,85,72,641)	(20,24,70,805)
Long Term Loans & Advances	(21,35,033)	1,24,71,295
Short Term Loans and Advances	(15,93,45,163)	(1,94,11,060)
Trade Payables	5,78,90,817	404,06,054
Other Current liabilities	(1,20,20,551)	14,75,03,508
Other Current assets	1,07,97,196	4,95,79,711
Other Long Term Liabilities	(2,50,81,040)	(1,98,95,800)
Provisions	(9,32,147)	25,50,122
other Non-Current Assets	(19,06,24,681)	9,60,101
Cash generated from Operations	(10,93,68,303)	29,24,48,293
Direct Taxes Paid	(3,58,72,648)	(3,01,09,000)
Net Cash flow from operating activities A	(14,52,40,951)	26,23,39,293
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(35,30,70,138)	(23,12,82,636)
Capital work In Progress reversed	-	-
Non-Operating Income	6,18,466	7,98,637
Profit on Sale of Investment	84,22,073	1,87,136
Investment in Mutual fund & Equities	(11,85,93,402)	42,76,357
Sale of Fixed Assets	19,76,911	1,50,000
Dividend Income	65,81,263	1,97,787
Interest Received	71,66,018	63,34,146
Net Cash used in investing activities B	(44,68,98,809)	(21,93,38,573)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in ₹

	Year ended 31.03.2016		Year ended 31.03.2015	
C. Cash flow from financing activities				
Long Term Borrowings		2,61,05,872		16,42,59,553
Long Term Borrowings from others				
Share Application/Allotment Money received		73,66,25,257		87,96,000
Short Term Borrowings		6,32,68,924		19,98,440
Repayment of Long Term Borrowings		(2,26,07,471)		(2,97,04,670)
Exchange Rate Difference		(49,13,057)		25,06,987
Interest & Finance Charges		(13,13,58,083)		(12,34,25,705)
Repayment of Loans to Others & Directors		(24,50,000)		-63,00,000
Dividend & Dividend Tax Paid		(244,07,877)		(1,80,47,188)
Net Cash Generated Financing Activities C		64,02,63,565		83,417
Net Increase In Cash and Cash Equivalents A+B+C		4,81,23,805		4,30,84,137
Cash & equivalent at the beginning of the year		7,17,00,494		2,86,16,357
Cash & Equivalent at the end of the year		11,98,24,299		7,17,00,494
Components of Cash and cash Equivalents:		11,98,24,299		7,17,00,494
Cash on Hand		21,81,573		34,49,248
Bank Balance:				
In Current Accounts		4,83,78,863		1,35,26,992
In Unclaimed Dividend		28,04,064		27,01,992
As Margin Money				
less than 3 months	6,92,63,863		5,47,24,254	
More than 3 Months	27,09,589	7,19,73,452	1,59,90,398	7,07,14,652
Total Cash and Cash Equivalents as per Balance sheet (Refer Note No:17)		12,53,37,952		9,03,92,884

The accompanying Notes are an integral part of the financial statements

N.RANGACHARY
Chairman
(DIN :00054437)

D.RAJESHKUMAR
Joint Managing Director
& Chief Financial Officer
(DIN: 00003126)

Coimbatore - 47.
May 26,2016

R.DORAISWAMY
Managing Director
(DIN :00003131)

S.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company Secretary
(FCS No.4605)

In terms of our report attached

For Swamy & Ravi
Chartered Accountants
FRN :0043175

S.RAVICHANDRAN
Partner
Membership No.023783

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 and National Stock Exchange.

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, wherever applicable (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. The company has entered into multi-year contract with government entities for implementing projects under the PPP model. The contract involves supply of materials and services over the contract period. In respect of composite contract for supply of materials, installation and commissioning, revenue is recognized after successful installation. Where the contract involves a deferred consideration payable contingent on a future performance obligation, revenue is recognized only after successful fulfillment of such future obligation

(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 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 and Regulations'. 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

Amount in ₹

		31-Mar-16	31-Mar-15
a.	Authorised		
	2,00,00,000 Equity Shares of ₹10/- each	20,00,00,000	15,00,00,000
	[Previous Year: 1,50,00,000 Equity Shares of ₹10/- each]		
b.	Issued, Subscribed and Paid up	13,64,31,870	10,28,37,370
	1,36,43,187 Equity Shares of ₹10/- each fully paid-up.		
	[Previous Year: 1,02,83,737 Equity Shares of ₹10/- each]		
	TOTAL	13,64,31,870	10,28,37,370

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

Amount in ₹

	31-Mar-16		31-Mar-15	
	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				
a. allotted 26,41,000 equity shares to Qualified Institutional Buyers under Qualified Institutions Placement	26,41,000	2,64,10,000	-	-
b. allotted 2,98,450 Equity shares to the employees under Employees Stock Options Scheme 2012-13	2,98,450	29,84,500	-	-
c. allotted 4,20,000 equity shares on conversion of equal number of warrants by the holders thereof	4,20,000	42,00,000	-	-
LESS.: Shares bought back during the Year	-	-	-	-
ADD.: Other Movements during the Year	-	-	-	-
Outstanding at the end of the Period	1,36,43,187	1,36,43,1870	10283737	102837370

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.
- For the year Ended 31st March,2016, The amount of dividend per share recognized as distributions to Equity is ₹1.60.(31st March, 2015 : ₹1.50)
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.
- The distribution will be in proportion to the number of equity shares held by the shareholders

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

	31-Mar-16		31-Mar-15	
Description	No. of Shares	% of Holding	No. of Shares	% of Holding
Sundaram Mutual Fund	9,17,805	6.73%	-	-
Larsen & Toubro Ltd	-	-	26,79,808	26.06%
Vishnu Rangaswamy.D	6,80,287	4.99%	6,67,787	6.49%

NOTE 4 : RESERVES AND SURPLUS

		Amount in ₹	
		31-Mar-16	31-Mar-15
a. CAPITAL RESERVE			
Share Premium			
Opening Balance		25,29,18,270	25,29,18,270
Add :			
1. 2,98,450 shares @ ₹8.60 per share transferred From Employee compensation cost on allotment upon exercise of options.		25,66,670	-
2. 2,19,900 Shares@ ₹30/- per share, being Share premium on allotment of shares on April 18,2015 upon exercise of stock options		65,97,000	-
3. 3,75,000 shares @ ₹241.45/- per share, being Share premium on allotment of shares on July 21,2015 against conversion of share warrants		9,05,43,750	-
4. 26,41,000 shares @ ₹225/- per share, being Share premium on allotment of shares on July 24,2015 under QIP.		59,42,25,000	-
5. 78,550 shares @ ₹30/- per share, being Share premium on allotment of shares on January 25,2016 upon exercise of stock options.		23,56,500	-
6. 45,000 shares@ ₹241.45/- per share, being Share premium on allotment of shares on March 11,2016 against conversion of share warrants		1,08,65,250	-
		96,00,72,440	25,29,18,270
Less: Share Issue Expenses		3,49,95,681	-
Closing Balance		92,50,76,759	25,29,18,270
b. CONTINGENT RESERVE			
As per last Balance sheet		1,05,00,000	1,05,00,000
Less : Transfer from Profit and Loss Account		-	-
Closing Balance		1,05,00,000	1,05,00,000
c. GENERAL RESERVE			
As per last Balance sheet		17,33,45,763	17,52,66,232
Less : 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		17,78,45,763	17,33,45,763
d. PROFIT AND LOSS ACCOUNT			
As per last Balance sheet		52,22,59,270	42,55,18,637
Add: Profit During The Year		17,04,74,914	11,98,06,529
Add: Excess Provision for prior year written back		5,48,351	-
Less: Dividend Paid (2014-15) Inclusive of Tax		58,41,981	-
Less: Proposed Dividend (Incl .Tax)		2,64,68,450	1,85,65,896
(Amount per Share ₹1.60 (31.03.2015 ₹1.50))			
Less: Transfer to General Reserves		45,00,000	45,00,000
Closing Balance		65,64,72,104	52,22,59,270
e. Employee Stock options Outstanding		62,74,130	88,40,800
TOTAL (a+b+c+d+e)		177,61,68,756	96,78,64,103

NOTE 4A : SHARE WARRANTS

Particulars	31-Mar-16	31-Mar-15
	₹	₹
a. SHARE WARRANTS		
Money received against share warrants	4,11,74,938	-
TOTAL	4,11,74,938	-

The aforesaid amount of ₹411.75 Lacs received against conversion of share warrants and allotment of shares was pending.

b. Reconciliation of shares warrants outstanding at the beginning and at the end of the period

Amount in ₹

Description	31-Mar-16		31-Mar-15	
	No. of Shares	% of Holding	No. of Shares	% of Holding
At the Beginning of the Period	-	-	-	-
ADD.: Shares warrants issued during the Year (July 14,2015)	-	10,00,000	-	-
LESS.: Conversion of share warrants during the year	-	-	-	-
a. Conversion on July 21,2015	3,75,000	-	-	-
b. Conversion on March 11,2016	45,000	-	-	-
		4,20,000	-	-
Outstanding share warrants at the end of the Period		5,80,000	-	-

c. Terms of offer

- the allotment of shares against warrants shall only be made in dematerialized form and shall be subject to the provisions of Memorandum of Association and Articles of Association of the Company;
- The price of each equity share to be issued in lieu of the Warrants will be calculated in accordance with the provisions of Regulation 76(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (shortly "SEBI (ICDR) Regulations") on the basis of the relevant date;
- Amount equivalent to at least 25% of the consideration determined in terms of Regulation 76 of the SEBI ICDR Regulations shall be paid against each Warrant on the date of allotment of Warrants and the balance consideration i.e. 75% shall be paid on or before allotment of equity shares pursuant to exercise of option against each such Warrant;
- In case the option to subscribe to equity shares against such Warrants is not exercised by the Allottee within 18 (eighteen) months from the date of allotment of the warrants, the warrants shall lapse and the consideration paid by the Allottee in respect of such Warrant shall be forfeited by the Company;
- The Warrants issued and allotted will be transferable within the Promoter Group subject to provisions of the SEBI (ICDR) Regulations and subject to receipt of such other approvals as may be necessary.
- Pursuant to Regulation 78 of the SEBI ICDR Regulations, the entire pre-preferential allotment shareholding of the Allottee, if any, shall be locked-in from the relevant date upto a period of six months from the date of trading approval granted by the Stock Exchange.

During the period under review, the Company issued 10,00,000 share warrants to the Promoters and Promoters group on July 14, 2015 at an issue price of ₹251.45 per warrant, having option to apply for and be allotted an equivalent number of equity shares of a face value of ₹10 each at a premium of ₹241.45 each within 18 months from the date of allotment of such warrants,

In terms of the issue, an amount equivalent to atleast 25% of the issue price of ₹251.45 paid upfront and balance 75% paid on or before allotment of equity shares against exercise of 4,20,000 warrants,

Upon the receipt of full consideration, the Company allotted 4,20,000 equity shares against exercise of warrants by the Promoters during the year.

NOTE 4B : EMPLOYEE STOCK OPTION

Particulars	31-Mar-16	31-Mar-15
	₹	₹
a. Employee Stock Option		
Money received against stock options exercised by the employees under Salzer Employees Stock Options Scheme 2012-13	10,60,000	87,96,000
TOTAL	10,60,000	87,96,000

b. Reconciliation of stock options outstanding at the beginning and at the end of the period

	Amount in ₹	
	31-Mar-16	31-Mar-15
At the Beginning of the Period	10,28,000	10,28,000
ADD.: Options granted during the during the Year	-	-
LESS.: Options exercised during the year	2,98,450	-
Outstanding stock options at the end of the Period	7,29,550	10,28,000

c. Terms of Grant

- Granting Stock options constituting 10% of the Total paid up shares as at March 31, 2012,
- Options carry one year vesting period and five years exercise period from the date of vesting,
- The shares being so allotted upon exercise of stock options will carry two years lock in period,
- Promoters, Independent Directors and Nominee Directors are not entitled for any stock options,
- Options are not transferrable, not entitled for dividend and will not carry any voting rights and
- Grant price of the option fixed as ₹40/-.

NOTE 5 : LONG TERM BORROWINGS

Description	Amount in ₹			
	Non-Current Portion		Current Maturities	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
(A) Secured Loan				
Term Loans				
(i) FROM BANK				
(a) CANARA BANK - Unit-1				
Term Loan -1	1,90,46,821	2,32,54,873	1,25,04,000	1,25,04,000
[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 & CFO				
Plant & Machinery Term Loan Repayable within 30 EMI of ₹10,42,000/- & 1 EMI of ₹2,90,821/- (₹4,70,58,642/- is availed against sanctioned limit of ₹5,00,00,000/-)				
Term Loan -2	9,37,78,591	9,67,51,906	5,76,00,000	-
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 & CFO				

NOTE 5 : LONG TERM BORROWINGS (contd.)

Amount in ₹

Description	Non-Current Portion		Current Maturities	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
Energy saver Working Capital Term Loan ₹18,49,78,591/- is availed against sanctioned limit of ₹29,00,00,000/- (Term Loan Repayable within 60 EMI of ₹48,00,000/- each)				
(b) CITI BANK - Unit-2				
Term Loan -1	-	37,56,106	37,56,106	50,08,140
[Plant & Machinery Term Loan Repayable within 9 EMI of ₹4,17,345/- each]				
Term Loan -2 (Phase-1)	1,11,46,673	1,53,26,671	41,79,996	41,79,996
[Plant & Machinery Term Loan Repayable within 44 EMI of ₹3,48,333/- each]				
Term Loan -2 (Phase-2)	45,05,001	60,95,001	15,89,999	15,89,999
[Plant & Machinery Term Loan Repayable within 46 EMI of ₹1,32,500/- each]				
Term Loan -2 (Phase-3)	52,50,000	70,50,000	18,00,000	18,00,000
[Plant & Machinery Term Loan Repayable within 47 EMI of ₹1,50,000/- each]				
Term Loan -2 (Phase-4)	48,00,004	64,00,004	15,99,996	15,99,996
[Plant & Machinery Term Loan Repayable within 48 EMI of ₹1,33,333/- each]				
Term Loan -2 (Phase-5)	37,92,500	-	12,30,000	-
[Plant & Machinery Term Loan Repayable within 49 EMI of ₹1,02,500/- each]				
Term Loan -2 (Phase-6)	18,19,996	-	5,60,004	-
[Plant & Machinery Term Loan Repayable within 51 EMI of ₹46,667/-] [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 and CFO]				
CITI BANK - Unit-3				
Term Loan -1	16,56,246	24,93,746	13,25,004	13,25,004
[Plant & Machinery Term Loan Repayable within 27 EMI of ₹1,10,417/- each]				
Term Loan -2	14,68,746	31,31,246	11,75,004	11,75,004
[Plant & Machinery Term Loan Repayable within 27 EMI of ₹97,917/-] [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]				

NOTE 5 : LONG TERM BORROWINGS (contd.)

Description	Amount in ₹			
	Non-Current Portion		Current Maturities	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
UNION BANK OF INDIA - Unit-4				
Term Loan -1	-	-	-	10,20,834
[Plant & Machinery Term Loan Repayable within 10 EMI of ₹1,02,083/- each]				
Term Loan -2	2,95,29,301	90,35,925	1,63,32,000	1,24,50,000
Plant & Machinery Term Loan Repayable within 33 EMI of ₹13,61,000 /- each and 1 EMI of ₹9,48,302/- each				
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, Joint Managing Director & CFO (₹34699917 /- is availed against sanctioned limit of ₹9,00,00,000/- during the year)				
(B) UNSECURED LOAN				
From Others				
Directors	-	24,50,000	-	-
TOTAL	17,67,93,879	17,57,45,478	10,36,52,109	4,26,52,973

NOTE 6 : DEFERRED TAX LIABILITY

Particulars	31-Mar-16	31-Mar-15
	₹	₹
DEFERRED TAX LIABILITY		
Deferred Tax Liabilities		
Deferred Tax Liabilities on Research and Development Expenses	2,10,96,037	2,02,62,391
Fixed Assets.: Impact of difference between Tax Depreciation and Book Depreciation	1,80,83,709	-
Gross Deferred Tax Liability	3,91,79,746	2,02,62,391
Deferred Tax Assets		
Fixed Assets.: Impact of difference between Tax Depreciation and book depreciation/Retained Earnings	-	-
Deferred Tax Assets on Provisions	-	-
Gross Deferred Tax Assets	-	9,01,212
Deferred Tax Liabilities (Net)	3,91,79,746	1,93,61,179

NOTE 7 : OTHER LONG TERM LIABILITIES

Particulars	31-Mar-16	31-Mar-15
	₹	₹
Other Long Term Liability	-	2,50,81,040
TOTAL	-	2,50,81,040

NOTE 8 : PROVISIONS

Amount in ₹

Description	Long Term		Short Term	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
Present value of obligations as at the end of the Period	4,41,21,518	3,76,26,440	-	-
Fair value of plan assets as at the end of the Period	(3,67,82,430)	(2,93,55,205)	-	-
Net assets / (Liability) recognized in balance sheet	73,39,088	82,71,235	-	-
Other Provisions:				
Provision for Taxation	-	-	5,21,18,597	3,64,21,000
Proposed Dividend	-	-	2,19,91,500	1,54,25,606
Corporate Dividend Tax	-	-	44,76,950	31,40,290
TOTAL	-	-	7,85,87,047	5,49,86,896

NOTE 9 : SHORT TERM BORROWINGS

Particulars	31-Mar-16	31-Mar-15
	₹	₹
(A)-Secured		
Loans repayable on demand		
FROM BANKS		
Cash Credit From Canara Bank	10,22,59,081	14,78,28,130
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-I		
Pre-shipment Loan from Canara Bank	83,77,226	
Pre-shipment Loan has been secured on hypothecation of Inventories of Unit-I		
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	71,73,972	1,91,10,632
Buyers Credit Loan has been secured on hypothecation of Inventories of Unit-II		
Pre-shipment Loan from Citi Bank	28,66,86,187	26,38,71,195
Pre-shipment Loan has been secured on hypothecation of Inventories of Unit-II		
Cash Credit From Union Bank of India	12,95,27,287	19,46,22,466
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-IV		
Buyer's Credit From Union Bank of India	8,64,48,460	5,87,59,919
Buyers Credit has been secured on hypothecation of Inventories and Book Debts of Unit-IV		
Cash Credit From Citi Bank	4,28,40,329	6,13,38,840
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 & CFO] Citi Bank Loans for Unit-2 are guaranteed by Mr.D.Rajeshkumar, Joint Managing Director & CFO]		
(B) -Unsecured		
From Banks		
Loans repayable on demand (HDFC)	15,00,00,000	
TOTAL	81,33,12,542	75,00,43,618

NOTE 10 : TRADE PAYABLES

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Trade Payables		
For Goods	29,68,78,775	23,47,35,478
For Capital Goods and Capital Expenses	2,75,89,456	3,03,22,878
Others		
For Advances from Customers	46,46,067	61,65,125
TOTAL	32,91,14,298	27,12,23,481

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-16 ₹	31-Mar-15 ₹
Current Maturities of long term borrowings	10,36,52,109	4,26,52,973
Unpaid dividends	28,04,064	27,01,992
For Expenses	22,15,83,913	30,53,58,084
Other Payables (Specify Nature)		
ESI Payable	73,635	1,06,004
PF Payable	11,56,591	4,58,009
TDS Payable	14,42,679	16,80,447
Excise Payable	17,248	3,53,522
Sales Tax Payable	2,43,65,480	1,38,05,239
TOTAL	35,50,95,719	36,71,16,270

NOTE 12 : FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2015	Addition during the period	Adj. during the period	Total Cost as at 31.03.2016	Dep as at 01.04.2015	Addition during the period	Dep. Adj.	Total Depre. as at 31.03.2016	As at 31.03.16	As at 31.03.15
	Tangible Assets										
1	Land										
	- Free Hold	2,52,61,663	-	-	2,52,61,663	-	-	-	-	2,52,61,663	2,52,61,663
2	Building	15,45,19,767	390,09,909	-	19,35,29,676	3,78,28,529	54,09,158	-	4,32,37,687	15,02,91,989	11,66,91,238
3	Plant And Machinery	111,62,56,890	26,34,41,741	3,99,98,459	133,97,00,172	53,82,24,197	6,68,24,137	3,99,98,456	56,50,49,878	77,46,50,294	57,80,32,693
4	Windmill	6,04,47,887	-	-	6,04,47,887	4,99,05,932	7,61,795	-	5,06,67,727	97,80,160	1,05,41,956
5	Electrical Machinery (Solar)	1,58,52,019	95,00,000	-	2,53,52,019	1,84,347	6,50,383	-	8,34,730	2,45,17,289	1,56,67,672
6	Furniture And Fixtures	4,92,22,603	76,81,464	50,000	5,68,54,067	302,11,810	72,96,563	50,000	3,74,58,373	1,93,95,694	1,90,10,793
7	Vehicles	1,20,67,785	14,57,690	10,96,000	1,24,29,475	68,05,396	11,79,822	10,86,188	68,99,030	55,30,445	52,62,388
	Total (A)	143,36,28,614	32,10,90,804	4,11,44,459	171,35,74,959	66,31,60,211	8,21,21,858	4,11,34,644	70,41,47,425	100,94,27,534	77,04,68,403
	Intangible Assets										
1	Software	82,72,945	63,81,727	-	1,46,54,672	5,55,268	10,67,131	-	16,22,399	130,32,273	77,17,677
	TOTAL (B)	82,72,945	63,81,727	-	1,46,54,672	5,55,268	10,67,131	-	16,22,399	130,32,273	77,17,677
	TOTAL (A+B)	144,19,01,559	32,74,72,531	4,11,44,459	172,82,29,631	66,37,15,479	8,31,88,989	4,11,34,644	70,57,69,824	102,24,59,807	77,81,86,079
	Capital Work in Progress	-	-	-	-	-	-	-	-	811,22,669	5,55,25,062
	TOTAL	144,19,01,559	32,74,72,531	4,11,44,459	172,82,29,631	66,37,15,479	8,31,88,989	4,11,34,644	70,57,69,824	110,35,82,476	83,37,11,141
	Previous year	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	83,37,11,141	68,38,18,346

NOTE 13A : NON-CURRENT INVESTMENTS

Particulars	31-Mar-16	31-Mar-15
	₹	₹
Trade Investments		
a) Quoted		
1. Bank of India 2300 Shares of ₹10/- each at a premium of ₹35/- per share) (Closing Price as at 31.03.2016 @ 97.05/-per share)	1,03,500	1,03,500
2. Himadri Chemicals & Industries Limited 12,43,059 Equity Share of ₹16.03/- each current (Closing Price as at 31.03.2016 @ 15.72/-per share)	1,99,24,512	-
b) 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 ₹3/- each - at realizable value)	55,96,500	55,96,500
3. Salzer Global Services LLC (271000 (PY.400000) shares of Limited Liability Company	2,83,50,848	4,18,46,183
4. Beta Wind Farm Pvt Ltd	-	2,51,788
TOTAL	5,48,07,860	4,86,30,471

Disclosure

Amount in ₹

Description	31-Mar-16		31-Mar-15	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Salzer Global Services LLC	2,71,000	27.10	4,00,000	40.00

NOTE 13B : CURRENT INVESTMENT

Particulars	31-Mar-16		31-Mar-15	
	₹		₹	
State Bank of India - Infrastructure Fund	1,50,000		-	
Reliance Diversified Power Sector	-		1,60,000	
Reliance Equity Dividend	5,90,000		-	
ICICI Prudential Discovery Fund	9,03,291		4,33,291	
Sundaram BNP Paribas Select Mid Cap	8,43,198		3,73,198	
Birla Sun Life Frontline Equity Fund	11,05,375		4,74,314	
HDFC TOP 200 Fund	9,59,982		4,89,982	
Canara Robeco Mutual Fund	47,69,010	93,20,856	41,99,900	61,30,685
ICICI Pru Real Estate Portfolio SSI		5,44,193		18,87,238
Canara Rabaco		1,99,99,900		-
HDFC Liquid Fund		-		-
ICICI Prudential Liquid Fund		1,77,22,259		-
Birla Sunlife Cash Plus		6,20,86,239		-
Union KBC Dynamic Bond Fund		1,07,60,489		-
TOTAL		12,04,33,936		80,17,923

NOTE 14 : LOANS AND ADVANCES

Description	Amount in ₹			
	Non-Current		Current	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
Unsecured Considered Good:				
Capital Advances	-	-	5,09,59,799	1,07,35,559
Security Deposits	93,00,004	71,64,971	-	-
Loans and Advances to Related Parties	-	-	1,19,04,888	1,61,44,762
Other Loans and Advances	-	-	22,61,05,706	8,81,83,077
Loans and Advances to Suppliers	-	-	3,22,31,632	5,00,23,292
Prepaid Expenses	-	-	44,04,666	22,66,306
Advances to Staff & Others	-	-	1,97,43,302	1,76,02,773
Balance with Statutory Authorities	-	-	4,27,18,690	4,37,67,751
TOTAL	93,00,004	71,64,971	38,80,68,683	22,87,23,520

NOTE 15 : TRADE RECEIVABLES AND OTHER ASSETS

Description	Amount in ₹			
	Non-Current		Current	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
Trade Receivables				
Unsecured Considered Good				
Over Six Months	-	-	1,50,13,487	1,43,78,314
Below Six Months	19,26,68,847	20,44,166	98,25,46,065	76,46,08,597
	19,26,68,847	20,44,166	99,75,59,552	77,89,86,911
Other Assets				
TDS Receivables	-	-	77,91,918	34,85,332
Energy Saver Income Receivables	-	-	5,16,974	1,19,85,553
Energy Saver Deposit Receivables	-	-	50,36,585	40,27,773
Excise Receivables	-	-	5,09,16,811	5,21,85,337
Vat Receivables	-	-	1,24,05,214	53,26,915
Vat Receivables (CG/ES)	-	-	1,55,54,205	1,35,65,590
Windmill Income Receivables	-	-	86,583	14,319
Duty Drawback Receivables	-	-	23,12,707	16,64,355
Other Receivables	-	-	6,09,860	5,94,143
TOTAL	-	-	9,52,30,857	9,28,49,317

NOTE 16 : INVENTORIES

Particulars	31-Mar-16	31-Mar-15
	₹	₹
Raw Material	27,36,09,685	22,01,03,848
Packing Material	68,31,284	58,68,314
Work In Process	33,04,70,991	38,30,63,579
Finished Goods	5,63,55,756	5,17,69,624
TOTAL	66,72,67,716	66,08,05,365

NOTE 17 : CASH AND BANK BALANCES

Amount in ₹

Description	Non-Current		Current	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
Cash and Cash Equivalents				
Cash on Hand	-	-	21,81,573	34,49,248
Balance with Banks				
-In Current Accounts	-	-	4,83,78,863	1,35,26,992
- Deposit/Margin below 3 months maturity	-	-	6,92,63,863	5,47,24,254
-Other Bank Balances				
-Deposit/Margin above 3 months maturity	-	-	27,09,589	1,59,90,398
-Unclaimed Dividend Accounts	-	-	28,04,064	27,01,992
TOTAL	-	-	12,53,37,952	9,03,92,884

NOTE 18 : REVENUE FROM OPERATION

Particulars	31-Mar-16	31-Mar-15
	₹	₹
A. Sale of Product		
Sales - Domestic	334,46,03,661	243,27,57,302
Sales - Exports	71,27,49,952	64,85,89,452
	405,73,53,613	308,13,46,754
Less : Excise Duty & Taxes	50,34,35,766	31,90,76,558
Sub Total	355,39,17,847	276,22,70,196
B. Sale of Services		
Income by Energy Saver	2,07,71,219	3,58,75,250
Income by Street Light Maintenance	55,41,327	21,24,464
Technical Services	93,01,731	85,88,370
Sub Total	3,56,14,277	4,65,88,084
C. Other Operating Revenues		
Conversion Charges Received	54,11,698	78,55,546
Income by Power Generation	77,61,620	93,10,740
Duty drawback Income	86,43,766	69,98,179
Sub Total	2,18,17,084	2,41,64,465
TOTAL (A+B+C)	361,13,49,208	2,83,30,22,745

NOTE 19 : OTHER INCOME

Particulars	31-Mar-16	31-Mar-15
	₹	₹
Interest from Bank Deposits	69,06,591	61,15,836
Interest/Dividend received against short term investments	2,59,427	2,18,310
Capital Gain/Loss on Redemption of short Term Investments	-	1,87,136
Foreign Exchange Rate Difference	32,50,781	25,06,987
Other non-operating income (net of expenses)	4,45,869	6,18,415
Profit on Sale of Assets	19,97,986	-
Net gain/ loss on sale of investments-ICICI AMC./SGS.	84,22,073	-
Insurance Claim Received	1,72,597	1,80,222
Dividend from Short Term Investments	65,81,262	1,97,787
TOTAL	2,80,36,586	1,00,24,693

NOTE 20 : COST OF MATERIAL CONSUMED

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Raw Materials Consumption		
Stock at Commencement	22,01,03,848	16,27,10,693
Add: Purchases	250,59,86,720	198,75,55,964
Less : Stock at Close	27,36,09,686	22,01,03,848
	245,24,80,882	193,01,62,809
Packing Materials Consumption		
Stock at Commencement	58,68,314	84,21,947
Add: Purchases	6,64,17,385	5,42,79,537
Less : Stock at Close	68,31,284	58,68,314
	6,54,54,415	5,68,33,169
TOTAL	251,79,35,297	198,69,95,979

NOTE 21 : CHANGE IN STOCKS

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Stock at Commencement		
Work-in Process	38,30,63,579	34,78,24,129
Finished Goods	5,17,69,624	5,91,37,888
	43,48,33,203	40,69,62,017
Less: Stock at Close		
Work-in Process	33,04,70,992	38,30,63,579
Finished Goods	5,63,55,756	5,17,69,624
	38,68,26,748	43,48,33,203
Change in Inventories of Finished Goods and Work-in-process	4,80,06,455	(2,78,71,186)

NOTE 22 : EMPLOYEE BENEFITS EXPENSES

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Salaries, Wages, Bonus etc.	14,50,64,959	12,00,61,413
Employee Compensation cost (Stock Option)	-	88,40,800
Contribution to P.F, E.S.I and Other Statutory Funds	91,56,179	70,86,667
Workmen and Staff Welfare Expenses	1,80,22,884	1,43,39,812
Provision for Gratuity	45,98,610	50,50,122
TOTAL	17,68,42,632	15,53,78,814

Note : The above Salaries and Wages include Directors Remuneration.

NOTE 23 : FINANCE COSTS

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Interest Expense		
Interest on Term Loan	3,81,24,831	1,14,17,918
Interest on Working Capital	3,71,55,338	6,45,15,786
Interest on Pre-shipment Loan	65,57,855	38,43,481
Bill discounting and other bank charges	4,95,20,059	4,36,48,520
TOTAL	13,13,58,083	12,34,25,705

NOTE 24 : OTHER EXPENSES

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Consumptions of Store and Spares	1,40,62,149	1,24,71,990
Freight and Forwarding Charges	6,67,12,682	6,35,46,579
Power and Fuel	5,70,10,349	5,15,70,405
Repairs To - Buildings	38,01,502	31,96,453
Repairs To - Machinery	1,46,31,001	1,21,00,886
Repairs To - Others	1,00,88,216	1,27,94,257
Subcontracting Expenses	11,71,16,125	8,79,26,395
Advertisement Expenses	89,48,114	3,10,857
Audit Fees	7,78,875	5,89,890
Director's Sitting Fees	11,90,000	4,51,000
Donation	29,14,500	12,17,000
Energy saver Expenses	48,77,700	2,18,51,746
General Expenses	81,98,518	62,91,955
Insurance	19,20,055	22,31,229
Loss on Sale of Asset	30,890	66,444
Management system Expenses (ISO9000 & OSHASExps.)	2,90,454	5,37,556
Postage, Telephone & Telegram	29,35,533	28,16,646
Printing & Stationery	38,13,274	31,25,658
Rates and Taxes	1,48,93,157	1,64,42,190
Rent	9,18,600	9,18,600
Research & Development Expenses	1,43,63,743	1,54,92,492
Royalty	68,43,487	9,73,250
Sales Promotional Expenses	3,55,58,207	2,62,52,883
Subscription & Periodicals	15,48,965	3,61,442
Technical/Professional Fee	97,64,100	61,51,172
Travelling and Conveyance	1,35,45,531	1,11,58,726
CSR Expenses	25,40,000	9,41,516
Loss on Foreign Exchange Rate Difference	81,63,838	-
Bad Debts	21,82,695	21,71,288
TOTAL	43,96,42,260	36,39,60,507

NOTE 25 :

As per Accounting "tandard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

I. Table showing changes in present value of obligation

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Present value of obligations as at beginning of year	3,77,11,247	3,10,37,859
Interest cost	30,16,900	24,83,029
Current service cost	22,89,413	19,36,076
Benefits paid	(8,50,624)	(7,46,492)
Actuarial (gain) / Loss on obligations	19,54,583	29,15,968
Present value of obligations as at end of year	4,41,21,519	3,76,26,440

NOTE 25 : (contd.)

II. Table showing changes in fair value of plan assets

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Fair value of plan assets at beginning of year	2,96,39,361	2,53,16,746
Expected return on plan assets	26,62,286	22,84,951
Contributions	53,31,406	25,00,000
Benefits paid	(8,50,624)	(7,46,492)
Actuarial (gain) / Loss on Plan Assets	-	-
Fair value of plan assets at the year end	3,67,82,429	2,93,55,205

III. Table showing fair value of plan assets

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Fair value of plan assets at beginning of year	2,96,39,361	2,53,16,746
Actual return on plan assets	26,62,286	22,84,951
Contributions	53,31,406	25,00,000
Benefits paid	(8,50,624)	(7,46,492)
Fair value of plan assets at the year end	3,67,82,430	2,93,55,205
Funded status	73,39,090	(82,71,235)
Excess of Actual over estimated return on plan assets	-	-

IV. Actuarial Gain / Loss recognized

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Actuarial (gain) / Loss on obligations	18,07,191	29,15,968
Actuarial (gain)/loss for the year - plan assets	-	-
Total (gain) / loss for the year	18,07,191	29,15,968
Actuarial (gain)/loss recognized in the year	18,07,191	29,15,968

V. The amounts to be recognized in the balance sheet and statement of profit and loss

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Present value of obligations as at the end of year	(4,41,21,520)	(3,76,26,440)
Fair value of plan assets as at the end of the year	3,67,82,430	2,93,55,205
Funded Status	(73,39,090)	(82,71,235)
Net asset/(liability) recognized in balance sheet	(73,39,090)	(82,71,235)

VI. Expenses recognized in statement of profit and loss

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Current service cost	22,89,413	19,36,076
Interest Cost	30,16,900	24,83,029
Expected return on plan assets	(26,62,286)	(22,84,951)
Net Actuarial (gain)/loss recognized in the year	19,54,583	29,15,968
Expenses recognized in statement of profit and loss	45,98,610	50,50,122

NOTE :26**Employees' "stock option "cheme 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) being administered by the Employees Compensation Committee (ECC) 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 a period of 5 years from the date of vesting.

Accordingly, 10,28,000 granted to the employees on November 19,2013 with vesting period of one year at a grant price ₹40/- against the closing market price of ₹48.60/- on November 18,2013 resulting in a employees compensation cost of ₹88,40,800/- which has duly been written off during the vesting period.

All the granted options vested on November 19,2014 with the exercise period of five years therefrom. During the year, the Company has allotted 2,98,450 shares upon exercise of stock options by the employees. Upon the allotted aforesaid shares, an amount of ₹25,66,670/-, being the employees compensation cost for 2,98,450 shares, has been reversed from the total such compensation cost and added to the share premium account in accordance with Accounting Standards and the Company has received ₹10.60 Lacs on 26,500 options having been exercised by the employees during the quarter January to March 2016 and against which, allotment of equivalent shares are pending.

NOTE: 27**Energy Saver Projects (PPP)**

During the financial year, the company has commenced executing contracts with corporations/ municipal authorities in Tamilnadu with obligations over five year period. In accordance with the contractual terms, the company has recognized revenue after supply of materials, installation and commissioning. Amount receivable in future years is shown under Other Non-Current Assets. Service revenues attributable to these contracts will be recognised on certification by corporation/municipal authorities on fulfilment of performance obligations.

NOTE: 28 EARNINGS PER SHARE

Particulars	31-Mar-16	31-Mar-15
1 Net profit after tax for the year	₹17,04,74,914	₹11,98,06,529
2 Weighted average number of equity shares	1,25,90,048	1,02,83,737
3 Nominal Value per share	₹10/-	₹10/-
4 Earnings Per Share (Basic)	₹13.54	₹11.65
5 Earnings Per Share (Diluted)	₹12.87	₹10.79

NOTE: 29 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 2015-2016

NOTE: 29 RELATED PARTY DISCLOSURE (contd.)**a. Key Management Personnel**

Particulars	Designation	Nature of transaction	Total
1. R.Doraiswamy	Managing Director, Joint Managing Director & Chief Financial Officer	Remuneration	45,32,529
2. D.Rajeshkumar		Remuneration	44,77,529
3. P.Ramachandran	Whole Time Director (Marketing)	Remuneration	3,96,600
4. S Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	Salary	13,28,500

b. Board Members relative to Key Management Personnel

Particulars	Designation	Nature of relation
1. R.Dhamodharaswamy	Non-Executive Director	Brother Mr. R Doraiswamy, Managing Director
2. Dr.Mrs.RajeshkumarThilagam	Non-Executive Director	Spouse of Mr. D Rajesh Kumar, Joint Managing Director and Chief Financial Officer

c. Enterprise owned or significantly influenced by key management personnel or their relatives

PARTY NAME	NATURE OF TRANSACTION	Total	
		Dr	Cr
1 Micro Instruments Limited	Sale Of Materials	4,54,908	-
	Labour Charges	-	12,28,686
	Material Purchased	-	91,67,282
		4,54,908	1,03,95,968
2 Salzer Exports Ltd.	Sale Of Materials	11,91,16,683	-
	Labour Charges	-	1,35,37,338
	Service Related	31,919	-
	Material Purchased	-	33,00,000
		11,91,48,602	1,68,37,338
3 Salzer Magnet Wires Limit	Material Purchased	-	8,95,47,578
	Sale Of Materials	33,43,14,179	-
	Labour Charges	-	1,71,70,794
		33,43,14,179	10,67,18,372
4 Salzer Spinners Ltd	Windmill	9,80,843	-
		9,80,843	-
5 Plitron Mfg. Inc	Sale Of Materials	1,20,105	-
	Purchase Of Materials	-	-
	Royalty	-	68,43,487
6 Roots Multi Clean Ltd	Sale Of Materials	28,60,442	-
	Purchase Of Materials	-	1,83,925
		28,60,442	1,83,925
7 K R Health Care Pvt Ltd.	Medical Care Services	-	3,58,326
		-	3,58,326

NOTE: 30

Contingent Liabilities as at March 31, 2016

Particulars		In ₹
1 Towards import Obligation under EPCG Scheme is	:	2,20,95,630
2 Letter of credit (foreign and inland) for import and purchase of Raw materials is	:	29,60,23,952
3 Obligation towards Bank Guarantee is	:	4,29,18,030

NOTE: 31**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-16 ₹	31-Mar-15 ₹
Dues outstanding as at the end of the year for more than 45 Days	NIL	NIL

NOTE 32 : VALUE OF IMPORTS ON CIF BASIS

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
a. Rawmaterials	53,21,47,922	21,18,31,355
b. Components and Spare parts	23,24,01,492	20,49,85,038
c. Capital Goods	6,07,20,947	1,67,01,046
TOTAL	82,52,70,361	43,35,17,439

NOTE 33 : EXPENDITURE OF FOREIGN CURRENCY

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
a. Warehouse Maintenance	8,38,696	5,00,850
b. Foreign Tour	31,88,386	17,61,478
c. Dividend	2,57,964	2,57,964
d. Royalty	68,43,487	9,73,249
e. Sales Commission / Sales Promotional Expenses	15,37,123	-
f. Others (R&D Samples./Testing)	9,24,465	19,65,087
Total	1,35,90,121	54,58,628

NOTE 34 : IMPORT & INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Amount in ₹

Particulars	% of total Consumption as on 31.03.2016	Value on 31.03.2016	% of total Consumption as on 31.03.2015	Value on 31.03.2015
A Raw Material				
- Imported	35.23%	53,21,47,922	15.40%	21,18,31,355
- Indigenous	64.77%	97,85,01,044	84.60%	116,36,96,968
Total	100%	151,06,48,966	100%	137,55,28,323
B Components				
- Imported	24.68%	23,24,01,492	37.15%	20,49,85,038
- Indigenous	75.32%	70,94,30,424	62.85%	34,96,49,448
Total	100%	94,18,31,916	100%	55,46,34,486
C Packing Materials				
- Imported	-	-	-	-
- Indigenous	100%	6,59,68,237	100%	5,68,33,170
Total	100%	6,59,68,237	100%	5,68,33,170
D Stores & Spares				
- Imported	-	-	-	-
- Indigenous	100%	1,40,62,149	100%	1,24,71,990
TOTAL	100%	1,40,62,149	100%	1,24,71,990

NOTE 35 : SALES AND STOCK PARTICULARS OF FINISHED GOODS

Amount in ₹

Particulars	Sales Value	Closing Inventory	Opening Inventory
1 Current Year (in ₹)	355,39,17,847	35,98,46,080	42,29,50,899
2 Previous Year (in ₹)	276,22,70,196	66,08,05,365	57,80,94,657

NOTE 36 : EARNING IN FOREIGN CURRENCY

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
a. Export of Goods calculated on FOB Basis	54,13,30,004	45,45,45,900
b. Others	2,51,25,043	40,60,702
TOTAL	56,64,55,047	45,86,06,602

NOTE 37 : DIRECTORS' REMUNERATION

Amount in ₹

Description	R.Doraiswamy, Managing Director		D.Rajeshkumar, Joint Managing Director & Chief Financial Officer		P.Ramachandran, Whole Time Director	
	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15	31-03-2016	31-Mar-15
1 Salaries and Allowances	23,90,000	22,70,000	23,40,000	22,20,000	3,60,000	3,60,000
2 Contribution to Provident Fund	21,600	16,500	21,600	16,500	21,600	16,500
3 Bonus	15,000	15,000	10,000	15,000	15,000	15,000
4 Contribution to Pension Fund	-	-	-	-	-	-
5 Commission	21,05,929	20,10,206	21,05,929	20,10,205	-	-
TOTAL	45,32,529	43,11,706	44,77,529	42,61,705	3,96,600	3,91,500

NOTE 38 : PAYMENT TO AUDITORS

Particulars	31-Mar-16	31-Mar-15
	₹	₹
a As auditors Statutory Audit Fees	6,28,125	5,05,620
b Tax Audit Fees	1,50,750	84,270
c In Other Capacity	-	-
TOTAL	7,78,875	5,89,890

NOTE 39 : 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 40 :

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 41 : PENDING LITIGATION

CESTAT Appeal regarding dispute between notification for amount of ₹36,94,921/-, out of which ₹12 Lakhs has been paid condition of CESTAT Appeal No.C.CUS.No.675/2014 dt.15.04.2014

Appeal bearing No.1/2011 before the Labour court at Coimbatore filed by the Employee is pending in the Labour Court at Coimbatore.

NOTE 42 :

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 on-going process.

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 ₹50.13 lakhs and shown as additions to fixed assets of the Company. The revenue expenditure ₹143.64 lakhs is charged to the Profit & Loss account, is incurred for new products & process development. Further ₹61.10 lakhs represented the salary and other expenses of R&D personal which is included under Note No.22 – Employees Benefit expenses.

The accompanying Notes are an integral part of the financial statements

N.RANGACHARY
Chairman
(DIN :00054437)

D.RAJESHKUMAR
Joint Managing Director
& Chief Financial Officer
(DIN: 00003126)

Coimbatore - 47.
May 26,2016

R.DORAISWAMY
Managing Director
(DIN :00003131)

S.BASKARA SUBRAMANIAN
Director (Corporate Affairs)
& Company Secretary
(FCS No.4605)

In terms of our report attached

For **Swamy & Ravi**
Chartered Accountants
FRN :0043175

S.RAVICHANDRAN
Partner
Membership No.023783

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, 2016.			
2.	Declaration of a dividend on equity shares for the year 2015-2016.			
3	Appointment of a Director in place of Dr.Mrs.Rajeshkumar Thilagam, 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 Perumal Reddiar Ramachandran, 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 2016-17			
Resolution under Special Business				
6.	Reappointment of Shri. Rangaswamy Naidu Doraiswamy as Managing Director for another term of five years effective from 02/05/2016			
7.	Reappointment of Shri Doraiswamy Rajeshkumar as Joint Managing Director for another term of five years effective from 01/10/2016			
8.	Approval of Material Related Party Transactions			

Place:
Date:

.....
(Signature of the shareholder)



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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 5.00 p.m. on or before August 12, 2016. 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 31st Annual general meeting of the company, to be held on Saturday, August 13, 2016 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, 2016.
2. Declaration of a dividend on equity shares for the year 2015-2016.
3. Appointment of a Director in place of Dr.Mrs.Rajeshkumar Thilagam, 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 Perumal Reddiar Ramachandran, 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 2016-17.

Resolution under Special Business.

6. Reappointment of Shri. Rangaswamy Naidu Doraiswamy as Managing Director for another term of five years effective from 02/05/2016.
7. Reappointment of Shri Doraiswamy Rajeshkumar as Joint Managing Director for another term of five years effective from 01/10/2016.
8. Approval of Material Related Party Transactions as an ordinary resolution.

Signed this day of 2016.

On ₹1/-
Revenue
stamp to be
affixed here

Signature of 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.

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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“The journey of discovery is not in
seeing new lands but in seeing
with new eyes.”

MARCEL PROUST

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 2015-16.

Salzer Electronics Limited

Samichettipalayam, Coimbatore - 641 047, INDIA

Tel: +91-422-423 3600, +91-422-269 2531

Fax: +91-422-269 2170

Email: salzer@salzergroup.com, sales@salzergroup.com

CIN: L03210TZ1985PLC001535