

December 16, 2017

To

THE CORPORATE RELATIONSHIP DEPT
BSE Limited
I Floor, New Trading Ring,
Rotunda Building,
P.J.Towers, Dalal Street,
Fort, Mumbai - 400 001.

M/s. National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (E), Mumbai - 400 051
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SCRIP CODE: 517059

Symbol: **SALZERELEC**

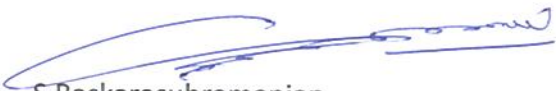
Dear Sir,

Sub : Proceedings of the Extra Ordinary General Meeting held on Dec 16, 2017

We are herewith submitting our Proceedings of our Extra Ordinary General Meeting of the Members of the Company held on December 16, 2017, as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Kindly acknowledge the receipt.

Thanking you
Yours faithfully
For Salzer Electronics Limited



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



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SALZER ELECTRONICS LIMITED
Proceedings of the EGM

PROCEEDINGS OF THE EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF M/S.SALZER ELECTRONICS LIMITED HELD IN TERMS OF SECTION 100 OF THE COMPANIES ACT 2013 AT ITS REGISTERED OFFICE AT SAMICHETTIPALAYAM, JOTHIPURAM (POST), COIMBATORE -641047 ON SATURDAY, THE 09th DAY OF SEPTEMBER 2017 AT 11.30 A.M.

DIRECTORS PRESENT:

- | | | |
|----|---------------------------|---|
| 1 | Mr. Doraiswamy R | : Managing Director |
| 2 | Mr. Rajeshkumar D | : Joint Managing Director & CFO |
| 3 | Mr. Ramachandran. P | : Whole Time Director |
| 4 | Dr. Mrs.Thilagam Rajesh | : Non Executive and Non Independent Director |
| 5 | Mr. Jayabal N | : Independent Director |
| 6 | Mr. Shah. P.K | : Independent Director |
| 7 | Mr. Sankaran. V | : Independent Director |
| 8 | Mr. Venkatapathy L | : Independent Director |
| 9 | Mr. Nirmal Kumar Chandria | : Independent Director |
| 10 | Mr. S.Baskarasubramanian | : Director (Corporate Affairs)
& Company Secretary |

IN ATTENDANCE:

Mrs. S Alamelu : Statutory Auditor
M/s. Swami & Ravi

Mr. G.Vasudevan : Appointed Scrutinizer for e-voting &
Ballot papers

In terms of Article 22 of the Articles of Association of the Company, the Members presented at the Meeting unanimously elected Mr. V Sankaran, Independent Director on the Board as the Chairman of the Meeting in view of the Chairman of the Company Mr.N Rangachary took leave of absence from the Meeting.

Following which, Mr. S Baskarasubramanian, Director (Corporate Affairs) & Company Secretary ascertained the presence of required quorum as mandated under Section 103 of the Companies Act 2013 read Article 119 of the Articles of Association of the Company and requested the Chairman of the Meeting to declare the Meeting open.

Accordingly Mr. V Sankaran, Chairman of the Meeting occupied the Chair and duly called Extra Ordinary General Meeting of the Members of the Company to order.



Members present in person : 52

In proxy : NIL

The meeting commenced at 11.30 a.m. with prayer.

Mr.D.Rajeshkumar, Joint Managing Director and Chief Financial Officer of the Company welcomed the Members present at the Meeting and briefly highlighted the growth programmes of the Company for achieving targeted turnover and the resultant requirement of the company to get itself ready to take such programmes forward with its dynamic approach so to grab available opportunities under various reform process of the Government in the Power Sector in particular and other industries in general besides seeking for yields in the revival of industrial sectors after beating down of the current slowdown.

Mr. R Doraiswamy, Managing Director in his address to the Members briefed about the importance of adding values to the investments made by the Shareholders considering their faith and trust reposed on the growth story of the Company. Accordingly, the Company needs to grow from strength to strength with sustainable focus on its goals and scouting the growth opportunities on a continuous basis by means of Organic and Inorganic approach. In this direction, the Company works on it and moves on it.

The Chairman of the Company, in his message to the shareholders, narrated on the objectivity of this meeting seeking for approval of the Members of the Company on various proposals which have duly been recommended by the Board and set out in the Notice calling and convening of this Meeting in order to carry out the process involved in the acquisition of entire business from Salzer Magnet Wires Ltd., ("SMW") on slump sale basis with Appointed date April 01,2017. He also indicated to the Members the following rationals behind such acquisition that would benefit Salzer Electronics Limited ("SEL") for their information:

- Immediate addition of Rs.60 Crores in the Sales Volume of SEL in FY 2018 with an incremental of growth of 20%-25% in the Next Five years;
- Strengthening the Products Portfolio with products like Enamelled Copper Wire, Fine Enamelled Copper Wires, and giving SEL an opportunity for further improvement of market penetration of these products, and to focus global markets over the period of time;
- Cables and wires being made by SEL and Enamelled Copper Wires made by SMW are more copper intensive. Thus integration of business of SMW would provide SEL a leverage for better price negotiation with suppliers of the Copper on the volume growth basis, and able to attain 1-2% price benefit;



- Since both Companies products are complementary in nature, the acquisition would bring cost efficiency in certain areas and provide scope for improvement in operational synergies of Wires and Cables business;
- The products of SEL like Three Phase Transformers and Torodial Transformers would get more benefits in terms of better pricing and margin as these products are consuming materials from SMW currently;
- The Products of SMW having more scope for innovation and application of refinement with the support of your Company's In-House R & D Facility which would help penetration in the global market and potential of the growth in export;
- SMW's State of Art Facility would provide complementary support synergistically for making wires and cables of SEL with improved competency in cost which would facilitate higher margin in cables business and
- SMW would bring in new customer base which are completely new to SEL

He further said that the acquisition of whole of the business undertaking from SMW includes all its assets and liabilities, movables and immoveable properties, approvals, permissions, licenses, etc.,

He concluded with his mark that acquisition of SWM's business will be in the interest of SEL to achieve its targeted growth vision.

The Chairman informed that with the permission of the members present at the Meeting, The Notice along with the explanatory statement, as circulated among all the members of the Company, was taken as read.

The Chairman opened floor for members' interaction with Members of the Board.

The Board Members answered to the queries raised by the Members.

The Chairman informed that pursuant to the Provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2016, the Company had provided the E-Voting facility to the Members of the Company in respect of the resolutions to be passed by the Members at this Extra Ordinary General Meeting. The remote E-Voting commenced on December September 11,2017 (9.00 a.m) and ended on December 15,2017 (5.00 PM)



The Chairman further informed that for those attended the meeting and who had not already casted their vote through E-Voting and Postal Ballot, facility to vote through ballot paper at this venue had been arranged. He informed that Mr. G.Vasudevan, a practicing Company Secretary, was appointed as Scrutinizer, to scrutinize the E-Voting, Postal Ballot and Ballot Process at the EGM

The Chairman drew the attention of the members on the following items, as set out in the Notice of EGM, for approval by means of E-Voting/ Postal Ballot and Vote at the Venue.

Special business

Item No.1 – Special Resolution

Re-classification of the authorized share capital of the Company with provision of both equity shares and Non Cumulative Convertible Preference shares i.e the existing authorized share capital of Rs.20,00,00,000 divided into 2,00,00,000 Equity Shares be reclassified into

- 1,90,00,000 Equity Shares having face value of Rs. 10/- each aggregating to Rs.19,00,00,000; and
- 10,00,000 Non Voting convertible preference shares having a face value of Rs.10/- aggregating to Rs.1,00,00,000

Item No.2 – Special Resolution

Amendment to Capital Clause of Memorandum of Association of the Company consequent to the re-classification of the Authorized Share Capital;

Item No.3 – Special Resolution

Alternation of relevant Article of the Articles of Association of the Company, making the provision for issuance of Non Cumulative Convertible Preference shares;

Item No.4 – ordinary Resolution

Acquisition of whole of the business undertaking of Salzer Magnet Wires Limited, a related party of the Company within the meaning of Section 2 (76) of the Companies Act, 2013, as a going concern on slump basis in accordance with the Business Transfer Agreement with appointed date April 01,2017 for a consideration other than cash;



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Item No.5 – Special Resolution

Allotment of 5,00,000 equity shares on preferential basis to Salzer Magnet Wires Limited at an issue Price of Rs.197/- per equity share for consideration other than cash in respect of aforementioned business acquisition;

Item No.6 – Special Resolution

Allotment of 5,30,000 Non Cumulative Convertible 5% Preference Shares ("NCCPS") at an issue Price of Rs.197/- Per NCCPS to Salzer Magnet Wires Limited for consideration other than cash in respect of aforementioned business acquisition

The Chairman informed that voting results on the resolutions as placed before the Members would be notified within two days on the Company website as well as on the exchange web sites and web site of CDSL.

The Extra Ordinary General Meeting finally ended with vote of thanks to the Chair.

The Meeting closed at 12.30 P.M

Sd/-
- Chairman of the Meeting

Date : December 16, 2017

Place : Coimbatore

Post Annual General Meeting, the Scrutinizer submitted his statement dated Dec 16,2017 with the Director (Corporate Affairs & Company Secretary) as authorized by the Chairman, on the declaration of the Results based on the votes casted through Remote E-Voting, Postal Ballot and Voting by ballot Paper at the Venue.

In pursuance of appended Scrutinizer Results, all resolutions in respect of aforesaid items as placed before the Members have been duly approved by the requisite majority and deemed to have duly been passed at the Meeting.

For **SALZER ELECTRONICS LIMITED**

S. BASKARASUBRAMANIAN
DIRECTOR (CORPORATE AFFAIRS) &
COMPANY SECRETARY