salzer

ANNUAL REPORT
2018 – 19



Creating Value through Efficiency & Innovation

www.salzergroup.com

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34TH ANNUAL GENERAL MEETING (AGM) INFORMATION

Date	:	August 10, 2019
Day	:	Saturday
Time	:	11.30 am
Venue	:	"SAGARI HALL" The Grand Regent, 708, Avinashi Road, Opp. Hotel The Residency, Coimbatore - 641018

Cautionary Statement

Certain expectations and projections regarding the future performance of the Company Referenced in the Annual Report constitute forward-looking statements. These expectations and 'projections are based on currently available competitive, financial and economic data, along with the Company's operating plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

Corporate Information

BOARD OF DIRECTORS

Mr. Rangachary N. – Chairman

Mr. Doraiswamy R.– Managing Director

Mr. Rajeshkumar D. – Joint Managing Director & CFO

Mr. Ramachandran P. – Whole Time Director

Mr. Damodharaswamy R.

Mr. Jayabal N.

Mr. Nirmal Kumar M. Chandria

Dr. Otto Eggimann

Mr. Sankaran V.

Mr. Shah P.K.

Dr. Thilagam Rajeshkumar

Mr. Venkatapathy L.

DIRECTOR (CORPORATE AFFAIRS) & COMPANY SECRETARY

Mr. S. Baskarasubramanian

BANKERS

M/S. Canara Bank

M/S. AXIS Bank Limited

M/S. Citi Bank

M/S. HDFC Bank Limited

M/s. ICICI Bank Limited

M/S. Union Bank of India

STATUTORY AUDITORS

M/s. Swamy & Ravi
Chartered Accountant
No.90, Co-operative A Colony
K K Pudur, Coimbatore -641038

INTERNAL AUDITOR

Covai Management Services
Coimbatore - 641 011

SECRETARIAL AUDITOR

CS G.Vasudevan B.COM, LL.B, FCS
Company Secretary in Practice
No.60A, First Floor, School Road,
Krishnasamy Nagar, Ramanathapuram,
Coimbatore 641 045.

COST AUDITOR

CMA A.R. RAMASUBRAMANIA RAJA
DTT, BCOM, BGL, MBA, FCS, ACMA
19, Third Street, Gokulam Colony, P.N.Pudur,
Coimbatore 641 041

SHARE TRANSFER AGENT (PHYSICAL & DEMAT)

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

LISTING ARRANGEMENTS

BSE Limited (Bombay Stock Exchange Ltd) and National Stock Exchanges of India Limited

REGISTERED OFFICE

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

PLANT LOCATIONS

UNIT-I

Samichettipalayam, Jothipuram (Via),
Coimbatore 641 047

UNIT-II

Chinnamaddampalayam,
Coimbatore 641 019

UNIT-III

2, Gudalur Village Samichettipalayam,
Jothipuram via, Coimbatore 641 047

UNIT-IV

S F No.863, Coimbatore Main Road,
Bettathapuram, Coimbatore 641 104

UNIT-V

S F No.882/3, Coimbatore Main Road,
Bettathapuram, Coimbatore 641 104

SALZER'S JOURNEY

MANAGEMENT

Mr. R. Doraiswamy, a first-generation entrepreneur and a veteran with over two decades of industrial experience founded and promoted Salzer. Today the Company forges ahead under the able leadership of the US-educated Mr. Rajesh Doraiswamy, Joint Managing Director.

SALZER'S KEY MILESTONES

It was in 1985 that Salzer Electronics Limited set off on a course that ushered global standards into electricals and electronics. It was a time-bound technical collaboration with Saelzer Schaltgerate Fabrik, GmbH, Germany to manufacture CAM-operated rotary switches.

This was followed by a strategic alliance from 1993 with Larsen & Toubro, an engineering and infrastructure major to market Salzer switches in India.

In 1995 the Company entered into an alliance with Plitron Manufacturing Inc., Canada, for the manufacture of Toroidal Transformers on a 50% buy-back JV.

In 2001, Salzer Controls Limited merged with Salzer Electronics Limited and strengthened the products portfolios with the Products like Load Break Switches, Transformers, Conduit Tubing etc.,

In 2008, Salzer Cables Limited merged with Salzer Electronics Limited and added Wires and Cables products in the total products fold.

In 2016, Technical Tie-up with Trafomodern Austria for Manufacturing of Three Phase dry type Transformers.

In 2017, signed Contract with GE Transportation for supply of Contactors for Locomotives for 10 years.

In 2018, Acquired the total business from Salzer Magnet Wires Limited and complimented the Product basket with the addition of Enamelled Copper wires; and

In 2019, Acquisition of Kaycee Industries Limited is underway so to strengthen market share of Rotary switches products.

RECOGNIZED RESEARCH & DEVELOPMENT CENTRE

Salzer focuses on designing and developing market-specific products in line with the emerging trends in the industry. The Company's in-house R&D has been recognized by the Ministry of Science & Technology, Dept. of Science & Industrial Research, Govt. of India.



PRODUCT PORTFOLIO

Salzer's range of electrical products include load-break switches, wiring ducts, energy-saving products, terminal connectors, selector switches, DC disconnectors, electromagnetic relays, flexible bus bars, wire harnesses, motor control products, Wires & Cables and magnetic wires, besides modular wiring accessories and allied specialty products.

QUALITY CERTIFICATIONS

Salzer's steadfast commitment to quality adherence has earned the company a clutch of certifications and recognitions from prestigious institutions. These include: ISO 9001, ISO 14001:204 and OHSAS 1801:2007. Salzer's products have also been approved by Canadian Standards Association, Underwriters Laboratories (UL) and Conformite Europeanee (CE) with RoHS compliance.

CUSTOMERS

Salzer has a growing client base in India and abroad. Some the prominent clients include Schneider, Philips, C3 Controls, Larsen & Toubro, LMW, Premier, Valeo, Europa, V-Guard, BHEL, Elgi, ABB, Yokogawa, Nuclear Power Corporation, Sears, Alstom and Eaton, just to mention a few.

MANUFACTURING HUBS

Salzer has five production facilities in Tamil Nadu.

This Fiscal in Retrospective

The Year 2018-19 has been one of greater momentum for SALZER.

The thrust mainly came from our two new initiatives: Wire harnesses and three phased dry type transformers under the Industrial Switch gear division. These products opened maiden avenues, new clients and new sectors.

SALZER's culture of innovation has lent a new dimension to the products, generating a wide acceptance across our new clientele.

The Wires & Cable Division, a business vertical contributing 48 per cent of our revenue, will be starting the production of data cables towards the end of FY20. A product category holding prospects of tremendous demand, Data Cable is expected to make a remarkable upswing in the earnings of the Company

We continue to explore niche and sustainable opportunities that helped us drive both revenue and profitability during the year. Our switchgear business continued to deliver sustainable growth, contributing a 41% share of our revenue and retaining India's leadership position with one-fourth market share in Cam Operated Rotary Switches.

We also made further inroads into the USA and Europe, consolidating our strengths and leveraging our advantage as a domestic market leader.



Creating Value Through Innovation & Efficiency

The world is increasingly demanding the best. This is true, also, of the manufacturers of electronic and electrical products .

Creation of value no longer depends upon just scale or size, but on smartness and agility.

SALZER adapts to this emerging environment by rediscovering its internal strengths and efficiently redeploying its resources.

Backed by over 28 years of impressive performance and customer centric approach, Salzer aspires to be a global leader by providing total electrical solutions.

This is made possible through optimization of the vital capabilities: intellectual, innovative, physical and technological.

In the global market, where a high order of competence is the rule SALZER moves ahead by sheer merit.

Broad financial highlights

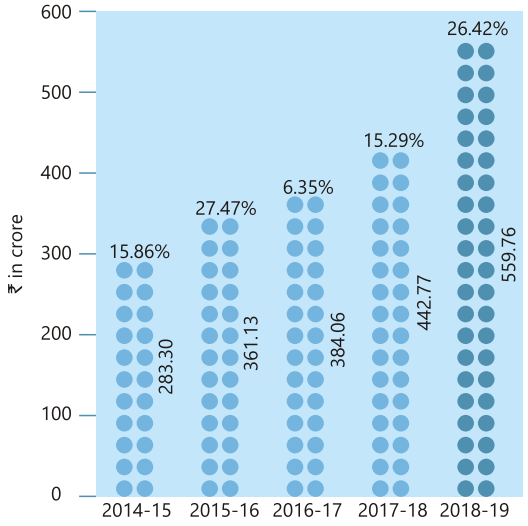
(₹ in Crs)

Results from Operations	2019	2018	2017	2016	2015	2014
Domestic	495.35	394.51	380.80	351.60	262.68	226.66
Exports	56.14	52.15	57.79	54.14	45.45	40.98
Total Gross Sales Revenue	551.49	446.66	438.59	405.74	308.13	267.64
Less: Duties and Taxes	0	10.56	58.69	50.35	31.90	29.37
Revenue from Sale of Products	551.49	436.10	379.90	355.39	276.23	238.27
Sale of services (Energy Saver)	1.16	3.49	1.52	3.56	4.66	3.73
Other Operating Income	7.11	3.18	2.64	2.18	2.41	2.53
Net revenue from Operations	559.76	442.77	384.06	361.13	283.30	244.53
Other Income	0.71	3.10	6.75	2.81	1.00	0.93
Total revenue	560.47	445.87	390.81	363.94	284.30	245.46
Operating Profit (EBITDA)	63.64	53.28	42.91	42.89	35.46	30.22
Depreciation and Amortization	12.16	10.53	9.81	8.32	7.14	7.52
Finance Cost	19.88	14.91	14.59	13.14	12.34	11.94
Profit before Tax	32.31	30.94	25.26	24.24	16.97	11.69
Profit After Tax	23.96	20.02	17.09	17.05	11.98	8.44
Dividend Payout incl Tax	3.08	3.07	2.76	2.65	2.44	1.80
Balance Sheets						
Share Capital	15.98	15.53	14.35	13.64	10.28	10.28
Reserves & Surplus	271.01	255.07	207.65	177.62	96.79	86.42
Net worth	286.99	270.60	222.00	191.26	107.07	96.70
Secured Borrowings	139.81	135.43	105.55	94.38	96.60	74.33
Net fixed Assets	182.97	166.32	129.33	110.36	83.37	68.38
Investments (Current and Non- Current)	3.67	3.08	4.47	17.52	5.66	6.10
Current Assets	349.69	327.59	282.56	239.39	185.98	156.60
Current Liablities	253.99	236.56	195.44	157.61	144.34	124.66
Net working Capital	95.70	91.03	87.12	81.78	41.64	31.94
Performance Indicators						
Domestic Sales Growth	25.56%	3.60%	8.30%	33.85%	15.89%	6.43%
Exports Sales Growth	7.65%	-9.74%	6.75%	19.09%	10.94%	24.51%
Export contribution to the Sales	10.18%	11.96%	15.21%	15.23%	16.46%	17.20%
Operational Revenue growth	26.42%	15.29%	6.35%	27.47%	15.86%	6.91%
Operating Profit Margin	11.37%	12.04%	11.17%	11.88%	12.52%	12.36%
Operating Profit growth	19.44%	24.19%	0.04%	20.97%	17.33%	6.16%
Net Profit Margin	4.27%	4.49%	4.37%	4.68%	4.21%	3.44%
Net Profit Growth	19.68%	17.14%	0.25%	42.29%	41.90%	19.54%
Earning per shares - Basic (in Rs.)	15.21	13.82	12.35	13.54	11.65	8.21
Dilute (in Rs.)	15.10	13.45	11.89	12.87	10.79	8.21
Book value per share (in Rs.)	185.15	174.58	154.72	140.19	104.12	94.04
Dividend per cent	16%	16%	16%	16%	15%	15%
Dividend per share (in Rs.)	1.6	1.6	1.6	1.6	1.5	1.5
Dividend Payout Ratio	13%	15%	15%	16%	20%	21%
Market Cap (Rs. in Crs) as at March 31	189.27	293.79	271.00	287.59	240.43	63.71
Price Earning Ratio (Times)	8	14	15	14	20	8

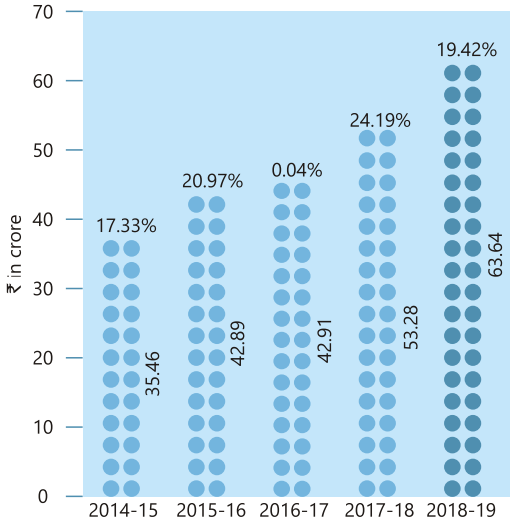
The numbers for FY19 & FY18 are given under IND AS

Financial Highlights

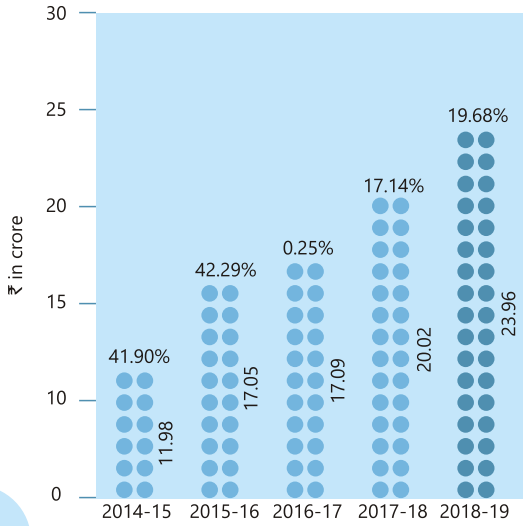
Operational Revenue Growth (Year on Year)



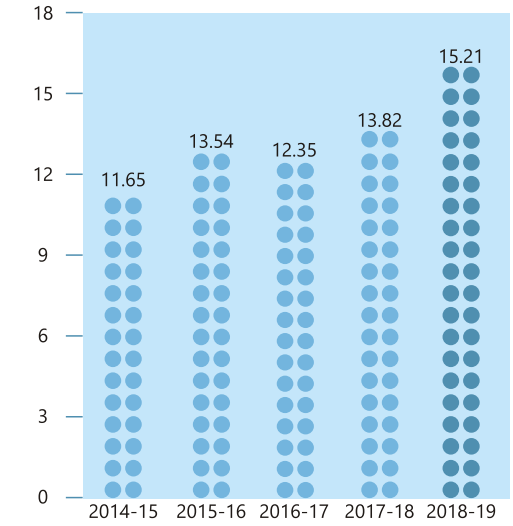
EBIDTA Growth (Year on Year)



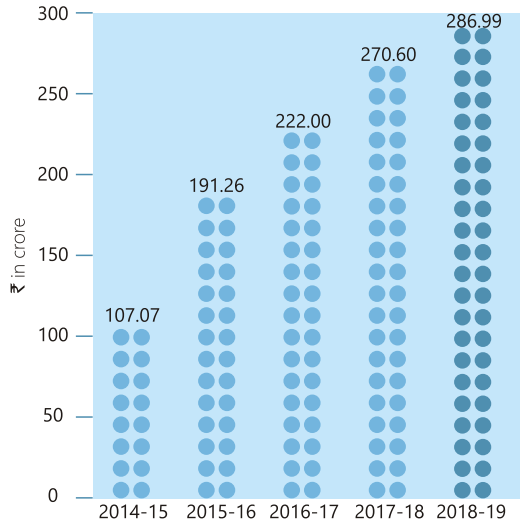
PAT Growth (Year on Year)



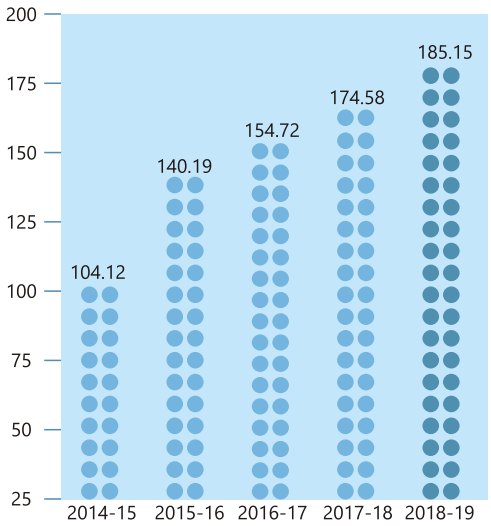
Earnings Per Share (Year on Year)



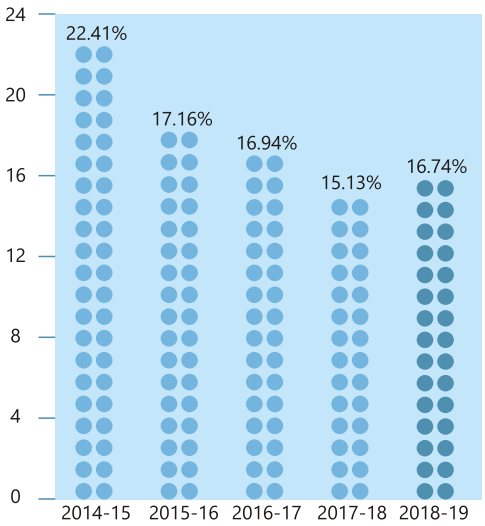
Net worth of the Company



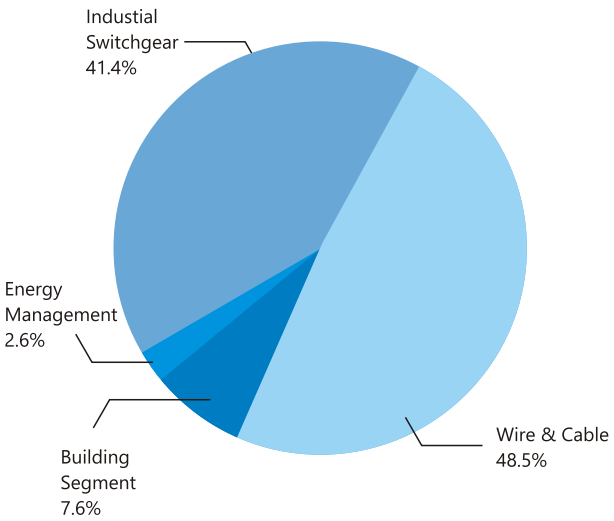
Book Value Per Share



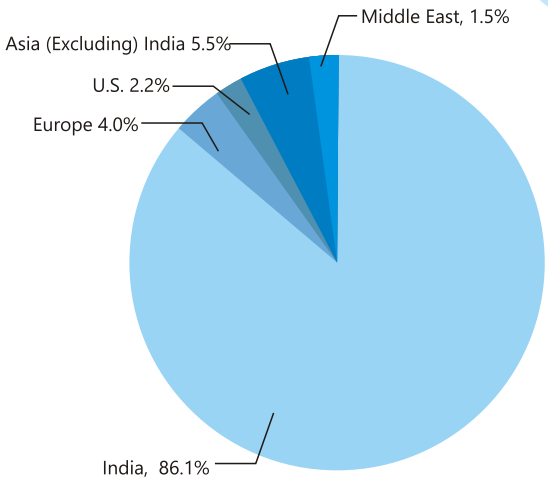
Return on Capital Employed (ROCE)



Revenue Contribution FY 19



Goegraphical Contribution FY 19



Managing Director's Message

"Sustainability and Persistency are two factors determining the destiny of success of any business"

R. DORAISWAMY Managing Director



Dear Shareholders,

It is my pleasure to share with you all, the progress of our Company over the last year. It indeed was an eventful year for us at Salzer. We focussed not only on driving sustainable growth but also increasing the efficiencies across all our businesses with a clear target on improving our return on capital employed. I am happy to share that despite continued sluggishness and challenges in the economy in general and industry in particular, we demonstrated a robust growth across all performance parameters like revenue, EBITDA, profit after tax and return on capital employed. This growth takes us one step closer to the long-term goals which we have set for ourselves.

I am also pleased to share that our Company's CRISIL credit rating has been upgraded from 'CRISIL A-/Positive' to 'CRISIL A/Stable for long term borrowing, reflecting our strong position in terms of our balance sheet and credit worthiness. Our Company has received the prestigiousInternational Automation Task Force (IATF) Certification and ISO TS 16949 certificate for both our magnetic wire and the cable divisions, reflecting our strong position in terms of our balance sheet and credit worthness. Such developments serve as a strong testament to our leading position in the domestic rotary switchgear market, and motivate us to further drive innovation in the industry.

Financial Performance

During the year, our Company registered a revenue growth of 26% Y-o-Y to Rs. 560 crores from Rs. 443 crores in FY18. Our EBITDA was at Rs. 63.6 crores as against Rs. 53.3 crore in FY18 representing a growth of nearly 20% Y-o-Y. Profit after tax was at Rs. 24.0 crore during the year as compared to Rs. 20.0 crore in FY18, a YoY growth of 20%.

This growth was mainly driven by increased contribution from our key business segments of Industrial Switchgear and Wires & Cables. Our two newly launched products in the Industrial switchgear segment - three phase dry type transformers and wire harness have been successful and continue to witness good traction and are growing steadily.

In the wires and cables segment, we have also started to manufacture and sell products under the brand 'Salzer', which is receiving significant enquiries and is gaining momentum.Also we have shown significant growth in Export marketing particularly to Germany. Going forward, we are confident of growing this business and increasing our revenue contribution from this segment. Our Salzer brand of products represents our vision of technological innovation, while creating value for stakeholders through operational efficiencies.

Our Building product segment, the only B2C business segment, witnessed a growth of 98% during the year. This segment has been growing rapidly on the back of a good product portfolio and increasing focus on the retail business. We are conducting promotional activities to create awareness for our products under this segment, and aim to increase the share of this segment to around 10% of our total revenue over the coming years.

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Our energy management, an order book driven division, offers complete energy saving solutions such as streetlight controllers for corporations across the country. We have successfully commissioned a large project in Tamil Nadu in the past and expect good business coming in from EESL in the near future.

Creating Value for Shareholders

Though the current business environment continued to pose new challenges; our Company has shown the resilience to manage such hurdles. We have been systematically investing in research and innovation to make newer and better products for our customers. We continue to make meaningful progress in our businesses through the launch of new products, optimally utilizing our available resources to improve efficiencies thereby creating sustainable & long term value.

In line with our long term strategy of profitable & value creating growth, I am happy to share that the Board has consented to the acquisition of a majority stake in Kaycee Industries Limited, a pre-independence Company with a legacy of over 75 years. Kaycee Industries is a pioneer in the industrial switchgear business. This acquisition would further boost our Company to increase its market share in the industrial switchgear segment and consolidate our industry leadership in this niche product. The synergies with Kaycee will also enable us to enhance, strengthen and grow our suite of product offerings.

Looking Forward

India is one of the world's fastest growing major economies. But interestingly it is still a developing country. At different levels there are government directives to replace older redundant systems to achieve operational safety, and security in industrial establishments. Under these developments on the consumption side, India is emerging as a significant player and market on the global map.

We at Salzer are excited about the opportunities that the industry has to offer going forward. We are well-positioned to capitalize upon the same, with our focus on innovation and improving efficiencies. We continue to work on sourcing global technologies to manufacture products in India and have entered into technical tie up's with globally renowned players to develop technically advanced products for our customers.

I am proud to have a motivated team of people, resolved to perform better and to seize the opportunity for sustainable & profitable growth. Together, we will continue to focus on growing our business, improving our working capital cycle & efficiencies leading to a higher return on capital employed. Our united aim is not just to drive sustainable growth, but also to create value through efficiency and innovation.

I would like to thank our employees for their untiring efforts, the Board for their guidance, all our stakeholders including bankers for their consistent support and encouragement in all our endeavours. We continue to look forward to your guidance and support, motivating us to reach newer heights and aim higher!

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 34th Annual General meeting of the members of Salzer Electronics Limited will be held at "SAGARI HALL" the Grand Regent, 708, Avinashi Road, Opp. Hotel The Residency, Coimbatore 641018 on Saturday, the 10th August 2019 at 11.30 am 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, 2019, comprising of balance sheet as at March 31, 2019, statement of profit and loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon;**

   "**RESOLVED THAT** the Audited Financial Statement comprising of balance sheet as at March 31, 2019, statement of profit and loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted."

2. **To declare a dividend on Equity Shares for the financial year 2018-19.**

   "**RESOLVED THAT** a dividend at the rate of 16% (₹ 1.60 one Rupee and Sixty Paise Only) per equity share of ₹ 10/- each (Rupees Ten Only) fully paid-up of the Company be and is hereby declared for the Financial year 2018-19 and the same be paid as recommended by the Board of Directors of the Company, out of the Profit of the Company for the financial year ended March 31, 2019."

3. **To appoint a Director in place of Mr.Rajeshkumar (DIN: 00003126), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.**

   "RESOLVED THAT in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company Mr.Rajeshkumar (DIN: 00003126), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of his office by means of retirement by rotation at the Annual General Meeting."

4. **To appoint a Director in place of Mr.P.Ramachandran (DIN: 01043572), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.**

   "RESOLVED THAT in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company Mr.P.Ramachandran (DIN: 01043572),a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the company, subjected to determination of his office by means of retirement by rotation at the Annual General Meeting."

5. **To consider and appoint a Statutory Auditor and authorise the Board to consider to fix their remuneration.**

   To consider and if thought it fit, to pass the following resolutions with or without modifications as may be deemed fit.

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s.JDS Associates, Chartered Accountants (FRN:004317S)be and is hereby appointed as Statutory Auditors of the Company to hold office for a term of five years from 2019-20 i.e. from the conclusion of 34th AGM scheduled to be called and convened during the year 2019 till the conclusion of the 39th Annual General Meeting for the year 2023-24, during the year 2024, at such remuneration plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf."

Special Business:

6. **To consider and approve the appointment of Mr.S.Baskarasubramanian, (DIN: 00003152) as a Director (Corporate Affairs) & Company Secretary.**

   To consider and if thought fit to pass the following resolutions with or without modification 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 based on the recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to ratify and approve the appointment of Mr.S.Baskarasubramanian (DIN: 00003152), as a Director (Corporate Affairs) and Company Secretary for a term of five years with effect from September 01, 2019 on an remuneration and perquisite upon the terms and conditions as detailed below:

1) Remuneration

Monthly Remuneration of ₹ 1,20,000/-per month with annual increase of ₹ 10,000/-

2) Other emoluments

a. House Rent Allowance :

House Rent Allowance will be considered to be paid, subject to the ceiling stipulated under sec 198, schedule V of the Companies Act, 2013 and other applicable provisions, if any, in future.

b. 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.

c. Leave Travel concession :

As per Company Rules from time to time.

d. Personal Accident Insurance :

Premium not to exceed ₹ 1000.00 per annum

e. Club Fees :

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

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

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Encashment of leave at the end of tenure."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr.S.Baskarasubramanian, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under Schedule V of the Companies Act, 2013 or such other relevant provisions and limits as may be prescribed by the Government from time to time in this regard."

7. To consider and ratify the remuneration payable to CMA. A.R.Ramasubramania Raja (M.No. 32458) appointed as Cost Auditors of the Company for FY 2019-20.

To consider and if thought it, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, CMA.A.R.Ramasubramania Raja (M.No. 32458), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2019-20, be paid a remuneration of ₹ 95,000/- (Rupees Ninety Five Thousand Only) per annum plus applicable service tax and out-of-pocket expenses on actual basis."

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

By Order of the Board
For Salzer Electronics Limited

Date: May 24, 2019
Place: Coimbatore

R. DORAISWAMY
Managing Director
DIN: 00003131

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Act setting out material facts concerning the business under Item Nos. 6 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item Nos. 3 & 4 of the Notice, are also annexed.

2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM.

3. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total paid-up 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 paid-up share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

NOTICE (Contd.)

4. The Register of Members and Share Transfer Books of the Company will be closed on **Friday, August 9, 2019 to Saturday, August 10, 2019**, in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

6. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within the stipulated time to those Members whose names appearing on the Company's Register of Members:-

   a) As Beneficial Owners as at the end of business hours on **August 10, 2019** 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 transmission / transposition lodged with the Company, on or before **August 2, 2019** and whose names appearing in the Register of Members as at **August 10, 2019** in respect of Members holding shares in physical form.

7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. GNSA Infotech Pvt. Limited (GNSA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to GNSA.

8. SEBI has notified that securities of listed companies can be transferred only in dematerialised form, after December 05, 2018, which has been further extended upto 31.03.2019. **As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode will not be processed with effect from 1st April 2019**.

9. In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialize and to avail various benefits of dematerialization and to eliminate all risks associated with physical shares and for ease of portfolio management.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or GNSA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

12. Members seeking any information with regard to the Financial Statements are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.salzergroup.net (under 'Investors' section). Members holding shares in physical form may submit the same to RTA /Company. Members holding shares in electronic form may submit the same to their respective depository participant (DP).

14. **Those Members who have so far not encashed their dividend warrants for the Financial year 2011-12,** may approach GNSA, for making their claim without any further delay as the said unpaid dividends will get transferred to the Investor Education and Protection Fund of the Central Government **before August 2019** pursuant to the provisions of Companies Act 2013. Further Ministry of Corporate Affairs has notified on September 05, 2016 operation of Section 124(6) of the Companies Act 2013 and Related Rules "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective September 07, 2016 which, inter alia, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account.

NOTICE (Contd.)

15. Due dates for transfer of unclaimed / unpaid dividends from the financial year 2011-12are as under and thereafter the unclaimed/unpaid dividend amount will be transferred to IEPF:

FY ended	Declaration Date	Last date for encashment	Due Date
2011-12 (31.03.2012)	11.08.2012	15.09.2019	14.10.2019
2012-13 (31.03.2013)	10.08.2013	15.09.2020	14.10.2020
2013-14 (31.03.2014)	09.08.2014	14.09.2021	13.10.2021
2014-15 (31.03.2015)	08.08.2015	13.09.2022	12.10.2022
2015-16 (31.03.2016)	13.08.2016	19.09.2023	17.10.2023
2016-17 (31.03.2017)	09.09.2017	15.10.2024	14.11.2024
2017-18 (31.03.2018)	22.09.2018	28.10.2025	26.11.2025

16. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts, which were unclaimed and unpaid for a period of 7 consecutive years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

17. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company transferred the shares in respect of the dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date, to the IEPF Authority and the details are available on the website of the Company and the same can be accessed through the link: http://www.salzergroup.net/investors.html. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

18. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the webpage:http://www.iepf.gov.in/IEPFA/refund.htmlor contact our RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.

19. A sum of Rs.5,71,174/- has been transferred to the Investor Education and Protection Fund in the year 2018 towards unclaimed/unpaid dividend declared during September 2011.

20. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.

21. Members holding shares in physical mode:

    a) are required to submit their Permanent Account Number (PAN) and Bank Account details to the Company/ RTA, if not registered with the Company as mandated by SEBI.

    b) are requested to register / update their e-mail address with the company / RTA for receiving all communications from the company electronically.

22. Members holding shares in electronic mode:

    a) are required to submit their Permanent Account Number (PAN) and Bank Account details to their DPs with whom they are maintaining their demat account.

    b) are requested to register / update their e-mail address with their DPs for receiving all communications from the company electronically.

23. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

24. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.salzergroup.net/investors.html

25. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / GNSA.

NOTICE (Contd.)

26. The route map showing directions to reach the venue of the thirty fourth AGM is annexed.

27. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

28. The Board of Directors has appointed G V and Associates, Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

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

30. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

31. The voting period begins on Monday, August 5, 2019 (9.00 a.m.) and ends on Friday, August 09, 2019 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday August 2, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

32. THE INSTRUCTIONS FOR E-VOTING ARE AS UNDER:

(i) The shareholders should log on to the e-voting website www.evotingindia.com

(ii) Click on Shareholders.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Dreamt Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters,e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for SALZER ELECTRONICS LIMITED on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

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

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

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

33. 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 August9, 2019. Detailed instructions on voting through post are given on the reverse of the Ballot Form

The facility for voting, either through electronic voting system or 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.

34. Other Instructions

i. The e-voting period commences on Monday, August 5, 2019 (9.00 a.m.) and ends on Friday, August 9, 2019 (5.00 p.m.). During this period, Members holding shares either in physical form or in dematerialized form, as on August 3, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

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 www.evotingindia.com.

NOTICE (Contd.)

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, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and not later than three days of the conclusion of the meeting, and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company to countersign the same.

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 **12th July 2019** 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.

By Order of the Board
For Salzer Electronics Limited

R. DORAISWAMY
Managing Director
DIN: 00003131

Date : May 24, 2019
Place : Coimbatore

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5, 6 & 7 of the accompanying Notice:

Item No.5

Pursuant to the provisions of the Companies Act, 2013 and read with the Companies (Audit & Auditors) Rules 2014 which have come into effect from 01.04.2014, the present term of Statutory Auditors M/s.Swamy & Ravi expires at the conclusion of the 34th AGM of the company for the year 2018-19 scheduled to be held during the year 2019 and as they have already completed their two terms as Statutory Auditors of the company, the company has to appoint a Statutory Auditor in the place of present Statutory Auditors - M/s.Swamy & Ravi, Chartered Accountants. Accordingly, the Board of Directors at their meeting held on 24.05.2019 considered the proposal of appointment of Statutory Auditors for the term of five years commencing from the conclusion of 34th AGM of the Company for the year 2018-19 till the conclusion of 39th AGM of the company for the FY 2023-24 to conduct the audit of the financial statements of the company M/s.JDS Associates, Chartered Accountants having their office at Jewel complex, 642 Raja Street, Coimbatore 641 001 (FRN No.008735-S), with due recommendation of the Audit Committee.

M/s. JDS Associates, vide its letter dated May 08, 2019 (a Copy enclosed), has given their Consent to become the Statutory Auditor and confirmed to the effect that

- The Audit Firm eligible to be appointed as Statutory Auditor, and has not incurred any disqualifications under the Companies Act 2013;
- The Audit Firm is not disqualified for appointment under the provisions of Chartered Accountants Act, 1949 and rules and regulations made there under;
- The proposed appointment is as per the terms provided under the Companies Act 2013;

- The proposed appointment is within the limits laid down by or under the authority of the Companies Act 2013;
- No orders have been issued and there are no proceedings pending against the firm with respect to professional matters of conduct before the Institute of Chartered Accountants of India, any competent authority, or any court and
- The Firm has been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.
- The Firm has four Partners with the wide scope of audit program covering major Listed and Unlisted Companies in Coimbatore, Bank Audit including Statutory Audit Branch Audit, Concurrent Audit, and Stock Audit etc., in the Major Banks across the state.
- Having wide exposures on the Income Tax Provisions, Accounting Standards and related Rules and Regulations and Hands on experience in appearance before the Income Tax Authorities at different levels on various matters.

Accordingly, your Board of Directors have placed necessary resolution for your consideration and approval on the appointment of M/s.JDS Associates, Chartered Accountant as Statutory Auditors of the company for a term of five years.

None of the Directors have any pecuniary interest in this proposal and recommended the proposal for your approval.

Item No.6

Mr. S Baskarasubramanian has been associated with the Company since 1993 in the capacity of the Company Secretary, looking after all the Corporate Compliance activities under the Companies Act as well as SEBI Regulations, and in the capacity of Director (Corporate Affairs) since 2000, taking care of various day today Corporate affairs of the Company, more particularly, functions relating to Human Resource Developments and co-ordination with the Banks for the credit arrangement. He has got more than 50 years of experience in both Government and Corporate Sectors in public limited companies as well as companies in private sectors.

He has successfully handled the Major Corporate Restructurings/Corporate Actions such as…

- In May 1995, Bonus issue of 7,20,000 equity shares;
- In November 1995, Right issue of 14,40,000 equity shares;
- In 2001, Merger of Salzer Controls with Salzer Electronics ;
- In 2006, Preferential issue of 17,21,667 specified securities comprising of 12,21,667 equity shares and 500000 Convertible Share warrants ;
- In 2007, preferential issue of 1165000 specified Securities Comprising of 915808 shares placed with L &T and 249192 convertible share warrants;
- In 2008, Merger of Salzer Cables with Salzer Electronics Limited;
- In 2015, Completion of Qualified Institutional Placement of 26,41,000 equity shares with Institutional Investors and Preferential issue of 10,00,000 Convertible share warrants;
- In 2018, Completion of entire business acquisition from Salzer Magnet Wires Limited on Slump basis and
- Successfully managed and completed the Employees Stock Options Scheme

Pursuant to the provisions of the section 196 & 197 of the Companies Act, 2013 wherein the persons who are occupying the position of Executive Director on the Board of Directors of the public limited company beyond the age of 70 years the appointment could be either continued or to be appointed / re-appointed only subject to the confirmation and approval of the shareholders by means of a special resolution. Mr. S.Baskarasubramanian, being occupied the position of directors and is above 70 years of age, this proposal is placed before the shareholders for their approval.

Considering the above and the requirement of his contribution the Board of Directors at their meeting held on May 24, 2019, based on the recommendation of Nomination and Remuneration Committee, approved the appointment of Mr.S.Baskarasubramanian for a term of Five years effective from 01.09.2019 with a monthly remuneration of ₹ 1,20,000/- with an annual increment of ₹ 10,000/- per month, during period of office and with such other emoluments as set out in the resolutions and subject to the confirmation and approval of the shareholders by means of special resolution and recommended the same for confirmation and approval of the shareholders.

NOTICE (Contd.)

Mr. S. Baskarasubramanian fulfills all the conditions as set out in Part I of Schedule V to the Companies Act 2013 and also conditions set out under Section 196(3) of aforesaid Act for being eligible for his appointment. He is mot disqualified from being appointed as Director in terms of Section 164 of above Act.

Details of Mr. S. Baskarasubramanian are provided in the "Annexure" to the Notice.

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

Item No.7

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on May 23, 2019, the Board considered and approved the appointment of CMA. A. R. Ramasubramania Raja (M.No. 32458) as the Cost Auditor for the FY 2019-20 at a remuneration of ₹ 95,000 plus applicable service tax and reimbursement of out-of-pocket expenses on actual basis. The Board of Directors recommends the Ordinary Resolution as set out in Item No. 7 of the Notice for the approval of the shareholders.

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

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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	Mr. D. Rajeshkumar	Mr. P. Ramachandran	Mr. S. Baskarasubramanian
DIN	00003126	01043572	00003152
Category	Executive Director	Whole Time Director	Executive Director
Date of Birth	25/09/1971	01/09/1948	15/07/1943
Date of Appointment on the Board	22/12/2001	26/09/1998	01/10/1994
Qualification	BE., MBA.,	M.A.,	B.COM., F.C.S
Brief profile and nature of their expertise inspecific functional areas	He is a young and energetic entrepreneur and is managing the Salzer group of companies	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 Company Secretary and Fellow member of Institute of Company Secretaries (FCS) of India, is having wide experience of more than 50 years in aggregate & of which post qualification experience for 30 years in the field of administration, Company Law matters / Corporate Affairs. He is at present employed in your Company as Director (Corporate Affairs) & Company Secretary.
Directorships held in other companies.	1. SRVE Industries Ltd, 2. Sri Ram Arts Centre Pvt Ltd 3. Salzer Magnet Wires Ltd 4. Salzer Exports Ltd 5. Salzer Securities Holdings Ltd 6. K R Health Care P ltd	1. Salzer Magnet Wires Ltd 2. Salzer Securities Holdings Ltd	NIL
Memberships / Chairmanships of committees across all companies	Committees of Salzer Electronics Ltd 1. Chairman Risk Management Committee 2. Member - CSR Committee, 3. Member - Employees Compensation Committee 4. Member - Stakeholders Relationship Committee	Committee of Salzer Electronics Ltd 1. Member - Risk Management Committee	Secretary to the following Committees 1. CSR Committee 2. Audit Committee 3. Risk Management Committee 4. Shareholders Grievances Committee 5. Employees Compensation Committee 6. Nomination &Remuneration Committee
Shareholding in the Company	241966 Equity Shares-2.86%	NIL	21445 shares 0.13%
Inter se relationship, if any	Housband of Dr.Mrs.Thilagam, Director and son of Shri.R.Doraiswamy, Managing Director	NIL	NIL

DIRECTORS' REPORT

To

Dear Shareholders,

We have pleasure in presenting the Thirty Fourth Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31,2019

1. FINANCIAL SUMMARY OF THE COMPANY

(₹ in Lakhs)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	55,976.62	44,277.14
II	Other Income	70.70	310.24
III	Total Revenue (I + II)	**56,047.32**	**44,587.38**
IV	Expenses		
a	Cost of materials consumed	41,933.48	35,832.40
b	Purchase of stock in trade	-	-
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-52.18	-3,486.66
d	Employee benefit expenses	2,489.37	1,985.69
e	Finance Cost	1,988.47	1,491.25
f	Depreciation and amortisation expense	1,215.96	1,053.61
g	Other expenses	5,241.39	4,617.23
h	Total Expenses	**52,816.49**	**42,549.55**
V	Profit before exceptional and extraordinary items and tax (III-IV)	3,230.83	3,093.86
VI	Exceptional Items	-	-
VII	Profit before tax (V-VI) & extraordinary items	3,230.83	3,093.86
VIII	Extraordinary items	-	-
IX	Profit before tax (VII-VIII)	3,230.83	3,093.86
X	Tax expense:	835.10	1,092.21
XI	Profit for the period - After Tax(IX-X)	**2,395.73**	**2,001.65**
XIII	Earnings per equity share:	-	-
	(1) Basic	15.21	13.82
	(2) Diluted	15.10	13.45
XIV	Reserves and Surplus	27,119.56	25,507.42

2. ANALYSIS OF PERFORMANCE

Your Company has once again demonstrated a good growth in its net revenues of over 26% year on year during the financial year, despite the continued sluggish in the electrical industry in India. This growth was mainly driven by three key business segments of industrial Switchgear, Wires & cables and Building Segments. During the year, the building segment has almost doubled on the back of increased product offerings combined with strong focus on retail segment in the Indian markets.

In the concluded financial year 2018-19, Net Revenue of the Company increased from ₹ 442.80 Crs to ₹ 559.8 crore with robust growth of 26% in the otherwise subdued market conditions for the electrical and electronics industry. This growth was driven by all three key businesses of Industrial Switch Gears, Building segment and Wires & cables. Similarly, EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortization) and Profitability of the Company went up by 20% respectively on account of better operational efficiency and availability of the deferred Tax Credit. The contribution from domestic sales at 86% was mainly driven by increase in demand and good traction for products in almost all the business divisions.

During the year, the legacy products of your Company such as rotary switches and toroidal transformers have shown growth and uptick in demand along with other products like three phase dry type transformers and wire harnesses.

Yours Company's focus will always remain on adding new high margin products, reach out different markets with customized product and solutions in order to add newer clients and grow our business, and constantly looking for new opportunities for technical associations to strengthen our base of product offerings.

Your Company's Return on Capital Employed (ROCE) during the year increased considerably to 17% in FY2019 from 15% in FY2018 with an increase of more than 150 basis points. Your Company would continue to focus on adding new high margin products under its product portfolio, reach out to new geographies and offer total customer solutions to its customers besides strengthening the revenue drivers, improving ROCE, working capital cycle as well as constantly looking for new opportunities for technical associations to strengthen the base of product offeringswhich are part of its core strategy.

Industrial switch gear Division

The industrial switch gear segment is one the largest contributors to overall revenues of your Company. This segment comprises Cam Operated Rotary Switches; Toraidal Transformers, Relays, Load Break Switches, Wire Harness, Three Phase Dry Type Transformers etc.,. This division posted a growth of 13% on year on year and made 41% contribution to the total revenue of the Companymainly driven by products - three phase dry type phase transformers and wire harness.

Wire and cable Division

Wire and cable segment consisting of copper wires and cables is the second major business of your Company. On a yearly basis, wire and cable business contributed 49% with a year on year robust growth of 22%mainly on account of consolidation of Salzer Magnet Wires and increase of new product offerings. From the start of this financial year, your Company has started to manufacture and sell wires and cables under the Salzer brand, which is seeing good demand and also seeing a growing opportunity in the market. This is apart from our regular brand labelling business that we are doing for Larsen & Toubro, Crompton and a few other large brands

In order to strengthen the revenues of this Segment, your Company has acquired the whole of the business undertaking from Salzer Magnet Wires Limited on slumpbasis as a going concern in pursuance of the business transfer Agreement effective March 08,2018 for a total value of Rs.2029.10 Lakhs for consideration other than cash. The acquired undertaking has been facilitating well growth support for this division.

Building Product Division

This is the only segment where your Company has been operating on a B2C basis. The Portfolio under this Segment involves Distribution Boards, Modular Switches & Speciality Switches, Movement Sensors, Remote Switches, Single Phase Motors Switches, House Wires etc.,.The building segment product division contributed around 7% of your Company's revenues in 2018-19 with increased revenues of 98% on YoY on account of increase in new product offerings and focus on sales promotional activity to create awareness for products in the retail segment in India. Your Company is confident of increasing contribution from this division in the coming two to three years to around 10% of its total revenue levels as it has opened up new opportunities in real estate sector where Unit has got some annual rate contracts with major builders and more focus on retail segment.

Energy management Division

The fourth is the energy management segment and an order driven business. This is a new technology oriented business which was developed by your Company's in-house R&D team. This product segment has given a benefit of being the largest ESCO, with highest CRISIL rating -Grade A in the country for your Company. Energy management division, during the full year FY2019, has contributed 4% to the total net revenues of the Company

Going forward your Company's focus remains to achieve profitable growth by adding newer products which are customized and value added in nature, exploring newer geographies which can yield better margins. With a very competent team in place, your Company is quite confident of achieving the milestone which it has set for itself.

3. DIVIDEND

The Board of Directors at their meeting held on May 24, 2019 recommended a Dividend at a rate of 16% (₹ 1.60 per share) for the financial year ended March 31, 2019 as that of the last year. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

Dividend (including dividend tax) as a percentage of net profit after tax is 13%, on the expanded capital. 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 2018-19 on the expanded capital.

4. SHARE CAPITAL AND OTHER RELATED SECURITIES

a. Amendment to the Memorandum and Articles of Association

During the year under review, your Company has not amended any Provisions in the Memorandum and Articles of Association.

b. Exercise of Stock Options

During the reporting period, your Company issued 456050 equity shares of ₹ 10/- each to the employees who exercised their vested stock Options under Salzer Electronics Limited Employees Stock Options Scheme 2012-13. 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 are given under Annexure 5.

c. Issue of securities on preferential basis

In our Directors report for the year 2018, it was reported that your Company acquired the whole of the business undertaking of Salzer Magnet Wires Limited **("SMW")** as a going concern on a Slump basis in terms of Business Transfer Agreement executed on March 08,2018. In pursuance of the Business Transfer Agreement, SMW transferred all its Assets and Liabilities to the Books of your Company without any further obligations and in turn as a purchase consideration, SMW got allotment of 10,30,000 securities as under at an issue Price of ₹ 197/- per share on March 16, 2018 on preferential basis based on the strength of the shareholders' approval dated December 16, 2017 and under Chapter VII of SEBI (Issue of Capital and Disclosures Requirement) Regulations,2009:-

i. 5,00,000 Equity shares of ₹ 10/- each at an issue Price of ₹ 197 per share for total value of ₹ 985 Lakhs and

ii. 5,30,000 Non Cumulative 5% Convertible Preference Shares **("NCCPS")** Rs. 10/- each at an issue Price of ₹197 per share for total value of ₹ 1044.10 lakhs with lock in period of three years and convertible into equity at any time over the period of two years from the date of allotment.

During the reporting period, 5,30 000 Equity shares have been allotted to SMW upon its conversion of NCCPS into equity, and thereby the total equity holdings of SMW increased from 5,00,000 Equity shares to 10,30,000 Equity shares representing 6.44% of the total paid up shares of your Company as at March 31, 2019.

Consequent to allotment of shares both under Employees Stock Option Scheme as well as Conversion of NCCPS as aforesaid, the Total equity paid up capital of your Company increased from ₹ 14,99,66,870/ comprising of 1,49,96,687 Equity shares of ₹ 10/- each to Rs. 15,98,27,370/- comprising of 1,59,82,737 Equity shares of ₹ 10/- each.

5. 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

6. RESERVES,

Your Board of Directors, as a prudent policy in the absence of specific provisions in the Companies Act 2013 and Rules made there-under, has transferred ₹ 45,00 Lakhs to the General Reserve Account. Accordingly, your Company has general reserve of ₹ 1913.46 Lakhs as at March 31, 2019

7. LIQUIDITY

As at March 31, 2019, your Company had adequate cash and cash equivalents in its Books, taking care of all such current liabilities comfortably.

8. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Your company has been consistently looking for the growth of the business both by Organic and Inorganic means and as parts of its efforts, your Company entered into a definitive agreement with the promoter (CMS Group) of Kaycee to acquire its stake of 72.32% in Kaycee Industries Limited in an all cash deal, and make an additional offer to purchase 26% from public for an total Equity Value of INR 22 crores..

Kaycee Industries Limited, a "pre-independence" company with a legacy of "three quarter of a century", being pioneer in Industrial Switchgear, was controlled by home-grown CMS group which is one of the largest IT/ ITES & Enterprise solution firms in India.

Having its corporate office at Mumbai and manufacturing unit at Ambarnath near Mumbai, Kaycee's principal products which include Rotary Switches, Rotary Cam Switches, Micro and Toggle Switches, Weather Tight Switches, Breaker Control Switches, Counters and Fuse Fittings adds to your Company's attractive product offerings making it complementary & synergistic to the existing line of business. This will also strengthen Salzer's position in Industrial Switchgear segment which constitutes 41% of Salzer's current revenue and help Salzer to further expand its footprint into Railways, access to all India dealer network and manufacturing set up in western India.

This Strategic acquisition in line with company's focus to strengthen Salzer's position in the Industrial Switchgear market by increasing its product offering and expand its footprint in Railway business, manufacturing set up in western India and access to all India dealer network, and to aid your Company to further expand its presence into Electrical Equipment sector.

10. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

11. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards (Ind As) notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company has identified inherent reporting risks for each major element in the financial statements and put in place controls to mitigate the same. These risks and the mitigation controls are reviewed periodically in the light of changes in business, IT systems, regulations and internal policies. Corporate accounts function is involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account.

The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account and dealt with appropriately. No Discrepancies were found during the year under review.

The Company, in preparing its financial statements makes judgements and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgements and estimates are also approved by the Audit Committee of the Board of Directors of the Company in consultation with the Statutory Auditors of the Company.

The Company has a Code of Conduct applicable to all its employees as well as Board of Directors along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner.

12. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

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

However, considering the acquisition of the 72.32% equity stake in Kaycee Industries Limited ("Kaycee") from its Promoter under Definitive Share Purchase Agreement and eventual acquisition of further equity stake from the shareholders of Kaycee in terms of Open Offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulation 2011, Kaycee will become the subsidiary Company to your company after customary closing of the transactions during the current fiscal.

13. 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. As such there was no deposits as at March 31,2019.

DIRECTORS' REPORT (Contd.)

14. STATUTORY AUDITORS

In terms of Proviso to Section 139 (1) of the Companies Act 2013, M/s.Swamy & Ravi, Chartered Accountants (FRN:004317S) Coimbatore had been appointed as a statutory auditor of the Company by the Members at their 29th Annual General Meeting held on August 9, 2014 for a term five years commencing from Financial year 2014-15 till the conclusion of the 34th Annual General Meeting for the Financial year 2018-19.

Taking into account the vacation of the office by above existing statutory auditor with the date of the 34th Annual General Meeting scheduled to be held on August 10, 2019, your Board, based on the recommendation of the Audit Committee and subject to the approval of the members, approved the appointment of M/s. JDS Associates, Chartered Accountant, as the Statutory Auditors of the Company for a term of Five years from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting for the financial year 2023-24.

M/s. JDS Associates, vide its letter dated May 08, 2019, has given their Consent to become the Statutory Auditor and confirmed to the effect that

- The Audit Firm eligible to be appointed as Statutory Auditor, and has not incurred any disqualifications under the Companies Act 2013;
- The Audit Firm is not disqualified for appointment under the provisions of Chartered Accountants Act, 1949 and rules and regulations made there under;
- The proposed appointment is as per the terms provided under the Companies Act 2013;
- The proposed appointment is within the limits laid down by or under the authority of the Companies Act 2013;
- No orders have been issued and there are no proceedings pending against the firm with respect to professional matters of conduct before the Institute of Chartered Accountants of India, any competent authority, or any court and
- The Firm has been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

15. INVESTMENTS MADE BY THE COMPANY

The Company has adequate measures to review the significant impact by way of any increase/ decrease of the fair value of the investments and accordingly being dealt with in the financial statements of the Company. During the reporting period, there was no significant variance in the fair value of the Investments.

16. 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.

17. EXTRACT OF THE ANNUAL RETURN

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

18. 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.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of section 135 of the Companies Act, 2013, read with Companies (Corporate Socia lResponsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance report, which forms part of this report. Your Company has also in place a CSR Policy and the same is available on your Company's website www.salzergroup.net /investor.

The Company, for the past many years, has been fulfilling the objectives of social nature in the area of education, health and other social causes in and around Periyanaickenpalayam Region, Coimbatore District. The Company primarily through its Trust, has been promoting education, healthcare etc.,. The Company is at the service of the Society in general for up-liftment of literacy and health care.

Accordingly, the Company was required to spend ₹ 53.11 lakhs towards CSR activities and against which, spent ₹ 53.20 lakhs in respect of various

specified activities enshrined in Schedule VII of the Companies Act, 2013 and also in Salzer's Corporate Social Responsibility Policy. The Annual Report on the CSR Activities has been attached with this report as Annexure:4

20. DIRECTORS:

A) Changes in Directors and Key Managerial Personnel

During the year under review, there was no change in the Board Composition either by appointment or resignation or Change in designation.

B) Retirement by Rotations

Mr. D. Rajeshkumar, Joint Managing Director and Mr. P. Ramachandran, Whole Time Director, who are retiring Directors in the ensuing 34th Annual General Meeting, offered themselves to get re-appointed in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company,

C) Declaration by the Independent Directors

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.The Board has optimum composition of the Independent and Non Independent Directors.

D) Continuation / Reappointment of Non-Executive Directors

SEBI, based on the recommendation of the Uday Kotak Committee, issued vide Notification on May 09, 2018 SEBI (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 which is being effective April 01,2019. By this amendment, SEBI has introduced new sub regulation 17(1A) under Regulation 17, which provides for as under

"No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

In the light of above new Regulation,

- Mr. R. Dhamodharaswamy, Non-Executive Non Independent Director, who attained the age of more than 75 years, has been re-appointed as the Director by means of special resolutions passed by the Members at their 33rd Annual General Meeting held on September 22,2018 and whose term of office is subjected to the retirement by rotation.
- Mr. N. Rangachary, Mr. P.K. Shah, Mr. V. Sankaran and Mr. N. Jayabal, who have all been appointed by the shareholders as the Independent Directors at the 29th Annual General Meeting held on August 09, 2014 to hold office for the first term of Five consecutive years up to the conclusion of the 34th Annual General Meeting of the Company and owing to their attainment of age more than 75 years, got approval from the shareholders by means of special resolutions as passed at their Extra Ordinary General Meeting held on March 25, 2019 to continue their office till end of their first term.
- Mr. L. Venkatapathy, who has been appointed by the shareholders as the Independent Director at the 30th Annual General Meeting held on August 08, 2015to hold second term of office for Five consecutive years upto the conclusion of the 35th Annual General Meeting of the Company and owing to attainment of more than 75 years of age, got approval from the shareholders by means of special resolutions as passed at their Extra Ordinary General Meeting held on March 25, 2019 to continue his office till end of second term.

Besides above, the shareholders, at the aforesaid Extra Ordinary General Meeting, passed requisite special resolutions appointing Mr. N. Rangachary, Mr. P.K. Shah, Mr. V. Sankaran, Mr. N. Jayabal and Mr. Nirmal Kumar Chandria as Independent Directors on the Board for second term of five consecutive years commencing from the conclusion of 34th Annual General Meeting for the FY 2018-19 till the conclusion of the 39th Annual General Meeting of the Company to be held for the FY 2023-24.

E) Formal Annual Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandate 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.

F) Committees of the Board.

Currently, the Board has six committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, Stakeholders Relationship Committee, the Risk Management Committee, the Employees Compensation Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate governance report section of this Annual Report.

21. LISTING REGULATIONS

Your Company has duly complied with various Regulations as prescribed under SEBI (Listing obligations and Disclosures) Regulations 2015.

22. 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.

23. VIGIL MECHANISM

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

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

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

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

Office of the Audit Committee (Compliance Officer)-
E-Mail: baskarasubramanian@salzergroup.com
Contact No. 0422 4233614

Office of the Managing Director-
E-Mail : rd@salzergroup.com
Contact No.0422-4233612

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

24. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE

The Company has constituted an Internal Committee (IC) in all the Units to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Investigation is being conducted and decisions made by the IC at the respective Unit and a senior woman employee is the presiding officer over every case.. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Committee has not received any such complaint.

25. 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.

26. POLICY ON THE DIRECTORS APPOINTMENT AND REMUNERATION

In accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 read with Salzer's Policy for Nomination and Remuneration, the Board is having an optimum combination of the executive, non-executive and independent directors. As of March 31, 2019, the Board had thirteen members, four of whom are executive directors, two are non-executive and non-independent member and Seven independent directors. One non-executive and non-independent member of the Board is woman. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review,

- the Company has not 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 during the course of its business and
- The investments in other bodies corporate are well within the limit as prescribed under Section 186 of the Companies 2013.

28. 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 (BSE) 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 . Further, the Company also, on getting listed in NSE Limited, has got the requisite In-Principle approval for the Outstanding Options granted under the Scheme.

With the allotment of 456050 equity shares against the exercise of similar quantum of Stock Options during the reporting period, all 1028000 granted stock options have been exercised and against which, similar number of shares have been allotted during the exercise period from November 2014 to 2019 and No options left pending for exercise, as at 31.03.2019.

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 will be made available at the Annual General Meeting for inspection by members.

29. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were on an arm's length basis and were in the ordinary course of business. During the year, the Company had material related party transaction with the related parties with due compliance of the approval accorded by the shareholders under Relevant Regulation.

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 a 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 with respect to the 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.

30. 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 www.salzergroup.net

31. 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 i.e

- No employee of the Company throughout the Financial year was in receipt of remuneration for that year which, in the aggregate, for Rupees one Crore and two Lakhs rupees and
- No employee of the Company for a part of the Financial year was in receipt of remuneration for any part of year which, in the aggregate, for Rupees Eight Lakhs and Fifty Thousand per month

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.

32. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 11th May, 2017 has appointed Mr.G.Vasudevan, B.Com, LLB & FCS, M/s.G.V Associates, Company Secretaries (Certificate of Practice No. 6522), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2018-19.

The Company has received consent from Mr.G.Vasudevan, B.Com, LLB & FCS, M/s.G.V Associates, Company Secretaries to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2019 in terms of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended 31st March, 2019 is set out in the Annexure-8to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

33. COMPLIANCE ON SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

34. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹ 5,71,174/-. Further, 138,253 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF rules. The details are available on our website at www.salzergroup.net

35. RISK MANAGEMENT POLICY

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

Committee with an objective of identifying the potential threats that are likely to impact the growth of the organization and evolve suitable measure strategically to mitigate such identified Risks.

36. 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.

37. COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors, on the recommendation of the Audit Committee and subject to the approval of the Members, have appointed CMA Mr.A.R.Ramasubramania Raja, Practicing Cost and Management Accountant, as the Cost Auditor of the Company for the Financial Year 2019-20 to conduct the audit on the Maintenance of Cost Records of the Company and submit the report to the Central Government with the due approval of the Board of Directors within the stipulated time.

38. POLICIES OF THE COMPANY

The Company is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics.

The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, if required.

Some of the key policies adopted by the Company are as follows:

i) Policy on Determination of materiality of events/ information

ii) Policy on prevention of sexual harassment at workplace

iii) Code of Conduct for Directors and Employees

iv) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

v) Code of Conduct to Regulate, Monitor and Report trading by Insiders

vi) Policy on Related Party Transactions

vii) Whistle Blower Policy

viii) Corporate Social Responsibility Policy

ix) Nomination and Remuneration Policy

x) Risk Management Policy

39. 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, 2019, 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, 2019 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

40. CREDIT RATINGS

During the year under review, the credit ratings have upgraded to **'CRISIL A/Stable'** from 'CRISIL A-/Positive' for **long term borrowing** and **'CRISIL A1'** reaffirmed for **short term borrowings**.

This has been your Company's second rating upgrade over three years indicating the Company's comfortable risk profile and confidence in its strategy of profitable growth and improvement in quality of its financial parameters through better operational performance and further, it reflects Company's leading market position in the domestic rotary switches market and an adequate financial risk profile.

Key drivers in Revision of CRISIL Rating

- **Leading market position in the domestic rotary switches market**

  Healthy revenue growth over medium term, supported by market leadership in cam-operated rotary switches segment; launch of higher margin products in wires and cables business, and new products such as three-phase dry-type air-cooled transformers and motor controls

- **Marketing tie-up**

  25 years of strong relationship with **Larsen & Toubro Ltd (L&T; 'CRISIL AAA/FAAA/Stable /CRISIL A1+')** for distribution of products across segments

- **Sustained focus on research and development (R&D)**

  Continued focus on R&D and technology tie-ups with global majors that enable the Company to maintain and improve their technology competitiveness

- **Adequate financial risk profile:**

  Healthy financial risk profile, marked by a comfortable net worth of ₹ 268 crore and gearing of 0.54 times as on March 31, 2018. The Debt protection metrics are expected to improve over the medium term, with net cash accruals to total debt and interest coverage ratios estimated to improve to 30% and 5.01 times, respectively, by fiscal 2020.

41. INDUSTRIAL RELATIONS

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

42. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

43. 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. Axis Bank, M/s. HDFC Bank, M/s. Larsen & Toubro Limited - Marketing Associates, CRISIL, M/s.GNSA Infotech Pvt. 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 24, 2019

N. RANGACHARY
CHAIRMAN
DIN: 00054437

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 12 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, 2019

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	2

PROFILE OF DIRECTORS

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

Shri. N. Rangachary, Chairman of the company, aged 81 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 Andra 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 76 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 experte 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 48 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

ANNEXURE-1 (Contd.)

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 47 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 Rs. 3.50 Crores. She is 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 75, 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 71 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. He is also a Director in M/s. Salzer Securities Holdings Limited.

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

Shri. R. Dhamodharaswamy, aged 88 years, is a graduate and is a Non Executive Director on the Board of Directors of the Company for the last more than 30 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 Instruments Limited.

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

Shri. Nirmal Kumar M Chandria, aged 59 years, having graduation in Commerce and is an Industrialist and Promoter of a Company in Aluminium Sector and associated himself with leading industries. He is a Director of M/s. Nirmal Aluminium Industries Ltd, M/s. Nirmal Insulations P Ltd, M/s. Motichand Poonjabhai and Brothers Pvt Ltd & M/s. Parsvir Alloys P Ltd.

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

Shri. P.K. Shah, aged 76 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 89 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 30 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.V.Sankaran, Non-Executive Independent Director

Shri. V. Sankaran, aged 76 years, is an Independent and Non Executive Director on the Board of Directors for the last 16 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 40 years of experience in reputed companies in various areas of Finance and General Management. Mr. Sankaran is a Director of Smile Electronics Limited.

ANNEXURE-1 (Contd.)

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

Shri. S.Baskarasubramanian, aged 76 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.

13. Dr.Otto Eggimann, Non-Executive Independent Director

Dr.Otto Eggimann, aged 63 years is a European (Switzerland) citizen and holding directorship as Non-Executive and Independent Director on the Board. He is the Managing Director/Partner, Member Board of Directors, PRECISWISS LTD., SWITZERLAND, CEO, Member Board of Directors, Aclires Bangkok Ltd., Bangkok, Thailand and Vice President Operations and BU Asia & Americas.

POSITION OF BOARD OF DIRECTORS

Directors	Category	Attendance Particulars		No. Of Membership In The Boards Of Other Companies
		Board meeting	Last Agm (09.09.2018)	
N.Rangachary *,@	Non-Executive Independent Chairman	5	√	9
R.Doraiswamy #,@	Managing Director	4	√	5
D.Rajeshkumar #,@,%,©	Joint Managing Director & Chief Financial Officer	5	√	6
Dr.(Mrs.)Rajeshkumar Thilagam (appointed on 30.03.2015)	Non-Executive Woman Director1	4	√	7
N.Jayabal *,#,@	Non-Executive Independent Director	4	√	2
P. Ramachandran	Whole-time Director	4	√	2
R.Dhamodharaswamy @	Non-Executive Director	3	√	1
L.Venkatapathy *,#,$,%,©	Non-Executive Independent Director	4	√	1
Nirmal Kumar K Chandria	Non-Executive Independent Director	5	X	4
P.K.Shah $	Non-Executive Independent Director	5	√	0
V.Sankaran *,$,%,©	Non-Executive Independent Director	5	√	1
Otto Eggimann	Non-Executive Independent Director 111	2	√	2
S.Baskarasubramanian Secretary to the Committees	Director (Corporate Affairs) & Company Secretary	5	√	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, Five Board meetings were held on 24.05.2018, 29.06.2018, 11.08.2018, 27.10.2018, 08.02.2019

ANNEXURE-1 (Contd.)

Inter-se relationships between Directors of the Company.

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

FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

The details of the familiarization programme for Directors are available on the Company's website web link: www.salzergroup.net

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Mr. N. Rangachary	An IRS Officer with professional qualification of all the three professional institutions ICAI, ICWA, ICSI with more than 50 years of experience in finance, taxation & Insurance and allied fields.
Mr. R. Doraiswamy	Industrialist with Electrical Engineering graduation having more than 50 years of entrepreneur exposures.
Mr. D. Rajeshkumar	Industrialist with Electrical Engineering graduation with Post graduation in Management of Business Administration and having entrepreneur experience of more than 25 years.
Dr. (Mrs.) Rajeshkumar Thilagam	Graduation in Medical profession with exposure in business management and entreprenuarial skill for more than 15 years.
Mr. N. Jayabal	Graduation in Engineering with overseas experience in engineering industries and marketing for more than 40 years.
Mr. P. Ramachandran	Exposure in Business Management for more than 40 years.
Mr. R. Dhamodharaswamy	Entrepreneurial experience for more than 50 years and known philanthropist in the region.
Mr. L. Venkatapathy	Having wide exposure in finance and finance controlling measures with business management exposure having managed leading engineering industry for more than 50 years.
Mr. Nirmalkumar M Chandria	Industrialist in the aluminum sector having good experience in managing business corporates.
Mr. P.K. Shah	Having Good knowledge and exposures in Business financing and corporate matters over 50 years.

ANNEXURE-1 (Contd.)

Name of the Director	Expertise in specific functional area
Mr. V.Sankaran	Has wide in-depth knowledge and exposures in Accounts, finance, Costing and Taxation, and Management of Corporate Affairs for more than 50 years
Dr. Otto Eggimann	He is having knowledge in engineering in the field of Textiles, Automobiles and Electrical. Besides he is well conversant with the Global Marketing Exposure with wide overseas contacts
Mr. S.Baskarasubramanian	He has over 30 years of experience in company law matters and corporate affairs and having good exposure in legal and corporate affairs.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the Independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulations, are independent of the Management.

COMMITTEES OF DIRECTORS:

The Board has constituted the following mandatory committee viz. Audit Committee, Stakeholders' (Investors) Relationship 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 review and taking on record.

1. AUDIT COMMITTEE:

The Audit Committee consisting of the following independent Directors met four times on 24.05.2018, 10.08.2018, 27.10.2018 & 07.02.2019 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, and 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.

ANNEXURE-1 (Contd.)

Composition and attendance :

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2018-19 are given below:

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

2. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee with the following members met on 10.08.2018 and 08.02.2019 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 :

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

Mr. S. Baskarasubramanian, Director (Corporate Affairs) & Company Secretary act as the Secretary to the Nomination and Remuneration Committee.

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

Remuneration to Whole-time / Executive / Managing Director

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 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).

ANNEXURE-1 (Contd.)

3. STAKEHOLDER (INVESTORS) RELATIONSHIP COMMITTEE:

The Stakeholder's (Investors) Relationship Committee of the Board met four times on 30.06.2018, 29.09.2018, 31.12.2018 & 30.03.2019 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 31.03.2019.

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.

The Committee also deal with share registry works such as considering and approving the transfer, transmission of shares being held in physical form / issue of duplicate / remat of shares on the request of the shareholders. Such other duties and functions as may be required for such services to the investors.

Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. L Venkatapathy	Chairman	Non Executive Independent Director	4
2	Mr. D.Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	4
3	Mr. N Jayabal	Member	Non Executive Independent Director	4
4	Mr. S.Baskarasubramanian	Secretary to the Committee	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	0
Non-Receipt of Dividend Warrants	7
Non-Receipt of Share Certificates	15
Status of shares transfer to IEPF	11
TOTAL	**33**

As on March 31, 2019, no complaints were outstanding.

4. 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 24.05.2018, 29.06.2018 & 07.02.2019 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."

ANNEXURE-1 (Contd.)

Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. N. Rangachary	Chairman	Non Executive Independent Director & Chairman of the Company	3
2	Mr. R. Doraiswmay	Member	Managing Director of the company	3
3	Mr. R. Dhamodharaswamy	Member	Director	0
4	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	3
5	Mr. N. Jayabal	Member	Director	3
6	Mr. S. Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	3

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 2018-19.
2. Considered, approved and recommended to the Board the proposed social activities for the year 2019-20 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 provisions 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.

5. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee has been reconstituted by the Board met on 30.03.2019 during the year under review.

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.

ANNEXURE-1 (Contd.)

Composition and attendance :

Sl. No.	Name of the Members	Position in the Committee	Position in the Company	No. of Meetings attended
1	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer	1
2	Mr. R. Doraiswmay	Member	Executive Managing Director	1
3	Mr. V. Sankaran	Member	Independent Non Executive Director	1
4	Mr. N. Jayabal	Member	Independent Non Executive Director	1
5	Mr. P. Ramachandran	Member	Executive Non-Independent Director	1
6	Mr. S. Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	1
7	Mr. P. Sivakumar	Member	General Manager (Marketing) - unit I	1
8	Mr. B. Mahendran	Member	Sr. Manager (Works) Unit I	1
9	Mr. M. Lakshminarayana	Member	Gen. Manager Operations -Unit II	1
10	Mr. S. Venkatachalam	Member	Manager Commercial-Unit II	1
11	Mr. R. Menaka	Member	Manager Accounts Unit I	1

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.

6. EMPLOYEES COMPENSATION COMMITTEE:

The Employees Compensation Committee has been constituted by the Board at its meeting held on 03.02.2012 met on 17.05.2018, 10.08.2018, 11.08.2018, 07.02.2019 & 08.02.2019.

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 :

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

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.

7. 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	31st AGM	Saturday	31/08/2016	11.30 am	Re-appointment of Mr. R. Doraiswamy as Managing Director for a further term of 5 years. Re-appointment of Mr. D. Rajesh kumar as Joint Managing Director for a further term of 5 years.
Hotel Sree Annapoorna, R.S. Puram, Coimbatore- 02	32nd AGM	Saturday	09/09/2017	11.30 am	Increase the Managerial remuneration payable to Mr. P. Ramachandran, Whole Time Director. Approve the Material Related Party Transactions for the financial year 2017-18.
Registered office of the company at Samichettipalayam, Coimbatore- 47	EGM	Saturday	16/12/2017	11.30 am	Reclassification of Authorised Share Capital of the company. Amendment to the Memorandum of Association of the Company. Amendment to the Articles of Association of the Company. Issue and allotment of 5,00,000 equity shares to Salzer Magnet Wires Ltd. Issue and allotment of 5,30,000 Non-Cumulative 5% Convertible Preference shares to Salzer Magnet Wires Ltd.

ANNEXURE-1 (Contd.)

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
Hotel Sree Annapoorna, R.S.Puram, Coimbatore- 02	33rd AGM	Saturday	22/09/2018	11.30 am	Re-appointment of Mr.P.Rama chandran, as a Whole time Director for a further term of Five years Increase in borrowing Powers of the Board from Rs. 125 Crs to Rs. 200 Crs Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1)(a) of the Companies Act, 2013
Registered office of the company at Samichettipalayam, Coimbatore- 47	EGM	Monday	25/03/2019	10.00 am	1. Constitution of Mr.N.Rangachary as an Independent Director of the company. 2. Constitution of Mr.P.K.Shah as an Independent Director of the company. 3. Constitution of Mr.V.Sankaran as an Independent Director of the company. 4. Constitution of Mr.N.Jayabal as an Independent Director of the company. 5. Constitution of Mr.L.Venkatary as an Independent Director of the company. 6. Re-appointment of Mr.N.Rangachary as an independent Director of the company for the second term of five consecutive years. 7. Re-appointment of Mr.Nirmal Kumar M Chandria as an independent Director of the company for the second term of five consecutive years. 8. Re-appointment of Mr.P.K.Shah as an independent Director of the company for the second term of five consecutive years. 9. Re-appointment of Mr.V.Sankaran as an independent Director of the company for the second term of five consecutive years. 10. Re-appointment of Mr.N.Jayabal as an independent Director of the company for the second term of five consecutive years.

- ❖ In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the above resolutions were passed by way of both e-voting, Postal ballet and vote at the meeting, in the last EGM & AGM.
- ❖ Similarly, the following special resolution is being proposed to be conducted through the postal ballet as well as e-voting for the ensuing Annual General Meeting.
  - √ To consider and approve the appointment of Mr.S.Baskarasubramanian (DIN: 00003152) as Director (Corporate Affairs) & Company Secretary of the Company for a term of five years 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 10.08.2019:

i) To consider and approve the appointment of Mr.S.Baskarasubramanian (DIN: 00003152) as Director (Corporate Affairs) & Company Secretary of the Company for a term of five years

ii) To ratify the remuneration payable to Mr. A.R. Ramasubramania Raja (M.No. 32458), appointed as Cost Auditors of the Company for FY 2019-20.

The Board 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.

8. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 08, 2019, 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.

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	10th August 2019, Saturday
Time	11.30 AM
Venue	"**SAGARI HALL**", The Grand Regent, 708, Avinashi Road, Opp. Hotel The Residency, Coimbatore 641 018
Financial year	1st April, 2018 to 31st March, 2019
Date of Book Closure	09.08.2019 to 10.08.2019 (both days inclusive)
Dividend Payment Date	Within the stipulated time
Listing on Stock Exchanges	BSE Limited & National Stock Exchange of India Ltd (NSE)
STOCK / SCRIP CODE	517059 (BSE) & SALZERELEC (NSE)
Audited Financial Results Announced	24.05.2019
Announcement of Quarterly Results	24.05.2018, 11.08.2018, 27.10.2018 & 08.02.2019
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	08.08.2019
Period of e-voting	05.08.2019 to 09.08.2019
Last date of receipt of Ballot paper	09.08.2019
CIN No.	L03210TZ1975PLC001535

ANNEXURE-1 (Contd.)

B) MARKET PRICE DATA

SHARE TRADING DETAILS IN BSE LIMITED

For the period: 1-Apr-2018 to 31-Mar-2019

BSE Ltd

+	Open	High	Date	low	Date	Closing
Apr '18	209.00	213.40	25.04.2018	196.15	20.04.2018	204.10
May '18	204.95	208.65	02.05.2018	188.05	31.05.2018	189.55
Jun '18	188.50	198.00	26.06.2018	173.00	06.06.2018	181.05
Jul '18	183.80	183.80	02.07.2018	155.00	20.07.2018	159.15
Aug '18	161.95	169.95	09.08.2018	149.50	01.08.2018	164.85
Sep '18	164.00	176.40	10.09.2018	150.00	28.09.2018	151.25
Oct '18	162.90	162.90	01.10.2018	121.20	09.10.2018	128.30
Nov '18	129.00	140.00	12.11.2018	122.25	01.11.2018	132.25
Dec '18	134.95	146.50	19.12.2018	125.05	10.12.2018	136.20
Jan '19	139.00	139.45	14.01.2019	121.00	31.01.2019	121.50
Feb '19	126.95	126.95	25.02.2019	101.70	15.02.2019	124.20
Mar '19	120.95	132.10	14.03.2019	115.00	26.03.2019	117.65

NSE Ltd

Month	Open	High	Date	low	Date	Closing
Apr '18	198.15	215.00	25.04.2018	197.90	04.04.2018	203.20
May '18	203.90	209.75	14.05.2018	186.40	31.05.2018	189.55
Jun '18	191.00	196.25	08.06.2018	177.95	27.06.2018	181.05
Jul '18	182.95	183.50	01.07.2018	155.00	20.07.2018	159.40
Aug '18	158.00	171.70	09.08.2018	149.10	01.08.2018	164.85
Sep '18	166.70	176.90	10.09.2018	148.10	28.09.2018	150.70
Oct '18	165.00	165.00	01.10.2018	122.95	09.10.2018	128.35
Nov '18	128.05	138.60	12.11.2018	117.35	01.11.2018	131.80
Dec '18	133.55	146.90	19.12.2018	123.30	11.12.2018	135.20
Jan '19	134.80	140.00	04.01.2019	120.50	29.01.2019	121.90
Feb '19	121.95	126.00	25.02.2019	102.00	19.02.2019	119.95
Mar '19	120.20	133.00	14.03.2019	116.00	29.03.2019	116.65

TRADING VOLUME

	BSE			NSE		
Month	Open	High	Trading volume	Open	High	Trading volume
Apr '18	209.00	213.40	79,424	198.15	215.00	4,48,834
May '18	204.95	208.65	81,460	203.90	209.75	5,62,809
Jun '18	188.50	198.00	44,817	191.00	196.25	6,72,054
Jul '18	183.80	183.80	55,008	182.95	183.50	3,61,155
Aug '18	161.95	169.95	1,79,017	158.00	171.70	7,12,236
Sep '18	164.00	176.40	79,757	166.70	176.90	5,15,681
Oct '18	162.90	162.90	69,908	165.00	165.00	3,03,865
Nov '18	129.00	140.00	68,528	128.00	138.60	2,35,936
Dec '18	134.95	146.50	2,05,127	133.55	146.90	1,90,708
Jan '19	139.00	139.45	83,632	134.80	140.00	1,64,495
Feb '19	126.95	126.95	24,489	121.95	126.00	6,50,912
Mar '19	120.95	132.10	24,613	120.20	133.00	2,40,592

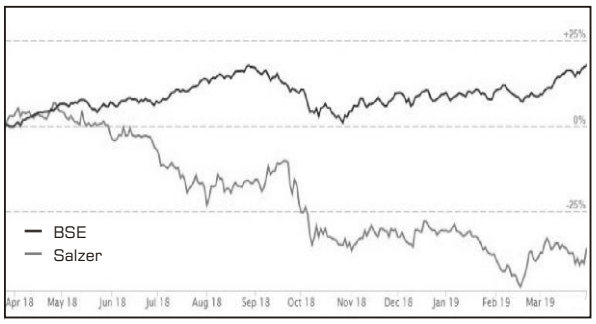
ANNEXURE-1 (Contd.)

MARKET CAPITALIZATION

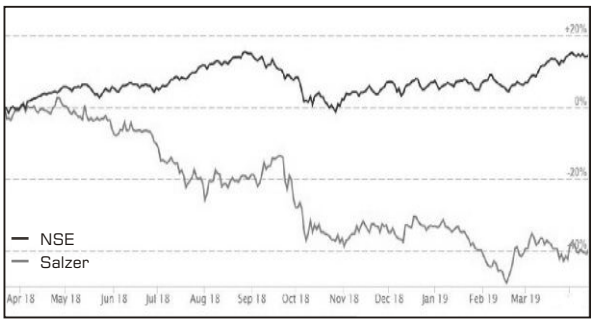
As on 31st March 2019, the market capitalization of the company stood at Rs. 188.04 Crores as per BSE and at Rs. 186.44 Crores as per NSE.

Share Price performance in Comparision to Broad based indices - BSE & NSE as on 31.03.2019

BSE-Vs-Salzer



NSE-Vs-Salzer



C) REGISTRAR & SHARE TRANSFER / DEMAT AGENTS

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

The shares of the Company are dematerialsed and registered in Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under ISIN No.: INE457F01013.

D) SHARE TRANSFER SYSTEM

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

SEBI has notified that securities of listed companies can be transferred only upto December 05, 2018, which has been further extended upto 31.03.2019. **As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode will not be processed with effect from 1st April 2019**.

In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialize and to avail various benefits of dematerialisation and to eliminate all risks associated with physical shares and for ease of portfolio management.

Application for transmission / transposition of shares 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 transmission / transposition of shares, the committee meets at least once in 15 days.

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

E) DISTRIBUTION SCHEDULE (As on 31.03.2019)

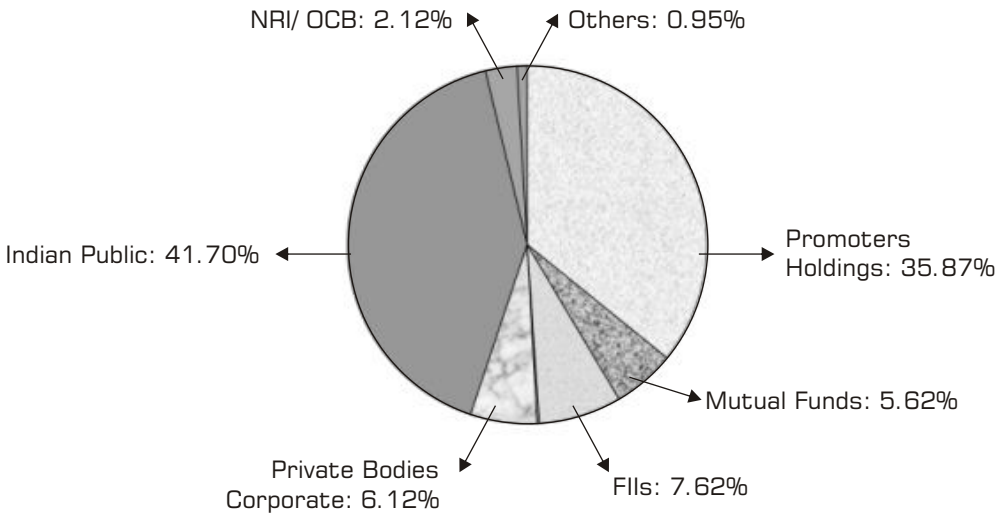
Range	No. of Folios	No. of Shares	% of holding
Up to - 5000	17705	1867307	11.68
5001 - 10000	993	820344	5.13
10001 - 20000	526	817233	5.11
20001 - 30000	196	498039	3.12
30001 - 40000	78	277540	1.74
40001 50000	74	351546	2.20
50001 - 100000	92	710162	4.44
100001 & above	120	10640566	66.58
TOTAL	**19784**	**15982737**	**100%**

ANNEXURE-1 (Contd.)

F) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019

Category		No. of Shares held	Percentage of Share Holding
A	**Promoter's holding**		
1	Promoters		
	Indian Promoters	5732221	35.87%
	Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub-Total	**5732221**	**35.87%**
B	**Non-Promoters Holding**		
3	Institutional Investors		
a	Mutual Funds	898736	5.62%
b	Foreign Institutional investors / Banks, Financial Institutions, Insurance companies (Central/State Govt, Institutions / Non-Government Institutions)	1218564	7.62%
	Sub-Total	**2117300**	**13.24%**
4	Others		
	Private Corporate Bodies	978569	6.12%
	Indian Public	6664612	41.70%
	NRIs / OCBs	338186	2.12%
	Any other (Foreign Collaborator/National)	5419	0.03%
	IEPF	146430	0.92%
	Sub-Total	**8133216**	**50.89%**
	Grand Total	**15982737**	**100.00%**

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019



G) DEMAT INFORMATION (AS ON 31.03.2019)

	No. of Shares Dematerialized	% of Total Capital
CDSL	9581954	59.95%
NSDL	5768683	36.09%
Physical	632100	3.96%
TOTAL	15982737	100.00%

ANNEXURE-1 (Contd.)

H) CREDIT RATINGS OBTAINED BY THE ENTITY

Long Term Rating	CRISIL A/Stable (Upgraded from CRISIL A-/Positive)
Short Term Rating	CRISIL A1 (Reaffirmed)

I) 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.

J) 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. 863, Coimbatore Main Road, Bettathapuram, Coimbatore 641 104

Unit V: No. 882/3, Coimbatore Main Road, Bettathapuram, Coimbatore 641 104

K) 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 are 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.

9. DISCLOSURES

❖ **Informations Under Clause 36(3) Of Sebi (LODR) Regulation 2015 In Respect Of Directors Being Appointed / Re-appointed:**

The following Directors are being re-appointed in this general body meeting, whose profiles are given in the Notice calling the Annual General Body meeting.

1. Mr. D. Rajeshkumar
2. Mr. P. Ramachandran
3. Mr. S. Baskarasubramanian

❖ **Disclosure 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 Annexure 6 of the Directors Report.

The related party transactions dealt with in the financial statements of the company for the year 2018-19 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. The Materiality of the related party transaction policy is displayed on the Company's website viz. www.salzergroup.net

ANNEXURE-1 (Contd.)

- **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 31.03.2019. Hence, the provision of particulars relating to aggregate number of shareholders viz-a-vis outstanding securities in suspense account and other related matters thereof does not arise.

- **Whistle Blower Policy**

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

- **Commodity price risk and Commodity hedging activities**

  The Company has adequate risk assessment and minimization system in place including for commodities. The one of the main input raw material being Copper, having high volatility in the price, which would impact the business have been adequately taken care of by sourcing the material both inland and imports to ensure the risk of volatility and consequential pricing impact. The company has been combating this risk by following previous month average cost of copper in pricing its products. The Company had managed the foreign exchange risk appropriately. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports depending upon the exigencies of the business.

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

  Does not arise as the Company has not raised any funds either through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

- **Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

  The Certificate of Company Secretary in practice is annexed as a part of the Directors' report.

- **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.**

  The Board considered all the recommendations of the committees wherever necessary and approved the same.

- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

  Details relating to fees paid to the Statutory Auditors are given in Note No. 36.1 to the Financial Statements.

- **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.

  a. number of complaints filed during the financial year - **Nil**
  b. number of complaints disposed of during the financial year - **Nil**
  c. number of complaints pending as on end of the financial year - **Nil**

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, 2019 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
- **CONFIRMATION OF COMPLIANCE**

  As required under the Listing Regulations 2015

  It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations 2015.

  The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the 'Report of the Board of Directors & Management Discussion and Analysis'.

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 31.03.2019.

- **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 & 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 are sent to shareholders as per records every year as the case may be.

- **BSE Corporate Compliance & Listing Centre ('Listing Centre') & NSE ('Connect2nse')**

  BSE's "Listing Centre" and NSE's "Connect2nse" are web-based applications designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre of BSE and Connect2nse of NSE.

- **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. During the fiscal 2018-19 the company has received four complaints, which were redressed then and there and closed by SEBI.

- **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.

ANNEXURE-1 (Contd.)

SECRETARIAL AUDIT

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

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2018-19 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)

The above report has been placed before the Board at its meeting held on 24th May, 2019 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 : May 24, 2019

N.RANGACHARY
CHAIRMAN
DIN : 00054437

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 2019 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.
5. that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

For and on behalf of the Board

R.DORAISWAMY
MANAGING DIRECTOR
DIN : 00003131

Place: Coimbatore
Date : May 24, 2019

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Shareholders
Salzer Electronics Ltd

1. We have examined the compliance of conditions of Corporate Governance by Salzer Electronics Ltd, for the year ended 31.03.2019 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

4. We state that no investors' grievances are pending for a period exceeding one month, as on 31st March 2019 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 :004317S

S. ALAMELU
Partner
Membership No.223555

Coimbatore
May 24, 2019

ANNEXURE-2

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2019
[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
iv)	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 PVT LTD
	Address	:	"F" Block, 4th Floor, #115, 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	Industrial Switch Gears	27104	41 %
2	Wires & Cables	27320	48 %
3	Building segment products	27331	7 %
4	Energy Management	43213	4 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and address of the company	CIN / GLN	Holding / Sudsidiary Associate	% of shares hald	Applicable section
	-	-	-	-	-

ANNEXURE-2 (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category Wise Shareholding as at March 31, 2019

S. No	Category of shareholders	No. of shares hold at beginning of the year				No. of shares hold at End of the year				% of change during the year
		Demat	Physical	Ttotal	% of total shares	Demat	Physical	Ttotal	% of total shares	
(A)	**Promoters**									
1	**Indian**									
(a)	Individuals/ HUF	1702736	14092598	1702736	11.35	1767149	-	1767149	11.06	(0.30)
(b)	Central/State Govt.(s)	-	-	-	-	-	-		-	-
(c)	Bodies corporate	2993380	2993380	2993380	19.96	3848930	-	3848930	24.08	4.12
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other (Relative)	102492	-	102492	0.68	103142	13000	116142	0.73	0.04
	Sub-total (A)(1)	**4798608**	**-**	**4798608**	**31.99**	**5719221**	**13000**	**5732221**	**35.87**	**3.87**
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)	**4798608**	**-**	**4798608**	**31.99**	**5719221**	**13000**	**5732221**	**35.87**	**3.87**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual funds/UTI	891077	-	891077	5.94	898736	-	898736	5.62	(0.32)
(b)	FI/Banks	32933	-	32933	0.22	30810	-	30810	0.19	(0.03)
(c)	Central/ State Govt. (s)	-	-	-	-	-	-	-	-	-
(d)	Venture capital funds	-	-	-	-	-	-	-	-	-
(e)	Insurance companies	-	-	-	-	-	-	-	-	-
(f)	FII	-	-	-	-	-	-	-	-	-
(g)	Foreign venture capital	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	(i) Financial Institutions	-	-	-	-	-	-	-	-	-
	(i) Port Folio Investor	516789	-	516789	3.45	1187754	-	1187754	7.43	3.99
	Sub-Total (B)(1)	**1440799**	**-**	**1440799**	**9.61**	**2117300**	**-**	**2117300**	**13.25**	**6.64**
2	**Non-institutions**									
(a)	Bodies corporate	1446316	35546	1481862	9.88	946448	32121	978569	6.12	(3.76)
(b)	Individuals	-	-	-	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to ₹ 1 lacs	4215991	709067	4925058	32.84	4192152	468993	4661145	29.16	(3.62)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lacs	1847590	77263	1924853	12.84	1885516	117986	2003502	12.54	(0.30)
(c)	Any other	-	-	-	-	-	-	-	-	-
(i)	(Non Resident Indian)	340183	500	340683	2.27	338151	-	338151	2.12	(016)
(ii)	Foreign Company	-	81713	81713	0.54	-	-	-	-	(0.54)
(iii)	Foreign National	3111	-	3111	0.02	5419	-	5419	0.03	0.01
	Sub-total (B)(2)	**7853191**	**904089**	**8757280**	**58.39**	**146430**	**-**	**146430**	**0.92**	**0.86**
	Total public shareholding (B)= (B)(1)+ (B)(2)	**9293990**	**904089**	**10198079**	**68.00**	**7367686**	**619100**	**8133216**	**50.89**	**(7.51)**
	Total (A)+(B)	**14092598**	**904089**	**14996687**	**100.00**	**15204207**	**632100**	**15982737**	**100.00**	**-**

ANNEXURE-2 (Contd.)

ii) Shareholding of promoters as on 31st March, 2019

S. No	Sshareholder's name	Shareholding at the beginning of the year			Shareholding at the End of 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	% change in shareholding during the year
1	Vishnu Rangaswamy D	692787	4.62	-	754500	4.72	-	0.10
2	Thilagam R	457255	3.05	-	457255	2.86	-	-0.19
3	Doraiswamy R	313428	2.09	-	313428	1.96	-	-0.13
4	Rajesh Kumar D	239266	1.60	-	241966	1.51	-	-0.08
5	SRVE Industries Ltd	533855	3.56	-	615605	3.85	-	0.29
6	Quebec Information Services I Ltd	575142	3.84	-	654842	4.10	-	0.26
7	Salzer Exports Limited	345725	2.31	-	345725	2.16	-	-0.14
8	Salzer Securities Holdings Limited	101007	0.67	-	101007	0.63	-	-0.04
9	K R Health Care P Limited	269683	1.80	-	352783	2.21	-	0.41
10	Saradha Investment Limited	667968	4.45	-	748968	4.69	-	0.23
11	R Damodaraswamy	42570	0.28	-	43220	0.27	-	-0.01
12	R Pappammal	59922	0.40	-	59922	0.37	-	-0.02
13	Salzer Magnet Wires Limited	500000	3.33	-	1030000	6.44	-	3.11
14	Samhita Rajesh	-	-	-	13000	0.08	-	0.08
	TOTAL	**4798608**	**32.00**	**-**	**5732221**	**35.87**	**-**	**3.87**

** Percentage of Shareholding at the beginning of the year was calculated on the total paid up shares 1,49,96,687 shares as on April 01, 2018 and Percentage of Shareholding at the end of the year was calculated on the total paid up shares 1,59,82,737shares as on March 31, 2019 after taking into account further allotment of 9,86,050shares during the year.

ANNEXURE-2 (Contd.)

iii) Change in Promoters' Shareholding

S. No	Changes in Promoters Holdings, date & reason of change	Shareholding at the beginning of the year (01.04.2018)		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	692787	4.62	692787	4.62
	Market Purchase - 12/05/2018	61713	0.41	754500	5.03
	At the end of the year			754500	4.72
2	**THILAGAM R**				
	At the beginning of the year	457255	3.05	457255	3.05
	At the end of the year			457255	2.86
3	**DORAISWAMY R**				
	At the beginning of the year	313428	2.09	313428	2.09
	At the end of the year			313428	1.96
4	**RAJESH KUMAR D**				
	At the beginning of the year	239266	1.60	239266	1.60
	Market Purchase - 19/04/2018	400	0.00	239666	1.60
	Market Purchase - 22/02/2019	2300	0.01	241966	1.51
	At the end of the year			241966	1.51
5	**SRVE INDUSTRIES LTD**				
	At the beginning of the year	533855	3.56	533855	3.56
	Market Purchase - 08/09/2018	81750	0.51	615605	3.86
	At the end of the year			615605	3.85
6	**QUEBEC INFORMATION SERVICES I LTD**				
	At the beginning of the year	575142	3.84	575142	3.84
	Market Purchase - 08/09/2018	77700	0.49	652842	0.49
	Market Purchase - 08/01/2019	2000	0.01	654842	4.11
	At the end of the year			654842	4.10
7	**SALZER EXPORTS LIMITED**				
	At the beginning of the year	347525	2.31	345725	2.31
	At the end of the year			345725	2.31
8	**SALZER SECURITIES HOLDINGS LIMITED**				
	At the beginning of the year	101007	0.67	101007	0.67
	At the end of the year			101007	0.63
9	**K R HEALTH CARE P LIMITED**				
	At the beginning of the year	269683	1.80	269683	1.80
	Market Purchase - 08/09/2018	82900	0.52	352583	2.21
	Market Purchase - 01/03/2019	200	0.00	352783	2.21
	At the end of the year			352783	2.21
10	**SARADHA INVESTMENT LIMITED**				
	At the beginning of the year	667968	4.45	667968	4.45
	Market Purchase - 08/09/2018	81000	0.51	748968	4.70
	At the end of the year			748968	4.69
11	**R DAMODARASWAMY**				
	At the beginning of the year	42570	0.28	42570	0.28
	Market Purchase - 03/08/2018	350	0.00	42920	0.27
	Market Purchase - 07/12/2019	300	0.00	43220	0.27
	At the end of the year			43220	0.27
12	**R PAPPAMMAL**				
	At the beginning of the year	59922	0.40	59922	0.40
	At the end of the year			59922	0.37
13	**SALZER MAGNET WIRES LTD**				
	At the beginning of the year	500000	3.33	500000	3.33
	Market Purchase - 08/09/2018	530000	3.39	1030000	6.59
	At the end of the year			1030000	6.44
14	**SAMHITA RAJESH**				
	At the beginning of the year	-	-	-	-
	Market Purchase - 14/03/2019	13000	0.08	1300	0.08
	At the end of the year			1300	0.08

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

ANNEXURE-2 (Contd.)

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

S. No	For each top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2018)		Cumulative shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**HMG GLOBETROTTER**				
	As on 01/04/2018	-	-	-	-
	Market Purchase - 08/06/18	166753	1.07	166753	1.07
	Market Purchase - 15/06/18	18769	0.12	185522	1.19
	Market Purchase - 22/06/18	39978	0.26	225500	1.44
	Market Purchase - 29/06/18	174500	1.12	400000	2.56
	Market Purchase - 21/09/18	29800	0.19	429800	2.70
	Market Purchase - 28/09/18	90200	0.57	520000	3.26
	Market Purchase - 15/02/19	443024	2.77	963024	6.03
	at the End of the year 31/03/2019			963024	6.03
2	**TARUN KANTILAL VAKHARIA**				
	As on 01/04/2018	219128	1.46	219128	1.46
	at the End of the year 31/03/2019			219128	1.37
3	**ELARA INDIA OPPORTUNITIES FUND LIMITED**				
	As on 01/04/2018	239690	1.60	239690	1.60
	Market Sales - 12/10/18	20765	0.13	218925	1.37
	at the End of the year 31/03/2019			218925	1.37
4	**SHARMIN NASSER**				
	As on 01/04/2018	165000	1.10	165000	1.10
	Market Purchase - 27/04/18	15000	0.10	180000	1.20
	Market Purchase - 10/08/18	10000	0.06	190000	1.20
	Market Purchase - 31/08/18	1000	0.01	191000	1.21
	Market Purchase - 14/09/18	9000	0.06	200000	1.26
	Market Purchase - 28/09/18	10000	0.06	210000	1.33
	Market Sales - 25/01/19	5000	0.03	205000	1.29
	Market Sales - 08/02/19	2000	0.01	203000	1.28
	Market Purchase - 01/03/19	2000	0.01	205000	1.29
	at the End of the year 31/03/2019			205000	1.29
5	**DIPAK KANAYALAL SHAH**				
	As on 01/04/2018	146000	0.97	146000	0.97
	Market Purchase - 20/07/18	500	0.00	146500	0.94
	Market Purchase - 10/08/18	1000	0.01	147500	0.94
	Market Purchase - 24/08/18	300	0.00	147800	0.93
	Market Purchase - 31/08/18	4000	0.03	151800	0.95
	Market Purchase - 14/09/18	200	0.00	152000	0.95
	Market Purchase - 21/09/18	4500	0.03	156500	0.98
	Market Purchase - 12/10/18	1400	0.01	159700	0.99
	Market Purchase - 19/10/18	200	0.00	158100	0.99
	Market Purchase - 26/10/18	500	0.00	158600	0.99
	Market Purchase - 02/11/18	400	0.00	159000	1.00
	Market Purchase - 30/11/18	1000	0.01	160000	1.00
	Market Purchase - 25/01/19	1000	0.01	161000	1.01
	Market Purchase - 15/02/19	1500	0.01	162500	1.02
	Market Purchase - 22/02/19	200	0.00	162700	1.02
	at the End of the year 31/03/2019			162700	1.02

ANNEXURE-2 (Contd.)

S. No	For each top 10 shareholders name, date & reason of change	Shareholding at the beginning of the year (01.04.2018)		Cumulative shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
6	**SUNDARAM MUTUAL FUND A/C SUNDARAM**				
	EMERGING SMALL CAP - SERIES II				
	As on 01/04/2018	-	-	-	-
	Market Purchase - 06/04/2018	100000	0.66	100000	0.66
	Market Purchase - 31/08/2018	11193	0.07	111193	070
	Market Purchase - 21/12/2018	9459	0.06	120652	0.76
	Market Purchase - 28/12/2018	2764	0.02	123416	0.77
	Market Purchase - 11/01/2019	37444	0.23	160860	1.01
	at the End of the year 31/03/2019			160860	1.01
7	**SUNDARAM MUTUAL FUND A/C SUNDARAM**				
	EMERGING SMALL CAP - SERIES I				
	As on 01/04/2018	90910	0.61	90901	0.61
	Market Purchase - 06/04/18	60000	0.40	150910	1.01
	at the End of the year 31/03/2019			150910	0.94
8	**INVESTOR EDUCATION AND PROTECTION**				
	FUND AUTHORITY MINISTRY OF CORPORATE				
	AFFAIRS				
	As on 01/04/2018	8177	0.05	8177	0.05
	Transfer to IEPF on 14/12/2018	2263	0.01	10440	0.07
	Transfer to IEPF on 28/12/2018	135990	0.85	146430	0.92
	at the End of the year 31/03/2019			146430	0.92
9	**SUNDARAM MUTUAL FUND A/C SUNDARAM**				
	EMERGING SMALL CAP - SERIES III				
	As on 01/04/2018	-	-	-	-
	Market Purchase - 31/08/18	104405	0.65	104406	0.65
	Market Purchase - 21/12/18	2469	0.02	106874	0.67
	Market Purchase - 28/12/18	721	0.00	107595	0.67
	Market Purchase - 11/01/19	32476	0.20	140071	0.88
	at the End of the year 31/03/2019			140071	0.88
10	**SUNDARAM MUTUAL FUND A/C SUNDARAM**				
	EMERGING SMALL CAP - SERIES IV				
	As on 01/04/2018	-	-	-	-
	Market Purchase - 21/12/18	59325	0.37	59325	0.37
	Market Purchase - 28/12/18	17331	0.11	76656	0.48
	Market Purchase - 11/01/19	23373	0.15	100029	0.63
	at the End of the year 31/03/2019			100029	0.63

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

ANNEXURE-2 (Contd.)

v) a. Shareholding pattern of Key Managerial Personnel

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2018)		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 01/04/2018	313428	2.09	313428	2.03
	At the end of the year 31/03/2019			313428	1.96
2	**RAJESH KUMAR D**				
	At the beginning of the year 01/04/2018	239266	1.60	239266	2.03
	Market Purchase - 19/04/18	400	0.00	239266	1.96
	Market Purchase - 22/02/2019	2300	0.01	239666	1.50
	At the end of the year 31/03/2019			239666	1.60
3	**BASKARASUBRAMANIAN.S**				
	Director (Corporate Affairs)& Company Secretary				
	At the beginning of the year 01/04/2018	16200	0.11	16200	0.11
	Market Purchase - 17/05/2018	2900	0.02	19100	0.13
	Market Purchase - 10/10/2018	75	0.00	19175	0.12
	Market Purchase - 01/02/2019	20	0.00	19195	0.12
	Market Purchase - 08/02/2019	2250	1.01	21445	1.14
	At the end of the year 31/03/2019			21445	0.13

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

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2018)		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 01/04/2018	457255	3.05	457255	3.05
	At the end of the year 31/03/2019			457255	2.86
2	**R DAMODHARASWAMY**				
	- Non Executive & Non Independent				
	At the beginning of the year 01/04/2018	42570	0.28	42570	0.28
	Market Purchase - 03/08/2018	350	0.00	42920	0.27
	Market Purchase - 07/12/2018	300	0.00	43220	0.27
	At the end of the year 31/03/2019			43220	0.27
3	**NIRMAL KUMAR CHANDRIA**				
	-Independent Director				
	At the beginning of the year 01/04/2018	16450	0.11	16450	0.11
	Transmission During the Year	3200	0.02	19650	0.12
	Purchase During the Year	15200	0.10	34850	0.22
	At the end of the year 31/03/2019			34850	0.22
4	**NARAYANASWAMY JAYABAL**				
	-Independent Director				
	At the beginning of the year 01/04/2018	665	0.00	665	0.00
	At the end of the year 31/03/2019			665	0.00
5	**L VENKATAPATHY**				
	-Independent Director				
	At the beginning of the year 01/04/2018	300	0.00	300	0.00
	At the end of the year 31/03/2019			300	0.00
6	**V SANKARAN**				
	-Independent Director				
	At the beginning of the year 01/04/2018	-	-	-	-
	At the end of the year 31/03/2019			-	-

ANNEXURE-2 (Contd.)

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2018)		Cumulative shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
7	**N RANGACHARY**				
	- Independent Director				
	At the beginning of the year 01/04/2018	-	-	-	-
	At the end of the year 31/03/2019			-	-
8	**P K SHAH**				
	- Independent Director				
	At the beginning of the year 01/04/2018	30000	0.20	30000	0.20
	Market Purchase - 05/10/2018	600	0.00	30600	0.19
	Market Purchase - 09/11/2018	265	0.00	30825	0.19
	Market Purchase - 15/02/2019	265	0.00	31090	0.19
	At the end of the year 31/03/2019			31090	0.19
9	**OTTO EGGIMANN**				
	- Independent Director				
	At the beginning of the year 01/04/2018	-	-	-	-
	At the end of the year 31/03/2019			-	-

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

VI INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1785.30	2000.00	-	3785.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1785.30**	**2000.00**	**-**	**3785.30**
Change in Indebtedness during the financial year				
Addition	397.82	-	-	397.82
Reduction	975.12	-	-	975.12
Net Change	**-577.30**	-	-	**-577.30**
Indebtedness at the end of the financial year				
i) Principal Amount	1208.00	2000.00	-	3208.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1208.00**	**2000.00**	**-**	**3208.00**

ANNEXURE-2 (Contd.)

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Remuneration of Managing Director and other Whole Time Directors

(₹ in Lakhs)

	R.Doraiswamy	D.Rajeshkumar	P.Ramachandran	Total
	Managing Director	Joint Managing Director & Chief Financial Officer	Whole Time Director	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.75	40.05	13.54	95.34
(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	-	-	-	-
(d) Stock Option	-	-	-	-
(e') Sweat Equity	-	-	-	-
(f) Commission				
- as % of profit	30.18	30.18	-	60.36
(g) Others, specify...				
PF Contribution	0.22	0.21	0.21	0.64
Bonus	0.39	0.40	0.00	0.79
Total (A)	**72.54**	**70.84**	**13.75**	**157.13**
Ceiling as per the Act	₹ 320 Lacs			

b) Remuneration to other Directors

i) Independent Directors

(₹ in Lakhs)

S. No	Director	Fees for attending the meeting	Commission	Others	Total
		(A)	(B)	(C)	A+B+C
1	Mr. N.RANGACHARY	2.70	-	-	2.70
2	Mr. V.SANKARAN	2.85	-	-	2.85
3	Mr. L.VENKATAPATHY	2.55	-	-	2.55
4	Mr. NIRMAL KUMAR M CHANDRIA	1.50	-	-	1.50
5	Mr. N.JAYABAL	1.50	-	-	1.50
6	Mr. P.K.SHAH	1.65	-	-	1.65
7	Mr. Otto Eggimann	-	-	-	-
	Total	**12.75**	**-**	**-**	**12.75**

ii) Other Non-Executive Directors and Nominees Directors

(₹ in Lakhs)

S. No	Director	Fees for attending the meeting	Commission	Others	Total
		(A)	(B)	(C)	A+B+C
1	Dr. THILAGAM RAJESHKUMAR	1.20	-	-	1.20
2	Mr. R. DHAMODHARASWAMY	0.90	-	-	0.90
	Total	**2.10**	**-**	**-**	**2.10**

ANNEXURE-2 (Contd.)

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

(₹ in Lakhs)

	S BASKARASUBRAMANIAN Director (Corporate Affairs) & Company Secretary
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.97
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.71
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
Stock Option	-
Sweat Equity	-
Commission	-
- as % of profit	-
- Others, specify...	-
PF Contribution	0.22
Bonus	0.89
Total	**17.79**

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in Lakhs)

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

For and on behalf of the Board

Place : Coimbatore
Date : May 24, 2019

(Sd/-) **N.RANGACHARY**
CHAIRMAN
DIN: 00054437

ANNEXURE-3

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

A. CONSERVATION OF ENERGY

Energy conservation is the effort made to reduce the consumption of energy by using less of an energy service. This can be achieved either by using energy more efficiently or by reducing the amount of service used. Energy conservation is a part of the concept of eco-sufficiency. Energy conservation reduces the need for energy services and can result in increased environmental quality, national security and higher savings. It also lowers energy costs by preventing future resource depletion.

In this Direction, your Company remains conscious to achieve optimal energy efficiency across the Units and aims to employ continuous measurement of energy consumptionand review its operating procedures periodically.

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 31.03.2020.

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

ANNEXURE-3 (Contd.)

- 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. **Other Products** Train Warning System, Energy saving Fan regulator, Ceiling Mount movement sensor, Touch cum remote switch, GE Earth Terminal, Bimetallic Overload Relay, Different Type of Sensors, 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:**

- The Company 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 set up state of the art manufacturing facility and commenced the production during the Third quarter in 2016-17.

- The Company 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 Newzeland. 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.,	₹ 750.06 Lakhs
• New Products and Process development	₹ 96.19 Lakhs
• Salary and other expenses for R & D personnel	₹ 120.46 Lakhs

4. **Details of Imported Technology:**

• Technology Imported	For the manufacture of (i) CAM Operated Rotary Switches (ii) Toroidal Transformers (iii) Three phase try type transformer
• Year of Import	(i) 1985 (ii) 1995 / 2005 (iii) 2016
• Has the technology been fully absorbed	Yes, Fully absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Foreign Exchange earned during the year (Direct export ₹ 5613.87 Lakhs & ₹ 21.72 Lakhs for technical services)	₹ 5635.59 Lakhs
b) Foreign Exchange outgo	₹ 8813.37 Lakhs

For and on behalf of the Board

Place : Coimbatore
Date : May 24, 2019

(Sd/-) **N.RANGACHARY**
CHAIRMAN

ANNEXURE-4

ANNUAL REPORT ON CSR ACTIVITES

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 especially the development of Rural and Semi urban Local Regional Areas in which the Company is operating, 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, Chinnamadham-palayam, Bettathapurm, 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, Drainage, 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 N 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.

ANNEXURE-4 (Contd.)

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
Net profit under Section 198 of the Companies Act 2013	₹ 3,075.66	₹ 2,493.96	₹ 2,397.56

4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT. OF THE AMOUNT AS IN ITEM 3 ABOVE)

	₹ In Lakhs
Last three years average profit	2,655.73
CSR Spending -2%	53.11

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR.

a.	Total amount to be spent for the financial year 2018-19	₹ 53.11 Lakhs
b.	Amount spent for the financial year 2018-19	₹ 53.20 Lakhs
c.	Amount unspent , if any;	Nil

DETAILS OF THE AMOUNT SPENT DURING THE FINANCIAL YEAR ARE DETAILED BELOW

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 implementing agency
1	2	3	4	5	6	7	8
				₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	
1	Women Empowerment	Social Development	Coimbatore, Tamil Nadu	-	0.05	0.05	By Both
2	Education including skill development	Education	Coimbatore, Tamil Nadu	24.40	24.41	24.46	
3	Hunger and poverty	Poverty eradications	Coimbatore, Tamil Nadu	1.16	1.16	25.62	
4	Health care services	Health	Coimbatore, Tamil Nadu	5.46	5.46	31.08	
5	Rural development project	Rural Development	Coimbatore, Tamil Nadu	17.96	17.96	49.04	
6	Sports related activities	Sports	Coimbatore, Tamil Nadu	1.05	1.05	50.09	
7	Swachh Bharat (Clean India Mission of Government)	Swachh Bharat	Coimbatore, Tamil Nadu	2.60	2.62	52.71	
8	Development of Traditional Culture	Protection Culture	Coimbatore, Tamil Nadu	0.49	0.49	53.20	
	Total			**53.11**	**53.20**		

6. Reason for not spending the amount earmarked for CSR Activities in the Financial year 2018-19

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

R DORAISWAMY
Managing Director
DIN :00003131

N RANGACHARY
Chairman of CSR Committee
DIN :00054437

Date : May 24,2019
Place : Coimbatore

ANNEXURE-5

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) The exercise period of Five years from the date of vesting commenced on November 18, 2014 and getting ended on November 17, 2019

5) As on the date of this report the entire 10,28,000 vested Stock Options exercised by the Employees over the period of years since the date of vesting and against which, similar number of equity shares allotted to them.

ANNEXURE-5 (Contd.)

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 (from the date of vesting to March 31, 2019)	: 10,28,000 Options
5	Options exercised during the reporting year	: 4,56,050 Options
6	Total number of shares arising as a result of exercise of option from the date of vesting to March 31, 2019)	: 10,28,000 Equity shares of ₹ 10/- each
7	Total number of shares arising as a result of exercise of option during the reporting year	: 4,56,050 Equity shares of ₹ 10/- each
8	Options lapsed	: NIL
9	The exercise price	: ₹ 40/- per share
11	Variation of terms of options	: NIL
12	Total number of shares arising as a result of exercise of option during the reporting year	: 4,56,050 Equity Shares
13	Money realized by exercise of options (4,56,050 Options exercised during the year)	: ₹ 1,82,42,000/-
14	Total number of options in force	NIL
15	Employee wise details of options granted to	

- key managerial personnel as at March 31, 2019 : **Nil**
- 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 yea : **Nil**
- 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 : **Nil**

Diluted Earnings per share (EPS) pursuant to the issue of shares on the exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 33 " Earning per share" : ₹ **15.10 per share in FY 2018-19 against** ₹ **13.45 per share in FY 2017-18.**

For and on behalf of the Board

N RANGACHARY
Chairman of CSR Committee
DIN :00054437

Date : May 24,2019
Place : Coimbatore

ANNEXURE-6

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	:	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	Date(s) of approval by the Board, if any or such other approvals	:	NIL
f	Amount paid as advances, if any	:	NIL

For and on behalf of the Board

N RANGACHARY
Chairman of CSR Committee
DIN :00054437

Date : May 24,2019
Place : Coimbatore

ANNEXURE-7

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;

Sl. No.	Name of the Director	Position	Total Remuneration for FY 19 (₹ in Lakhs)	Ratio of Remuneration of the Director to the median Remuneration
1	Mr. N. Rangachary	Non-Executive & Independent Chairman	2.70	1.00
2	Mr. R. Doraiswmay	Managing Director	72.54	26.77
3	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	70.84	26.14
4	Mr. P. Ramachandran	Whole Time Director (Marketing)	13.75	5.07
5	Mr. R. Damodharaswamy	Non executive Director	0.90	0.33
6	Dr. Thilagam Rajesh	Non executive Director	1.20	0.44
7	Mr. N. Jayabal	Independent Director	1.50	0.55
8	Mr. Nirmal Kumar Chandria	Independent Director	1.50	0.55
9	Mr. V. Sankaran	Independent Director	2.85	1.05
10	Mr. P.K. Shah	Independent Director	1.65	0.61
11	Mr. L. Venkatapathy	Independent Director	2.55	0.94
12	Mr. Otto Eggimann	Independent Director	-	-
13	S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	17.79	6.57

- Remuneration includes sitting fees
- Non-executive Directors and Independent Directors have been paid only sitting fees for attending the Board Meetings and Committee thereof

(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;

Sl. No.	Name of the Director	Position	Remuneration (₹ in Lakhs)		Increase %
			2018-19	2017-18	
1	Mr. N. Rangachary	Non-Executive & Independent Chairman	2.70	2.20	23%
2	Mr. R. Doraiswmay	Managing Director	72.54	64.50	12%
3	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	70.84	62.88	13%
4	Mr. P. Ramachandran	Whole Time Director (Marketing)	13.75	10.82	27%
5	Mr. R. Damodharaswamy	Non executive Director	0.90	0.50	80%
6	Dr. Thilagam Rajesh	Non executive Director	1.20	1.10	9%
7	Mr. N. Jayabal	Independent Director	1.50	0.90	67%
8	Mr. Nirmal Kumar Chandria	Independent Director	1.50	1.10	36%
9	Mr. V. Sankaran	Independent Director	2.85	2.35	21%
10	Mr. P.K. Shah	Independent Director	1.65	1.25	32%
11	Mr. L. Venkatapathy	Independent Director	2.55	2.35	9%
12	S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	17.79	17.04	4%

ANNEXURE-7 (Contd.)

(iii) The percentage increase in the median remuneration of employees in the financial year 7 %

(iv) The number of permanent employees on the rolls of company as at March 31, 2019 - 568

(v) 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;

The average increase granted to employees other than managerial personnel is 15 %

The increase granted to managerial personnel is 13%

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board

N RANGACHARY
Chairman of CSR Committee
DIN :00054437

Date : May 24, 2019
Place : Coimbatore

ANNEXURE-8

SECRETARIAL AUDIT REPORT

To

The Members,

Salzer Electronics Limited,

Samichettipalayam,

Coimbatore 641047

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

Management's Responsibility

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

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.
3. 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

G. Vasudevan
FCS No.:6699
CPNo.:6522

Date: May 24, 2019
Place: Coimbatore

ANNEXURE-8 (Contd.)

FORM NO. MR-3

Secretarial Audit Report
For The Financial Year Ended March 31, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

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 **Salzer Electronics Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 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 31.03.2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(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) 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;

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

  (i) Secretarial Standards 1, 2&3 issued by The Institute of Company Secretaries of India.

  (ii) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015.

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

ANNEXURE-8 (Contd.)

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.

Adequate notice is given to all Directors (shorter notice is given for one Board Meeting) 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 2018-19, the Company has

a. Allotted 97,050 equity shares under Salzer Electronics Limited Employees Stock Options Scheme 2012-13 on 17th May 2018

b. Allotted 5,30,000 equity shares on 24th May 2018 on Preferential basis against the conversion of 5,30,000 Non-Cumulative 5% Convertible Preference shares to Salzer Magnet Wires Limited under the Business Transfer Agreement.

c. Allotted 3,23,350 equity shares under Salzer Electronics Limited Employees Stock Options Scheme 2012-13 on 11th August 2018.

d. Allotted 35,650 equity shares under Salzer Electronics Limited Employees Stock Options Scheme 2012-13 on 8th February 2019.

For G.V and Associates

G. Vasudevan
FCS No.:6699
CPNo.:6522

Date: May 24, 2019
Place: Coimbatore

ANNEXURE-9

MANAGEMENT DISCUSSION AND ANALYSIS

Forward looking statement -

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 IND AS Accounting standards. 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

Global economic growth appears robust. The world economy is projected to expand at a steady pace of 3 per cent in 2019 and 2020. Growth rates in many developed economies have risen near to what is widely considered their potential, while unemployment rates have fallen towards historical lows. Among the developing economies, the East and South Asia regions remain on a strong growth trajectory, while many commodity-exporting countries are continuing a gradual recovery. In 2018, global economic growth remained steady at 3.1 per cent when calculated at market exchange rates, or 3.7 per cent when adjusted for purchasing power parities. A fiscally induced acceleration in the United States of America offset slower growth in some other large economies, including Argentina, Canada, China, Japan, Islamic Republic of Iran, Turkey and the European Union (EU). Despite these slowdowns, economic growth accelerated in more than half of the world's economies in both 2017 and 2018.

Global Switchgear Industry

The global switchgear market is geographically segmented into seven key regions - North America, South America, Eastern Europe, Western Europe, Asia Pacific, Japan and Middle East & Africa. Asia-Pacific holds the major share in global switchgear market, followed by North America South America, and Europe respectively. Asia-Pacific switchgear market is expected to maintain its dominance in global switchgear market during the forecast period.

Emerging countries like India and China in Asia-Pacific region are extensively upgrading and installing new transmission lines and distribution networks to uphold the infrastructural developments, which are expected to be major driving factors of global switchgear market. On a country level, China dominates in the global switchgear market with more than 18-20% of share.

Against the dynamic economic conditions, the Eastern and Western Europe switchgear market are also expected to contribute a significant amount to the global switchgear market during the forecast period due to the increasing infrastructure development for renewable energy sources. North America switchgear market is also expected to contribute significant share during forecast period due to various factors like growing market for grid modernization, replacement of old installations along with capacity enhancement.

On the basis of operating voltage rating, the global switchgear market is segmented into three categories which are global low voltage switchgear market, global medium voltage switchgear market and global high voltage switchgear market. Rapid growth in industrialization of small and medium scales in developing countries like China, India and developed countries like Japan is expected to be prominent countries for low and medium voltage switchgear market. In terms of market shares medium voltage switchgear market segment dominates the global switchgear market, whilst in terms of growth rate low voltage switchgear market is projected to offer double digit CAGR, higher than that of other voltage sub-segments.

The global market for switchgears is anticipated to do well in the coming times as demand is likely to be driven by medium and high voltage types of switchgears. Revenues in the switchgears market are closely tied with the demand for transformers, therefore, increase in demand for transformers will lead to a rise in demand for switchgears and vice versa.

The market for switchgears will continue to evolve globally, being led mainly by escalating demand for renewable sources of energy, growth in construction and industrial sectors especially in developing countries, and government efforts to upgrade and modernize electricity transmission and distribution systems. Growth in switchgears will also be sustained

ANNEXURE-9 (Contd.)

by government directives to replace older redundant systems to achieve operational safety, and security in industrial establishments.

(**Source:**https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2019_BOOK-web.pdf

https://www.electricalindia.in/focusing-on-the-global-switchgear-industry/

https://www.futuremarketinsights.com/reports/switchgears-market)

Indian Engineering Overview

In the last few years, India has emerged as a global engineering hub. Several global manufacturing majors have partnered with Indian firms in setting up successful engineering units across the country. A few of these include Alstom (France), Ansaldo (Italy), Babcock (UK), Colfax Corporation, GE (USA), Hitachi (Japan), Legrand (France), MHI (Japan), Schneider Electric (France), and Toshiba (Japan).

One of the key areas of focus for domestic players has also been technology up-gradation. Several firms have formed strategic alliances with technology suppliers to upgrade their production and processing capabilities. With the entry of foreign players, competition has further increased, spurring domestic investment in technology to significantly improve production quality and capacity. Increasingly, domestic players are securing ISO 9,000 accreditation to further strengthen their position in the global market.

The Indian engineering sector accounts for 5% of India's GDP. Rising domestic demand, increasing investment and growth opportunities, favourable government policies and global & domestic focus on establishing low cost plants have propelled the engineering sector to greater heights. The contribution of the engineering sector to India's GDP over the last few years can be categorised on the basis of cost, the manufacturing segment and pure engineering industry.

Indian Transformer Sector

The Indian transformer industry is more than five decades old. Domestic manufacturers have developed capabilities to manufacture all types of equipment to meet the country's demand for transformers up to 800 Kilovolts (KV) and 1,200 KV. The industry enjoys a good reputation in terms of quality, price and delivery in the domestic as well as overseas markets. Transformers comprise 19-20% of total transmission & distribution equipment manufactured in the country. India exports 10% of its domestic transformer production to over 100 nations including the US, Europe, Malaysia, Singapore, Bangladesh, several African and Gulf countries.

Switchgear Industry

The global switchgear market is anticipated to grow over the years due to demand increase on account of new consumption centres and development of various renewable energy sources. The Indian Government has been focusing on improvement in the State Electricity Boards and there has been a huge addition of infrastructure for rural electrification leading to the demand of more switchgear. The growth is expected to be good by 2020.

The Indian power sector has a lot of potential for investment in the next 45 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment. The govt's immediate goal is to double the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. The Goal is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The govt has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

The Indian electrical equipment industry comprising of multinationals, large medium & small players is fully geared up producing, supplying and exporting a wide variety of electrical equipment including switchgear and control gear items needed by the expanding industrial and power sector. This industrial sector, in fact, manufactures the entire voltage range from 240V-2800KV.

India's switchgear market is projected to grow at a CAGR of over 15% through 2023, on account of rising development across residential, commercial and industrial end use sectors. Moreover, electrification programs running across the country and development of transmission and distribution networks are further fuelling growth in India's switchgear market. Additionally, with rising per capita income, demand for various electrical appliances like air conditioners, fridges, etc., is also growing, which in turn, is increasing the electricity consumption and the need of switchgears to regulate and control these appliances.

India's overall market for switchgears is anticipated to grow more than 7% at the end of the forecast period. Low Voltage Switchgear will be in dominance for the forecast period in switchgear industry. In specific Medium and High Voltage switchgear market, Medium Voltage custom built products are in the dominance and are anticipated to be in dominance for the forecast period. MV and HV switchgear is anticipated to have CAGR of more than 8% from 2017-18 to 2022-23.

The presence and advancement of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from traditional sources, such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-

conventional sources such as wind, solar, agricultural and domestic waste. Switchgear is necessary from the point of production of electricity to end users.

(**Source:** https://www.eprmagazine.com/industry-analysis/switchgear-industry-indispensable-part-of-indias-future/

https://www.businesswire.com/news/home/20180717005790/en/India-Switchgear-LV-MV-HV-Market-Overview

https://www.techsciresearch.com/report/india-switchgear-market/3044.html)

Indian Wires & Cables Industry

Doubling of demand for electricity in the future will generate the need for development of quality electrical infrastructure supporting this growth for several years to come. This augurs well for the development of wires and cables industry in India. Being one of the key segments of the power sector, the wires and cables sector is experiencing an escalating demand owing to the growth in power generation infrastructure.

The wires and cables market in India comprise nearly 40% of the electrical industry and is growing at a CAGR of 15% as a result of growth in the power and infrastructure segments. The segment has been witnessing unprecedented growth owing to the boost provided by the recent policy and regulatory initiatives as well as Government schemes like Ujjwal Discom Assurance Yojana (UDAY), the Deendayal Upadhyay Gram Jyoti Yojana (DDUGJY), the Integrated Power Development Scheme (IPDS) and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana Saubhagya. Further, Indian Railways' Railway Mission 41K has generated the potential for Indian wires and cables industry through electrification of 38,000 km route. Under DDUGJY, the government has envisaged the electrification of all villages.

(**Source:** https://www.electricalindia.in/wires-cables-industry-betting-big-on-infra/)

ABOUT SALZER ELECTRONICS LIMITED

Salzer Electronics Limited is among leading players offering Total and Customized Electrical Solutions in Switchgears, Wires & Cables and Energy Management business in India. The Company is the largest manufacturer of CAM Operated Rotary switches & Wire Ducts in India, with a market share of 25% & 20% respectively. The Company caters to a wide range of products with five In-house manufacturing facilities, located in Coimbatore.

The Company has a wide distribution network locally and globally, exporting to more than 40 countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has a strong R&D team that focuses on developing and commercializing the technologies of the products, and as a result, can offer total customized electrical solutions to its customers.

CONSOLIDATED FINANCIAL OVERVIEW

The consolidated performance of the Company for the financial year ended March 31st, 2019, is as follows:

Total revenue from operations at ₹ 559.8 crore for the year ended March 31st, 2019, as against ₹ 442.8 crore for the corresponding previous period, an increase of 26.4%, mainly driven by all three key businesses of Industrial Switch Gears, Building segment and Wires & cables. The Contribution from domestic sales was 86.1%, driven by all business segments.

The Breakup of revenue for the Electrical Installation Products:

- Industrial Switchgear 41.4% of net revenues, YoY increase of 13.5%, mainly driven by products - three phase dry type phase transformers and wire harness
- Wires & Cables 48.5% of net revenues, YoY increase of 21.8%, mainly on account of consolidation of Salzer Magnet Wires and increase of new product offerings
- Buildings Products 7.6% of net revenues, increase of 97.9% YoY on account of increase in new product offerings and focus on sales promotional activity to create awareness for products in the retail segment in India
- Energy Management 2.5% of net revenue, YoY increase of 192%. This is an order book driven business and the increase in revenue was from AMC for past orders executed

The raw materials consumed for the financial year ended March 31st, 2019 were ₹ 418.8 crore as against ₹ 323.5 crore for the corresponding previous period, an increase of 29.5%.

The staff expenses for the financial year ended March 31st, 2019 were ₹ 24.9 crore as against ₹ 19.9 crore for the corresponding previous period, an increase of 25.10%.

The other expenses for the financial year ended March 31st, 2019 were ₹ 52.4 crore as against ₹ 46.2 crore for the corresponding previous period, an increase of 13.4%.

The EBIDTA (earnings before interest, depreciation and tax) was ₹ 63.6 crore for the year ended March 31st, 2019, as against ₹ 53.3 crore for the corresponding previous period, an increase of 19.5%, mainly on account of growth of all business segments.

The depreciation for the financial year ended March 31st, 2019 was ₹ 12.2 crore, as against ₹ 10.5 crore for the corresponding previous period, an increase of 16.2 %.

The EBIT (earnings before interest and tax) were ₹ 52.2 crore for the year ended March 31st, 2019, as against ₹ 45.9 crore for the corresponding previous period, an increase of 13.8%

ANNEXURE-9 (Contd.)

The interest for the financial year ended March 31st, 2019 was ₹ 19.9 crore as against ₹ 14.9 crore for the corresponding previous period, an increase of 33.3%

The profit after tax for the financial year ended March 31st, 2019 was at ₹ 24.0 crore as against ₹ 20.0 crores for the corresponding previous period, an increase of 19.7%.

The EPS (Earning per Share) for the financial year ended March 31st, 2019 was ₹ 15.21 for a face value of ₹ 10 per share, as against ₹ 13.82 for the corresponding previous period.

RESOURCES AND LIQUIDITY

As on March 31st, 2019, the total networth stood at Rs. 287.17 crore and total debt was at ₹ 139.81 crore.

The net debt to equity ratio of the Company stood at 0.43 as on March 31st, 2019.

BUSINESS PERFORMANCE

Salzer primarily operates in four segments, viz. Industrial Switchgears, 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 have all the necessary international certifications like UL (Underwriters Laboratories Inc), CSA (Canadian Standards Association), Intertek Semko certification and CE (Conformite Europeanee).

During the year, this segment posted revenue of ₹ 231.48 Crs against ₹ 204.03 Crs record in FY18, with the growth of around 13.5% and contributed 41.36% 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 16 years back and focusing more on domestic market. After few years of flat performance, the segment witnessed robust recovery and during the year, the segment reported business revenue of ₹ 271.69 Crs as against ₹ 223.06 Crs with year on year growth of around 21.8%.

The copper division includes wires and cables, flexible bus bars, enameled 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 A
- Silver nickel contacts for enhanced electrical life
- Manufactured using high-grade engineering plastics
- Safety features: anti-spark shield and finger-protected switch terminals
- Speciality 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 7.55% of total revenues.

Energy Savers

The energy saving business is a new business vertical and expects to further boost growth by focusing on the manufacturing and installation of energy saving and efficient products like street light controllers and energy saving panels. During the year, this segment contributed to 2.5% of net revenue.

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

Improved macroeconomic outlook: The growth forecast for the economy is showing a corresponding upward tick. This will reflect correspondingly in consumer demand and construction activity, boosting the overall market demand.

New product markets: Energy efficiency, solar power and technology upgrade present many latent markets which can be developed. This will require an enabling policy environment, investment by companies, cost improvement and consumer awareness to click together.

Move towards organized segment: The industry has a significant presence of relatively small-scale local players. These players can often provide nimble solutions for specific local requirements, but compromises on quality are too common. As awareness on quality, product performance and life-cycle costs improve, organized segment footprint is improving in most product markets.

Increase in Power Generation Capacity: Domestic demand to sustain the envisaged annual GDP growth rate of around 8-9% over the next 20 years, it has been estimated that India will require to increase its electricity generation capacity by around five times by 2032.

Growth in Infrastructures: Rapid growth in metros, airports and other infrastructure projects is expected to generate huge demand for matching BTG and T&D equipment.

External demand: Currently, share of India's exports in the global market is less than 1 per cent. With the electricity sector being a sunrise sector across the entire developing world, there exists a significant export potential for the domestic industry

THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Raw Material Cost

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.

As on March 31st, 2019, the Company had a workforce of 568 people on rolls.

Way Ahead

India is one of the world's fastest growing major economies. But interestingly it is still a developing country. This positions the power distribution industry for robust growth. At this juncture, the Company foresees commercial and industrial growth continuing to be the primary driver for the switchgear industry. The Company expects major investments directed at rapidly improving the quality of distribution infrastructure, which would be critical for sustaining the industrial growth rate.

ANNEXURE-9 (Contd.)

At different levels there are government directives to replace older redundant systems to achieve operational safety, and security in industrial establishments. Under these developments on the consumption side, India is emerging as a significant market for switchgear within the global switchgear landscape. The Indian switchgear market is driving global growth in a market estimated to cross USD 140 billion by 2024.

The Company expects to capitalize on this opportunity. Besides, Company also focuses on having technical tie up's with globally renowned players to develop technically advanced products for its customers.

Salzer also works on sourcing global technologies to make products in India under the theme of 'Make in India' an initiative by the Government in making products locally. As a part of the Make in India story, Salzer enters into a tie-up with global firms, for importing technologies to make different products and commenced commercial production.

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INDEPENDENT AUDITOR'S REPORT

"To
the Members of **SALZER ELCTRONICS LIMITED**

Report on the Standalone Financial Statements

Opinion

We have audited accompanying standalone financial statements of **Salzer Electronics Limited** ("the Company"), which comprise of the balance sheet as at March 31, 2019, the statement of Profit and Loss (Including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirement that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No	Key Audit Matter	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The core Principle of the new standard Ind AS 115, is that revenue should be recognized when an entity transfers control of goods or services to customer at the amount to which the entity expects to be entitled to. Ind AS -115 requires perceiving revenue from customer point of view-whether the customer has received a standalone benefit from the goods or services it has received. The other fundamental change is that an entity recognises the revenue when controls of the underlined goods or services are transferred to the customer. This is different from the current "risk and reward model" under Ind AS18, where revenue is recognised on transfer of risk and reward to the customer. The new model is expected to bring about significant change in the way the company recognize, present and disclose their revenue.	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: Our audit included but was not limited to the following activities: - Mapped and evaluated selected systems and processes for revenue recognition and tested a sample key control. - Evaluated the Company's work to implement IndAs 115 and assessed whether the Company's accounting principles comply with the new accounting standard. - Tested a sample of sales transactions for compliance with Company's accounting principles - Performed data analytical procedures to identify and evaluate a sample of manual and automatic journal entries. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No	Key Audit Matter	Auditor's Response
2.	**Goodwill- Valuation** The assessment of the recoverable value of these assets is a key audit matter, given the significant potential of impairment and the high degree of estimation and judgement required by management for this assessment. **Impairment of Goodwill** Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments	**Principal Audit Procedures** - We reviewed the goodwill impairment testing process implemented by the management - The assessment of Goodwill impairment was done by an independent valuation expert on the basis of cash flow forecast, estimated long term growth rates and estimated operating margins. - Based on the valuation certified by the independent valuer, there is no impairment during the current year.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's report including Annexures to Boards Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the standalone financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or other information obtained during the course of our audit or otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism through- out the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". (Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) 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, as amended, 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 on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SWAMY & RAVI**
Chartered Accountants
Firm's registration number: 004317S

S. ALAMELU
Partner
Membership No: 223555

Coimbatore
May 24, 2019

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SALZER ELECTRONICS LIMITED

(Referred to in paragraph | under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31st, 2019)

(i) In respect of its Fixed Assets:

- The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- These fixed assets of the Company have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- The title deeds of all the immovable properties of the Company Shown under Property, Plant and Equipments are held in the name of the company.

(ii) In Respect of its inventory:

- According to the information and explanations given to us, the Physical verification of the inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on physical verification of inventories as compared to the books of records.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013 during the financial year.

(iv) The Company has not granted loans, given guarantees and securities however made investments during the year in compliance with the provisions of section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits during the year and therefore paragraph 3(v) of the Order is not applicable to the Company

(vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the cost records with a view to determine whether they are accurate and complete.

(vii) In respect of statutory dues:

- According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of being payable.
- Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount	Forum where the dispute is pending
Central Excise Act	Customs/ Excise Duty	₹ 97,68,260 (out of which ₹ 12,00,000 was paid under protest)	CESTAT-APPEAL
Income Tax Act	Disputed Income Liability appeal	₹ 1,90,73,879 (out of which ₹ 28,00,000 was Deposited)	CCIT-APPEAL

(viii) The company has not borrowed loans from any financial institutions against issue of debentures.

(xi) The Company did not raise any money by way of initial Public offer or further public offer (including debt instruments). However, the Company has availed a term Loan and applied for the purpose for which the Loan obtained for.

(x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our Opinion, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

(xiv) During the year, the Company has not made any preferential allotment or Private Placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(ivx) of the order is not applicable

(xv) The company has not entered into any non- cash transactions with directors or persons connected with them. Accordingly clause 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
Firm's registration number: 004317S

S. ALAMELU
Partner
Membership No: 223555

Coimbatore
May 24, 2019

ANNEXURE "B"

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ONSTANDALONE IND AS FINANCIAL STATEMENTS OF M/s. 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, 2019 in conjunction with our audit of the standalone Ind AS 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 judgement, 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 my /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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, 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
Firm's registration number: 004317S

S. ALAMELU
Partner
Membership No: 223555

Coimbatore
May 24, 2019

BALANCE SHEET
AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
I.	**ASSETS**			
1	**Non-current Assets**			
(a)	Property, Plant and equipment	2	17,835.34	16,173.61
(b)	Capital Work in progress	3	606.09	643.30
(c)	Investment Property	4	0.77	0.77
(d)	Intangible Assets	5	461.81	458.67
(e)	Financial Assets			
	i. Investments	6	67.25	86.55
	ii. Trade Receivables	7	1,122.05	2,158.36
	iii. Others	8	942.68	1,201.36
(f)	Other Non-Current Assets	9	551.29	208.79
	Total Non-Current Assets (1)		**21,587.28**	**20,931.41**
2	**Current Assets**			
(a)	Inventories	10	14,266.53	13,854.10
(b)	Financial Assets			
	i. Investments	11	299.68	222.44
	ii. Trade Receivables	12	14,625.11	11,763.35
	iii. Cash and Cash Equivalents	13	712.92	199.47
	iv. Other Bank balances	14	698.95	800.27
	v. Loans	15	2,536.44	3,950.63
	vi. Others	16	46.99	75.32
(c)	Other Current Assets	17	1,782.48	1,926.18
	Total Current Assets (2)		**34,969.10**	**32,791.76**
	TOTAL ASSETS (1+2)		**56,556.38**	**53,723.17**
II.	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
(a)	Equity Share Capital	18	1,598.27	1,552.67
(b)	Other Equity	19	27,101.18	25,507.42
	Total Equity (1)		**28,699.45**	**27,060.09**
2	**LIABILITIES**			
(1)	**Non-current Liabilities**			
(a)	Financial Liabilities			
	i. Borrowings	20	421.08	765.22
(b)	Provisions	21	62.92	65.86
(c)	Deferred tax liabilities (net)	22	1,974.29	2,176.33
Total Non-current Liabilities		**(2)**	**2,458.29**	**3,007.41**
(2)	**Current Liabilities**			
(a)	Financial Liabilities			
	i. Borrowings	23	13,560.00	12,777.78
	ii. Trade Payables	24	5,382.89	3,630.94
	iii. Others	25	817.85	1,051.56
(b)	Other Current Liabilities	26	5,400.82	6,053.42
(c)	Provisions	27	71.84	44.40
(d)	Current Tax Liabilities (Net)	28	165.24	97.57
Total current Liabilities		**(3)**	**25,398.64**	**23,655.67**
TOTAL EQUITY AND LIABILITIES		**(1+2+3)**	**56,556.38**	**53,723.17**

Significant accounting Policies - Note :1.The accompanying Notes are an integral part of the financial statements.

In terms of our report attached

N. RANGACHARY
Chairman
(DIN :00054437)

R. DORAISWAMY
Managing Director
(DIN :00003131)

For **Swamy & Ravi**
Chartered Accountants
FRN :004317S

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

S. BASKARA SUBRAMANIAN
Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

S ALAMELU
Partner
Membership No.223555

Coimbatore – 47
May 24, 2019

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. INCOME			
Revenue From Operations	29	55,976.62	45,333.17
Other Income	30	70.70	310.24
Total Income		**56,047.32**	**45,643.41**
II EXPENSES			
Cost of materials consumed	31	41,933.48	35,832.40
Changes in inventories of finished goods and work-in-progress	32	-52.18	-3,486.66
Excise duty		-	1,056.03
Employee benefit expenses	33	2,489.37	1,985.69
Finance Cost	34	1,988.47	1,491.25
Depreciation and amortisation expense	35	1,215.96	1,053.61
Other expenses	36	5,241.38	4,617.23
TOTAL EXPENSES		**52,816.48**	**42,549.55**
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			
Exceptional items		-	-
IV PROFIT BEFORE TAX		**3,230.84**	**3,093.86**
Tax Expense	37	835.10	1,092.21
V PROFIT AFTER TAX		**2,395.74**	**2,001.65**
VI OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
a. Re-measurement of post employment benefit obligations		-28.12	-75.14
b. Change in fair value of FVOCI equity instruments		-	5.23
c. Income Tax expenses on above		9.73	24.84
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(18.39)**	**-45.07**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,377.35**	**1,956.58**
EARNINGS PER SHARE	38		
- Basic after exceptional items		15.21	13.82
- Diluted after exceptional items		15.10	13.45

Significant accounting Policies - Note :1
The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N. RANGACHARY
Chairman
(DIN :00054437)

R. DORAISWAMY
Managing Director
(DIN :00003131)

For **Swamy & Ravi**
Chartered Accountants
FRN :004317S

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

S. BASKARA SUBRAMANIAN
Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

S ALAMELU
Partner
Membership No.223555

Coimbatore – 47
May 24, 2019

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) after tax	2,377.35	1,956.58
Adjustments for:		
Tax expenses	835.10	1,092.21
Depreciation and Amortisation	1,215.96	1,053.61
Interest Income	-43.42	-80.44
Finance Costs	1,988.47	1,491.25
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	73.59	-194.22
Dividend Income	-12.60	-18.21
Profit on Sale of Investments	-0.32	-2.90
(Profit)/Loss on Sale of Assets (Net)	-0.45	7.23
Fair Valuation of Investments	-	-5.23
Other Non-operating Income	-13.91	-14.47
Operating Profit before working capital changes	**6,419.77**	**5,285.41**
Adjusted for working capital changes		
Inventories	-412.43	-4,516.60
Trade and Other receivables	-1,200.78	-1,732.54
Trade and Other Payables	957.81	2,185.67
Cash Generated from Operations	**5,764.37**	**1,221.94**
Direct Taxes Paid	-598.03	-806.65
Net Cash Flow from Operating Activities	**5,166.34**	**415.29**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-2,880.38	-3,805.51
Increase / Reduction in Capital Work in Progress	37.23	263.49
Non-operating Income	13.91	14.47
Profit on Sale of Investments	0.32	2.90
Investment in Mutual Funds and Equities	-57.63	161.58
Proceeds from Sale of Fixed Assets	1.08	9.81
Profit/(Loss) on Sale of Assets	0.45	-7.23
Dividend Income	12.60	18.21
Interest Income	43.42	80.44
Net Cash Used in Investing Activities	**-2,829.00**	**-3,261.84**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	782.22	2,473.00
Share Application/Allotment Money Received	6.38	2,127.32
Long term Borrowings	-	29.50
Repayment of Long Term Borrowings - Non Current	-344.15	-446.78
Interest and Finance Charges	-1,988.47	-1,491.24
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-73.59	194.22
Dividend and Dividend Tax Paid	-307.60	-279.17
Net Cash Generated from Financing Activities	**-1,925.21**	**2,606.85**
Net Increase in Cash and Cash Equivalents	**412.13**	**-239.70**
Cash and Bank balances at the Beginning of the Year	999.74	1,239.44
Less: Bank Balances not considered as Cash and Cash equivalents	698.95	800.27
Cash and Bank balances at the End of the Year	**712.92**	**199.47**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (Ind As) 7- Statement of Cash Flows.

Significant accounting Policies - Note :1
The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N. RANGACHARY
Chairman
(DIN :00054437)

R. DORAISWAMY
Managing Director
(DIN :00003131)

For **Swamy & Ravi**
Chartered Accountants
FRN :004317S

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

S. BASKARA SUBRAMANIAN
Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

S ALAMELU
Partner
Membership No.223555

Coimbatore – 47
May 24, 2019

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019

A) EQUITY SHARE CAPITAL

Particulars	As at 31-03-2019	As at 31-03-2018
Issued and Subscribed:		
Balance as at the beginning of the year	**1499.67**	**1434.82**
Add: Allotment of shares under Employees Stock Options Scheme to Employees	45.60	14.85
Add: Issue under conversion of Non-Cumulative Convertible preference shares	53.00	-
Add: Allotment of shares on Preferential basis for consideration other than Cash	-	50.00
Balance as at the end of the year	**1598.27**	**1499.67**

B) OTHER EQUITY

Particulars	Reservea and Surplus							Total Equity
	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	Genneral Reserve	Employee Stock option outstanding	Retained Earnings	Other Items of Other Comprehensive Income	
Balance as at 31/03/2018	38.82	80.67	12,454.10	1,868.46	39.22	10,920.51	105.64	**25,507.42**
Profit for the year ended 31-03-2019	-	-	-	-	-	2,395.74	-	**2,395.74**
- Other Comprehensive income:	-	-	-	-	-	-	-18.39	**-18.39**
Transfer to other reserves (if any)	-	-	-	45.00	-	-45.00	-	**-**
Appropriations (if any)	-	-	-	-	-	-573.99	-	**-573.99**
Options exercised, pending allotment of shares	-38.82	-	-	-	-	-	-	**-38.82**
Premium against the allotment of shares	-	-	176.04	-	-39.22	-	-	**136.82**
Dividend paid	-	-	-	-	-	-307.60	-	**-307.60**
Balance as at 31/03/2019	-	**80.67**	**12,630.14**	**1,913.46**	**-**	**12,389.66**	**87.25**	**27,101.18**

The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N. RANGACHARY
Chairman
(DIN :00054437)

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Joint Managing Director &
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Chartered Accountants
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S ALAMELU
Partner
Membership No.223555

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Significant Accounting Policies

Note No. 1

i. Corporate Information:

SalzerEelctronics Limited, incorporated in January 1985, for manufacture of Electrical Installation Products and Components viz., CAM Operated Rotary switches, Selector Switches, Wiring Ducts, Voltmeter Switches, copper wires and cables and allied products addressing customers in the electrical equipment, power, medical equipment, automotive as well as renewable and uninterrupted power system spaces, in a single and unified segment. The company is listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited .

ii. General Information and Statement of Compliance with Ind AS:

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. .

These financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on May 24, 2019

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared and presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as on the exchange date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis stated above, except for Accounting for Leases that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that

require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these

Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

v. Current versus non-current classification

The entity presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current, when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vi. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

(c) Forward Contract

Premium/ Discount in respect of Forward Contract are amortized as expense/income over the period of contract. Exchange differences arising on forward contracts between the exchange rate on the date of transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit and Loss.

vii. Property, Plant and Equipment:

Property, Plant and Equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes). Subsequent expenditure relates to an item of PPE is capitalised if it meets the recognition criteria.

On the date of transition to Ind AS, barring Land and PPE which has been valued at Fair value, all other items of assets have been valued as per their 'deemed cost' in accordance with Ind AS 101.

Foreign exchange gain/loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded in the cost of the asset as per Ind AS 101 Para D13AA and Ind AS 21 Para 7A and depreciated over their remaining useful life. In respect of exchange gain/loss arising from foreign currency denominated borrowings which are hedged, accounting has been done based on hedge effectivenenss either as derivate/cash flow hedge as per Ind AS 109.

Depreciation:

The depreciable amount of PPE (being the Gross carrying value less the estimated residual value) is depreciated on a systematic basis over its useful life.

In respect of certain classes of PPE, the company uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the management as detailed in the following table:

Class of Assets	Useful Lives
Buildings	30 Years
Plant and Machinery	15 Years
Windmill	22 Years
Electrical Machinery solar	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years

De-recognition:

An item of PPE is derecognised at the time of its disposal or when it is assessed that no further economic benefit would accrue from it. The gain/ loss arising out of such disposal/ retirement is taken to Statement of Profit or Loss.

viii. Investment property:

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

ix. Intangible assets and amortization:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years
Internally Generated Intangible assets	3 Years

x. Research and Development Expenditure:

Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as Property, plant and equipment or Intangible Asset and depreciated in accordance with the policies stated above.

xi. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

xii. Inventories:

Inventories are carried at the lower of cost and net realizable value.

Cost includes all applicable costs incurred in bringing the properties to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials including consumables and stores & spares are determined on FIFO (First In First Out) Basis.

Cost of work-in-progress is valued at cost of materials and labor together with relevant factory overheads. The cost of work-in progress is determined on the basis of weighted average method.

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

xiii. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109,' Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the

subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiaries, Associates and Joint venture are accounted for at cost as per Ind AS 27.

2. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

De-recognition of Financial Liabilities:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an

existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. Compound Financial Instruments:

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

xiv. Impairment of Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xv. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xvi. Revenue Recognition:

a. Revenue from sale of goods and services:

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer, which is mainly upon delivery, the amount of revenue can be measured reliably and the recovery of consideration is probable. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax (GST), sales tax and value added tax, as applicable.

Export Benefits are recognized as revenue when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Revenue from services is recognised in the periods in which the services are rendered.

b. Revenue from Projects

Revenue from fixed Price Contracts, where the performance obligation is satisfied over the period of time and where there is no un-certainty as to measurement or collectability of consideration is recognized as per the percentage of completion method in accordance with the IND AS 115. Under the percentage of completion method, revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The amount recognised is net of goods and service tax (GST), sales tax, service tax and other amounts collected from the customer in the capacity of an agent, as applicable. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

Contract costs include the estimated material costs, installation costs and other directly attributable costs of the project.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion.

The estimates for contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

c. Dividend income:

Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

b. Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

e. Other Operating Revenue:

Other Operating revenue comprises income from ancillary activities incidental to the operations of the company and are recognized when the right to receive the income is established as per the terms of the contract.

xvii.Leases:

a. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance

lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Company as a Lessee

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

xvii. Employee benefits

1. Short Term and other long term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

2. Post-Employment Benefits

a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

xix. Share Based Payments Arrangements

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of the equity settled share based payment transactions are set out in the Note No. 40. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

xx. Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

xxi. Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranty:

Provision for expected cost of warranty obligations are recognized based on management's best estimate of the expenditure required to settle the obligations which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidents.

xxii. Contingent liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

xxiii. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xxiv. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

c. Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. The carrying amount of MAT is reviewed at each reporting date and asset will be written down to the extent the company's right of adjustment would lapse.

Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

xxv. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Revenue recognition, contract costs:

The Company uses the percentage of completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred to the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

c) Provision and contingent liability:

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

d) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

e) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

f) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

g) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Note No. 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Building	Plant & Equipment	Furniture & Fixtures	Electrical Machinery Solar	Vehicles	Windmill	Total
Deemed Cost								
As at March 31, 2018	**2,946.85**	**2,657.45**	**1,1667.95**	**328.03**	**269.95**	**87.95**	**102.09**	**18,060.27**
Additions during 31/03/2019	23.99	103.12	2627.68	83.15	-	8.98	-	2,846.92
Disposal during 31/03/2019	-	-	0.15	-	-	1.57	-	1.72
As at March 31, 2019	**2,970.84**	**2,760.57**	**14,295.48**	**411.18**	**269.95**	**95.36**	**102.09**	**20,905.47**
Accumulated Depreciation								
As at March 31, 2018	-	**140.08**	**1,595.58**	**90.08**	**22.41**	**23.16**	**15.35**	**1,886.66**
Depreciation charged during the year	-	98.86	1,004.82	48.01	15.09	9.99	7.79	1,184.56
Disposals during 31/03/2019	-	-	0.01	-	-	1.08	-	1.09
As at March 31, 2019	-	**238.94**	**2,600.39**	**138.09**	**37.50**	**32.07**	**23.14**	**3,070.13**
Net Carrying amount								
As at March 31, 2018	2,946.85	2,517.37	10,072.37	237.95	247.54	64.79	86.74	16,173.61
As at March 31, 2019	2,970.84	2,521.63	11,695.09	273.09	232.45	63.29	78.95	17,835.34

Details of properties pledged as security - Refer Note No. 20

Note No. 3 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Work in Progress	606.09	643.30
Total	**606.09**	**643.30**

Note No. 4 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Freehold Land	0.77	0.77
Total	**0.77**	**0.77**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 5 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Software		
Opening Balance	223.46	226.50
Add: Additions during the year	34.54	24.76
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	31.40	27.80
Closing Balance	**226.60**	**223.46**
Goodwill		
Opening Balance	235.21	-
Add: Additions during the year	-	235.21
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	-	-
Closing Balance	**235.21**	**235.21**
Total	**461.81**	**458.67**

Note No. 6 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
TRADE INVESTMENTS	**No.**	**Amount**	**No.**	**Amount**
Measured at Fair value through Other Comprehensive Income				
(i) Quoted equity shares, fully paid up.				
Bank of India, of ₹ 10/- each (31/03/2019 - ₹ 104.73, 31/03/2018 - ₹ 104.81/-)	2300	2.41	2300	2.40
Total (i)		**2.41**		**2.40**
(ii) Unquoted equity shares, fully paid up				
Salzer Technologies, of ₹ 10/- each (31/03/2019 - ₹ 10/-, 31/03/2018 - ₹ 10/-)	83250	8.33	83250	8.33
Salzer Spinners Ltd, of ₹ 10/- each	1865500	55.96	1865500	55.97
(31/03/2019 - ₹ 3/-, 31/03/2018 - ₹ 3/-)				
Kamatchi Sponge and Power Corporation Ltd, of ₹ 10/-each (31/03/2018 - ₹10/-)	-	-	165500	16.55
(NSL Power Company (Phoolwadi) Pvt Ltd 33,000 Equity Shares of ₹ 10/- bought at cost of ₹ 10 per share)	-	-	33000	3.30
Jayachandar Windfarm Pvt Ltd (5,507 Equity Shares of ₹ 10/- bought at cost of ₹ 10 per share)	5507	0.55	-	-
Total (ii)		**64.84**		**84.15**
GRAND TOTAL		**67.25**		**86.55**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	**Amount**
Aggregate value of quoted investments	2.41	2.40
Market value of quoted investments	2.41	2.40
Aggregate value of unquoted investments	64.84	84.15
Aggregate value of impairment in the value of investments		

Note No. 7 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	1,141.14	2,190.46
Doubtful	-	-
Sub Total	**1,141.14**	**2,190.46**
Less: Allowance for expected credit losses (Refer Note No. 46)	19.09	32.10
Total	**1,122.05**	**2,158.36**

Note No. 8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets at amortized cost		
Security Deposits	174.59	166.74
Unbilled Revenue*	768.09	1,034.62
Total	**942.68**	**1,201.36**

* Unbilled revenue represents revenue from projects in respect of performance obligations completed in accordance with IndAS115 but customers are yet to be billed pending receipt of certification from independednt agency.

Note No. 9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance for capital expenses	551.29	208.79
Total	**551.29**	**208.79**

Note No. 10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Material (including goods in transit)	4,396.28	4,057.60
Packing Materials	78.38	87.50
Trading Materials	65.12	34.43
Work in progress	6,865.41	7,055.99
Finished Goods	2,861.34	2,618.58
Total	**14,266.53**	**13,854.10**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 11 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	Amount	No.	Amount
INVESTMENTS				
Measured at Fair value through Other Profit and Loss				
(i) In Mutual Funds, quoted				
State Bank of India - Infrastructure Fund	43,619	19.57	43,619	14.11
Reliance Equity Dividend	56,675	22.10	56,675	16.02
ICICI Prudential Discovery Fund	76,641	25.76	76,641	22.06
Sundaram BNP Paribasu Select Mid Cap	71,182	29.64	71,182	27.06
Aditya Birla Sunlife Frontline Equity Fund	86,256	28.98	86,256	22.70
HDFC Top 200 Fund	46,027	28.40	46,027	21.83
Canara Robeco Capital Protection Oriented Fund -Series 6-10	4,03,390	44.51	3,08,695	37.32
Canara Rebeco Emerging Equities - Regular Growth	5,305	13.22	-	-
ICICI Pru Real Estate Portfolio	-	1.75	-	2.83
Aditya Birla Sunlife Mutual Fund	1,868	7.77	1,868	1.89
Union KBC Dynamite Bond Fund	4,99,990	53.80	4,99,990	50.90
Reliance Top 200 Fund	12,096	8.12	12,096	1.89
Kodak Select Focus Fund	8,495	8.22	-	1.93
IDFC Sterling Equity Fund	8,874	7.84	8,874	1.90
Total		**299.68**		**222.44**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate value of quoted investments	299.68	222.44
Market value of quoted investments	**299.68**	**222.44**

Note No. 12 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	14,698.32	11,815.50
Doubtful	-	-
Sub Total	**14,698.32**	**11,815.50**
Less: Allowance for expected credit losses (Refer Note No. 46)	73.21	52.15
Total	**14,625.11**	**11,763.35**

Note No. 13 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
- In Current Accounts	535.78	149.49
Deposits(with original maturity of 3 months or less)	167.88	41.61
Cash on hand	9.26	8.37
Total	**712.92**	**199.47**

Note No. 14 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Earmarked Balances		
- In Unpaid Dividend Accounts	30.92	31.49
- In Margin money and Bank Guarantee	351.54	535.26
Others		
- Deposit (with original maturity of more than 3 months)	316.49	233.52
Total	**698.95**	**800.27**

Note No. 15 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans and Advances to related parties (Refer Note No. 48)	269.88	1,552.35
Loans and Advances to employees	239.17	281.46
Loans-Others	2,027.39	2,116.82
Total	**2,536.44**	**3,950.63**

Note No. 16 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets at amortized cost		
Energy Saver Income receivable	-	29.82
Windmill Income receivable	0.36	1.33
Energy Saver Deposit Receivable	46.63	44.17
Total	**46.99**	**75.32**

Note No. 17 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Advances other than capital advances		
Advances to Suppliers	722.39	478.09
(b) Others		
Prepaid expenses	74.62	104.39
Balances with statutory/government authorities	767.72	1,157.75
Other Receivables - Statutory	217.75	185.95
Total	**1,782.48**	**1,926.18**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 18 EQUITY SHARE CAPITAL

Authorized Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
1,90,00,000 equity shares of ₹ 10/- each		1900.00		1900.00
10,00,000 non-cumulative convertible				
preference shares of ₹ 10/- each		100.00		100.00
Total		**2000.00**		**2000.00**
Issued and Subscribed Capital				
Equity Share Capital	1,59,82,737	1598.27	14996687	1,499.67
5,30,000 Non-cumulative 5% convertible	-	-	530000	53.00
preference shares of ₹ 10/- each.				
Total	**1,59,82,737**	**1598.27**	**15526687**	**1552.67**

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

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the period	1,55,26,687	1,552.67	1,43,48,187	1,434.82
Add: Shares issued during the period				
a. On conversion of share warrants	-	-	-	-
b. Under Employee Stock Option	4,56,050	45.60	1,48,500	14.85
c. 5,00,000 Equity Shares of ₹ 10/ each**	-	-	5,00,000	50.00
d. 5,30,000 Non cumulative 5% convertible preference shares**	-	-	5,30,000	53.00
e. Allotment of shares against Conversion of 5,30,000 Non cumulative 5% convertible preference shares	5,30,000	53.00	-	-
Less :Conversion of 5,30,000 Non cumulative 5% convertible preference shares	5,30,000	-53.00	-	-
Outstanding at the end of the period	**1,59,82,737**	**1,598.27**	**1,55,26,687**	**1,552.67**

b. Terms/ Rights attached to the Equity Shares

i. The Company has two class of Shares having par value of ₹ 10/- per share namely Equity Shares and Non Cumulative 5% Convertible Preference Shares. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees and

ii. 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

c. Shares held by Holding Company or Ultimate Holding Company - **NIL**

d. Shareholders holding more than 5% shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Sundaram Mutual Fund	8,98,736	5.62%	8,91,077	5.94%
Salzer Magnetic Wires Ltd	10,30,000	6.44%	5,00,000	3.33%
HMG Globetrotter	9,63,024	6.03%	-	-

Note No. 19 OTHER EQITY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	80.67	80.67
Securities Premium	12,630.14	12,454.10
General Reserve	1,913.46	1,868.46
Retained Earnings	12,389.66	10,920.51
Other Comprehensive Income	87.25	105.64
Share application money pending allotment	-	38.82
Employee Stock option outstanding	-	39.22
Total	**27,101.18**	**25,507.42**

Note No. 20 BORROWINGS (NON-CURRENT)

(₹ in Lakhs)

Particulars	Effective Interest Rate	As at March 31, 2019	As at March 31, 2018
Term Loans			
Secured			
a. From Banks			
i) Canara Bank			
Term Loan -2 #	10.95	16.72	616.72
ii) Citi Bank			
Phase 1 Term Loan	6.25	-	27.87
Phase 2 Term Loan	6.25	-	13.25
Phase 3 Term Loan	6.25	-	16.50
Phase 4 Term Loan	6.25	-	16.00
Phase 5 Term Loan *	6.25	1.44	13.33
Phase 6 Term Loan **	6.25	1.40	7.00
iii) HDFC Bank			
Term Loan -1	9.20	-	29.51
Iv) Union Bank of India			
Term Loan -1	10.95	-	14.27
Term Loan -2 @	10.05	397.83	-
v) Volks Wagen Finance Private Ltd	9.08	3.69	10.77
Total		**421.08**	**765.22**

Notes

\# Security: Assets purchased under Term Loans, 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.Availment: ₹ 26,86,72,487/- is availed against sanctioned limit of ₹ 29,00,00,000/- Terms of Repayment: Term Loan Repayable in 1 EMI of ₹ 1672487/-

* Terms of Repayment: Plant & Machinery Term Loan Repayable within 1 EMI of ₹ 99,083/- and one EMI of ₹ 44,421/-

** Terms of Repayment: Plant & Machinery Term Loan Repayable within 3 EMI of ₹ 46,667/-

@ Building, Plant & Machinery Term Loan. Secured by first charge as Land & Building, Plant & Machinery of Unit IV and guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director & CFO. ₹ 3,97,82,608 is availed against sanctioned limit of ₹ 18,37,00,000/- during the year.

% Vehicle Term Loan Repayable within 24 EMI

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 21 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits - Gratuity (Refer Note No. 39)	62.92	65.86
Provision for Warranty	-	-
Total	**62.92**	**65.86**

Note No. 22 DEFERRED TAX LIABILITES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
- On Fixed Assets	1,569.91	1,569.91
- On Research and Development Expenses	572.34	312.76
- On Revenue Recognition / ECL	7.03	308.06
- On Employee Benefit Expenses	21.32	11.60
Less: Deferred tax Asset		
- On Employee Benefit Expenses	26.00	26.00
- On Fixed Assets	170.31	-
Total	**1,974.29**	**2,176.33**

Note No. 23 BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2019	As at March 31, 2018
Secured			
a. From Banks			
i) Canara Bank			
Cash Credit	9.85	1,509.07	1,676.72
Secured by: Hypothecation of Inventories and Book Debts of Unit-I			
Pre-shipment Loan	L+2	-	30.59
Secured by: Hypothecation of Inventories of Unit-I			
ii) Citi Bank			
Cash Credit	10.25	1,307.80	1,581.84
Secured by: Hypothecation of Inventories and Book Debts of Unit-II			
Buyer's Credit Loan	L+1.75	109.27	-
Secured by: Hypothecation of Inventories of Unit-II			
Pre-shipment Loan	L+1.75	2,716.02	2,440.02
Secured by: Hypothecation of Inventories of Unit-II			
ICICI	9.75	518.93	-
Secured by: Hypothecation of Inventories and Book Debts of Unit-II			
iii) Union Bank of India			
Cash Credit	9.40	2,712.73	2,023.87
Secured by: Hypothecation of Inventories and Book Debts of Unit-IV			
Buyer's Credit	L+2	-	818.44
Secured by: hypothecation of Inventories and Book Debts of Unit-IV			
iv. HDFC Bank			
Cash Credit	9.40	935.18	452.69
Secured by hypothecation of Inventories and Book Debts of Unit-III			
v. Axis Bank			
Cash Credit	9.35	1,751.00	1,159.66
Buyer's Credit	L+2	-	593.95
Secured by hypothecation of Inventories and Book Debts of Unit-V			
Sub Total		**11,560.00**	**10,777.78**
(B) Unsecured			
From Banks			
Loans repayable on demand (HDFC)	8.10	2,000.00	2,000.00
Total		**13,560.00**	**12,777.78**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 24 TRADE PAYABILS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Current	Current
Trade payable - Micro and small enterprises	-	-
Trade payable - Other than Micro and small enterprises	5,382.89	3,630.94
Total	**5,382.89**	**3,630.94**

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

Note No. 25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long- term debt	786.93	1,020.08
Unclaimed dividends	30.92	31.48
Total	**817.85**	**1,051.56**

Note No. 26 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	422.28	349.21
Advance from Customers	35.04	55.30
Creditors for capital goods	337.46	486.30
Creditors for expenses	4,606.04	5,162.61
Total	**5,400.82**	**6,053.42**

Note No. 27 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits - Gratuity (Refer Note No. 39)	-	-
Provision for Warranty	71.84	44.40
Total	**71.84**	**44.40**

Note No. 28 CURRENT TAX LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax Liability	165.24	97.57
Total	**165.24**	**97.57**

Note No. 29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of products (including excise duty and excluding GST)		
Sales - Domestics	49,534.78	39,451.00
Sales - Exports	5,613.87	5,215.52
Sub Total	**55,148.65**	**44,666.52**
(b) Sale of Services		
Income by Street Light Maintenance	11.22	16.63
Technical Services	25.25	95.88
Income by EESL Project	3.29	3.04
RMU Project Income	76.72	233.33
Sub Total	**116.48**	**348.88**
Gross Revenue from Sale of Products and Services	**55,265.13**	**45,015.40**
(c) Other operating revenue		
Conversion Charges Received	51.37	41.76
Income by Power Generation	76.40	89.95
Duty Drawback Income	100.35	97.65
MEIS License Sales	56.11	75.07
Sale of Dies & Tools	3.48	13.34
Interest Received against Non-current Receivables - PPP	423.78	-
Sub Total	**711.49**	**317.77**
TOTAL	**55,976.62**	**45,333.17**

Note No. 30 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest from Bank Deposits	43.42	80.44
Foreign Exchange Rate Differences	-	194.22
Dividend received against short term investments	12.60	18.21
Net gain/loss on sale of investment	0.32	2.90
Insurance Claim Received	1.29	5.53
Profit on Sale of Assets	0.45	-
Rental Income Received	1.20	-
Other Non-operating income (net of expenses)	11.42	8.94
TOTAL	**70.70**	**310.24**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 31 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Materials Consumption		
Opening Stock	4,057.60	3,069.81
Add: Purchases	39,859.69	35,792.58
Less: Closing Stock	4,396.28	4,057.60
Sub Total	**39,521.01**	**34,804.79**
Trading Materials Consumption		
Opening Stock	34.44	8.81
Add: Purchases	1,379.55	140.76
Less: Closing Stock	65.12	34.43
Sub Total	**1,348.87**	**115.14**
Packing Materials Consumption		
Opening Stock	87.50	70.97
Add: Purchases	1,054.48	929.00
Less: Closing Stock	78.38	87.50
Sub Total	**1,063.61**	**912.47**
TOTAL	**41,933.48**	**35,832.40**

Note No. 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock		
Work-in-progress	7,055.99	4,617.52
Finished Goods	2,618.58	1,570.39
Sub Total	**9,674.57**	**6,187.91**
Less: Closing Stock		
Work-in-progress	6,865.41	7,055.99
Finished Goods	2,861.34	2,618.58
Sub Total	**9,726.75**	**9,674.58**
Net (increase)/decrease in inventory	**-52.18**	**-3,486.66**

Note No. 33 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages including Bonus	2,165.27	1,742.44
Contribution to Provident and other funds	114.42	98.97
Workmen and Staff Welfare Expenses	169.37	113.70
Gratuity	40.31	30.58
TOTAL	**2,489.37**	**1,985.69**

Note No. 34 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest Expenses	1,599.28	1,171.02
(b) Other Borrowing cost	389.19	320.23
TOTAL	**1,988.47**	**1,491.25**

Note No. 35 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Depreciation on Property, Plant and Equipment	1,184.55	1,025.82
(b) Amortisation on Other Intangible Assets	31.41	27.79
TOTAL	**1,215.96**	**1,053.61**

Note No. 36 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumptions of Store and Spares	167.72	158.31
Freight and Forwarding Charges	728.84	735.04
Power and Fuel	841.94	608.23
Repairs -		
Buildings	31.02	31.36
Machinery	202.44	210.86
Others	110.12	79.41
Subcontracting Expenses	1,402.57	1,122.95
Contract Labour Expenses	370.94	362.01
Advertisement Expenses	7.75	5.49
Audit Fees (Refer Note No.36.1)	16.00	15.00
Director's Sitting Fees	14.85	11.75
Donation	6.94	9.93
RMU Project Expenses	72.12	219.32
General Expenses	63.55	65.34
Insurance	34.62	27.81
Foreign Exchange Realisation Difference	73.59	-
Loss on sale of assets	-	7.23
Management system Expenses (ISO9000 &OSHASExps)	6.57	6.08
Postage,Telephone& Telegram	34.63	37.91
Printing & Stationery	43.56	34.24
Rates and Taxes	164.85	83.90
Rent	10.06	3.11
Research & Development Expenses	96.19	110.06
Warranty Expenses	27.57	22.42
Sales Promotional Expenses	411.75	346.76
Subscription & Periodicals	15.37	8.32
Technical/Professional Fee	99.44	111.13
Travelling and Conveyance	88.28	114.31
EESL Project Expenses	17.24	17.19
CSR Expenses (Refer Note No.44)	53.20	24.60
Expected Credit Loss	7.92	24.00
Change in Fair Value of Investments	-	3.16
Royalty	19.74	-
Total Other Expenses	**5,241.38**	**4,617.23**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 36 1. AUDITOR REMUNERATION

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) For Statutory Audit	7.50	7.50
(b) For Tax Audit	2.00	1.50
(c) For Other Services	6.50	6.00
TOTAL	**16.00**	**15.00**

Note No. 37 TAX EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Current Tax		
Current tax on profit for the year	743.09	701.57
Change/ (Credit) in respect of current tax for earlier years	-	-
TOTAL (A)	**743.09**	**701.57**
B. Deferred Tax		
Origination and reversal of temporary differences	92.01	390.64
Charge in respect of deferred tax for earlier years	-	-
TOTAL (B)	**92.01**	**390.64**
Tax expense recognized in Statement of Profit and Loss TOTAL (A)+(B)	**835.10**	**1,092.21**
Tax expense recognized in Other Comprehensive Income	-	-
Total Tax Expense	**835.10**	**1,092.21**

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
Taxable profit for the year	3,230.84	3,093.88
Applicable income tax rate	34.61%	34.61%
Expected income tax	1,118.19	1,070.79
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	-	-
Income exempt from tax	-242.27	-312.76
Expenses disallowed in determining the tax profit	21.15	43.19
Investment allowances	-	-
Unrecognized deferred tax assets	-	-
Others	-61.97	290.99
Total tax expense	**835.10**	**1,092.21**

Note No. 38 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) after tax and exceptional items	2,395.74	2,001.65
Less: Notional Preference Dividend		
Profit/(Loss) after tax and exceptional items attributable to equity share holders	2,395.74	2,001.65
Add: Exceptional items (net of tax)		
Profit after tax but before exceptional items attributable to equity share holders	2,395.74	2,001.65
Add: Exceptional items (net of tax)		
No. of Equity shares outstanding		
Add: Shares to be issued pursuant to merger		
Weighted Average no. of equity shares outstanding during the year for Basic EPS	157.46	144.79
Add: Shares to be issued pursuant to Employee Stock Option Scheme		
Weighted Average no. of equity shares outstanding during the year for Dilutive EPS	158.61	148.78
Basic Earnings/(Loss) per share after tax and exceptional items (in ₹)	15.21	13.82
Diluted Earnings/(Loss) per share after tax and exceptional items (in ₹)	15.10	13.45

Note No. 39 GRATUITY

The details of various employee benefits provided to employees are as under:

A. Defined Contribution and other plans

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Employer's Contribution to PF	89.68	75.67
Employer's Contribution to ESIC	20.24	20.15
Employer's Contribution to Superannuation fund	4.50	3.15
TOTAL	**114.42**	**98.97**

B. Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation using the projected unit credit method as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

Investment Risk:The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Longevity risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Discount Rate	7.77%/7.75%	7.70%/7.59%
Expected Return on Assets	7.77%/7.75%	7.70%/7.59%
Salary Escalation	6.50%	6.50%
Attrition Rate	5.00%	5.00%

Amount recognized in Profit and Loss for the year

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Current Service Cost	37.97	31.18
Net Interest on Defined Benefit Obligations	2.34	-0.60
Expenses recognized in the statement of profit and loss	40.31	30.58

Recognized in Other Comprehensive Income for the year

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-1.70	-
Return on plan assets (excluding amounts included in net interest expense)	-0.52	0.05
Acturial gains/losses arising from changes in financial assumptions	-3.05	-16.61
Acturial gains/losses arising from experience adjustments	33.39	91.70
Amount recognized in OCI for the current period	28.12	75.14

Change in present value of defined benefit obligation

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Present value of obligations as at the beginning of the year	577.89	447.88
Current Service Cost	37.97	31.18
Interest on Defined Benefit Obligations	44.14	34.08
Actuarial (gain)/loss on plan obligation	28.64	75.09
Benefits paid	-16.83	-10.34
Present value of obligations as at the end of the year	671.81	577.89

Change in fair value of plan assets

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Fair value of plan assets as at the beginning of the period	512.04	423.66
Return on plan assets	41.80	34.68
Contributions	71.36	64.09
Benefits paid	-16.83	-10.34
Actuarial gain/(loss) on plan assets	0.52	-0.05
Fair value of plan assets as at the end of the period	608.89	512.04

Net Asset/ Liability recognized in Balance Sheet

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Present value of obligations	671.81	577.89
Fair Value of Plan Assets	608.89	512.04
Amount recognized	62.92	65.85

Net Asset/ Liability recognized in Balance Sheet

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	48.23	54.67	535.57	626.02
Salary Escalation rate by 1%	54.63	48.40	623.48	536.85
Attrition rate by 1%	1.22	-1.28	579.75	575.90
Mortality rate by 10%	0.05	-	578.06	-

NOTE No. 40 EMPLOYEES STOCK OPTION SCHEME 2012-13

a) Pursuant to the decision of the shareholders, at their meeting held on 11.08.2012, the company had established an "Employees' Stock Option Scheme 2012-13" (ESOS 2012-13 or the Scheme) being administered by the Employees' Compensation Committee (ECC) of the Board of Directors.

b) 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.

c) Accordingly, 10,28,000 options were 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 employee compensation cost of `88,40,800/- which has duly been written off during the vesting period.

d) All the granted options vested on November 19,2014 with the exercise period of five years therefrom. During the year, the Company has allotted 4,56,050 shares upon exercise of stock options by the employees.

e) Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2016.

f) Accordingly, the Employees' Compensation Cost as determined under Intrinsic Value Method, had been written off over the vesting period and credited to Reserve & surplus Account under the head "Employees Compensation Cost." As and when the shares are being allotted against exercise of options, the relevant amount is transferred from this head and credited to Share Premium Account.

g) There were no modifications to the Scheme during the year ended March 31, 2019 and March 31, 2018. As at the end of the financial year, details and movements of the outstanding options are as follows:

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	456050	40	604550	40
Options granted during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options exercised during the year	456050	40	148500	40
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	-	-	456050	40
Options exercisable at the end of the year	-	-	456050	40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Note No. 41 DIVIDENDS MADE AND PROPOSED

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash dividends on equity shares declared and paid:		
Final Dividend for the financial year	255.15	231.94
Dividend distribution tax	52.45	47.22
Dividend on Equity Shares Proposed	308.28	307.60

Note No. 42 COMMITMENTS AND CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Towards Import Obligations under EPGC	279.97	1,671.97
Letter of Credit for import and purchase of Raw Materials	1,798.30	847.30
Obligation towards Bank Guarantee	614.59	734.48
Excise Protest Fund Liability	85.68	85.68

NOTE - Contingent Liability on PF arrears

There are numerous interpretive issues relating to the erstwhile Supreme court Judgement, on PF dated 28/02/2019..as a matter of caution, the Company has made a provision on Prospective basis from the date of Supreme court order. The company will update its provision on receiving further clarity on the subject.

Note No. 43 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-

The disclosure in respect of the amounts payable to Micro, Small and Medium enterprises as at 31 March 2019has been made in the financial statements based on information received and available with the Company.Also, the Company has not received any claim for interest from any supplier as at the balance sheet date.

Note No. 44 CSR EXPENDITURE

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Gross amount required to be spent by the company during the year	53.11	43.00
Amount spent during the year	53.20	24.60

NOTE No. 45 FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2019 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
Financial Assets						
Investments	6, 11	-	67.25	299.68	366.93	366.93
Trade Receivables	7, 12	15,747.16			15,747.16	15,747.16
Cash and Cash equivalents	13	712.92			545.04	545.04
Other bank balances	14	698.95			866.83	866.83
Loans	15	2,536.44			2,536.44	2,536.44
Other financial assets	8, 16	989.66			989.66	989.66
Financial Liabilities						
Borrowings	20, 23	13,981.07			1,3981.07	1,3981.07
Trade payables	24	5,382.89			5382.89	5382.89
Other financial liabilities	25	817.85			817.85	817.85

The carrying value of financial instruments by categories as at 31 March 2018 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
Financial Assets						
Investments	6, 11	-	86.55	222.44	308.99	308.99
Trade Receivables	7, 12	13,921.71			13,921.71	13,921.71
Cash and Cash equivalents	13	199.47			158.02	158.02
Other bank balances	14	800.27			841.88	841.88
Loans	15	3,950.63			3,950.63	3,950.63
Other financial assets	8, 16	1,462.64			1,462.64	1,462.64
Financial Liabilities						
Borrowings	20, 23	13,543.00			13,543.00	13,543.00
Trade payables	24	3,630.94			3,630.94	3,630.94
Other financial liabilities	25	1,051.73			1,051.73	1,051.73

ii. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
Financial Assets					
At fair value through Other Comprehensive Income					
Investments					
Investments - Non - current - Quoted	6	2.41	-	-	2.41
Investments - Non - current - Unquoted	6	-	-	64.84	64.84
At fair value through Profit and Loss					
Investments	11	299.68	-	-	299.68
Financial Liabilities					
At amortised costs					
Borrowings	20, 23	-	13,981.07	-	13,981.07

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
Financial Assets					
At fair value through Other Comprehensive Income					
Investments - Non - current - Quoted	6	2.41	-	-	2.41
Investments - Non - current - Unquoted	6	-	-	84.14	84.14
At fair value through Profit and Loss					
Investments - Current	11	222.44	-	-	222.44
Financial Liabilities					
At amortised costs					
Borrowings	20, 23	-	13,543.00	-	13,543.00

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

iii. Valuation technique used to determine fair value

- The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.
- The investment included in Level 3 hierarchy have been valued at cost approach to arrive at the fair values. The cost of unquoted investment approximate the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range.
- The estimated fair value amounts as at March 31, 2019 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTE No. 46 FINANCIAL RISK MANAGEMENT

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's activities expose it to credit risk, liquidity risk, market risk - interest rate risk and foreign currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Foreign Currency risk	Recognised financial assets and liabilities not denominated in functional currency	Cash flow forecasting, Sensitivity analysis

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

Credit Risk Management

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets Group	Description of category	Particulars	Provision for expected credit loss *
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Nil	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss/fully provided for

* Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

Classification of Financial assets among risk categories:

(₹ in Lakhs)

Credit rating	Particulars	March 31, 2019	March 31, 2018
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	21,052.04	20,643.87
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2019 are as follows:

(₹ in Lakhs)

Particulars	Note	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	6,656.79	6,942.13	2,240.54	15,839.45
Loss allowance provision	-	-	-92.30	-92.30
Net	6,656.79	6,942.13	2,148.24	15,747.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31st March 2019 are as follows:

(₹ in Lakhs)

Particulars	Note	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	7,899.09	2,782.80	3,324.06	14,005.96
Loss allowance provision	-	-	-84.25	-84.25
Net	7,899.09	2,782.80	3,239.81	13,921.71

Reconciliation of loss allowance for trade receivables

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	84.25	60.25
Additions during the year	8.05	24.00
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Balance at the end of the year	92.30	84.25

Exposure to customers having more than 5% of outstanding in respect of Trade Receivables.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
LARESEN & TOUBRO	2,105.81	2,052.61
TIRUPUR & VELLORE CORPORATION	1,141.14	2,029.89
TOTAL	**3,246.95**	**4,082.50**

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of Financial Liabilities as at 31 Mar 2019 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	13560.00	421.07	-	13,981.07
Trade Payables	5,382.89	-	-	5,382.89
Other financial Liabilities	786.93	19.66	11.26	817.85

Maturities of Financial Liabilities as at 31 Mar 2018 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	12,777.78	765.22	-	13,543.00
Trade Payables	3,630.94	-	-	3,630.94
Other financial Liabilities	1,025.14	21.02	5.57	1,051.73

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest rate Risks

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The following table provide the break-up of the co. fixed and floating rate borrowing

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Fixed Rate Borrowings	-	-
Floating Rate	14,768.00	14,563.08
Total Borrowings	**14,768.00**	**14,563.08**

Interest Rate Sensitivity analysis:

The Sensitivity Analysis below have been determined based on the exposure to interest rate for Floating Rate Liabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rate had been 100 basis points higher/lower and all other variable were held constant, the company"s profit for the year ended 31.03.2019 would decrease/increase by ₹ 147.68 Lacs. (for the year ended31st March 2018: decrease /increase by ₹ 145.63Lacs.). This is mainly attributable to the Company"s exposure to interest rate on its variable rate borrowings.

Foreign Currency Risk

The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales & purchase and borrowings where the transactions are denominated in a currency other than the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2019 are as follows:

Particulars	US$	GPB	EURO
Financial Assets	23,56,040.64	2,61,816.23	1,473.14
Financial Liabilities	22,36,171.00	-	-
Net exposure	1,19,869.64	2,61,816.23	1,473.14

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2018 are as follows:

Particulars	US$	GPB	EURO
Financial Assets	2,033.13	1.12	11.35
Financial Liabilities	4,717.91	-	46.50
Net exposure	-2,684.78	1.12	-35.15

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variablesheld constant.

Particulars	Impact on profit before tax			
	March 31, 2019		March 31, 2018	
	0.5%	-0.5%	0.5%	-0.5%
USD	-22.48	22.48	-13.42	13.42
GBP	-0.01	0.01	0.01	-0.01
EURO	-	-	-0.18	0.18

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

NOTE No. 47 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt) .

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Non-Current Borrowings (Refer Note : 20)	421.07	765.22
Current Borrowings (Refer Note : 23)	13,560.00	12,777.78
Current Maturities of Long term Debt (Refer Note : 25)	786.93	1,020.08
Total Borrowings (a)	14,768.00	14,563.08
Cash and Cash equivalents (Refer Note : 13)	545.04	158.02
Other Bank Balances (Refer Note : 14)	866.83	841.88
Current Investments (Refer Note : 11)	299.68	222.44
Total Cash (b)	1,711.55	1,222.34
Net Debt (c) = (a)-(b)	13,056.45	13,340.74
Equity (Refer Note : 18)	1,598.27	1,552.67
Other Equity (Refer Note : 19)	27,101.18	25,507.42
Total Equity (d)	28,699.45	27,060.09
Total Capital (e) = (c)+(d)	41,755.90	40,400.83
Gearing Ratio = (c)/(e)	0.31	0.33

NOTE No. 48 RELATED PARTY DISCLOSURES

A. Key Management Personnel

Sl. No.	Particulars	Designation	Nature of Transaction	Amount (₹ in Lakhs)
1	R. Doraiswmay	Managing Director	Remuneration	72.54
2	D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	Remuneration	70.84
3	P. Ramachandran	Whole Time Director	Remuneration	14.11
4	S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	Salary	17.79

B. Other Related Parties

i. Board Members relative to Key Management Personnel

Sl. No.	Particulars	Designation
1	R. Dhamodharaswamy	Non Executive Director
2	Dr. (Mrs.) Rajeshkumar Thilagam	Non Executive Director

ii. Enterprise owned or significally influenced by key management personnel or their relatives along with transactions during the year

(₹ in Lakhs)

Sl. No.	Particulars	Nature Of Transaction	March 31, 2019	March 31, 2018
1.	Salzer Exports Limited	Sale of Materials	1,723.66	1,933.08
		Material Purchased	-	-529.48
		Labour Charges	-120.35	-45.93
		Labour Charges Received	2.05	7.45
		Service Related	-	2.04
		Total	**1,605.36**	**1,367.16**
2.	Salzer Magnetic Wires Limited	Sale of Materials	-	5,358.24
		Labour Charges Received	-	1.40
		Purchase of Material	-	-1,825.28
		Solar Power	-	6.68
		Lease Rent Paid	-	-0.98
		Diesel	-	5.84
		Total	-	**3,545.90**
3.	Salzer Spinners Limited	Sale of Materials	-	0.45
4.	SRVE Industries Limited	Sale of Materials	63.72	0.67
		Purchase of Material	-	-0.68
		Total	**63.72**	**-0.01**
5.	K R Health Care Private Limited	Medical Care Services	**-4.86**	**-4.69**
6.	Micro Instruments Limited	Sale of Materials	17.79	6.90
		Labour Charges	-23.91	-23.25
		Purchase of Material	-6.83	-18.51
			-12.95	**6.90**
7.	SRVE Industries	Labour Charges	-323.28	-
			-323.28	-
8.	K R Pharmacy	Purchase of Medicine	**-2.09**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019 (Contd.)

ii. Amount outstanding as at the Balance Sheet Date

(₹ in Lakhs)

Sl. No.	Particulars	March 31, 2019	March 31, 2018
1.	Salzer Exports Limited	-	983.01
2.	Salzer Magnetic Wires Limited	-	278.57
3.	Salzer Spinners Limited	10.85	134.85
4.	SRVE Industries Limited	138.95	143.02
5.	SRVE Industries	92.83	-
6.	K R Health Care Private Limited	-	-3.85
7.	Micro Instruments Limited	27.25	16.75

NOTE No. 49 SEGMENT INFORMATION

The Company is engaged in manufacture of Electrical Insatllation Products which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and hence the Company does not have any concentration risk.

NOTE No. 50 Previous year figures have also been reclassified, regrouped, recast to conform to current year classification.

The accompanying Notes are an integral part of the financial statements

In terms of our report attached

N. RANGACHARY
Chairman
(DIN :00054437)

R. DORAISWAMY
Managing Director
(DIN :00003131)

For **Swamy & Ravi**
Chartered Accountants
FRN :004317S

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

S. BASKARA SUBRAMANIAN
Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

S ALAMELU
Partner
Membership No.223555

Coimbatore – 47
May 24, 2019

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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 company **Salzer Electronics Limited**

Registered Office Samichettipalayam, Coimbatore 641 047

Name of the member (s) .....

Registered address .....

.....

.....

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: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Members of SALZER ELECTRONICS LIMITED will be held at **"SAGARI HALL" the Grand Regent,** 708, Avinashi Road, Opp. Hotel The Residency, Coimbatore 641018 on **Saturday, the 10th August 2019** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions under ordinary business:

1. To consider and adopt the audited Financial statements of the Company for the Financial year ended March 31, 2019, and the reports of the Board of Directors along with annexure and Auditors thereon;
2. To declare a dividend on Equity Shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. Rajeshkumar who retires by rotation at this AGM and being eligible has offered himself for re-appointment.
4. To appoint a Director in place of Mr. P. Ramachandran who retires by rotation at this AGM and being eligible has offered himself for re-appointment.
5. To consider and appoint a Statutory Auditor and authorise the Board to consider to fix their remuneration.

Resolutions under special business:

6. To consider and approve the appointment of Mr. S. Baskarasubramanian, as a Director (Corporate Affairs) & Company Secretary.
7. To consider and ratify the remuneration payable to CMA. A. R. Ramasubramania Raja (M. No. 32458) appointed as Cost Auditors of the Company for FY 2019-20.

Signed this ..... day of 2019

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

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

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

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Form No. MGT-12

BALLOT PAPER

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

CIN : L03210TZ1985PLC001535

Name of the company : **Salzer Electronics Limited**

Registered Office : Samichettipalayam, Coimbatore 641 047

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

I hereby exercise my vote in respect of Ordinary/ Special resolutions as set out in Notice for AGM, enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No.	Item No.	No of shares held by me	I assent to the resolution	I dissent from the resolution
Resolutions under Special Business				
1	To consider and adopt the audited Financial statements of the Company for the Financial year ended March 31, 2019, and the reports of the Board of Directors along with annexure and Auditors thereon;			
2	To declare a dividend on Equity Shares for the financial year 2018-19.			
3	To appoint a Director in place of Mr. Rajeshkumar who retires by rotation at this AGM and being eligible has offered himself for re-appointment.			
4	To appoint a Director in place of Mr. P. Ramachandran who retires by rotation at this AGM and being eligible has offered himself for re-appointment.			
5	To consider and appoint a Statutory Auditor and authorise the Board to consider to fix their remuneration.			
Resolutions under Special Business				
6	To consider and approve the appointment of Mr. S. Baskarasubramanian, as a Director (Corporate Affairs) & Company Secretary.			
7	To consider and ratify the remuneration payable to CMA. A. R. Ramasubramania Raja (M. No. 32458) appointed as Cost Auditors of the Company for FY 2019-20.			

Place :

Date : .....(Signature of shareholder)

INSTRUCTIONS

1. Members may fill up the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Mr. G.Vasudevan, Practicing 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 09,2019 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.

SALZER ELECTRONICS LIMITED

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

ATTENDANCE SLIP

(34th Annual General Meeting August 10, 2019)

Reg. Folio No./ DP & Client ID: _____

I certify that I am a registered Shareholder/Proxy for the Registered shareholder of the Company and I hereby record my presence at the 34th Annual General Meeting of the Company held at "Sagari Hall', the Grand Regent, 708, Avinashi Road, Opp. Hotel Residency, Coimbatore -641018 at 11.30 AM.

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Member's/Proxy's
Name in BLOCK Letters

-- -- -- -- -- -- -- -- -- -- -- -- -- -- - -

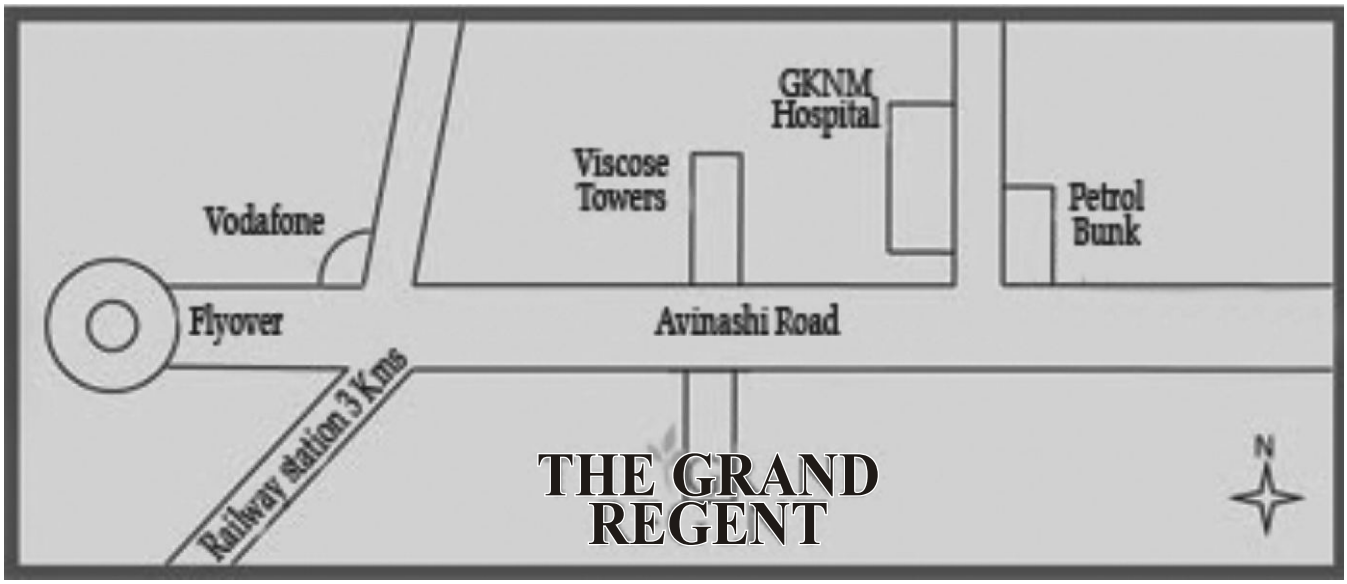
Member's/Proxy's Signature

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

AGM Venue - Route Map

THE GRAND REGENT

708, Avinashi Road (Oppsite to Senthil Towers) Coimbatore - 641 018.
Tel: +91 422 4294444 E-mail: info@thegrandregent.com



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The growing range....

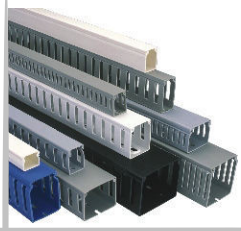
Rotary Switches



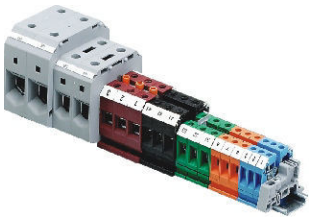
Load Break Switches



Cable Ducts



Terminal Connectors



Photovoltaic Isolator



Contactors & OLRs



MPCB's



Relays & Relay Module



Limit /Foot Switches



Transformers & Chokes/ Inductors/Reactors



Toroidal transformers & CT's



Plug & Sockets



Wires & Cables



Wire Harness



Magnet Wires



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M/s. GNSA Infotech Private Limited
Nelson Chambers, 'F' Block, 4th Floor,
#115, Nelson Manickam Road,
Aminthakarai, Chennai - 600 029.
Tel: 044 - 42962025

salzer
ELECTRONICS LIMITED

CIN : L03210TZ1985PLC001535
Registered & Corporate Office: Samichettipalayam, Coimbatore - 641 047, India.
Phone: +91 422 - 4233600 Fax: +91 422 - 2692170 e-mail: salzer@salzergroup.com / investors_relations@salzergroup.com

India's leader in Rotary Switches & Wiring Ducts | International product approvals | Worldwide market presence

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