

BOARD OF DIRECTORS	Mr. Santhanakrishnan .P.S, Chairman Mr. Doraiswamy .R, Managing Director Mr. Rajeshkumar .D, Joint Managing Director Mr. Ramachandran .P, Director (Marketing) Mr. Damodharaswamy .R Mr. Howard M Gladstone Mr. Jayabal .N Mr. Kantilal V Vakharla Mr. Narayanaswamy .R Mr. Nirmal Kumar M.Chandria Mr. Ramakrishnan. P Mr. Sankaran .V Mr. Shah .P.K Mr. Swaminathan .S.R Mr. Venkatapathy .L Mr. Baskarasubramanian .S	
DIRECTOR (CORPORATE AFFAIRS) & COMPANY SECRETARY		
BANKERS	M/s. CANARA BANK Gudalur Branch SRKV Post Coimbatore - 641 020. M/s. BANK OF INDIA Mid Corporate Banking Branch, 8/732, Chamber Tower, Avinashi Road, Coimbatore – 641 018. M/s. UNION BANK OF INDIA Coimbatore Main Branch 235, Oppanakara Street, Coimbatore – 641 001	M/s. CANARA BANK Industrial Finance Branch 16 & 18 East Arokiya swamy Road R.S.Puram, Coimbatore - 641 002. M/s. CITI BANK Tri Star Towers Plot No.657, Avinashi Road, Coimbatore -641 018
AUDITORS	M/s. JDS Associates Chartered Accountants, Jewel Complex, 324, Raja Street, Coimbatore - 641 001. FRN No. 008735 S	M/s. Swamy & Ravi Chartered Accountants, No.537, N.S.R.Road, Saibaba Colony, Coimbatore - 641 011. FRN : 004317 S
REGISTRARS & SHARE TRANSFER AGENT (Physical & Demat)	M/s. GNSA Infotech Limited Nelson Chamber, 'F' Block, '4' Floor, #115, Nelson Manicam Road, Aminthakarai, Chennai - 600 029. Tel: 044-42962225 e-mail : sta@gnsaindia.com	
LISTING ARRANGEMENTS	The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	
REGISTERED OFFICE	Samichettipalayam (PO), Jothipuram (Via), Coimbatore - 641 047. Tel: 0422-4233600, 2692531 Fax:0422-2692170 e-mail:salzer@salzergroup.com website:www.salzergroup.net	

Plant Locations	Unit - I	Unit - II	Unit - III	Unit - IV	UNA
	Samichettipalayam (PO), Jothipuram (Via), Coimbatore - 641 047.	Chinnamaddampalayam, Coimbatore - 641 019.	# 2, Gudalur Village Samichettipalayam, Jothipuram via, Coimbatore - 641 047.	No.882/3, Coimbatore Main Road, Bettathapuram, Coimbatore - 641 104.	Khasara No:2826, Una Nangal to Behdala Road, V.P.O Behdala, Tehsil & Distt-UNA, UNA (H.P) - 174 306.

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28th ANNUAL GENERAL MEETING

Day : Saturday
Date : 10.08.2013
Time : 11.30 A.M.
Venue : Hotel Sree Annapoorna, R.S.Puram,
Coimbatore - 641 002

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Message from Managing Director's Desk**"Growth and downturn are never permanent in any Business.****But our efforts and focus must remain constant to sustain and win in all situations"**

Dear Shareholders,

I feel privileged, at this juncture, to write this communicate to you all enlightening performance and progressive outlook of your Company. At the outset, I take this opportunity to express my sincere gratitude for your unstinted support and continuous guidance for all vital decisions prompting the growth of your Company, and now your Company has become one of the prominent players in the Electrical and Electronics Market not only in India but also internationally amidst of unprecedented competitions both from the domestic and international players.

Unlike past, where market penetration was limited, today the market perception has undergone sea change inviting greater attention to dynamics of the business operations particularly in technological field in order to stay ahead in the market. So Today's success story will not hold good tomorrow. We need to conceive new ideas every day and show to the market to have consistent recognition from the customers. In the present day, a customer has multiple choices to choose a best out of many based on quality and other features. Hence, a product is to be made with highest quality and more features. These are school of thoughts for every business house for survival and growth.

Salzer has realized this concept and already developed a sustainable business model to meet the growing and changing aspiration of the end users. All the products of your Company are made based on the expectation of prevailing market scenario without compromising on any quality standards, besides matching affordable pricing. Your Company is having full-fledged Research and Development Wing with state of art modern facilities and constantly engaged in making innovation and development of Hi-tech products with contemporary designs. I feel that this is one of the elements maintaining your Company as a well-known player in the market.

The concluded financial year 2012-13 was not a favourite year for the economy and the Industry. As you all know, the Indian Economy recorded a growth of only 5% during the year 2012-13 which is a decade low. This clearly indicates that we are facing downturn and need to equip ourself to meet the challenges and uncertainties. Many companies particularly in the infrastructure segments are facing unprecedented crisis with huge debt burden and mounting losses. In the given context, the Indian Electrical and Electronics Industry witnessed negative growth of 8% for the first time in the last 10 years. To initiate the recovery and growth, the Central Government needs to stimulate the required impetus by expediting various economic reforms process hanging for a long time, in addition, the Reserve Bank of India also on its part to reduce the interest rate on the borrowings from the Bank. This is an appeal of the industrial bodies to the Government. We may look forward that the financial year 2013-14 would be turnaround year and growth would be back on the track.

In the tough macro and micro economic environment, your Company has managed to post marginal growth in the backdrop of 8% negative growth recorded by the Indian Electrical and Electronics Industry as aforesaid. This clearly spells out the fact that your company's performance stands ahead of the Industry performance, not only in the financial year 2012-13 but also every year. However the profitability of your Company took a hard hit as a result of unrelenting input power and finance cost. The prices of the Copper, Silver, PVC materials etc., the major ingredients for production, witnessed acute volatility during the year under review have put the profitability under stress and strain. Further, the increase in fuel cost to the extent of 16% as the result of unprecedented Power Crisis in Tamil Nadu is another major factor dragged down the profit significantly. In order to safeguard and strengthen the profitability, your Company has been taking various efforts like adoption of Value Engineering Concept i.e an exercise to identify and reduce the cost wherever possible in the production process. During the year under review, your Company has registered an export growth of 30% as the result of robust export market conditions.

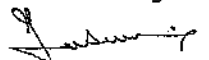
Though your Company could not fulfill the projected growth and is facing more downside risk due to uncertain business environments and sluggish growth of the Industry, your Board of Directors has recommended a 12% dividend for the financial year 2012-13 as that of FY 2011-12 as to maintain the morality of the shareholders at a consistent level, which is part of your company's ethics.

Going forward, Your Company has contemplated to manufacture Super Fine Wires, LED Bulbs, Tinned Copper Wires etc., to strengthen product portfolio and enhance the revenue stream. Your company has also been exploring market potentials across the global to further improve the export sales.

I am quite confident that the financial year 2013-14 would be a turnaround year for economy and industry and your Company would record a significant growth in operations and improve the profitability. I am also quite confident of your continuous co-operation at this juncture enabling your company to tide over present distressed economic environment and becoming a re-silent player as a leading Electrical solution provider.

I am grateful to the Board of Directors for their whole-hearted support and guidance. I take this opportunity to express my gratitude to all our stakeholders including our marketing associates M/s.Larsen and Tuobro Limited, Pattern & Design Registry Authorities and our Bankers, who stand with us for marching ahead and looking forward to your continuous support, as your company has to cross many more milestones in its Journey.

With kind regards

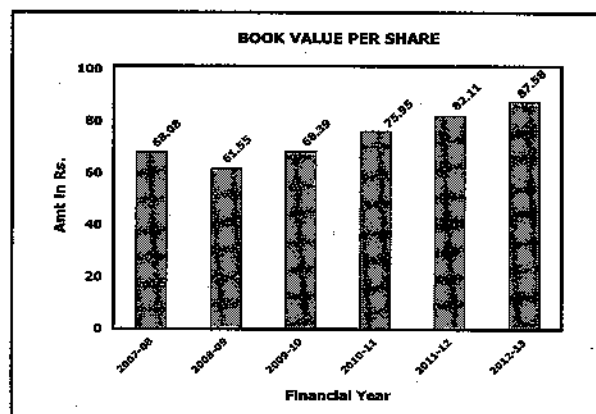
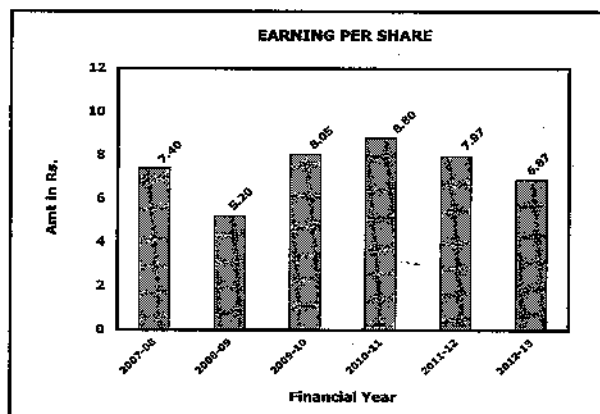
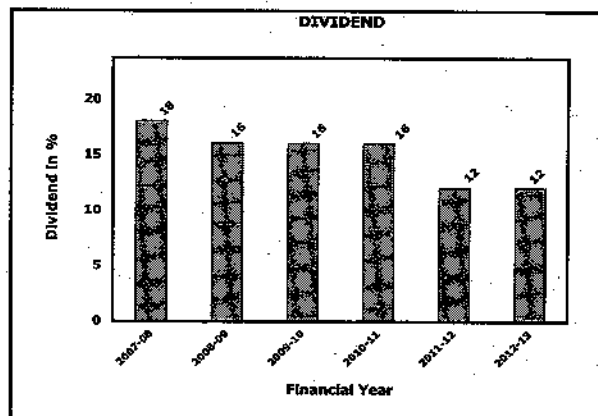
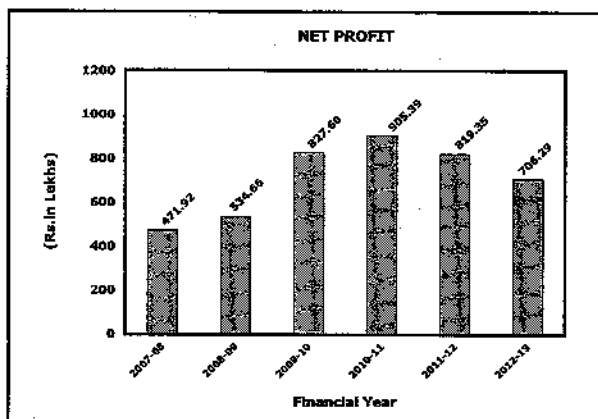
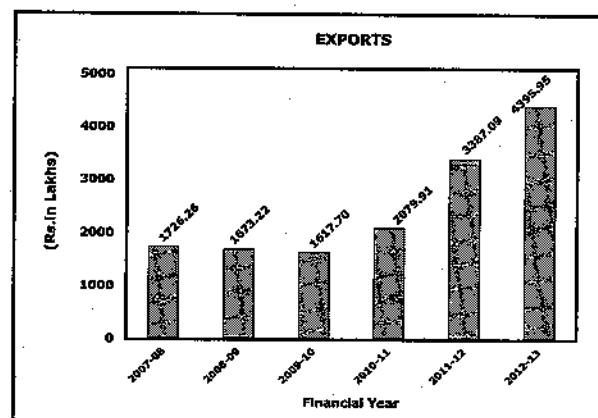
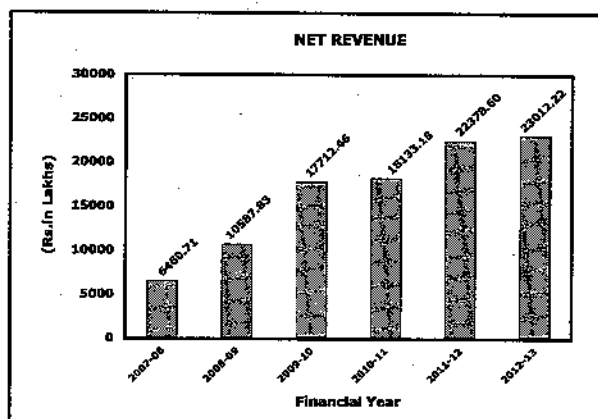
**R DORAISWAMY**
MANAGING DIRECTOR

IDENTIFIABLE FEATURES

- ❖ Going concern since January, 1985 with 28 years of success.
- ❖ Quality and Systems certified company
 - ISO 9001 2008.
 - EMS Standards 14001.
 - OHSAS Management System 18001.
 - One of the first few companies in compliance of RoHS Directives for European markets.
 - IEC standard Certifying Body Testing Laboratory
- ❖ Having international quality standard certification - UL (Underwriters Laboratories Inc), CSA (Canadian Standards Association), Intertek Semko certification and CE (Conformite Europeenne) for its product profile.
- ❖ Market Leader 40% market for Rotary Switch.
- ❖ Highly competitive international markets have been well penetrated and having presence in more than 35 countries globally with 20% of export turnover and also another 20% as deemed exports.
- ❖ ASIA's largest producer of Rotary Switches & Cable Ducts (Wiring Channels).
- ❖ Manufacturer of Toroidal Transformers in Collaboration with M/s.Plitron Manufacturing Inc., Toronto, Canada.
- ❖ Nuclear Power Corporation's only approved supplier from India for Rotary Switches.
- ❖ Largest Supplier to Indian Railways.
- ❖ Having marketing Tie-up with India's largest Engineering and Infrastructure major - M/s.L&T Ltd, to cater the Indian market through their market network across the length and breadth of India with more than 300-400 Stockists / Dealers as well as for international markets,
- ❖ Having self contained and fully equipped in-house Tool Room to meet the requirement of Dies and Tools both for the existing products and new products.
- ❖ Having full-fledged In-house R&D duly recognized by the Ministry of Science & Technology, Department of Scientific and Industrial Research, Govt. of India.
- ❖ Having Hi-tech Type-testing Laboratory for testing of product upto 200 amperes has been created in the factory.

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GRAPHICAL PRESENTATION ON FINANCIAL PERFORMANCE



FINANCIAL HIGHLIGHTS

Particulars	Rs. in Lakhs					
	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Net Revenue	23012.22	22378.60	18133.18	17712.46	10287.83	6460.71
Earnings before Interest, Depreciation and Taxation (EBDITA)	2985.60	2966.96	2648.44	2416.51	1707.93	1158.56
EBDITA in %	12.97	13.26	14.61	13.64	16.13	17.93
Interest & Depreciation	2043.28	1955.13	1580.05	1290.66	1095.92	590.11
Profit Before Tax (PBT)	942.31	1011.83	1068.39	1125.85	612.01	568.45
Provisions for Taxation	236.02	192.49	163.00	298.25	77.35	96.53
Profit after taxation (PAT)	706.29	819.34	905.39	827.60	534.66	471.92
Profit after Tax (PAT) in %	3.7	3.66	4.99	4.67	5.04	7.30
Earning Per share (Rs.)	6.87	7.97	8.80	8.05	5.20	7.40
Equity Dividend %	12	12	16	16	16	18
Dividend Payout	143.42	143.42	164.54	164.54	164.54	144.76
Equity Share capital	1028.37	1028.37	1028.37	1028.37	1028.37	637.58
Reserves and Surplus	7978.22	7416.31	6782.14	6004.89	5300.78	3702.81
Net worth	9006.59	8444.68	7810.51	7033.26	6329.15	4340.39
Return on Net worth %	7.84	9.70	11.59	11.77	8.45	10.87
Book Value Per share (Rs.)	87.58	82.11	75.95	68.39	61.55	68.08
Debt Equity Ratio	0.13	0.16	0.14	0.19	0.23	0.22

NOTICE OF THE 28th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting of the Shareholders of the Company will be held on Saturday the 10th day of August 2013 at 11.30 AM at Hotel Sree Annapoorna, R.S. Puram, Coimbatore - 641 002 to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Directors' Report and the Audited Statement of Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as at March 31, 2013 and the Auditor's Report thereon.
- 2 To declare a dividend on equity shares for the year 2012-2013.
- 3 To appoint a Director in the place of Mr.R.Narayanaswamy, who retires by rotation, and being eligible offers himself for re-appointment.
- 4 To appoint a Director in the place of Mr.R.Dhamodraswamy, who retires by rotation, and being eligible offers himself for re-appointment.
- 5 To appoint a Director in the place of Mr.Kantilal V Vakharia, who retires by rotation, and being eligible offers himself for reappointment.
- 6 To appoint a Director in the place of Mr.Howard M Gladstone, who retires by rotation, and being eligible offers himself for reappointment.
- 7 To appoint Statutory Auditors and fix their remunerations - M/s.JDS Associates & M/s.Swamy & Ravi, Chartered Accountants, the retiring Statutory Auditors are eligible for re-appointment for the financial year 2012-13.

"RESOLVED THAT M/s.JDS Associates, Chartered Accountants, Coimbatore (FRN:008735S) & M/s.Swamy & Ravi, Chartered Accountants, Coimbatore, Chartered Accountants (FRN:004317S) be and are hereby re-appointed as Statutory Auditors of the Company for the Financial year 2013-14 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

8. To consider and approve the appointment of **Mr. P.Ramakrishnan as a Nominee Director from M/s. Larsen & Toubro Limited.**

To consider and if thought fit, to pass the following Resolutions with or without modifications, as an Ordinary resolution.

"RESOLVED THAT pursuant to Sec.257 of the Companies Act, 1956 read with Article 78 of Articles of Association of the Company, **Mr. PARAMESWARAN RAMAKRISHNAN** (DIN 06374491), who was inducted into the Board as an

Additional Director on 05/11/2012 with a term of Office till the conclusion of ensuing 28th Annual General Meeting, be and is hereby appointed as a Nominee Director from M/s. Larsen & Toubro Limited, on the Board of Directors of the Company, whose term of office shall not be liable to retirement by rotation."

9. To consider and approve the appointment of **Mr.P.Ramachandran, as a Whole time Director.**

To consider and if thought fit to pass the following resolutions with or without modification as a special resolution.

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, approval of the shareholders of the company, be and is hereby accorded to re-appoint Mr.P.Ramachandran, as a Whole Time Director - Marketing for a further term of five years with effect from 26.09.2013 on an remuneration and perquisite as detailed below:

Salary Rs.30,000.00 per month and perquisites as detailed below:

House Rent Allowance :

House Rent Allowance will be considered to be paid, subject to the ceiling stipulated under sec 198, schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, in future.

Medical Allowance :

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

Leave Travel concession :

As per Company Rules from time to time.

Personal Accident Insurance :

Premium not to exceed Rs.1000.00 per annum

Club Fees :

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

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

Gratuity payable at a rate not exceeding 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.P.Ramachandran, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under Schedule XIII of the Companies Act, 1956 or such other relevant provisions and limits as may be prescribed by the Government from time to time in this regard."

NOTE:

1. A member, who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxy forms must reach the Company's registered office not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 5th August 2013 to 10th August 2013 (both the days inclusive).
3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
4. In case of joint holders attending the meeting together, only whose name appearing first will be entitled to vote.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. Members are requested to send the Nomination Form in Form 2B to the Company and / or to the Registrar and Share Transfer Agent - **M/s. GNSA Infotech Ltd, Nelson Chambers, 'F' Block, 4th Floor, #115, Nelson Manickam Road, Aminthakarai, Chennai 600 029 Tel: 044-42962025** in duplicate.
7. Members are requested to kindly notify the change in address immediately to the Company and / or to its Registrar and Share Transfer Agent **M/s. GNSA Infotech Limited, Nelson Chambers, 'F' Block, 4th Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai 600 029.**
8. The Shares of your Company are admitted for dematerialization in Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under **ISIN No.: INE457F01013**. The shareholders have the option to hold their shares either in physical form or in dematerialised form.
9. The Company has, pursuant to Section 205 of the Companies Act, 1956 to transfer the dividend amount, lying unclaimed for 7 years from the date of declaration, to the Investor Education and Protection

Fund of the Central Government. Members, who have not encashed the Dividend Warrants for the years 2005-2006, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 & 2011-12 are requested to make their claim to the Company and / or to the share transfer agent of the Company. No claims can be made by the shareholders thereafter.

10. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated 21.03.2013 has advised all the Listed Companies to make the cash payment including the Dividend to the Investors through electronic mode of payment such as ECS, RTGS, NEFT, etc.,. **In this regard, the investors holding securities in demat mode are requested to update correct bank account particulars with their Depository Participants and to the Company and/or Registrar & Share Transfer Agent and the Investors holding securities in physical mode are requested to furnish the details in the Form appended herewith to the Company or our Share Transfer Agent at the earliest.**
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers/copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts and also to the Company and/or Registrar & Share Transfer Agent. **Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, M/s. GNSA Infotech Limited.**
12. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in toto, **members are requested to send their valid e-mail address to the Company for receiving all such notices/Annual Reports/ other communiqué by Electronic Mode** by filling up form annexed at the end of this report or register your e-mail address with your Folio No. at investor_relations@salzergroup.com / sta@gnsaindia.com. Besides, the members holding shares in electronic mode are also requested to update their e-mail address in their Demat Account with concerned Depository Participant and the Company.
13. **INFORMATION UNDER CLAUSE 49(VI)(A) OF LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED / RE-APPOINTED:**
 - a) **Mr. R.NARAYANASWAMY (NON EXECUTIVE DIRECTOR)**

Mr.R.Narayanaswamy, aged 85 years, is a Non Executive Director on the Board of the Directors for the last 25 years and he is an agriculturist turned into an industrialist. He is a senior partner of the firms connected with Cinema Theatres, Packages, etc, and he is also a member of Indian Chamber of Commerce & Industry, Coimbatore. His vast business acumen contributed lot to the business prospects of the company.

b) Mr. R.DAMODHARASWAMY (NON EXECUTIVE DIRECTOR)

Mr. R.Damodharaswamy, aged 82 years, is a graduate and is a Non Executive Director on the Board of Directors of the Company for the last more than 25 years. He is a dynamic industrialist having wide exposure in business administration and Corporate Affairs and is well known in the society being an active member of social institutions like Lions Club etc., His acumen in business administration has helped the Company in its growth path all these years. He is also one of the Directors on the Board of M/s.Micro Controls Private Limited and M/s Micro Instruments Limited.

c) Mr.KANTILAL V VAKHARIA: (INDEPENDENT AND NON EXECUTIVE DIRECTOR)

Mr.Kantilal V Vakharia, aged 85 years, has rich experience of over 46 years in the areas of finance, banking and capital market sectors. He is also a Director in M/s.Vakharia Financial Service Ltd., M/s.Salzer Magnet Wires Ltd, and Partner in M/s.Teekay International, Mumbai.

d) Mr.HOWARD M GLADSTONE: (INDEPENDENT AND NON EXECUTIVE DIRECTOR)

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

e) Mr. PARAMESWARAN RAMAKRISHNAN (NOMINEE DIRECTOR)

Mr. Parameswaran Ramakrishnan, aged 45 years is a qualified Chartered Accountant and associated with M/s. Larsen & Toubro Limited for more than 20 years and presently working as Head - Finance & Accounts, M/s.L&T Electrical and Automation Independent Company Ltd. Besides his Directorship in Salzer Electronics Limited, he is also a Director of M/s. TAMCO Switchgear (Malaysia) SDN Bhd, M/s.L&T Electricals and Automation Independent Company Ltd, M/s.JSK Electricals Pvt Ltd and M/s.HENIKWON Corporation SDN, Bhd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item Nos: 8

Consequent upon the relinquishment of office of Director by Dr. Pushpangadan Mangari, a nominee director of

M/s.L&T Capital Company Limited, Mumbai, the said M/s.L&T Capital Company Limited has nominated Mr.Parameswaran Ramakrishnan in the place of Dr.Pushpangadan Mangari. Accordingly, pursuant to the Provisions of Section 260 of the Companies Act, 1956, your Board of Directors have inducted Mr. Parameswaran Ramakrishnan as Director on the Board of Directors of the Company at their meeting held on 05.11.2012.

As per the Provisions of Section 257 of the Companies Act, 1956, his nomination to the office of the Director on the Board of Directors of the Company has to be confirmed and ratified by the shareholders of the Company. Accordingly, your Board of Directors is placing this resolution for your consideration and ratification.

Mr. Parameswaran Ramakrishnan, aged 45 years is a qualified Chartered Accountant and associated with M/s. Larsen & Toubro Limited for more than 20 years and presently working as Head - Finance & Accounts, M/s.L&T Electrical and Automation Independent Company Ltd. Besides his Directorship in Salzer Electronics Limited, he is also a Director of M/s.TAMCO Switchgear (Malaysia) SDN Bhd, M/s.L&T Electricals and Automation Independent Company Ltd, M/s.JSK Electricals Pvt Ltd and M/s.HENIKWON Corporation SDN, Bhd.

Except Mr. Parameswaran Ramakrishnan, none of the Directors is having any pecuniary interest in the matter.

Item Nos: 9

The present term of Mr.P.Ramachandran, who has been appointed as a Whole time Director with the approval of the shareholders at their meeting held on 11.06.2008, expires on 25.09.2013. Mr.P.Ramachandran, who is a Post Graduate in Economics with wide experience in the field and good contacts both in domestic and international markets, have contributed to achieve the performance and corporate objectives of the company all these years. As your Board of Directors thought fit his continuation on the Board of Directors will be beneficial to the company and recommend his re-appointment for a further term of 5 years with effect from 26.09.2013 and place before this meeting, necessary resolutions for the consideration and approval of the shareholders. Your Directors recommend the same.

Except Mr.P.Ramachandran, being the beneficiary, none of the Directors are interested in this resolution.

For and On behalf of the Board

Place:Coimbatore
Date : 29.05.2013

(Sd/-) **R.DORAISWAMY**
MANAGING DIRECTOR

DIRECTORS' REPORT

With great pleasure your Directors are presenting this 28th Annual Report together with the Audited Annual Accounts of the Company for the year ended March 31, 2013.

PERFORMANCE

During the year under review, the industrial scenario both in domestic and international markets have been very very critical and the economic and market constraints are continue to be under duress and the recovery process is very slow and sluggish. Under these circumstances, your company has been taking all out efforts not only to maintain its sustainability but also to improve its performance and market share both in domestic and international markets. Your company has achieved a gross turnover of Rs.24587.28 lakhs during the year under review as compared to Rs.24027.95 lakhs during the corresponding period last year and registered a marginal

growth of around 3%. Your company's net revenue worked out to Rs.23012.22 lakhs during the year as against Rs. 22378.60 lakhs during the corresponding period last year registered a growth of 2.83%. This is possible due to the concerted efforts being taken by your company to be cost competitive in all areas, when the engineering industry in general and electrical equipment industry in particular has registered a negative growth during the year under review for the first time in 10 years, which is attributable to very high volatility in the input cost of raw materials such as Copper, Silver, Brass, PVC, etc., and labour cost, coupled with the acute power crises with resultant increase in the power and fuel cost. Due to the market constraints, your company could not adopt its pricing on back-to back basis to cover the volatility in the input cost and could able to obtain the price increase only to the limited extent. The performance highlight of your company during the year under review is as under:

FINANCIAL RESULTS :

	PARTICULARS	31.03.2013		31.03.2012	
		(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
I	Revenue from operation	22873.80		22287.80	
II	Other Income	13.92		90.80	
III	Total Revenue (I+II)		23012.22		22378.60
IV	(Less) Operating Expenses				
a)	Cost of Materials Consumed	16059.15		15882.48	
b)	changes in inventories of finished good and work in progress	-318.45		-452.35	
c)	Employee benefits expenses	1228.22		970.39	
d)	Other expenses	3057.70	20026.62	3011.12	19411.64
V	Operating Profit (III-IV)		2985.60		2966.96
a)	(Less) Finance Costs	1176.59		1159.21	
b)	(Less) Depreciation and amortization expenses	866.70		795.92	
			2043.29		1955.13
VI	Profit before tax		942.31		1011.83
VII	Less :Tax expense:				
a)	Current tax	239.35		256.75	
b)	Deferred tax	(3.33)	236.02	(64.26)	192.49
VIII	Profit After Tax		706.29		819.34
IX	Earnings per equity share:				
a)	Basic (in Rs.)		6.87		7.97
b)	Diluted (in.Rs)		6.87		7.97

DIVIDEND

Taking into account the prevailing economic and market conditions, slow recovery process as well as the negative growth prevailed in the electrical equipment industry during the year 2012-13, which works out to around 8%, your company could able to sustain and registered a marginal growth during the year under review under the prevailing sluggish conditions. However, in order to keep the investors morale considering their long term co-operation and support in the endeavours of your company, which enabled the company to achieve the height of date, your Board of Directors have recommended a modest dividend @12% - Rs.1.20 per equity share of Rs.10/- each, for the year ended 31.03.2013 on the paid up capital of Rs.10,28,37,370/- to all the eligible shareholders whose name appear as on 10.08.2013 i.e, the date of AGM. The dividend payout works out to Rs.144.38 lakhs comprising of Dividend on the paid up capital of Rs.1028.37 lakhs @ 12% - Rs.123.41 lakhs plus Dividend Tax @ 16.995% - Rs.20.97 lakhs.

FOREIGN INVESTMENT

The investments made in M/s.Salzer Global Services, LLC, USA (SGS) is strategically made to keep the furtherance of market share in the international markets particularly USA and Canada, where the company's products have been well received and also to provide proximity of contacts at these markets. As reported in our earlier reports, Salzer Global Services LLC, USA (SGS) have controlling interest in a IT and ITES Corporation viz., M/s.Global Technical Talent, Inc, USA, who is providing services in the areas of human resources for the IT and ITES companies in USA and Canada. In view of the progressive recovery process of recessionary conditions in US economy, the potentials appear to be very progressive and hence your Directors are confident that your company's strategic investment in M/s.Salzer Global Services LLC, USA will provide suitable returns in the long run.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE RISKS**Overview**

The Indian Economy during the financial year 2012-13, has been impacted due to the micro and macro factors of economic conditions prevailing with the resultant poor and negative growth in all manufacturing and services sectors such as agricultural, industrial and other services sectors. Besides, global economy is recovering in very slow pace with added impact of economic and financial crises from the developing economy of the international arena, which has resulted a very high inflationary condition impacting not only the industrial and economical growth but also the common mens' life very badly. This has resulted the very low and nominal industrial growth during the year under review. The India's economic growth works out to be around 5% only for the fiscal year 2012-13 which is lowest of the decade.

Business environment review

The Financial year 2012-13 was not a conducive year for corporate India for many reasons. The persistent spurt in the prices of the Commodities and the prevailing finance cost made Corporate India vulnerable resulting in severe impact on the profitability. The Corporate India has no other option but to undertake cautious approach to protect themselves in the midst of uncertainties. Further, Resource crunch coupled with high interest rate impacted the growth in the infrastructure sectors in general, particularly power sector. All these factors are contributing to slow growth of Corporate India during the year under review. Under these circumstances, Corporate India have no other options but to take all out efforts to be cost competitive in all spheres and emphasizing the Government for appropriate support at the policy level for recovery of the economic conditions to ensure the Industrial growth.

Sectoral performance

During the year under review i.e., 2012-13, the performance of electrical equipment industry has not been very progressive and encouraging. According to the data available in domain and also reports from IEEMA, the electrical equipment industry registered a negative growth of 8% for the first time in last 10 years, which is attributable to various factors like local players severely hit by delays in project executions and higher imports and un-precedented credit squeeze coupled with higher interest rates resultant negative growth of Cable industry and other electrical equipment industry such as capacitor manufacturing, slow pace growth in power industry, etc., The industry emphasises the Government to provide for policy supports for level playing to the local manufacturers and also to ensure the speedy implementation of the power projects, rationalization of the finance cost, policies to make availability of the credit at the affordable finance cost, etc., Your company being in the electrical equipment industry segment is also having the impact of the above factors and conditions and your company is taking all efforts at its control to ensure the growth performance of the company. Your Company, under prevailing conditions, has spared no efforts to ensure not only its sustainability with marginal growth of 3% during the year under review.

Competitions and Challenges

The market for electrical products remains competitive and challenging due to multiple growth of the competitors both from organized and un-organized sectors, multi-nationals not only having their manufacturing facilities in India but also their acquisition activities of similar industries in the country, more imports from the developed Country like China and other cross-border competitions. Under these circumstances, the Company is bound to concentrate more on its Research and Development activities for continuous innovation in the new products and also higher variants of the existing products to ensure the value addition products

to its product profile to meet the customers' preferences and choices and also challenges being prevailed in the industry. The Company has to strategically plan sourcing of semi-skilled and skilled manpower, which is scarce to augment its output without any interruption

Risk Profile

The Company continuously drives strength from its leading market position in the domestic rotary switches market, marketing tie-up with Larsen & Toubro Ltd, its sustained focus on research and development which facilitates product improvement and resource optimization. CRISIL, on the Bank Loan Ratings, affirmed that the Company has adequate financial risk profile marked by adequate capital structure and debt protection metrics. The Company has also to combat the continued competition from un-organized sectors as well as cross-border competitions besides the competition being posed by the manufacturing facilities of MNC companies, who have already in the Indian market.

The efforts of the Company to take the energy saver products at pan India level would improve the performance of the Company in the near future.

The Company is continuously taking all efforts to ensure comfortable scale of production with cost competitiveness and continuous R & D efforts to improve its performance and market share under the prevailing conditions.

Leadership

The Company has continuously been securing its leadership position in the following segment:

- ✓ Market Leader in Rotary Switches business with 40% market share, and largest producer in Asia
- ✓ Largest producer of Cable Ducts (Wiring Channels) in Asia
- ✓ Largest Exported of Load break switches from India.
- ✓ Approved supplier for Nuclear Power Corporation for Rotary Switches
- ✓ Largest Supplier to Indian Railways

Risk Mitigation Measures

In a bid to combat any slowdown or likely negative growth in the given market conditions, the Company has already taken various strategic measures in association with marketing associates to face the situation. The Company has been continuously taking stock of the situation and swiftly taking such steps for moving towards projected target. The Company has undertaken stringent cost effective measures to improve the profitability under the prevailing environment. Since the Company is having both export and import more or less at the same level and the

foreign exchange fluctuation will not have any significant impact on the profitability of the Company. Moreover, the Company has already initiated the following significant efforts to strengthen its sustainability, productivity and profitability as under.

1. More focus on the Research and Development to add more dimensions to the existing products as well as develop new products catering to the needs of the end user,
2. Adoption of Value Engineering Concept to bring out cost effective measures in manufacturing of products wherever feasible, in order to have substantial savings in the production process expenses,
3. No capital expenditure would be made other than the planned new developments,
4. More thrust on improvement of the productivity of the employees and minimization/ elimination of scrap and wastages in the production processes and
5. More emphasis on the exploration of new markets

CAUTIONARY STATEMENT

Some of the statements in this report, describing the Company's objectives and expectations expressed in good faith, may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those, in the event of changes in the assumptions / market conditions.

RESEARCH & DEVELOPMENT

In-house Research and Development department, duly recognized by the Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research, fully equipped with qualified people, continues with its efforts on improvement of process specifications to ensure cost reduction and the rejection levels constantly in addition to development of new products with innovative design and utility to meet the market preferences with power efficient and high-tech products. This continuous effort of the Research and Development Department will definitely not only add the new product profile but also to ensure the continuous growth of the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO - UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

Your Company being a modest power intensive one continues to ensure measures for conservation of energy wherever possible. Your Company is having Four Wind Mills to generate power to the extent of 1.2 MW through renewable resources wind and generated 19.89 lakhs units of power and earned an income of Rs.101.26 lakhs. Details

are furnished in Annexure I for your information pursuant to the provisions of Sec.217(1)(e) of the Companies Act, 1956.

Your company's operations aim

- ❖ to ensure the continued existence and success of our Company by establishing and maintaining a safe working environment that promotes the health and performance of our employees as well as taking active measures to protect the environment.
- ❖ to actively use global work safety management systems for continuous improvement.
- ❖ to pay special emphasis on ergonomic design.
- ❖ to observe all legislation and specifications regarding work safety.
- ❖ to take comprehensive measures to protect our employees against health hazards.
- ❖ to ensure Comprehensive and effective emergency measures are in place at all locations to ensure that our employees and visitors receive proper care in the event of any emergency.
- ❖ to continue to maintain quality standard certifications viz., ISO 90012008, Environmental Management System (EMS) -14001, OHSAS (Occupational Health and Safety) Management System 18001.

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) AMENDMENT RULES 1999.

The provisions of Section 217 (2A) of the Companies Act, 1956 and rules made thereof are not applicable, as no employee was in receipt of remuneration to the extent laid down therein.

DIRECTORS

During the year under review Mr.R.Narayanaswamy, Mr.R.Dhamodharaswamy, Mr.Kantilal V Vaakharia and Mr.Howard M Gladstone Directors of the Company are retiring by rotation and being eligible offer themselves for re-appointment.

In compliance with the requirement of Clause-49 of the Listing Agreement the details pertaining to the Directors seeking re-appointment are given in the Note forming part of Notice calling the meeting.

CORPORATE GOVERNANCE:

Pursuant to the provisions of Clause-49 of the Listing Agreement, your Board of Directors is pleased to place

their report on the Corporate Governance duly certified by the Auditors of the Company, for information of shareholders as an annexure to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, the Directors of your Company confirm:

- i) that all applicable accounting standards have been followed in preparation of Annual Accounts and that there are no material deviation;
- ii) that 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, 2013 and of the Profit & Loss Account of the Company for the year ended on that date;
- iii) that 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;
- iv) that the annual accounts have been prepared on a going concern basis ;
- v) that the Company is having appropriate systems to ensure the compliance of all laws applicable to the Company;
- vi) that the Company is having appropriate system to ensure payment of statutory dues in time without any delay.

AUDITORS

M/s.JDS Associates, Chartered Accountants, Coimbatore, and M/s.Swamy & Ravi, Chartered Accountants, Coimbatore, Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for the re-appointment.

AUDITORS' REPORT

The observations made in Independent Auditors' Report read together with notes thereon are self explanatory and hence do not call for any further comments under section 217 of the Companies Act, 1956.

FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act 1956 and the rules made there under during the year under review and did not have any fixed deposit as at 31.03.2013.

INDUSTRIAL RELATIONS

The Industrial relations during the year under review remained very cordial.

BANK LOAN RATING

M/s. CRISIL Limited who have rated the Bank Loan facilities has rated the Company as under

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

LISTING ARRANGEMENTS

The Company's shares are listed in Bombay Stock Exchange which has got the National Wide Trading Terminals to enable the investors to trade in the shares of the Company.

SEBI, vide its order No.WTM/RKA/MRD/12/2013 dated 03/04/2013, ceased the recognition of the Coimbatore Stock Exchange. Accordingly, Coimbatore Stock Exchange vide its letter dated 10.04.2013 advised the Company to discontinue henceforth Compliance requirements under Listing Agreement with Coimbatore Stock Exchange Limited.

Your Company has also applied to enlist its shares in the National Stock Exchange which is under process.

DEMATERIALISATION OF YOUR COMPANY'S SHARES

The shares of your Company are admitted for dematerialization on Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under **ISIN No. INE457F01013**. The shareholders have the option of holding their shares either in physical form or in dematerialized form.

ACKNOWLEDGEMENT

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

For and On behalf of the Board

Place : Coimbatore
Date : 29.05.2013

(Sd/-)P.S.SANTHANAKRISHNAN
CHAIRMAN

ANNEXURE - I TO DIRECTORS' REPORT**INFORMATION REQUIRED TO BE FURNISHED UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956, REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.****A. CONSERVATION OF ENERGY**

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

B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:**RESEARCH & DEVELOPMENT:**

As stated in the Directors' Report, the recognition of in-house R & D by the Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, New Delhi is continuously maintained since 2004 and the present renewal of the recognition is valid upto 31.03.2014.

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

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

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

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

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

The Energy Saver equipment developed by our R&D and implemented in Madurai and Coimbatore Municipal Corporations have already proved the saving in the consumption of electricity not less than 30% in the areas of mass / street lighting management system. Your company is marketing this Energy Saving Devices either on BOOT model or as a Product. This system is not only on go-green concept but also helps to reduce the emission of Carbon, which is also contributing to reduce the warming up of earth and facilitates to avail Carbon Credit facilities being extended on go-green projects. Your Company is also contemplating to popularize this product in other Corporations/ Municipalities in Tamil Nadu under projects being evolved by Tamil Nadu Energy Development Authority (TEDA) to combat the power crisis being prevailed in the State. Besides your Company is also contemplating to participate in the Tenders being called for in other parts of the Country.

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

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

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

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

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

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

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

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

- * Capital Expenditure as additions to Plant & Machineries, Tools, Dies etc., - Rs.400.91 Lacs
- * New Products and Process development - Rs. 85.47 Lacs
- * Salary and other expenses for R&D personnel - Rs. 48.15 Lacs

4. Details of Imported Technology:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Foreign Exchange earned during the year }- Rs: 3518.46 Lacs
(Direct export Rs.3291.38 lacs, Merchant Export Rs.1104.57 lacs & Rs. 227.08 lacs for technical services)
- b) Foreign Exchange outgo } - Rs. 2480.92 Lacs

For and On behalf of the Board

Place : Coimbatore
Date : 29.05.2013

(Sd/-) P.S.SANTHANAKRISHNAN
CHAIRMAN

ANNEXURE - II TO DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

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

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 shareholders, 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.

BOARD OF DIRECTORS

POSITION OF BOARD OF DIRECTORS

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

COMPOSITION

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

DIRECTORS	CATEGORY	ATTENDANCE PARTICULARS		No. OF MEMBERSHIP IN THE BOARDS AND COMMITTEES OF OTHER COMPANIES
		Board Meeting	Last AGM	
P.S.Santhanakrishnan *&***	Non-Executive Independent Chairman	2	x	0
R.Doraiswamy **	Managing Director	4	✓	5
D.Rajeshkumar **	Joint Managing Director	4	✓	6
N.Jayabal * & **	Non-Executive Independent Director	4	✓	1
P.Ramachandran	Wholtime Director (Marketing)	3	✓	1
R.Narayanaswamy	Non-Executive Director	4	✓	0
R.Dhamodharaswamy	Non-Executive Director	3	x	2
L.Venkatapathy *,** & ***	Non-Executive Independent Director	4	✓	0
Nirmal Kumar K Chandria	Non-Executive Independent Director	4	✓	1
P.K.Shah	Non-Executive Independent Director	4	✓	1
Kantilal V Vakharia	Non-Executive Independent Director	4	✓	2
Howard M Gladstone	Non-Executive Independent Director	1	x	1
V.Sankaran ***	Non-Executive Independent Director	4	✓	1
S.R.Swaminathan	Non-Executive Nominee Director	4	✓	1
P.Ramakrishnan (Appointed on 05.11.2012)	Non-Executive Nominee Director	1	NA	4
S.Baskarasubramanian *,** & ***	Director (Corporate Affairs) & Company Secretary	4	✓	0

* Members of Audit Committee.

** Members of the Shareholders/ Investors Grievance Committee.

*** Members of the Remuneration Committee.

MEETING OF THE BOARD OF DIRECTORS

During the year under report, Four Board meetings were held on 26.05.2012, 11.08.2012, 05.11.2012, & 12.02.2013.

COMMITTEE OF DIRECTORS:**1. REMUNERATION COMMITTEE:**

The Company has a remuneration committee of the Board with the following members:

1.	P.S.Santhanakrishnan	Chairman	Non-Executive Independent Chairman
2.	L.Venkatapathy	Member	Non-Executive Independent Director
3.	V.Sankaran	Member	Non-Executive Independent Director
4.	S.Baskarasubramanian	Secretary To the committee	Director (Corporate Affairs) & Company Secretary

2. AUDIT COMMITTEE:

The Audit Committee consisting of the following independent Directors met four times on 22.05.2012, 06.08.2012, 29.10.2012 & 05.02.2013 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.

NAME	DESIGNATION	CATEGORY	NO. OF AUDIT COMMITTEE MEETING ATTENDED
P.S.Santhanakrishnan	Chairman	Non-Executive Independent Chairman	1
L.Venkatapathy	Member	Non-Executive Independent Director	4
N.Jayabal	Member	Non-Executive Independent Director	4
S.Baskarasubramanian	Member Secretary	Director (Corporate Affairs) & Company Secretary	4

3. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders' / Investors' Grievance Committee consisting the following Directors met four times on 25.05.2012, 10.08.2012, 03.11.2012 & 09.02.2013 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 31.03.2013.

NAME	DESIGNATION	CATEGORY	NO. OF COMMITTEE MEETING ATTENDED
L.Venkatapathy	Chairman	Non-Executive Independent Chairman	4
R.Doraiswamy	Member	Managing Director	4
D.Rajeshkumar	Member	joint Managing Director	4
N.Jayabal	Member	Non-Executive Independent Director	4
S.Baskarasubramanian	Member Secretary	Director (Corporate Affairs) & Company Secretary	4

GENERAL BODY MEETINGS

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

Location	Nature of Meeting	Day	Date	Time	Special Resolutions Passed
Hotel Sree Annapoorna, R.S.Puram, Coimbatore – 02	25 th AGM	Wednesday	08/09/10	11.30 am	Increase in remuneration payable to the Whole Time Director - Mr.P.Ramachandran
Hotel Sree Annapoorna, R.S.Puram, Coimbatore – 02	26 th AGM	Saturday	24/09/11	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	27 th AGM	Saturday	11/08/12	11.30 am	Approval of the ESOS Scheme by the Shareholder; Approval of the shares under Stock Options to the Employees of Subsidiary Company / Holding Company and Allotment of the Options more than 1% of the issued capital to the identified employees during any one year.

❖ No special resolution was passed last year through postal ballot. Similarly, no special resolution is being proposed to be conducted through the postal ballot for the ensuing Annual General Meeting.

Special Resolutions / Business Scheduled to be transacted at the AGM scheduled on 10.08.2013 :

1. To approve the appointment of Mr. Parameswaran Ramakrishnan as a Nominee Director from M/s. Larsen & Tuobro Limited on the Board and
2. To consider and approve the re-appointment of Mr.P Ramachandran as a Whole Time (Marketing) for the further period of five years effective from 26.09.2013.

DISCLOSURES

❖ Information under Clause 49(vi)(a) of Listing Agreement in respect of Directors being Appointed / Re-appointed:

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

1. Mr. R NARAYANASWAMY
2. Mr. R DHAMODHARASWAMY
3. Mr. KANTILAL V VAKHARIA &
4. Mr. HOWARD M GLADSTONE

❖ Equity shares in suspense account

The Company does not have any of its securities lying in suspense account arising out of public / bonus / right issues as at the 31.03.2013. Hence, the particulars relating to aggregate number of shareholders viz-a-vis

outstanding securities in suspense account and other related matters thereof may be taken as Nil.

❖ 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 unethical 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.

COMPLIANCES:

- ❖ Pursuant to the provisions of the revised Schedule VI of the Companies Act, 1956, the annual accounts for the period under review have been prepared as per the requirements of the said revised Schedule-VI.
- ❖ 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, 2013 and of the 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;
- ❖ Pursuant to the provisions of Sec.233 (b) of the Companies Act, 1956, other relevant provisions thereof and also the Companies (Cost Audit) Rules, 2011 vide notification dt.03.06.2011 issued by the Ministry of Corporate Affairs, Government of India, which is applicable to the company effective from 01.04.2012, the Board of Directors of the company at their meeting held on 26.05.2012 appointed a Cost Accountant in practice as the Cost Auditor of the company for the year 2012-13 and the Cost Audit is under progress for the year 2012-13 and the Cost Audit Report thereof will be submitted in due course for the approval of the Board and also submission to the Government of India within the stipulated period i.e., on or before 30.09.2013.
- ❖ 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.

❖ **Inter-se relationships between Directors of the Company.**

S.No	Name	Position	Inter-se Relationships
1	R.Doraiswamy	Managing Director	Brother of Mr. R.Narayanaswamy and Mr. Dhamodharaswamy, Directors and father of Mr.D.Rajesh Kumar, Joint Managing Director
2	D.Rajesh Kumar	Joint Managing Director	Son of Mr.R.Doraiswamy, Managing Director
3	R.Narayanaswamy	Director	Brother of Mr.R.Doraiswamy, Managing Director and Mr.R.Dhamodharaswamy, Director
4	R.Dhamodharaswamy	Director	Brother of Mr.R.Doraiswamy, Managing Director and Mr.R.Narayanaswamy, Director

NON MANDATORY REQUIREMENTS

- ❖ The Company is having appropriate system to ensure payment of statutory dues in time without any delay.

❖ **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 31.03.2013.

❖ **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. The Quarterly / Half yearly and Annual Financial Results are also available in the Company's web-

- ❖ Materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

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

No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.

- ❖ Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges: *None.*

site. The Audited Annual Report is also sent to every shareholders of the Company.

❖ **Other Non Mandatory Requirements**

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

SECRETARIAL AUDIT

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

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.

SHAREHOLDERS INFORMATION**a) ANNUAL GENERAL MEETING**

Day & Date	10 th August 2013, Saturday
Time	11.30 AM
Venue	Hotel Sree Annapoorna, R.S.Puram, Coimbatore-02
Audited Financial Results Announced	29.05.2013
Posting of Notice calling AGM Reports	Pursuant to the policy guidelines on go-green concept, the company has adopted such practices by notifying the information of interest to the shareholders of the company in its websites. Besides, all communications required to be sent to the shareholders are being either sent through the registered e-mail addresses of the shareholders as well as by post as required by the shareholders. Accordingly, the Notice along with the audited annual accounts would be sent either through e-mail or by post as the case may be. Despatch of physical report : 15.07.2013
Last date of receipt of Proxy forms	07.08.2013
Announcement of Quarterly Results	26.05.2012, 11.08.2012, 05.11.2012 & 12.02.2013
Date of Book Closure	05.08.2013 to 10.08.2013
Listing on Stock Exchanges	Bombay Stock Exchange
SCRIP CODE	517059

SEBI, vide its order No.WTM/RKA/MRD/12/2013 dated 03/04/2013, ceased the recognition of the Coimbatore Stock Exchange. Accordingly, Coimbatore Stock Exchange vide its letter dated 10.04.2013 advised the Company to discontinue henceforth Compliance requirements under Listing Agreement with Coimbatore Stock Exchange Limited.

b) MARKET PRICE DATA**SHARE TRADING DETAILS IN BOMBAY STOCK EXCHANGE****For the period: 1-Apr-2012 to 31-Mar-2013***(Amt in Rs.)*

MONTH	OPEN	HIGH	DATE	LOW	DATE	CLOSING
April '12	54.15	62.00	23.04.2012	54.10	04.04.2012	61.25
May '12	59.10	60.00	07.05.2012	47.25	04.05.2012	54.90
June '12	55.00	59.35	11.06.2012	51.85	20.06.2012	56.35
July '12	54.10	63.80	11.07.2012	52.10	03.07.2012	57.00
August '12	53.40	61.65	03.08.2012	51.25	31.08.2012	52.30
September '12	52.30	66.00	25.09.2012	51.40	07.09.2012	61.80
October '12	60.10	63.40	04.10.2012	56.00	23.10.2012	60.05
November '12	62.35	62.35	01.11.2012	51.00	16.11.2012	58.75
December '12	58.00	60.75	17.12.2012	53.65	31.12.2012	54.05
January '13	54.00	57.50	17.01.2013	49.50	31.01.2013	50.00
February '13	51.55	55.60	12.02.2013	47.15	07.02.2013	52.50
March '13	50.50	56.60	13.03.2013	43.00	25.03.2013	54.40

c) MARKET CAPITALIZATION

As on 31st March 2013, the market capitalization of the company stood at Rs.5594.35 Lacs only amidst the volatility and uncertainty in the stock market. The Company has already taken up the matter with the Stock Exchange and the Market Regulator Securities and Exchange Board of India on the trading difficulties and consequential Liquidity constraints being faced by the Shareholders of the Company following the introduction of the Periodic Call Auction Mechanism to the illiquid scrips with the effect from 08.04.2013.

d) REGISTRAR & SHARE TRANSFER / DEMAT AGENTS

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

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

e) SHARE TRANSFER SYSTEM**SHARE TRANSFER COMMITTEE:**

The Share transfer committee consisting of the following members:

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

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

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

To consider share transfers, the committee meets at least once in a week or 10 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.

f) DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2013

Range	No.of Folios	No.of Shares	% of holding
Upto - 5000	11759	837220	8.14
5000 - 10000	288	236784	2.30
10001 - 20000	142	223956	2.18
20001 - 30000	57	143280	1.39
30001 - 40000	21	76764	0.75
40001 - 50000	21	100885	0.98
50001 - 100000	40	308118	3.00
100001 & above	91	8356730	81.26
TOTAL	12419	10283737	100.00

g) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

Category	No. of Shares held	Percentage of Share Holding
----------	--------------------	-----------------------------

A Promoter's holding

1 Promoters		
a) Indian Promoters	3109638	30.24%
b) Foreign Promoters	-	-
2 Persons acting in concert	-	-
Sub-Total (A)	3109638	30.24%

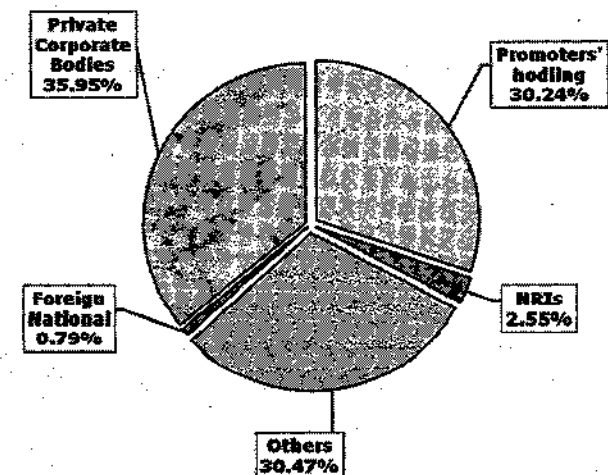
B Non-Promoters Holding

3 Institutional Investors		
a) Mutual Funds and UTI	-	-
b) Banks, Financial Institutions, Insurance companies (Central/State Govt, Institutions / Non-Government Institutions)	-	-
c) Foreign Institutional Investors	-	-
Sub-Total (B)	-	-

C) Others

a) Private Corporate Bodies	3697337	35.95%
b) Indian Public	3133291	30.47%
c) NRIs / OCBs	261758	2.55%
d) Any other (Foreign Collaborator/National)	81713	0.79%
Sub-Total (C)	7174099	69.76%
Grand Total (A+B+C)	10283737	100%

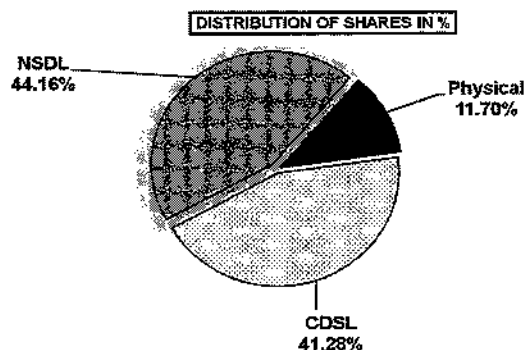
DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013



h) DEMAT INFORMATION (AS ON 31.03.2013)

	CDSL	NSDL	TOTAL
No. of Shares			
Dematerialised	4538971	4541671	9080642
% of Total Capital	44.14	44.16	88.30

DISTRIBUTION OF DEMATED SHARES IN %



i) NOMINATION FACILITY

As provided in the provisions of Companies Act, 1956 nomination facility is available for the shares held in a Company. The nomination form (Form 2B) 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
- UNA Unit : Khasra No.554/2/1, 573/49 UNA - Chandigarh Road, Jalgran Tabba Rakkar Colony, Tehsil- 174303 UNA Dist.

k) ADDRESS FOR CORRESPONDENCE

All correspondence should be addressed to:

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

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

Phone : 0422 4233600 / 4233614
E-mail : investor_relations@salzergroup.com / baskarasubramanian@salzergroup.com

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

The above report has been placed before the Board at its meeting held on 29th May, 2013 and the same was approved.

Declaration

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

For Salzer Electronics Limited

Place: Coimbatore
Date : 29.05.2013

(Sd/-) **P.S.SANTHANAKRISHNAN**
CHAIRMAN

CHIEF EXECUTIVE OFFICER CERTIFICATION

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

1. that I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2013 and that to the best of my knowledge and belief,
 - ◆ these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - ◆ these statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. that there are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. that I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take to rectify the identified deficiencies and
4. that I have informed the auditors and the audit committee that there are
 - ◆ Significant changes in internal control during the year, if any.
 - ◆ Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
 - ◆ No instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Coimbatore
Date: 29.05.2013

(Sd/-)R.Doraiswamy
Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Shareholders, Salzer Electronics Ltd

1. We have examined the compliance of conditions of Corporate Governance by Salzer Electronics Ltd, for the year ended 31.03.2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, where the Shares of the Company are listed.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We have been explained that no investors' grievances are pending for a period exceeding one month, as on 31st March 2013, 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

(Sd/-) S.Ravichandran
Partner
Membership No.023783

M/s.JDS Associates
Chartered Accountants
FRN : 008735S

(Sd/-) B.Jayaram
Partner
Membership No.028346

Coimbatore
29.05.2013

Independent Auditors' Report

To
The Members ,
Salzer Electronics Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Salzer Electronics Limited, Coimbatore-641047** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the

Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Swamy & Ravi
Chartered Accountants
FRN : 004317S

(Sd/-) S.Ravichandran
Partner
Membership No.023783

Coimbatore
29.05.2013

M/s.JDS Associates
Chartered Accountants
FRN : 008735S

(Sd/-) B.Jayaram
Partner
Membership No.028346

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date on the accounts of Salzer Electronics Ltd for the year ended March 31, 2013

01.

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the Management as per a phased programme of verification. In our opinion, the frequency of verification 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.

- c) During the year, the Company has not disposed off any significant value of Plant and Machinery.

02.

- a) The Management has conducted physical verification of inventory at reasonable intervals.
- b) In our opinion, the procedure followed by the Management for such physical verifications are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and the books and records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.

d) We have relied on the representation of the management that the consumption of materials and components is in line with production / industry norms.

03. According to the information and explanations given to us, the Company has taken and granted loans, unsecured, from or to Companies, firms or other parties, listed in the Register maintained under Section 301 of the Companies Act, 1956 and the terms and conditions are not prima facie prejudicial to the interest of the Company.

04. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.

05. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:

a) To the best of our knowledge and belief and according to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the register have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of such contracts or arrangements exceeding the value of Rs.5 lakhs have been made at prices which are prima facie reasonable and having regard to the prevailing market prices at the relevant time.

06. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956.

07. The Company has an internal audit system, which in our opinion, is commensurate with the size and nature of its business.

08. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

09. According to the records of the Company and the information and explanations given to us in respect of statutory and other dues:

- a) The Company was regular in depositing Provident Fund and Employees' State Insurance dues, Excise duty, Service tax, Customs duty, CESS, Investor Education & Protection Fund, Income Tax, Sales Tax and all other applicable statutory dues with the appropriate authorities and there were no arrears outstanding for a period of more than 6 months as at 31st March, 2013.
- b) The Company has no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty that were outstanding, as at 31st March, 2013.
10. The Company does not have any accumulated losses as at the year end, nor has it incurred any cash losses during the current and immediately preceding financial years.
11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. In our opinion the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. As informed to us, the term loans were utilized by the Company for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized any funds raised on short term basis for long term investments and vice-versa.
18. According to the information and explanation given to us during the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
19. According to the information and explanations given to us and the records examined by us, the Company has not issued any debentures that were outstanding at any time during the year.
20. According to the information and explanations given to us and the records examined by us, the Company has not raised money by public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company was noticed or reported during the year.

For Swamy & Ravi
Chartered Accountants
FRN : 004317S

(Sd/-) S.Ravichandran
Partner
Membership No.023783

Coimbatore
29.05.2013

M/s.JDS Associates
Chartered Accountants
FRN : 008735S

(Sd/-) B.Jayaram
Partner
Membership No.028346

BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS		Note No.	As at 31/03/2013 Rs.		AS at 31/03/2012 Rs.	
I	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share Capital	3	102837370		102837370	
	(b) Reserves and Surplus	4	797821702		741630508	
				900659072		844467878
2	Non- current liabilities					
	(a) Long-term borrowings	5	24539998		46456251	
	(b) Deferred Tax liabilities (Net)	6	6804388		7137298	
	(c) Other Long term liabilities	7	56444343		48492373	
	(d) Long-term Provisions	8	8353004		8076589	
				96141733		110162511
3	Current Liabilities					
	(a) Short term borrowings	9	680439119		523543066	
	(b) Trade payables	10	234625226		276282939	
	(c) Other current liabilities	11	259771689		332512713	
	(d) Short term provisions	8	38372749		40017419	
				1213208783		1172356137
	TOTAL			2210009588		2126986526
II	ASSETS					
1	Non-current assets					
	(a) Fixed assets	12				
	(i) Tangible assets		654676042		620931921	
	(ii) Intangible assets		4708692		-	
	(iii) Capital work-in-progress		2875652		-	
	(b) Non-current investments	13A	48998672		48378683	
	(c) Long-term loans and advances	14	6736183		5908167	
	(d) Other non-current assets	15	7000014		7000014	
				724995255		682218785
2	Current assets					
	(a) Current investments	13B	9330213		8571283	
	(b) Inventories	16	530523739		469422037	
	(c) Trade receivables	15	610782225		593421115	
	(d) Cash and Bank Balances	17	109343443		136998408	
	(e) Short-term loans and advances	14	152399511		187364725	
	(f) Other current assets	15	72635202		48990173	
				1485014333		1444767741
	TOTAL			2210009588		2126986526
	Summary of Significant Accounting Policies	1&2				

The accompanying Notes are an integral part of the financial statements

In terms of our report Attached

(Sd/-) P.S. Santhanakrishnan
Chairman(Sd/-) R. Doraiswamy
Managing DirectorFor M/s. JDS Associates
Chartered Accountants
FRN : 008735SFor Swamy & Ravi
Chartered Accountants
FRN : 004317S(Sd/-) S. Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary(Sd/-) B. Jayaram
Partner
Membership No.028346(Sd/-) S.Ravichandran
Partner
Membership No.023783Coimbatore - 47
29.05.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS		Note No.	For the year Ended 31/03/2013 Rs.		For the year Ended 31/03/2012 Rs.	
I	Revenue from operations:	18	2287304362		2228780276	
II	Other Income	19	13917791		9079994	
III	Total Revenue (I + II)			2301222153		2237860270
IV	Expenses					
	Cost of Materials Consumed	20	1605915193		1588248523	
	Changes in inventories of finished goods and work in progress	21	(31844516)		(45235449)	
	Employee benefits expenses	22	122822175		97039346	
	Finance Cost	23	117658688		115920658	
	Depreciation and amortization expenses	12	86669524		79591853	
	Other expenses	24	305770057		301112288	
	Total Expenses			2206991121		2136677219
V	Profit before exceptional and extraordinary items and tax (III-IV)			94231032		101183051
VI	Exceptional Items			-		-
VII	Profit before tax (V-VI) & extraordinary items			94231032		101183051
VIII	Extraordinary items			-		-
IX	Profit before tax (VII-VIII)			94231032		101183051
X	Tax expense:					
	(1) Current tax		23935000		25675000	
	(2) Deferred tax		(332910)	23602090	(6426589)	19248411
XI	Profit for the period - After Tax(IX-X)			70628942		81934640
XII	Earnings per equity share:					
	(1) Basic			6.87		7.97
	(2) Diluted			6.87		7.97
	Summary of Significant Accounting Policies	1&2				

The accompanying Notes are an integral part of the financial statements

In terms of our report Attached

(Sd/-) P.S. Santhanakrishnan
Chairman(Sd/-) R. Doraiswamy
Managing DirectorFor M/s. JDS Associates
Chartered Accountants
FRN : 008735SFor Swamy & Ravi
Chartered Accountants
FRN : 004317S(Sd/-) S. Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary(Sd/-) B. Jayaram
Partner
Membership No.028346(Sd/-) S.Ravichandran
Partner
Membership No.023783Coimbatore - 47
29.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

A. Cash flow from Operating Activities	Year ended 31.03.2013	Year ended 31.03.2012
Profit before Tax	942.31	1011.83
Adjusted for:		
Depreciation	866.70	795.92
Interest received	-67.77	-41.62
Interest & Finance Charges	1176.58	1159.21
Exchange Rate Differences	-67.21	-36.33
Bad debts written off & Provisions	-	20.00
Dividend Income	-1.95	-1.51
Operating Profit before Working Capital Changes	2848.66	2907.50
Adjusted for working capital changes		
Inventories	-611.02	-807.90
Trade Receivables	-106.40	-720.03
Long Term Loans & Advances	-8.28	42.80
Short Term Loans and Advances	349.65	-218.95
Trade Payables	-416.58	1415.28
Other Current liabilities	-704.25	289.47
Other Long term Liabilities	79.52	235.86
Provisions	8.76	-84.66
Other Current assets	-236.45	119.01
Non Current assets	-	9.78
Cash generated from Operations	1203.63	2950.14
Direct Taxes Paid	-256.75	-222.62
Net Cash flow from operating activities	946.86	2727.52
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	-1279.98	-1524.69
Capital work in process Reversed	-	41.19
Sale of fixed assets	-	33.83
Interest Received	67.77	41.62
Dividend Income	1.95	1.51
Investments in Mutual Funds & Equities	-13.79	-85.72
Net Cash used in investigating activities	-1224.05	-1392.26
C. Cash flow from financing activities		
Long Term Borrowings	36.22	237.04
Short Term Borrowings	1568.96	494.35
Repayment of Long Term Borrowings	-267.23	-212.15
Repayment of Short Term Borrowings	-	-84.79
Interest & Finance Charges	-1176.58	-1159.21
Unsecured Loans From Directors	-	13.00
Repayment of Loans to others & Directors	-17.31	-11.25
Dividend & Dividend Tax Paid	-143.42	-191.87
Net Cash Generated Financing Activities	0.64	-914.88
Net Increase In Cash and Cash Equivalents	-276.55	420.38
Cash & equivalent at the beginning of the year	1369.98	949.60
Cash & Equivalent at the end of the year	1093.43	1369.98

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON ACCOUNTS TO THE FINANCIAL STATEMENTS****Significant accounting policies:****NOTE 1: Corporate information & history:**

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

NOTE 2:**(a) Basis of preparation of financial statements**

The financial statements are prepared under the historical cost conception, on accrual basis of accounting, and comply with the Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards, under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, ('the Act') to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

(b) Use of estimates:

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

(c) Fixed assets:**(i) Tangible:**

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

(ii) Intangible

Software development expenditure of capital nature

are shown as intangible assets. They are stated at cost of acquisition less depreciation.

(d) Impairment:

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

(e) Depreciation:

Depreciation on fixed assets other than Wind Mill is provided on straight-line method in accordance with Schedule XIV of the Companies Act, 1956. Depreciation on Wind Mills are provided on WDV method at the rate specified in Schedule XIV. In respect of additions made during the year, depreciation is charged on pro-rata basis from the month of addition.

(f) Investments:

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

The investments made in M/s.Salzer Global Services LLC, USA (SGS) is strategically made to keep the furtherance of market share in the international markets particularly USA and Canada, and the management feels that the company's investments in SGS will provide returns on the long run and hence the investment has been stated at cost.

(g) Inventories:

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

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

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

(h) Research and Development:

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

(i) Foreign Currency Transactions:

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

(j) Taxation:

1. Current Tax:

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

2. Deferred Tax:

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

(k) Revenue Recognition:

- i) Revenue in respect of sale of products is recognized at the point of despatch to customers.
- ii) Sales comprise of value of sale of goods (Net of returns) excluding Sales Tax and Excise Duty.
- iii) Revenue in respect of investments is recognized as and when these incomes are ascertained and quantified.
- iv) Income from Services is recognized as and when the services are rendered.
- v) Export benefits are recognized in the profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

vi) Dividend income is recognized when the right to receive dividend is established.

vii) Lease income under operating lease is recognized in Profit and Loss Account on the basis of accrual of income as per terms of the agreement.

(l) Employees Benefits:

1. Defined contribution plans:

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

2. Defined benefit plan (gratuity):

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

3. Pension & Leave Salaries:

Pension:

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

Leave Salaries:

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

(m) Earnings Per Share (EPS):

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

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

(n) Borrowing Costs

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

(o) Leases:

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

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

(p) Provisions, contingent liabilities and contingent assets

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

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

(q) Segment Reporting:

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

(r) Consolidation of accounts (AS23)

The company has made investments in three other bodies corporate. The management feels, as these investments are being strategic in nature and the company has no control or significant influence in the financial / operating policies and in decisions of these investee companies, the disclosure requirements of AS23 in this regard does not arise.

(s) Cash and Cash Equivalents:

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

PARTICULARS	As at 31/03/2013	As at 31/03/2012
	Rs.	Rs.
NOTE '3'		
SHARE CAPITAL		
a. Authorized		
1,50,00,000 Equity Shares of Rs.10/- each [Previous Year : 1,50,00,000 Equity Shares of Rs.10/- each]	150000000	150000000
b. Issued, Subscribed and Paid up		
* 1,02,83,737 Equity Shares of Rs.10/- each fully paid-up. [Previous Year : 1,02,83,737 Equity Shares of Rs.10/- each]	102837370	102837370
TOTAL	102837370	102837370

C. Reconciliation of Shares outstanding at the beginning and at the end of the period

PARTICULARS	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	Rs.	No. of Shares	Rs.
At the Beginning of the Period	10283737	102837370	10283737	102837370
ADD.: Shares issued during the Year	-	-	-	-
LESS.: Shares bought back during the Year	-	-	-	-
ADD.: Other Movements during the Year	-	-	-	-
Outstanding at the end of the Period	10283737	102837370	10283737	102837370

d. Terms/rights attached to the Equity Shares.

- * The Company has only one class of Equity Shares having par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees.
- * The Dividend Proposed is as recommended by the Board of Directors and subject to the approval of the Shareholders' in the ensuing Annual General Meeting.
- * For The Year Ended 31st March 2013, The Amount of Dividend per share recognized as distributions to Equity is Rs.1.20. (31st March, 2012: Rs.1.20)

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

PARTICULARS	31.03.2013		31.03.2012	
	Shares	%	Shares	%
Larsen & Toubro Ltd *	2679808	26.06	-	-
L & T Capital Company Limited *	-	-	2679808	26.06
Vishnu Rangaswamy.D	667787	6.49	667787	6.49
Saradha Investments Limited	584139	5.68	530092	5.15

* During the year under review, Larsen & Toubro Limited acquired entire holdings from L & T Capital Company under Interse-Transfer.

PARTICULARS	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
NOTE `4'		
RESERVES AND SURPLUS		
a) Capital Reserve		
Share Premium	252918270	252918270
b) Reserve for doubtful debts and investment		
As per last Balance sheet	6500000	4500000
Add : Transfer from Profit and Loss / Profit & Loss Appropriation account	2000000	2000000
Closing Balance	8500000	6500000
c) General Reserve		
As per last Balance sheet	167166232	160366232
Add : Transfer from Profit and Loss Account	3600000	6800000
Closing Balance	170766232	167166232
d) Profit and Loss Account		
As per last Balance sheet	315046006	253629146
Add: Profit during the year	70628942	81934640
Add: Excess Provision for prior year written back	-	624639
Less: Transferred to Reserve for doubtful debts and investments	2000000	-
Less: Proposed Dividend (Incl .Tax) (Amount Per Share Rs.1.20 (31.03.2012 Rs.1.20))	14437748	14342419
Less: Transfer to General Reserves	3600000	6800000
Closing Balance	365637200	315046006
TOTAL (a+b+c+d)	797821702	741630508

PARTICULARS	Non- Current Portion As at		Current Maturities As at	
	31/03/2013 Rs.	31/03/2012 Rs.	31/03/2013 Rs.	31/03/2012 Rs.
NOTE `5'				
LONG TERM BORROWINGS				
(a) SECURED				
(i) Term Loan Banks from Banks				
Term Loan from Canara Bank	4333312	19104746	12999999	11607148
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-I) and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director] (Energy saver Term Loan Repayable within 15 EMI of Rs.1083334/- & 1 EMI of Rs.1083301/-)				
Term Loan from Bank of India	13510852	16818403	4286004	4823004
[Secured by the assets purchased under Term Loans and extension of equitable mortgage of Land and Building of the Company (Unit-II) & Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director] (Plant & Machinery Term Loan Repayable within 49 EMI of Rs.357167/- & 1 EMI of Rs.295673/-)				
Term Loan from Union Bank of India	2245834	3470834	1224999	1224999
[First charge on all fixed assets of Unit IV except Machineries items financed by L&T Finance Ltd. and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director.] (Plant & Machinery Term Loan Repayable within 33 EMI of Rs.102083/- and 1 EMI of Rs. 102094/-)				
(ii) Term Loan from Others				
Term Loan from Larsen & Toubro Finance Ltd	-	881312	-	3771705
[Secured by way of Hypothecation of Plant and Machineries of Unit IV on First Charge basis purchased out of L&T Funding and Guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director.] [There is no overdue interest or principal amount as on 31st March 2013 in respect of Term loan]				
(b) UNSECURED				
Directors	3750000	4348294	-	-
[Repayable within __EMI of Rs. ____]				
Others	700000	1832662	-	-
[Repayable within __EMI of Rs. ____]				
TOTAL	24539998	46456251	18511002	21426856

PARTICULARS	As at 31/03/2013	As at 31/03/2012
	Rs.	Rs.
NOTE `6`		
DEFERRED TAX LIABILITY		
a) Deferred Tax Liabilities		
Deferred Tax Liabilities on Research and Development Expenses	13007428	12815624
Gross Deferred Tax Liability	13007428	12815624
b) Deferred Tax Assets		
Fixed Assets.: Impact of difference between Tax Depreciation and book depreciation	6203040	5029426
Deferred Tax Assets on Provisions	-	648900
Gross Deferred Tax Assets	6203040	5678326
Net Deferred Tax Liabilities (a-b)	6804388	7137298

NOTE `7`**OTHER LONG TERM LIABILITIES**

Trade Payables	-	-
Other Long Term Liability	56444343	48492373
TOTAL	56444343	48492373

PARTICULARS	Long Term		Short Term	
	As at		As at	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	Rs.	Rs.	Rs.	Rs.

NOTE `8`**PROVISIONS**

Present value of obligations as at the end of the year	26408936	18432355	-	-
Fair value of plan assets as at the end of the year	18055932	10355766	-	-
Net assets / (Liability) recognized in balance sheet	8353004	8076589	-	-
Other Provisions:				
Provision for Taxation	-	-	23935000	25675000
Proposed Dividend	-	-	12340484	12340484
Corporate Dividend Tax	-	-	2097265	2001935
TOTAL	-	-	38372749	40017419

PARTICULARS	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
NOTE '9'		
SHORT TERM BORROWINGS		
A) SECURED		
Loans repayable on demand		
From Banks		
Cash Credit From Canara Bank	141891988	138038203
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-I		
Cash Credit From Bank of India	151910648	138401382
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-II		
Packing Credit From Bank of India	-	2500000
Open Cash Credit has been secured on hypothecation of Inventories of Unit-II		
Cash Credit From Union Bank of India	213982566	174382772
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-IV		
Cash Credit From Citi Bank	46851588	41420709
Open Cash Credit has been secured on hypothecation of Inventories and Book Debts of Unit-III		
[All the Working Capital loans are guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director. There is no overdue Interest amount as on 31st March 2013 in respect of Working Capital Loan.]		
B) UNSECURED		
From Banks		
Credit From Citi Bank	125802329	28800000
TOTAL	680439119	523543066
NOTE '10'		
TRADE PAYABLES		
Trade Payables		
For Goods	215365658	213311287
For Capital Goods and Capital Expenses	16922886	60510019
Others		
For Statutory Dues	-	-
For Advances from Customers	2336682	2461633
TOTAL	234625226	276282939
Disclosure : There are no dues to any creditors constituting "Suppliers" within the meaning of Section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006		
NOTE '11'		
OTHER CURRENT LIABILITIES		
Current Maturities of long term borrowings	18511002	21426856
Unpaid dividends	2239368	2080329
Interest Accrued and Due on Borrowings	-	95064
For Expenses	234720142	304692823
Other Payables (Specify Nature)		
ESI Payable	110122	78804
PF Payable	225527	188765
TDS Payable	203297	342802
Excise Payable	728296	-
Sales Tax Payable	3033935	3607270
TOTAL	259771689	332512713

NOTE '12' FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.12 Rs.	Additions During the Year Rs.	Adj. During the Year Rs.	Total Cost as at 31.03.13 Rs.	Dep. as at 31.03.12 Rs.	Add. during the Year Rs.	Dep. Adj. Rs.	Total Dep. as at 31.03.13 Rs.	As At 31.03.13 Rs.	As at 31.03.12 Rs.
Tangible Assets										
LAND - Free Hold	21908617	3191625	-	25100242	-	-	-	-	25100242	21908617
BUILDING	141706860	5108259	-	146815119	24586284	3215387	-	27801671	119013448	117120576
PLANT AND MACHINERY	791446341	107901672	-	899348013	354437216	78331771	-	432768987	466579026	437009125
WINDMILL	60447887	-	-	60447887	45199035	2121115	-	47320150	13127737	15248852
ELECTRICAL MACHINERY (SOLAR)	-	1112042	-	1112042	-	23294	-	23294	1088748	-
FURNITURE AND FIXTURES	38531211	2982909	-	41514120	14729433	2496758	-	17226191	24287929	23801778
VEHICLES	9376048	115500	-	9491548	3533075	479561	-	4012636	5478912	5842973
Total (A)	1063416964	120412007	-	1183828971	442485043	86667886	-	529152929	654676042	620931921
Intangible Assets										
SOFTWARE	-	4710330	-	4710330	-	1638	-	1638	4708692	-
TOTAL (B)	-	4710330	-	4710330	-	1638	-	1638	4708692	-
TOTAL (A+B)	1063416964	125122337	-	1188539301	442485043	86669524	-	529154567	659384734	620931921
Capital Work in Progress	-	-	-	-	-	-	-	-	2875652	-
TOTAL	1063416964	125122337	-	1188539301	442485043	86669524	-	529154567	662260386	620931921
PREVIOUS YEAR RS.	914330706	152468911	3382653	1063416964	366252190	79591853	3359000	442485043	620931921	562198018

PARTICULARS	As at 31/03/2013	As at 31/03/2012
	Rs.	Rs.
NOTE '13A'		
NON-CURRENT INVESTMENTS		
Trade Investments		
a) Quoted		
Bank of India	103500	103500
(2300 Shares of Rs.10/- each at a premium of Rs.35/- per share) (Market value As At 31.03.2013(Closing) Rs.302.50/-per share Aggregate Rs.695750/-)		
b) Unquoted		
Investments in Equity Instruments of Associate Company		
1. Salzer Technologies Ltd	832500	832500
(83250 Equity Shares of Rs. 10/- each)		
2. Salzer Spinners Ltd	5596500	5596500
(1865500 Equity Shares of Rs.10/- each - at realizable value)		
3. Salzer Global Services LLC	41846183	41846183
(400000 shares of Limited Liability Company, New Hampshire- share value 10,00,000 US Dollars.)		
4. Beta Wind Farm Pvt Ltd	619989	-
(32631 Equity Shares of Rs.10/- each with premium of Rs.9/ per share)		
TOTAL	48998672	48378683

Disclosure

PARTICULARS	31.03.2013		31.03.2012	
	Shares	%	Shares	%
1 Salzer Technologies Ltd	83250	35.43	83250	35.43
2 Salzer Spinners Ltd	1865500	26.65	1865500	26.65
3 Salzer Global Services LLC	400000	40.00	400000	40.00
PARTICULARS	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.

NOTE '13B'**CURRENT INVESTMENT**

State Bank Of India - Infrastructure Fund	500000		500000	
Reliance Growth Fund	444527		511980	
UTI Dividend Yield Fund	180183		208685	
ICICI Prudential Infrastructure Fund	1566764		1566764	
Reliance Diversified Power Sector	1490933		1393533	
ICICI Prudential Discovery Fund	300000		175000	
Sundaram BNP Pari-pasu Select Mid Cap	300000		175000	
Birla Sun Life Frontline Equity Fund	300000		175000	
HDFC TOP 200 Fund	275000		150000	
Canara Robeco Mutual Fund	700000		-	
		6057407		4855962
ICICI Pru Real Estate Portfolio SSI		3272806		3715321
TOTAL		9330213		8571283

SALZER ELECTRONICS LIMITED
salzer

PARTICULARS	Non Current As at		Current As at	
	31/03/2013 Rs.	31/03/2012 Rs.	31/03/2013 Rs.	31/03/2012 Rs.
NOTE `14'				
LOANS AND ADVANCES				
Unsecured Considered Good:				
Capital Advances	-	-	55896098	39533041
Security Deposits	6736183	5908167	-	-
Loans and Advances to Related Parties	-	-	10526572	2537050
Loans and Advance to Directors	-	-	-	-
LIC Group Gratuity Scheme	-	-	17881943	10593074
Other Loans and Advances (Specify Nature)	-	-	21755355	46139398
Loans and Advances to Suppliers	-	-	9947712	38130832
Prepaid Expenses	-	-	1438796	1941270
Advances to Staff & Others	-	-	4873188	5966624
Balance with Statutory Authorities	-	-	30079847	42523436
TOTAL	6736183	5908167	152399511	187364725

NOTE `15'
TRADE RECEIVABLES AND OTHER ASSETS
Trade Receivables
Unsecured Considered Good

Over Six Months	7000014	7000014	6903570	4767246
Below Six Months	-	-	603878655	588653869
	7000014	7000014	610782225	593421115
Other Assets				
TDS Receivables	-	-	1675069	99853
Energy Saver Income Receivables	-	-	42959002	21830030
Excise Receivables	-	-	20022425	22100452
VAT Receivables	-	-	7112393	4656214
Other Receivables	-	-	866313	303624
TOTAL	-	-	72635202	48990173

PARTICULARS	As at 31/03/2013		As at 31/03/2012	
	Rs.		Rs.	

NOTE `16'
INVENTORIES

Raw Material	174840817	147466372
Packing Material	7174680	5291940
Work In Process	295765923	223246779
Finished Goods	52742319	93416946
TOTAL	530523739	469422037

PARTICULARS	Non Current As at		Current As at	
	31/03/2013 Rs.	31/03/2012 Rs.	31/03/2013 Rs.	31/03/2012 Rs.
NOTE `17'				
CASH AND BANK BALANCES				
-Cash and Cash Equivalents				
Cash on Hand	-	-	1366221	951298
Balance with Banks				
-In Current Accounts	-	-	13667685	32583094
-In Fixed Deposit Accounts	-	-	59135786	63379706
-As Margin Money	-	-	24843478	38003981
- Other Bank Balances				
Balance with Banks				
-In Current Accounts	-	-	-	-
-In Fixed Deposit Accounts	-	-	8090905	-
-Unclaimed Dividend Accounts	-	-	2239368	2080329
TOTAL	-	-	109343443	136998408

PARTICULARS	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
NOTE `18'		
REVENUE FROM OPERATION		
A. Sale of Product		
Sales - Domestic	2019133190	2064086114
Sales - Exports	439595244	338708755
	2458728434	2402794869
Less : Excise Duty & Taxes	287139268	262370245
Sub Total	2171589166	2140424624
B. Sale of Services		
Income by Energy Saver	45315753	32442489
Income by Street Light Maintenance	22570697	33250076
Technical Services	22708312	8912615
Sub Total	90594762	74605180
C. Other Operating Revenues		
Conversion Charges Received	4197403	4315154
Income by Power Generation	10125797	6409723
Sale of DEPB Licences	1527150	2979548
Duty drawback Income	9270084	46047
Sub Total	25120434	13750472
TOTAL (A+B+C)	2287304362	2228780276

SALZER ELECTRONICS LIMITED**salzer**

PARTICULARS	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
NOTE `19'		
OTHER INCOME		
Interest from Bank Deposits	6777408	4162220
Foreign Exchange Rate Difference	6721472	3633163
Other non-operating income (net of expenses)	88516	1129626
Insurance Claim Received	118162	3805
Net gain/ loss on sale of investments	17499	-
Dividend from Long Term Investments	194734	151180
TOTAL	13917791	9079994
NOTE `20'		
COST OF MATERIAL CONSUMED		
a) Raw Materials Consumption		
Stock at Commencement	147466372	113634734
Add: Purchases	1589155298	1588569567
Freight and Octroi on Purchases	-	-
Less : Stock at Close	174840817	147466372
	1561780853	1554737929
b) Packing Materials Consumption		
Stock at Commencement	5291940	3568717
Add: Purchases	46017080	35233817
Design and Printing on Packing Material	-	-
Freight and Octroi on Purchases	-	-
Less : Stock at Close	7174680	5291940
	44134340	33510594
TOTAL (a+b)	1605915193	1588248523
NOTE `21'		
Change in Stocks		
Stock at Commencement		
Work-in Process	223246780	165452476
Finished Goods	93416946	105975800
	316663726	271428276
Less: Stock at Close		
Work-in-Process	295765923	223246779
Finished Goods	52742319	93416946
	348508242	316663725
Change in Inventories of Finished Goods and Work-in-process	(31844516)	(45235449)

PARTICULARS	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
FNOTE `22'		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc.	99316569	80337678
Contribution to P.F, E.S.I and Other Statutory Funds	6160890	5114416
Workmen and Staff Welfare Expenses	9783774	8670131
Provision for Gratuity	7560942	2917121
TOTAL	122822175	97039346
Disclosure		
The above Salaries & Wages include Directors Remunerations		
NOTE `23'		
FINANCE COSTS		
Interest Expense		
Interest on Term Loan	6947918	9836328
Interest on Working Capital	68921267	66591749
Interest on Unsecured Loans(Citibank)	1972784	-
Interest Others	39816719	39492581
Other Borrowing Costs		
Interest on Income Tax	-	-
TOTAL	117658688	115920658
NOTE `24'		
OTHER EXPENSES		
Consumptions of Store and Spares	12057973	10835538
Power and Fuel	52929094	45752135
Repairs To - Buildings	2505955	2309058
- Machinery	11660259	9709620
- Others	4661202	4961263
Rent	759400	593400
Insurance	2422423	1610902
Rates and Taxes	9990511	9189447
Audit Fees	589890	393260
Freight and Forwarding Charges	54834996	35912860
Travelling and Conveyance	6245344	9314317
Printing & Stationery	2307791	2024231
Director's Sitting Fees	120000	144000
Sales Promotional Expenses	35108836	38312332
Subcontracting Expenses	56324611	55305510
Research & Development Expenses	8546917	16152958
Energy saver Expenses	7378569	10074978
Street Light Maintenance Assets	21453785	29636184
Advertisement Expenses	851108	745421
General Expenses	5221926	5022363
Postage, Telephone & Telegram	2306187	2523923
Technical/Professional Fee	4781664	4563174
Subscription & Periodicals	350658	446068
Donation	737611	187938
Royalty	1248169	2869979
Management system Expenses (ISO9000 & OSHAS Exps.)	326570	521429
Bad Debts	48608	-
Reserve for doubtful debts and investments	-	2000000
TOTAL	305770057	301112288

Employee Benefits Expenses

NOTE: 25. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

	As on 31.03.2013	As on 31.03.2012
I. Table showing changes in present value of obligation		
Present value of obligations as at beginning of year	18432355	155748820
Interest cost	1474588	1245991
Current service cost	1208201	1065788
Benefits paid	(761780)	(761780)
Actuarial (gain)/ loss on obligations	6027901	1307474
Present value of obligations as at end of year	26408936	18432355
II. Table showing changes in the fair value of plan assets as		
Fair value of plan assets at beginning of year	10355766	6707212
Expected return on plan assets	1149748	702133
Contributions	7284527	3708201
Benefits paid	(734109)	(761780)
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the year end	18055932	10355766
III. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	10355766	6707212
Actual return on plan assets	1149748	702133
Contributions	7284527	3708201
Benefits paid	(734109)	(761780)
Fair value of plan assets at the end of year	18055932	10355766
Funded status	(8353004)	(8076589)
Excess of Actual over estimated return on plan assets	-	-
(Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	-	-
IV. Actuarial Gain/Loss recognized		
Actuarial (gain)/loss on obligations	(6027901)	(1307474)
Actuarial (gain)/loss for the year plan assets	-	-
Total (gain)/loss for the year	6027901	1307474
Actuarial (gain)/loss recognized in the year	6027901	1307474
V. The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	26408936	18432355
Fair value of plan assets as at the end of the year	18055932	10355766
Funded status	(8353004)	(8076589)
Net asset/(liability) recognized in balance sheet	8353004	8076589
VI. Expenses recognized in statement of profit and loss		
Current service cost	1208201	1065788
Interest cost	1474588	1245991
Expected return on plan assets	(1149748)	(702133)
Net Actuarial (gain)/loss recognized in the year	6027901	1307474
Expenses recognized in statement of profit and loss	7560942	2917120
VII. Investment Details:		
L.I.C	100%	100%

VIII. Actuarial assumptions

As on 31.03.2013

As on 31.03.2012

Mortality Table (LIC)

Discount rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	5.00%	5.00%
Rate of escalation in salary (per annum)	6.50%	6.50%

NOTE: 26. EARNING PER SHARE:**2013****2012**

i. Net profit after tax for the year	706.29	819.35
ii. Weighted average number of equity shares	10283737	10283737
iii. Nominal value per share	Rs. 10	Rs. 10
iv. Earnings per share	Rs. 6.87	Rs. 7.97

NOTE: 27. RELATED PARTY DISCLOSURE

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

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

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

S.No	Name of Related Party	Nature of Transaction	Transaction Value for the year (Rs.)	
			Dr.	Cr.
A	Key Management Personnel			
1	R.Doraiswamy	Remuneration		3625026
2	D.Rajeshkumar	Remuneration		3590026
3	P.Ramachandran	Remuneration		379360
B	Relative of Key Management Personnel			
1	R.Dhamodharaswamy - Director - Brother of R.Doraiswamy, Managing Director			
2	R.Narayanaswamy - Director - Brother of R.Doraiswamy, Managing Director			
C.	Enterprise owned or significantly influenced by key management personnel or their relatives			
1	Salzer Exports Ltd	Sale of Goods	58876306	
2	Salzer Magnet Wires Ltd	Sale of Goods	85045904	
		Purchase of Material		64057565
		Job Work Charges Recd		1734136
		Job Work Charges Paid	1205311	
3	Micro Instruments Ltd	Sales of Material	97577	
		Job Work Charges Recd		747806
		Job Work Charges Paid	3231	
		Purchase of Material		1024003
4	Rangaswamy Naidu & Sons	Fuel Purchase		28548186
5	Salzer Spinners Ltd	Sale of Power	6487440	
6	Plitron Mfg. Inc	Sale of Material	1572944	
7	SRVE Inds. Ltd.	Job Work Charges Paid		3012500

NOTE: 28. CONTINGENT LIABILITIES

1. Towards Import obligation under EPCG Scheme is Rs.2016.05 Lakhs
2. Letter of credit (foreign and inland) for import and purchase of raw materials is Rs.272.40 Lakhs
3. Obligation towards Bank Guarantee is Rs.17.00 Lakhs.

NOTE: 29. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

Particulars	31, MARCH 2013 (Rs.)	31, MARCH 2012(Rs.)
Dues outstanding as at the end of the year for more than 45 Days	-	-

NOTE: 30. VALUE OF IMPORTS ON CIF BASIS

S.No	Particulars	31, MARCH 2013 (Rs.)	31, MARCH 2012(Rs.)
a.	Raw materials	71278432	10601064
b.	Components and Spare parts	166709186	172644027
c.	Capital Goods	5384133	15855160
	Total	243371751	199100251

NOTE: 31. EXPENDITURE OF FOREIGN CURRENCY

S.No	Particulars	31, MARCH 2013 (Rs.)	31, MARCH 2012(Rs.)
a.	Fees for Technical / Professional Services	58854	118734
b.	Dividend	206371	274801
c.	Royalty	1248169	2869979
d.	Others	3206414	2786251
	Total	4719808	6049765

NOTE: 32. IMPORTED AND INDIGENOUS RAWMATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

S.No	Particulars	% of total Consumption as on 31.03.2013	Value on 31.03.2013 (Rs.)	% of total Consumption as on 31.03.2012	Value on 31.03.2012 (Rs.)
a.	Raw materials				
	- Imported	5.75	71278432	0.83	10601064
	- Indigenous	94.25	1159931760	99.17	1265690219
b.	Components				
	- Imported	47.55	166709186	62.00	172644027
	- Indigenous	52.45	163861475	38.00	105802619
c.	Packing Materials				
	- Imported	-	-	-	-
	- Indigenous	100.00	44134340	100.00	33510593
d.	Stores and Spares				
	- Imported	-	-	-	-
	- Indigenous	100.00	12057973	100.00	10835538
	Total (a+b+c+d)		1617973166		1599084060

NOTE: 33. SALES AND STOCK PARTICULARS OF FINISHED GOODS

Electricals Goods	Sales Value (Rs.)	Closing Inventory (Rs.)	Opening Inventory (Rs.)
Current Year	2171589166	52742319	93416946
Previous Year	2140424624	93416946	105975800

NOTE: 34. EARNING IN FOREIGN CURRENCY

S.No	Particulars	31, MARCH 2013 (Rs.)	31, MARCH 2012(Rs.)
a.	Export of Goods calculated on FOB Basis	329137907	246093578
b.	Others	22708312	8912615
	Total	351846219	255006193

NOTE: 35. DIRECTORS' REMUNERATION OF Rs. 7594412/- COMPRISING OF:

S.No	Particulars	R.Doraiswamy, Managing Director		D.Rajeshkumar, Joint Managing Director		P.Ramachandran, Whole Time Director	
		31, March 2013	31, March 2012	31, March 2013	31, March 2012	31, March 2013	31, March 2012
1.	Salaries and Allowances	2030000	1900000	1980000	1800000	360000	360000
2.	Contribution to Provident Fund	9360	9360	9360	9360	9360	9360
3.	Bonus	10000	10000	10000	10000	10000	10000
4.	Contribution to Pension Fund	-	-	15000	15000	-	-
5.	Commission	1575666	-	1575666	15000	-	-
	TOTAL	3625026	1919360	3590026	1834360	379360	379360

NOTE: 36. PAYMENT TO AUDITORS

S.No	Particulars	31, MARCH 2013 (Rs.)	31, MARCH 2012(Rs.)
a.	As Auditors Statutory Audit Fees Tax Audit Fees	505620 84270	337080 56180
b.	In Other Capacity	-	-
	Total	589890	393260

NOTE: 37. IMPAIRMENT OF ASSETS

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

NOTE: 38.

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

NOTE: 39.

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

NOTE: 40.

The outstanding debtors for more than six months include Rs.70.00 lakhs due from M/s.Crompton Greaves Ltd, Mumbai. The company has already taken legal course of action in the matter for recovery of the same. The company is confident of recovering this amount in full and so considered the debt as good.

NOTE: 41.

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

NOTE: 42.

Figures have been rounded off to the nearest rupee.

NOTE: 43. Research and Development:

The capital expenditure on R&D incurred during the year by the Company was Rs.400.91 lakhs and shown as additions to fixed assets of the Company. The revenue expenditure Rs.133.62 lakhs is charged to the Profit & Loss account, of which Rs.85.47 lakhs is incurred for new products & process development. Rs.48.15 lakhs represented the salary and other expenses of R&D personal which is included under Note No.22 Employees Benefit expenses.

In terms of our report Attached,

(Sd/-) P.S. Santhanakrishnan
Chairman

(Sd/-) R. Doraiswamy
Managing Director

For M/s. JDS Associates
Chartered Accountants
FRN : 008735S

For Swamy & Ravi
Chartered Accountants
FRN : 004317S

(Sd/-) S. Baskarasubramanian
Director (Corporate Affairs) &
Company Secretary

(Sd/-) B. Jayaram
Partner
Membership No.028346

(Sd/-) S.Ravichandran
Partner
Membership No.023783

Coimbatore - 47
29.05.2013

M/s. GNSA Infotech Limited,
Nelson Chamber, 'F' Block, '4' Floor,
#115, Nelson Manicam Road, Aminthakara,
Chennai - 600 029. Tel: 044-42962225
E-mail : sta@gnsaindia.com

**SALZER ELECTRONICS LIMITED
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)**

1. Particulars of the Shareholder

- a) Regd. Folio No. :
- b) Name of the First Regd. Holder (in block letter) :

2. Particulars of the Bank

- a) Name of your Bank :
- b) Address of the branch :
- c) Account No. (as appearing in your cheque book) :
- d) Ledger Folio No. (if any) of your bank account :

- e) Account Type (Saving Account, Current Account or Cash Credit) :

Please Tick relevant box

Savings	Current	Cash Credit
---------	---------	-------------

- f) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number) :

--	--	--	--	--	--	--	--	--	--

DECLARATION

I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effective at all for reasons of incomplete or incorrect information, I would not hold the company responsible.

(Signature of the first Regd. Holder)
as per specimen signature with the company.

Place : Coimbatore

Name :

Date :

Address:

Note :

- Please send the Form to the address mentioned above.
- ECS Mode of payment is valid only for payments upto Rs. 5,00,000/-
- In case the scheme dose not meet with the desired response or due to any other operational reasons it is found to be unviable, the company reserves the right to pay divided by issue of Warrants.

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Form for Registration of E-Mail Address

To

Date:

The Company Secretary
Salzer Electronics Limited
Samichettipalayam
Coimbatore -641047

Dear Sir,

I / We Mr/ Ms/ M/s. _____ is / are holding _____ Equity Shares under the Folio No. _____ in your Company. I / we hereby would like to exercise the following option for receiving all future Meeting Notices / Annual Reports/ other communiqué intended for the shareholders from the Company

☐ Physical Mode☐ Electronic Mode **E-Mail Address:**

Kindly acknowledge the receipt and forward your response.

Thanking You

Yours faithfully

Signature

Name :

Note :

1. All the fields are mandatory
2. Tick the relevant box of your choice
3. Alternatively you may also register your E-Mail address at investor_relations@salzergroup.com or sta@gnsaindia.com

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SALZER ELECTRONICS LIMITED,
Samichettipalayam (PO), Jothipuram, Coimbatore - 641 047

PROXY FORM

Reg. Folio No.

I/We
of being a
Member / Members of **SALZER ELECTRONICS LIMITED** hereby appoint
of as my/our
Proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on
Saturday, 10th August, 2013 at 11.30 AM, at Hotel Sree Annapoorna, R.S.Puram, Coimbatore - 641 002 or
at any adjournment thereof.

Signed this day of 2013

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

Note : The Form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 Hours before the Meeting.

SALZER ELECTRONICS LIMITED,
Samichettipalayam (PO), Jothipuram, Coimbatore - 641 047

Attendance Slip

(28th Annual General Meeting - August 10 , 2013)

Reg. Folio No. :

D.P. ID* :

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 28th Annual General Meeting of the Company held at Hotel Sree Annapoorna, R.S.Puram, Coimbatore - 641 002, on Saturday the 10th August, 2013 at 11.30.A.M.

.....
Member's/Proxy's Name in BLOCK Letters



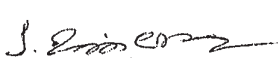

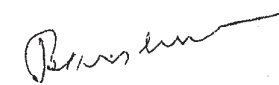
.....
Member's/Proxy's Signature

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

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FORM - A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	SALZER ELECTRONICS LIMITED
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Nil
5.	Signed by :	
	CEO / Managing Director	 R.DORAISWAMY MANAGING DIRECTOR
	CFO / Joint Managing Director	 D.RAJESHKUMAR JOINT MANAGING DIRECTOR
	Auditor of the company	 S.RAVICHANDRAN STATUTORY AUDITOR  B.JAYARAM STATUTORY AUDITOR
	Audit Committee Chairman	 AUDIT COMMITTEE CHAIRMAN



Phone : + + 91 422 4233600 Fax : + + 91 422 2692170 Grams : SALZER
E-mail : salzer@salzergroup.com
Website : www.salzergroup.com