

# salzer



## Salzer Electronics Limited

23rd ANNUAL REPORT 2007 - 2008

**SALZER ELECTRONICS LIMITED****salzer****Board of Directors**

Mr. P.S.Santhanakrishnan - Chairman  
 Mr. R.Doraiswamy - Managing Director  
 Mr. D.Rajeshkumar - Joint Managing Director  
 Mr. P.Ramachandran - Director (Marketing)  
 Mr. N.Jayabal  
 Mr. R.Narayanaswamy  
 Mr. R.Damodharaswamy  
 Mr. P.K.Shah  
 Mr. L.Venkatapathy  
 Mr. Nirmal Kumar M.Chandria  
 Mr. Howard M Gladstone  
 Mr. V. Sankaran  
 Mr. Kantilal V Vakharia  
 Mr. Ajit Singh  
 Mr. T.S. Venkatesan

**Director (Corporate Affairs)  
& Company Secretary**

Mr. S.Baskarasubramanian

**Bankers :**

**M/s. CANARA BANK,**  
**Gudalur Branch,**  
 SRKV Post,  
 Coimbatore - 641 020.

**M/s. CANARA BANK,**  
**Industrial Finance Branch,**  
 R.S.Puram,  
 Coimbatore - 641 002.

**M/s. BANK OF INDIA,**  
**Saibaba Colony Branch,**  
 N.S.R.Road,  
 Coimbatore - 641 011.

**Auditors**

M/s. JDS Associates  
 Chartered Accountants,  
 R.No.6, 1st Floor,  
 Jewel Complex, 324, Raja Street,  
 Coimbatore - 641 001.

M/s. Swamy & Ravi,  
 Chartered Accountants,  
 (Internal Auditors)  
 N S R Road, Saibaba Colony,  
 Coimbatore - 641 011.

**Registrar &  
Share Transfer Agent  
(Physical & Demat)**

M/s GNSA Infotec Private Limited  
 No.11, G R Mansion, Srinivasan Road,  
 Pandya Bazar, T.Nagar, Chennai - 600 017  
 Tel : 044 - 42121428 / 29 / 30.

**Listing Arrangements**

The Stock Exchange, Mumbai,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai - 400 001.

Coimbatore Stock Exchange Limited,  
 683-686, Trichy Road,  
 Singanallur, Coimbatore - 641 005.

**Registered Office**

Samichettipalayam (PO),  
 Jothipuram (Via), Coimbatore - 641 047  
 Tel : 0422 - 2692531 Fax :0422 - 2692170.

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**23<sup>rd</sup> ANNUAL GENERAL MEETING**

Day : Friday  
 Date : 29.08.2008  
 Time : 11.30 A.M.  
 Venue : Hotel Sree Annapoorna, R.S.Puram,  
 Coimbatore - 641 002

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**SALZER ELECTRONICS LIMITED****salzer****LETTER TO THE SHAREHOLDERS FROM MANAGING DIRECTOR**

Dear Shareholder,

I have great pleasure in writing this letter to you to share my thoughts and progress of your company. You will be happy to note that your company is marching ahead in its growth spear and manufacturing electrical installation products such as switches and switch gear products. You will be glad to note that your company has been in the fore front of technological advancement catering to almost all indoor and outdoor electrical requirements of the building and construction industry, industrial and automobile component segments. Your company's product have been well received qualitatively both in domestic and highly volatile competitive international markets. You will be glad to know the following highlights in the performance of your company.

- Market leader in Rotary Switch business with sizable market share and largest in Asia.
- Largest producer of cable ducts / wiring channels in Asia.
- All the products of your company are certified by international quality standards like UL, CSA, CE in recognition of quality of the products of your company.
- One of the first few companies to comply with the RoHS directive for environmental friendliness.
- Successfully maintaining the business collaboration for manufacture of Toroidal Transformers with M/s.Plitron manufacturing Inc, Toronto, Canada.
- The export performance of your company on an average growth of 25% consistently, to its turnover and another 20% by way of deemed export by supplying to export oriented units.
- Your company is the only approved supplier for Nuclear Power Corporation for Rotary Switches and largest supplier to Indian Railways.
- Your company is having an in-house R & D duly recognized by department of science and technology, Government of India with more than 15 qualified engineers. Besides, having a high-tech type testing lab for testing the products up to 200 Amps.
- In order to maintain its strength, your company is having a fully equipped modern Tool Room facility in-house, which helps quick development of new products.
- Your company is having a close marketing tie-up arrangements with M/s. L&T for domestic markets having more than 300 – 400 stockiest in electrical dealers across the country and marketing tie-up arrangements with M/s.Crompton Greaves Ltd for servicing international markets.

**SALZER ELECTRONICS LIMITED****salzer**

- **Salzer Modular switches:**

Recently your company has developed a new generation products viz., Modular Switches to meet the requirement of building and construction industries. This product has got high potentials to the order of Rs.450 crores approximately and your company is planning to have atleast sizeable share by 2010 in this product line. The modular switch manufactured by your company is well received qualitatively. Your company is marketing this product by its own marketing net-work and has established its marketing net-work in all the major cities of the country and employed sufficient field engineers and marketing executives to increase the market share of this product.

- **Energy saver**

Your company has developed an Energy Saver equipment and implemented this project successfully in Madurai Corporation North division to ensure atleast 30% - 35% of the energy saving.

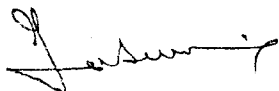
Your company has also enlisted Madurai Corporation -South Zone for implementation of this project. Besides, your company has also sold the energy saver equipments to Chennai Corporation to the tune of 35 lakhs on trial basis and on successful functioning another project to the extent of Rs.15 crores from Chennai Corporation is under closing.

Similarly, your company has also taking efforts to sell this project in Jaipur Corporation, Greater Mumbai Corporation and Coimbatore Corporation. This is a very unique product which can be successfully used to conserve and save the energy wherever the lighting is being used in larger volume and quantity. This energy saver concept can also be used by the utility companies to reduce the transmission loss, and manage the transmission and distribution more effectively and your company has successfully demonstrated this product to the TNEB at Coimbatore.

- Your company is also planning to enter into a new venture like independent power project using Bio-mass fuel, IT and IT related services by way of diversification / investment, etc.
- The above efforts and strategies of your company definitely will give a value addition for your investments in the company.

I would like to take this opportunity to express my sincere gratitude to all the shareholders for their continuous support in our ventures at all times and also to my colleagues on the Board of Directors of the company, customers, suppliers, our marketing associates, bankers and our employees at all levels for their continuous co-operation and co-ordination and unceasing confident and support.

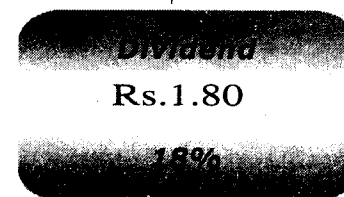
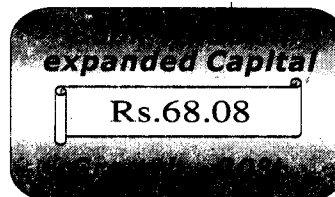
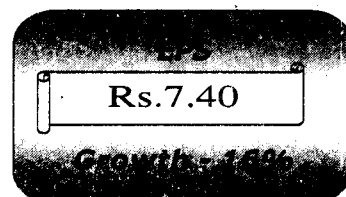
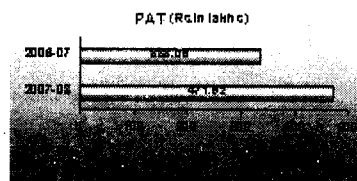
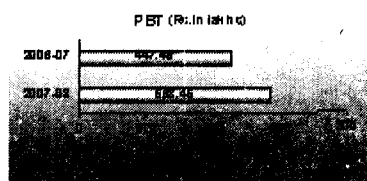
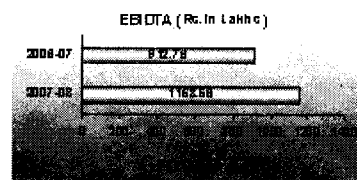
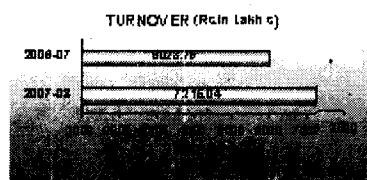
With kind regards



**R DORAISWAMY**  
Managing Director

**SALZER ELECTRONICS LIMITED****salzer****HIGHLIGHTS**

- ❖ Formed in 1985, we have more than 21 years track record of success.
- ❖ ISO 9001 - 2000 - certified company - consistently maintained for the last 12 years.
- ❖ All our Products are internationally certified by UL (Underwriters Laboratories Inc), CSA (Canadian Standards Association), VDE (Association of German Electrical Technologists) and CE (Conformite Europeenne) recognition of our Quality.
- ❖ Market Leader in Rotary Switches business with 40% market share.
- ❖ Largest producer of Rotary Switches & Cable Ducts (Wiring Channels) in ASIA.
- ❖ One among the first few companies to comply with RoHS Directive for European markets.
- ❖ Collaboration with M/s. Plitron Manufacturing Inc., Toronto, Canada for Toroidal Transformers.
- ❖ More than 24% of the production is exported. Another 13% sales have deemed Exports status.
- ❖ Salzer is the only approved supplier for Nuclear Power Corporation for Rotary Switches.
- ❖ Largest Supplier to Indian Railways.
- ❖ Marketing Tie-up with M/s. L&T Ltd, for the Indian Market - Gives access to more than 300 Dealers through the length and breadth of India.
- ❖ Association with M/s. Crompton Greaves Limited for Exports - Salzer products are available in more than 35 countries.
- ❖ In house R&D team of more than 15 Engineers. R&D Center recognized by the Ministry of Science & Technology, Department of Scientific and Industrial Research, Govt. Of India.
- ❖ Fully equipped Modern Tool Room facility available in house. This helps in quick development of new products.
- ❖ Hi-tech Type-testing Laboratory for testing of product upto 200 ampères has been created in the factory.





**GREEN COMPANY**

**RoHS Compliance** – Salzer is one among the first few companies to comply with RoHS Directive. Presently All products manufactured by Salzer complies with European Directive for RoHS (Restriction Use of Hazardous Substances).

**To protect human health and preserve the environment**, the European Union adopted the RoHS Directive 2002/95/EC on January 27, 2003, limiting the use of dangerous substances in certain kinds of Electrical and Electronic Equipment (EEE) available in the European market from 1<sup>st</sup> July 2006. The Hazardous Substances are: Lead, Mercury, Cadmium, Hexavalent chromium, Polybrominated biphenyls (PBB), Polybrominated diphenyl ethers (PBDE)

**Business effects:** Only a very small part of our offering is directly covered by the Directive, but a wider part is indirectly affected like the components that are finally built-into equipment/finished products that are covered within the scope of the Directive.

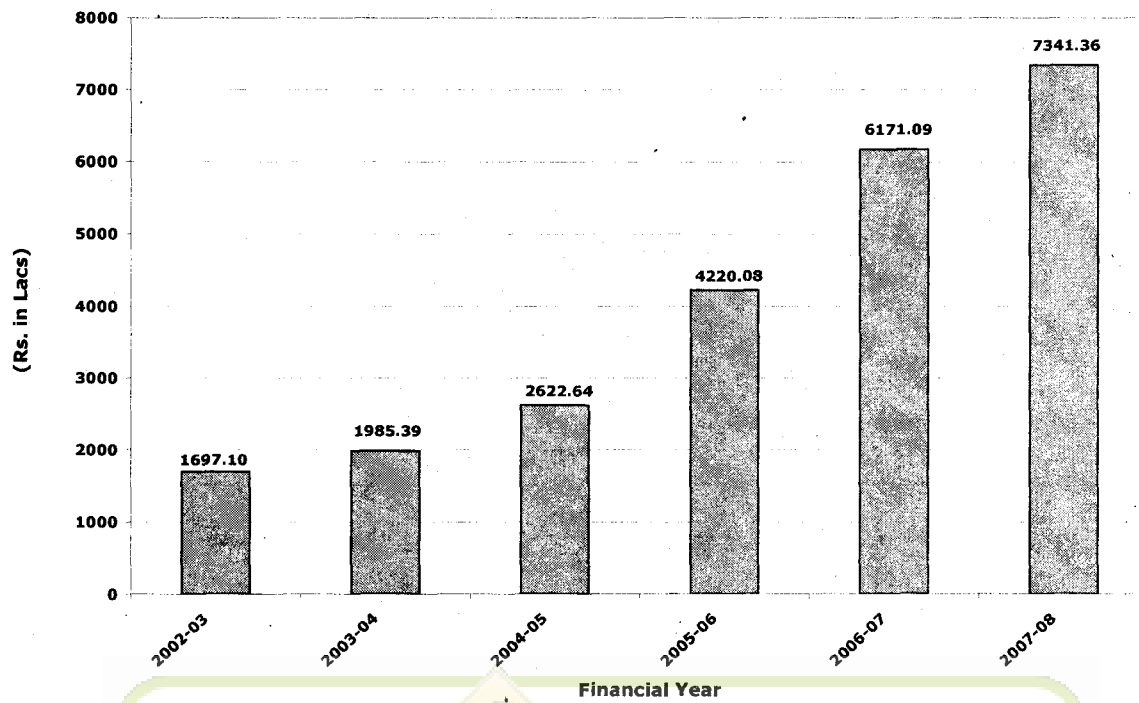
Complying with this Directive is a condition of access to European markets: the Directive has been or will be transcribed into applicable law in every Member State, to be applied without modification. No product that comes under the scope of the Directive and containing one of the six identified substances can be put on the market in Europe after July 1, 2006, regardless of where it is made. If however the product was already on the market prior to this date, it is unaffected by these measures and can therefore continue to be sold.

Some exemptions have been granted because, to date, no substitute materials are available. For example: lead in the glass used for cathode ray tubes.

The list of exemptions will be modified to adapt to scientific and technical progress.

The RoHS Directive applies to the equipment in the following categories:

- Large household appliances
- Small household appliances
- IT and telecommunications equipment
- Consumer equipment
- Lighting equipment (including electric light bulbs and household light fixtures)
- Electrical and electronic tools, except large-scale stationary industrial tools
- Toys, leisure and sports equipment
- Automatic dispensers.

**SALZER ELECTRONICS LIMITED****salzer****REVENUE****NET PROFIT**