

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 Vakharia 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. CANARA BANK Industrial Finance Branch 16 & 18 East Arookia swamy Road R.S.Puram, Coimbatore - 641 002.
	M/s. BANK OF INDIA Mid Corporate Banking Branch, 8/732, Chamber Tower, Avinashi Road, Coimbatore - 641 018.	M/s. CITI BANK Tri Star Towers Plot No.657, Avinashi Road, Coimbatore -641 018
	M/s. UNION BANK OF INDIA Coimbatore Main Branch 235, Oppanakara Street, Coimbatore - 641 001	
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.

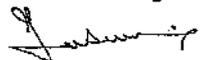
Though your Company could not fulfill the projected growth and is facing more downside risk due to uncertain business environments and sluggish growth of the Industry, your Board of Directors has recommended a 12% dividend for the financial year 2012-13 as that of FY 2011-12 as to maintain the morality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



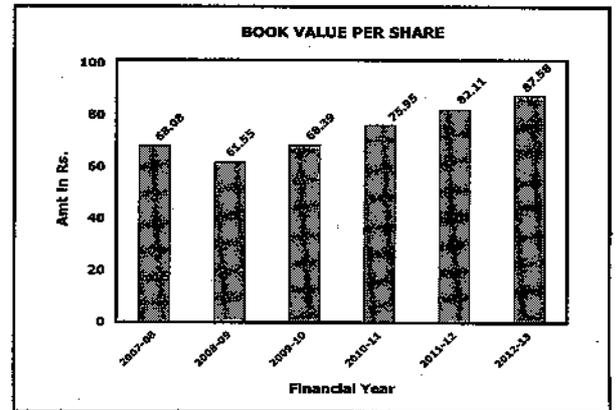
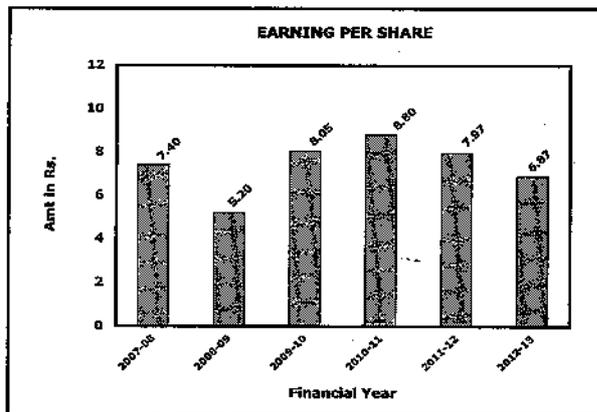
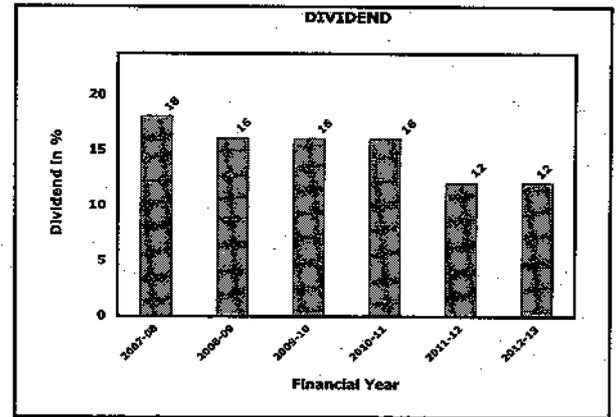
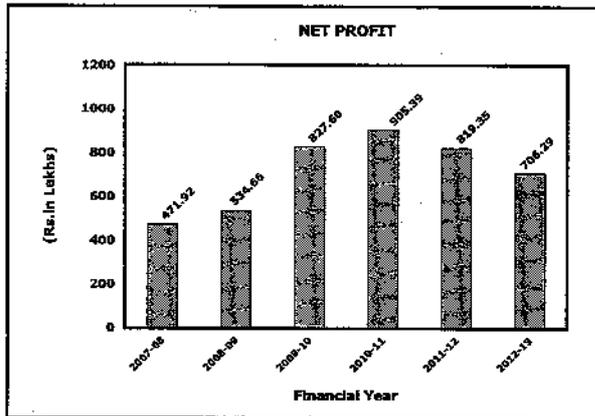
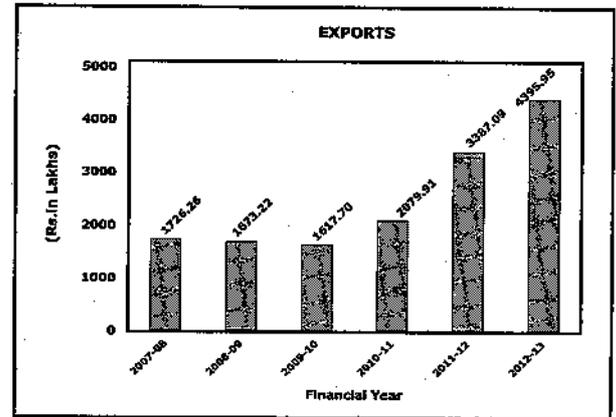
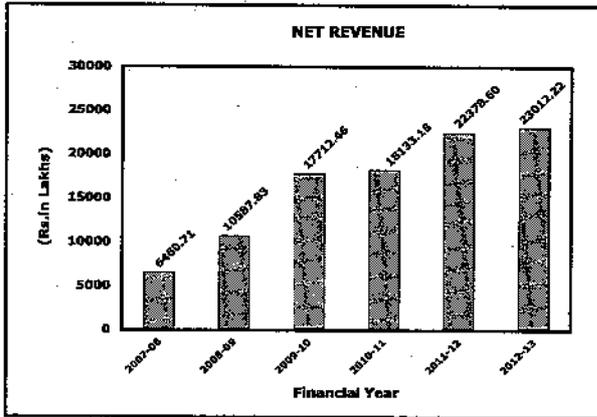
R DORAISWAMY
MANAGING DIRECTOR

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 Europeenee) 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)**