Transcript of the 39th Annual General Meeting of Salzer Electronics Limited.

The 39th Annual General Meeting ("AGM") of the Members of Salzer Electronics Limited ('the Company') held on Saturday, September 14, 2024 at 11:30 A.M. (IST) through Video conference (VC) / Other Audio Visual Means (OAVM).

Mr. K M Murugesan (CS)

Good morning participants.

I am Murugesan, Company Secretary, attending this meeting from the registered office of the company Coimbatore.

First of all, I would like to extend my hearty and warm welcome to every one of you to this 39th annual general meeting which is being held through video conferencing and other audio-visual means as permitted by the Ministry of Corporate affairs and Securities and Exchange Board of India.

Now this meeting goes alive and back-to-back proceedings are duly getting recorded. The attendance of the members attending this virtual annual general meeting stands countered for the purpose of reckoning the quorum under section one or three of the Companies Act 2013.

Let me brief some of the key rules relating to this meeting. Only registered speaker shareholder is entitled to talk at this meeting at the appropriate time with the permission of the chairman. The registered speakers are requested to limit the time of speech not exceeding three minutes. May please raise questions which are relevant, unconstructive, and avoid any hypothetical questions.

When a speaker shareholder is called, he will be placed on unmute mode by the moderator upon which he needs to unmute himself and switch on the video before speaking. If he is unable to join video for any reason, he can speak through audio mode. If it is observed that there is a connectivity problem at speaker's end, the next speaker will be asked to join.

If connectivity improves, we will try to connect him again. Once other registered speaker shareholders complete their turn. Other members who are watching the proceedings of this meeting through NSDL e-voting platform can send their questions through the chat box available at the platform at any time during the meeting.

The questions from the registered speakers as well as from other viewing members, will be collateral and addressed by the board members before end of this meeting. In this meeting, the company had provided remote e voting facility to its members in respect of resolution as set out in the notice of the 39th Annual General Meeting.

The remote e-voting period commenced on September 9, 2024 at 09:00 a.m. and ended on September 13, 2024 at 05:00 p.m. the facility for voting is also made available at this meeting. The members attending the meeting who have not already cast their vote by remote e voting can exercise the right to vote at this meeting.

The voting facility at the meeting will be available till 15 minutes after closure of this meeting. The board of directors have appointed Mr. G. Vasudevan, practicing company secretary, as a scrutinizer to scrutinize the voting process in a fair and transparent manner. The voting results, along with the scrutinizers report shall be placed on the company's website of the stock exchanges as well as NSDL website within 48 hours after conclusion of this meeting.

Since this meeting is being held through audio visual means on the resolution forming part of the notice convening this meeting have already been put to vote through electronic voting. The practice of proposing and seconding of resolutions are not required and will not be followed in this meeting.

As per the report from the moderator 110 shareholders have joined this meet in NSDL platform and have been watching the proceedings of this meeting from multiple locations and also duly formed forum for the commencement of the meeting in Persian of the articles of association of the company.

Now I would like to request our chairman to begin the proceedings of this 39th annual general meeting for the financial year 23-24. Over to you chairman sir. Thank you.

Mr. N Rangachary (Chairman)

Thank you, Mr. Murugesan.

Now that I am told that the requisite quorum is present for this meeting, I am calling this meeting to order.

Now before I proceed further, I would like my colleagues on the board to introduce themselves. They are all present at this meeting. We will start with Mr. Doraiswamy.

Mr. R Doraiswamy – Managing Director

I am Doraiswamy, Managing Director attending this meeting from Coimbatore Salzer office.

Mr. D Rajesh Kumar – Joint Managing Director & CFO

I am Rajesh Kumar, Joint managing director and attending the meeting AGM from Salzer registered office in Coimbatore.

Mr. V Sankaran - Additional Director

I am Sankaran. I am attending the meeting from my residents at Bangalore.

Mrs. Priya Bhansali- Independent Director

Good morning, I'm Priya Bhansali. I'm attending this meeting from my office at Coimbatore.

Mr. Vishnu Rangaswamy- Non-Executive Director

Not Joined

Mr. Sharat Chandra Bhargava- Independent Director

I am Sharat Bhargava. I'm attending this meeting from my residence in Gurugram.

Mr. Sunder Rajan Raman- Independent Director

Present virtually

Mr. N Rangachary (Chairman)

We have Mr. Nirmal Kumar, Mr. Ramachandran and others who are just retired from the board also present at this meeting. I welcome all of them. I don't know whether Dr. Thilagam has also joined this meeting.

Mr. K M Murugesan (CS)

No sir, not joined sir.

Mr. N Rangachary (Chairman)

All right. Now in accordance with the provisions of the Companies act, the register of directors and key managerial personnel and their shareholding and the register of contracts and arrangements in which directors are interested are available for members inspection electronically throughout this meeting.

Now let me come to the affairs of the company which we have the last years, this one activity dear esteemed shareholders, greetings to all of you from the

members of the board of directors and myself on the occasion of the 30th Annual General meeting of Salzer Electronics Limited for the financial year 23-24.

It is indeed a pleasure to connect with you all today, albeit through this virtual platform, as we continue to move along with the changing times, technology and business practices evolve rapidly, compelling us to adopt new ways of interaction.

Today's meeting is a reflection of that adaptability. I am heartened to see so many of you joining us from various locations demonstrating your unwavering commitment and support to for Salzer Electronics. Your presence today, even in this virtual setting, underscores the strong bond we share that has resulted in your company's persistent growth.

The financial statements, together with the audit reports thereon, along with the prescribed data and information, have been with you for some time now and I hope you have familiarized yourself with those documents and the same are for consideration and approval.

I also hope most of you would have excised your voting rights on these by way of e-voting that has been kept open and is available to you present and future growth of global economy the financial year 23-24 was characterized by modest universal economic growth with significant regional disparities and challenges, Inflationary pressures, tighter monetary policies and geopolitical tensions were key factors shaping this economic landscape.

However, techniques provided avenues for growth, helping to address some of the global economy's challenges. The outlook for the global economy remains cautious, with ongoing efforts needed to address both the immediate and long-term challenges facing the world. In this atmosphere, we in India had exceptionally fared well and all our growth indices have been positive and it has been a reliable indicator that India is one of the very few countries that are on the growth path.

Indian economy and its perspective today, India engages unparalleled demographics and a comparatively low debt burden. While experiencing rapid growth, it stands as one of the major drivers of global economic progress rather than merely being a participant in the global economy.

According to the IMF, India is projected to become the world’s third largest economy by 2027. Overtaking industrial behemoths like Japan and Germany. With its vibrant cultural heritage, empowered populace, growing economic strength and long-standing commitment to peace, our nation is poised to play a crucial role in shaping a new world.

India's economy experienced a significant growth in the financial year 23-24, with the gross domestic product growing at a robust rate of 8.2%. This marked a notable increase from the 7% growth rate recorded in the previous financial year 22-23. The growth was particularly strong in the manufacturing sector, which expanded by 9.9%, rebounding from a contraction of 2.2% in the prior year.

Despite challenges such as low growth in the agricultural sector due to the L9O phenomenon, the overall economic performance was driven by robust government investments and improved tax collections.

However, private consumption, particularly in rural Asia’s, showed somewhat a relative weakness. India is poised for a continued growth underpinned by a robust growth factor expected to range between 6.5 and 6.8% in the coming fiscal year. The governments aggressive push on infrastructure, manufacturing and digitalization areas, coupled with strategic reforms, positions India as a global economic powerhouse.

Despite global headwinds and domestic challenges, India's resilient economy is said to capitalize on its demographic dividend and structural reforms, ensuring sustained growth that reaffirms its status as the fastest growing major economy in the world. Indian electrical and electronic industries and its progress in financial year 24 Salzer is a part of the Indian electrical and electronics industry, which in financial year 24 surged forward, reflecting the nations broader economic momentum.

The sectors growth was bolstered by a rapid growth of the manufacturing sector, aided by a combination of strong domestic demand, rapid technological advancements and proactive government reforms. Initiatives like the production linked incentive schemes and the Atmanirbhar Bharat campaign significantly boosted local manufacturing capabilities, driving innovation and reducing dependence on imports. The government's focus on infrastructure development, including the electrification of rural areas and smart grid implementation, further catalyzed this expansion.

Looking ahead, the Indian electrical and electronic industry, a core requirement in the area with industrial progress, is poised for sustained growth underpinned by continued investments, digital transformation and an evolving regulatory environment that encourages both domestic production and global competitiveness.

This vibrant sector is said to play a crucial role in India's journey towards becoming a global manufacturing hub. Salzer's financial year 24 scoreboard Salzer Electronics experienced a notable growth during the financial year 23-24. Driven by its commitment to growth and led by strategic initiatives and market expansion.

Your company's growth during the financial year 23-24 aligned itself with the general trend of industrial growth in the country. The standalone revenue of the company was 1137.51 crore rupees compared to Rs 1014.54 crore in financial year 23, reflecting a 12.12% increase primarily fueled by your company's industrial switchgear and wire and cable businesses.

The standalone operating income was Rs 110.12 crores in financial year 24 compared to Rs 91.14 crores in financial year 23 reflecting a year-on-year growth of 21.98%, primarily due to significant savings in operating expenses. The EBITDA margin stood at 9.70, showing a year-on-year improvement of 70 basis points, reaching a three-year high.

The standalone profit after tax was Rs 43.18 crores in the financial year 24, an increase from Rs 36.36 crores in financial year 23, representing a 19% rise over the previous year. The PAT margin was 3.80% in financial year 24, showing a year-on-year improvement of 22 basis points and reaching a four-year high.

Individual divisions Performance and contributions your company’s operation is strategically structured under three main verticals, industrial switchgears, wires and cables and building products. This diversified approach allows the company to tap into different segments of the electrical and electronics market, ensuring a balanced growth trajectory.

Industrial Switchgear division this segment has been a crucial part of Salzer’s, offering a wide range of products for industrial use. Salzer’s focus on producing high quality and reliable switchgear products help the company maintain a strong position in the industrial market in the financial year 24.

This segment grew significantly due to enhanced industrial activities and a shift towards automation and smart solutions, which increase the demand for advanced switchgear products. Along with a rapid growth of the renewable energy sector worldwide, this division achieved a compounded annual growth rate of 27% over the past five years, increasing its revenue contribution from 44% in 2019% to 55% in 2024.

In financial year 24, the industrial switchgear division contributed 55% to the total revenue with a 13% growth. The EBITDA margin for this division was 12.64% in finance 24, a hundred basis point improvement over the previous year, reaching a three year high three phase transformer business and the wire harness business grew by 43.4 and 42 44.2% respectively in the finance year 24.

Within this division, over 50% of the total sales revenue came from exports, which grew by 20% in the year. Wires and cables this division is involved in the production of a variety of cables including building wires, flexible wires, Agri cables, multi core cables, flat cables, traveling cables, Lan cables, etc. These are

crucial for electrical distribution and connectivity across different sectors. The wire and cables division contributed merely 39% in the financial year 24 and recorded a growth of 15% in the year and EBITDA margin for this division stood at 6.92%.

Building products Salzer's building Products division is committed to delivering innovative and reliable solutions tailored for modern infrastructure. This segment offers a comprehensive range of products including modular switches and other advanced electrical accessories. These products are designed with a focus on safety, durability and aesthetic appeal, making them ideal for both residential and commercial applications. The building products division accounted for 6% of our revenue in the year 24.

As the only B to C segment of our business, it faced market related challenges that prevented any growth this year. We are currently exploring several strategies to revitalize this division and ensure its sustainable future. We anticipate that the division will deliver strong results in the oncoming financial year. To allow the company to extend its capabilities more broadly, Salazar has established new manufacturing facilities in Hosur and anur exports business in financial year 24.

In 2024, the company derived 27% of its revenue from the export market, reflecting a notable 32% growth compared to the previous year. This substantial increase was primarily fueled by the expansion of exports to North Europe, North America, Europe and the Middle east.

Exports to North America in particular surged by 69% while those to Europe rose by 21%, underscoring the significant of these markets and the successful reception of our new product offerings. Despite encountering political and economic challenges in the Middle eastern regions, this growth highlights the company's strong commitment to the export market and the recognition of our products have gained for their quality among global customers.

We are pleased to inform you that Salzer is now receiving consistent enquiries from regions and countries where it previously had no business presence, such as Australia. Consolidated financial performance on a consolidated basis your company reported its highest ever sales turnover of Rs 1168.26 crores in financial year 24 compared to 1038.87 crores in financial year 23, making a growth of 12.45%.

EBITDA excluding other income stood at rs 116.98 crores in the financial year 24 up from 95% 95.90 cr in the financial year 23, representing year to year growth of 21.98%. This increase was primarily due to reduced raw material prices and higher sales prices. The EBITDA margin was 10.03% showing a year-to-year improvement of 78 basis points. Profit after tax was 47.07 crores in financial

year 24 compared to 39.62 crores in the financial year 23, reflecting a year-on-year growth of 18.80%.

The PAT margin stood at 4.4% in 4.04% in financial year 24, a year-on-year improvement of 22 basis points performance of KC Industries your subsidiary company KC Industries Limited achieved a 17% growth in financial year 24 with sales turnover reaching rs. 48.81 crores compared to Rs 41.78 crores in the previous year. Profit also saw a significant increase of 29% driven by improved operational efficiency and cost optimization. Casey operates as a completely debt free company with strong cash generation.

Noteworthy points include firstly, Casey declared a 100% dividend for financial year 24 on its shares of rs 100 each consisting of a 60% normal dividend and a 40% special dividend. Secondly, the company successfully completed a stock split where one share of rupees 100 each was converted into ten shares of rupees ten each, along with the issuance of bonus shares in a four point in a four to one ratio.

Thirdly, KC acquired a 30% equity stake in ultra-Fast Chargers Private Limited, a company specializing in the production of DC fast charge stations for electric vehicles. KC has centralized all its manufacturing operations under one roof and by using solar energy it has substantially reduced its energy cost.

KC is now well positioned to achieve a very bright future after decades of underwhelming results. Under Salzer’s leadership, its revenue has increased by over 300% in the last five years. This impressive growth reflects the company’s strategic vision and effective management practices. Leaven para-Levin Venture into smart meter business a key development of the year the Indian smart meter business is experimenting, experiencing rapid growth driven by the government's push towards digitization and modernization of the energy sector.

Smart meters, which provide accurate and real time data on energy consumption, are being deployed across the country to improve energy efficiency, reduce losses and enhance the reliability of the power grid. This transformation is expected to bring significant benefits to both the consumers and the utilities, including better demand management, reduced electricity bills and improved customer service.

In light of this, we have ventured into the smart meter manufacture business to benefit from the rising demand for advanced metering solutions. Salzer's entry into this market highlights our strategic focus on innovation and the expansion of our product range to include cutting edge technologies that meet the evolving and growing needs of the energy sector.

By integrating small metering technology, Salzer aims to provide utilities and consumers with a proper control over energy consumption, contributing to

energy conservation and cost savings. This move aligns with the global push towards smart grids and sustainable energy management, positioning Salzer as a key player in the industry.

Salzer's venture into the smart meter business provides substantial revenue potential, potentially doubling our income in the next three to four years. The company has successfully established a manufacturing facility with an annual production capacity of 4 million meter in phase one and has secured approvals from pivotal energy sector regulators.

Negotiations with various advanced metering infrastructure service providers are at an advanced stage. Foray into Saudi Arabia Saudi Arabia has steadily emerged as an expanding export market for the company's products to leverage the Saudi government's proactive efforts to promote local manufacturing and to cater to the Middle east market requirements, the company intends to set up a new facility with an initial investment of Rs 10 crores.

This strategic initiative is anticipated to lower logistic cost, shorten lead times and provide the advantage of being a local manufacturer in Saudi Arabia. It is expected to boost market penetration and brand recognition across the entire GCC region. Development in EV space in our subsidiaries costar EV Chargers has faced some challenges in the certification process at ARAI. Chargers are being tested at ARAI for certification.

In this process, we have encountered a small setback. Out of the total 14 different tests that the charges have to undergo at ARAI, we have passed 13 of them. Despite a minor setback, we are working diligently with our partners to address the issue and we expect progress soon. Future Outlook Salzer strategy for future growth is anchored in innovation, diversification and geographical expansion.

Here are the key factors driving our future growth

New technology products continuously seeking new technology products across all related businesses areas to stay ahead of the market trends focus on innovation to enhance product offerings and maintain a competitive edge.

Diversification of product portfolio

Emphasis on high margin products, especially within the wires and cables division to boost overall profitability introduction of three to five new products annually to cater to evolving market demands.

Geographical expansion

Targeting new markets, particularly in Africa and Australia to increase export revenue expanding global footprint to mitigate risks associated with market concentration and tap into emerging markets.

Strengthening building products market

Enhancing market presence of building products to increase their revenue contribution strategic efforts to penetrate deeper into the building sector leveraging existing capabilities and market knowledge.

e-technical alliances

Open to forming technical alliances with local and global partners to drive product development and innovation collaborations aimed at leveraging partner expertise and resources for mutual growth.

Inorganic growth opportunities

Exploring strategic acquisitions to accelerate growth and diversify the business portfolio identifying potential acquisition targets that align with SARS strategic goals and can contribute to long term growth by focusing on these strategic initiatives, Salzer aims to maintain its growth trajectory, enhance profitability and solidify its position as a leading player in the industry.

The commitment to innovation, market expansion and strategic partnerships will be pivotal in achieving these growth objectives. The main focus of your company is to achieve significant growth and strengthen its foothold in the market through some organic and inorganic methods, and in this process, it has taken some steps that have been referred to above.

R & D initiatives

Salzer Electronics R & D team is dedicated to staying ahead of industry trends by actively investing in new technologies and materials that enhance product durability and performance. They also focus on customization, working closely with clients to develop tailored solutions that make specific market needs.

Through collaborations with academic institutions and industry experts, Salzer ensures that its R & D efforts incorporate cutting edge knowledge and practices. This commitment to R & D not only drives innovation, but also strengthens Salzer's position as a leader in delivering high quality, reliable products across its business segments.

Dividend

At the board meeting held on May 28, 2024, your directors have recommended a dividend of 25%, translating to rupees 2.5 per equity share of rupees ten each. This recommendation implies a total cash outflow of Rs 4.42 crores. Should this recommendation receive dividend to all the eligible shareholders in accordance with the stupid within the prescribed timeframe. Both changes your company has had the benefit of a board of directors coming from different walks of life and in the last ten years it had been guided by a team of committed individuals, both independent and executive directors.

The team had functioned as a well-knit unit. Due to requirements of law, most of the independent directors had to retire on the 8 August 2024. The board on that date was left with two executive directors, three non-independent and non-executive directors and three independent directors.

The board at its meeting held on the 6 August, considered the issue of ensuring continuity in the administration of the company on a sound basis and decided to request Mr. Shankaran and I, who had to vacate the position as independent directors, to continue in the board as non-independent and non-executive directors.

The appointments of Mr. Shankaran and myself as non-independent and non-executive directors or before you for your approval Mr. S Bhaskara Subramanian, director, corporate affairs and company secretary of the company, resigned from the board on the 7 August 2023 owing to his health issues Dr. Thilagam Rajesh non-executive and non-independent director, and Mr. P. Ramachandran, full time director, resigned from the board on the 8 August 24th on personal grounds. On the 28 May 24th, Mr. S. Raman was inducted into the board as an independent director for a term of five years, which has been approved by the shareholders by their postal ballot on the 12 July 24th. Both the statutory auditor and the secretarial auditor have issued their audit reports for the financial year 2023-24 without any qualifications or adverse remarks.

Liquidity the company has adequate cash and cash equivalents in its books as on the 31 March 2024 to take care of all its current liabilities comfortably risk mitigation measures your company is fully aware of the various factors inherent in its business, both at external and internal levels, and has kept adequate systems in place to address these issues appropriately. It has set up a risk management committee that has been consistently evaluating various potential risks, hampering the growth of the company and devising suitable measures to mitigate them.

Human Resources. Your company has as of now proper human resource and industry relations policies which get reviewed periodically. The human resource team conducts various training sessions for employee development on an ongoing basis. These development programs are aimed at augmenting employee

potential and form an integral part of our overthrow business goals. Besides, our employees profile represents a well-balanced mix of experience and youth. We are possibly one of the big employers in this area having a large part of our workforce consisting of women who have been found to be as competent and as efficient as our men employees.

Looking back the last ten years and more that I have been part of Salzer's board. These years have been periods of steady and sound growth based on sound principles. When I started with you, our revenues were about 300 crores or so and today these are around 1200 crores. Our company has entered the zone of 1000 crores which is quite a significant achievement.

Our growth over this period has enabled us to declare steady dividends. Additionally, the process has also pushed the value of your holdings in the company significantly.

I sincerely hope that we continue to perform well in the future as we expand our facilities in various areas. The results will undoubtedly reflect our commitment to both society and our shareholders. I am confident that the management and your board have your full support in these endeavors. I want to express my profound and sincere gratitude to each and every one of our employees. Their unwavering dedication, hard work and commitment to excellence have been the driving force that have made what Salzer is today. It is their passion and perseverance that have enabled us to overcome challenges and achieve our goals and for that I extend my deepest thanks.

Our shareholders and our employees have been the best, our best assets all these 40 years. and I hope that this will endure for years to come. Looking ahead, I am filled with optimism and confidence in our collective ability to continue building on the strong foundation that has been laid with the continued support of our talented employees and our valued stakeholders. I am certain that Salzer will not only meet the challenges of tomorrow, but will also seize the opportunities that lie ahead. Thank you all for your unwavering support, your trust and your commitment to our shared vision.

Together, we will continue to drive Salzer forward ensuring a future of sustained growth, innovation and success. May God bless you all. Thank you, ladies and gentlemen.

Now I would like to seek the indulgence of some of our directors. Whether any one of them would like to offer their comments on the performance of the company for 23-24 and what they expect us to be in the future. So, Doraiswamy, would you like to say something?

Mr. D Rajesh Kumar (Joint Managing Director & CFO)

Is muted, sir.

Mr. N Rangachary (Chairman)

Rajesh, you want to say something? Sorry.

Mr. D Rajesh Kumar (Joint Managing Director & CFO)

Yes sir. Good morning, everyone. Thank you, chairman, for giving me this opportunity. I would like to once again extend a warm welcome to all of you attending today's 39th AGM of Salzer. It's always a pleasure to connect with our shareholders. I thank you all for your continued trust and support in the company, as I think our chairman has shared with you all about the progress, we have made all these years and also our exciting plans for the future in a very detailed manner. I would only like to briefly say a few points as our focus has always been on a sustainable growth. This goal of sustainable growth has allowed us to maintain a robust 17% CAGR in sales as well as profits over the last decade.

This consistent growth is a test statement to our ability to adapt to market dynamics while maintaining profitability. Our revenue growth has been very steady and we are pleased to report that we have also managed to optimize our cash flows, as our chairman has clearly said, which has improved our profit margins.

At the same time, we are continuously working to improve our cash conversion cycle and thereby improving the ROCE and also the ROE

Again, leveraging our core engineering and manufacturing expertise. We are continuously exploring various opportunities that I am sure will add significant value to our business and all the stakeholders in the long term.

Going forward, we expect to continue to grow between 18 and 22-23% for at least next three to five years. We also expect that the volume growth will also improve our profitability over the next five years by at least 1 to 2 percentage points.

I would also like to touch upon the sustainability at Salzer. I think it is Sustainability is at the core of our operations, always. In the recent period, we have also started a report on the carbon emissions, which you can see it in our website. We are proud to say that from the 2019 base year we have reduced more than 60% of the emissions and we are committed to be a net zero company by 2030, at least under the scope one and two of carbon emissions.

We are also continuing to invest heavily in the R and D to drive innovation again. Our chairman explained this in detail so that we can remain at the forefront of the industry. Finally, I would like to just express my very sincere gratitude to all of you, our shareholders, our supply partners, our customers, and particularly my board members, who have been exceptional in adding value to the company and to all our employees for your unwavering support and trust in Salzer.

We are confident that we will be able to navigate all the challenges that remains ahead and capitalize the opportunities to add value to all our stakeholders. Thank you once again for the opportunity and looking forward to interact with you more. Thank you. Chairman.

Chairman sir, you are muted. Chairman sir is muted. If anybody,

Mr. N Rangachary (Chairman)

Mr. Doraiswamy

Mr. R Doraiswamy (Managing Director)

Sir, I think you covered almost all the points of the progress of the company and activities of the company. In addition to that, J.M.D Rajesh also explained well about the profitability.

I would like to add one thing to the shareholders is that we have recently started exporting to Russia more than about 20 crores of worth of goods. And our VP marketing has gone to Russia and they appreciated our products that we are much better than any other products available in the market and there is no rejection.

Absolutely all switches were approved and they are very very much interested in our further business and the similar way we also exported to us and Us companies also they are very happy so far, they were buying from China and we are replacing Chinese material and they are very happy with our products and such support from Russia and US and European countries. Definitely our export business will go. There is a big prestigious thing to the Salzer. Thank you.

Mr. N Rangachary (Chairman)

Thank you, sir. Priya would like to say something.

Mrs. Priya Bhansali (Independent Director)

No, sir, it's all have been covered.

Mr. N Rangachary (Chairman)

Hello.

Mrs. Priya Bhansali (Independent Director)

Good afternoon But I resonate with the sentiments of the previous speakers and wish the company the best in the future.

Mr. N Rangachary (Chairman)

Thank you. Shankaran, as the outgoing chairman of the audit committee, would you like to make some comments?

Mrs. Priya Bhansali (Independent Director)

Unmute yourself. You have to unmute.

Mr. Shankaran

I am muted.

Thank you. Thank you, Chairman.

I welcome all the shareholders who have been in this meeting. Chairman had given a very detailed presentation of all the facts and the future outlook and what exactly the company is planning to do in his chairman's address to the shareholders.

So I think I have nothing to add. As a person with, as an audit committee chairman, I've always had the pleasure of looking at the numbers and then ensuring that we comply with all the standards of accounting standards, audit standards and then secretarial standards and other applicable laws and regulations.

And we want to ensure that we would avoid but all the compliances aspect as far as the company is concerned, this is what we have always been doing that and in line with what we have done in the last year. If you look at even the first quarter of the performance, we have fairly done well and our profitability has been high.

We expect to maintain the growth as what we have had in the past and ensure that we report the profit as per budget, what we have any stage for the company. Thank you, gentlemen.

Mr. N Rangachary (Chairman)

Thank you. Mr. Shankaran, Mr. Bhargava.

Mr. Sharat Chandra Bhargava (Independent Director)

Good morning, everybody. Good afternoon.

I think all the issues have been covered and I must compliment Salzer for the growth which we have been able to achieve in these last five to six years. I think one of the key elements which has enabled this to happen is our being very active in all the three segments of electrical sector.

Namely generation industrial growth as well as building in factories. The fact that we have active players in all these three segments is what has enabled us to have a growth which is almost two times what the GDP growth has been and I'm sure that with the support of all the people we will be able to manage this growth in time to come. Thank you, sir.

Mr. N Rangachary (Chairman)

Thank you. Mr. Barkawa, Mr. Raman, are you connected? Are you in a position to speak?

Mr. K M Murugesan (CS)

No sir. No sir.

Mr. N Rangachary (Chairman)
No. All right. Mr. Ramachandran, who is present? Would you like to say something Our executive director.

Mr. Ramachandran

Good morning to everybody.

Already our chairman and JMD have expressed regarding our fantastic growth over the last year and the future program of our soldier Electronics Limited in elaboration. I am very confident that we will be achieving more and more and rich final goals which will be beneficial for the industry.

So I finally wish Electronics Limited. Soldier Electronics Limited with my best wishes.

Good luck. Thank you. Thank you.

Mr. N Rangachary (Chairman)

Thank you, Mr. Raman Chandram. As the last of these who have been connected with the board, this one. Mr. Nirmal, are you willing to say something?

Mr. Nirmal Kumar Chandria

Yes sir. Good afternoon, sir.

You have covered maximum about the company and I'm hopeful of further improvement in the operations of the company. We will see the results because as.

Things are improving in a tremendous way; we will be able to achieve our goals. Thank you, sir.

Mr. N Rangachary (Chairman)

Thank you. Thank you, gentlemen. Now I am placing before the members the relevant items along with the resolution set out in the notice calling for this meeting.

39th Annual General meeting. Ordinary business consists of adoption of the standalone and consolidated financial statements.

Audited statements for the year ended the 31 March with the board report. And the second item is declaration of dividend of which I mentioned to you a little earlier.

The items number three four refer to the reelection of appointment of Rajesh Kumar and Vishnu Ranga Swami as directors. And the fifth one is the appointment of M/s Swami and Ravi as statutory auditors of the company for the term of five years. Then we have three items under special business which concern the appointment of myself and Mr. Shankaran as non-executive and non-independent directors.

And lastly, the ratification of the remuneration we have paid payable to Ramachandra Rama Subramanian Raja who has been appointed as the cast auditor for 23-24. These are the main items which are before you on which you have already voted or you'll be voting and the results will be declared as and when the property reports to us.

Now. Mr. Murugesan, can you now see whether some of these shareholders who have expressed a desire to speak, are they available and will they then start giving their remarks on the.

Mr. K M Murugesan (CS)

Thank you, sir. Sir, out of five registered speaker shareholders, four of them are there to speak.

First I would like to request the moderator to connect with Mr. Manjit Singh. Moderator, can you connect Mr. Manjit Singh?

Mr. Manjit Singh (Shareholder)

Hello. Hello Chairman sir, can you hear my voice?

Mr. K M Murugesan (CS)

Yeah, I can hear you. Yes. Please proceed.

Mr. N Rangachary (Chairman)

Morning Mr. Manjit Singh, how are you?

Mr. Manjit Singh (Shareholder)

Good morning, sir. Fine sir. Fine. You tell.

First of all, good afternoon to you all. The board of directors, all the staff who sell their electronics Limited and my co fellow shareholder Chairman Siri Keja.

Open up the opening remarks.

Mr. K M Murugesan (CS)

Sorry to interrupt. Can you proceed in English?

Mr. Manjit Singh (Shareholder)

Okay sir. Okay. Chairman sir, this is always being a stunning, stunning company for all the shareholders and all the promoters. You will be giving a good return to all share. All the persons who have been invested in our companies. Like our share price low 52 week. Around 361 and high of 1142. And yesterday our share price will be trade at rs. 114. It will be a great pleasure for us to like. You would be giving a good return to shareholders. A very good and very happy investing. Those persons who would be invested in. Your company and therefore your sector, department.

And moderator have been giving me a chance to speak in your AGM in front of you. I am very much thankful to him and thank you chairman sir.

Thank you so much for giving me a chance to speak in your AGM.

Mr. N Rangachary (Chairman)

God bless you Mr. Singh. We respect your views and we hope that our progress will be steady. God bless you again.

Mr. K M Murugesan (CS)

Thanks Mr. Manjit Singh. Next is speaker, Mr. Rohit ohri. Moderator, can you connect? Mr. Rohit Mr.? Very good afternoon. Rohit. Please go ahead. Okay, fine.

Mr. Rohit Ohri (Shareholder)

Yes sir. Yes sir. I've done that. Thank you, sir, for adding me to the meeting. Sir.

Mr. N Rangachary (Chairman)

I'm glad to see you. A handsome person present.

Mr. Rohit Ohri (Shareholder)

Thank you, sir. Thank you, sir.

Mr. N Rangachary (Chairman)

Go ahead, go ahead.

Mr. Rohit Ohri (Shareholder)

Thank you, sir. Sir. Murugesan, Sanjay and Geeta sir, they are doing a fabulous job behind the scene and I think join Md Rajesh and his team. Sir, they are putting a lot of efforts to take the company to the north and putting in a lot of efforts to kind of give the returns and create value for the shareholders and stakeholders of the company.

Sir, hats off to all of them. Sir, hats off to you also. I listen to you every year. Good to see you, sir.

Sir, there are a few observations and few questions. I hope Rajesh will note them down and probably answer them at the end. Well, starting with that last year your theme was soaring to the next echelon. And if we see the operations right now and we see the stock price also, sir, the market cap, it has been soaring higher. So, you have lived up to the mark. And whatever you mentioned last year, you have done that.

This year's theme, it is electrifying growth. However, if I notice the arrows are going towards the sideways. So, the question for Rajesh is that is this you're of consolidation for Salzer? So, you also said that the journey is far from over and we aim for even greater heights in future.

Sir, what exactly are these new products that you're talking about? Chairman sir, you did mention about some products which probably would be in the wire harness business, sir, but if Rajesh and his team, if they can help us understand

more about these new products which are probably in the R and DA, I know you are spending somewhere around three 4% of your revenue on R and D.

What are these new products and why? When do you think that you'll be able to roll it out?

Sir, as you mentioned that the entire story of Salzer, if you see it, is mentioned on page number four of the annual report. And if we do a random lookup, the word smart meters, that comes more than 32 times in the annual report.

So it is giving an indication that there are quite a lot of things that are happening on the smart meters end. And sir, if you can just elaborate or if you can share some details that with this factory which we were probably working on, has that already started or are you already rolling out some products from there?

Or if the orders have already started coming in and are you producing the products in the factory? So, on page number six, if I see of the annual report, there is one aerial snapshot which is of some shed or some factory.

If you can elaborate. What exactly is this and where is it located? Or what is the property size or what products are manufactured here? Because you have not mentioned where exactly is this and what is this? I'm not sure whether it is the new smart meter factory or the factory at Anur or maybe it is at Hosur. So, I'm not quite sure if you can just take us through what is this on page number six of the annual report?

Sir, Anur factory. You said that should be the 7th offering from Salzer and if you can just elaborate a bit on these ventures. Or maybe what is the cost that is involved or what is the product that you're and probably what is the rate of return that you are expecting maybe in three years' time or four years' time or by when do you think that the cash flows will start flowing through? Chairman sir, you also mentioned that the shareholders as well as the employees, they are the asset of Salzer.

So you have added somewhere around 103 employees this year. Which takes your account to somewhere at 749 employees. Sir, which segment are you focusing? I know that you and Rajesh, you follow a very good strategy of employing females in the factory.

But sir, if you can take us through where exactly are you focusing on with these 103 employees which were added and what exactly is this induction done for? Chairman sir, you spoke a lot about. and Mr. Dorajam also spoke about some inorganic growth opportunities. And you also said that you're looking at some acquisitions or maybe some new joint venture or something.

Something of new sort. Because Salazar always gives you a little bit of surprise every one and a half year which is in favor of the shareholders and the market cap also. But sir, which segment will you be focusing if you are looking at some acquisition or maybe some joint venture? KC Industries has created a lot of wealth for quite a lot of shareholders.

Long term shareholders like us who have been patiently waiting since the acquisition. I know there were some issues related to KC during the acquisition. and the time was not apt for KC during pandemic. But apart from the issues which were there in Casey and some other constraints.

If you can take us through what are the other constraints that you were talking about that was it related to the management bandwidth or some product or something? Or it was just related to the issues that were post pandemic. If you can take us through what exactly are you talking about for KC industries? Sir, in future, will you be looking at some technical tie ups for KC industries also?

Maybe in some local market or global market? Because Mr. Daura swami also mentioned that the business has started flowing from Russia and you've already got orders for 20 crore of exports which has been sent across. Sir, are you looking at some more technical alliances for KC Industries?

If you can share that. And sir, lastly broad-based question. If we see the Tata group is becoming very active in our state. In the state of Tamil Nadu, sir, they are having a lot of growth strategies the entire Tata group with all the EV's and all the new products that are coming through.

Sir, my question is that are we already in talks with them for some of the new projects that they're working on? And if it is a yes, then please elaborate on the initiatives that you have taken and what sort of orders can we expect from Tata Motors in future? Or maybe from the Tata group as a whole. So that is all from my end. And I hope you answer all the questions, sir. Thank you. Thank you.

Thanks a lot, sir.

Mr. N Rangachary (Chairman)

Rohit, you made a very critical study of all the papers that are with you. I must congratulate you on that.

Mr. Rohit Ohri (Shareholder)

Yes, sir. Thank you, sir.

Mr. N Rangachary (Chairman)

One of the very thinking gentlemen I have met. God bless you.

Mr. K M Murugesan (CS)

Thanks, Mr. Rohit. Thank you so much, Chairman Sir, shall we answer him before we go to the next shareholder?

Mr. N Rangachary (Chairman)

No, you go to the next shareholder then we will answer the questions together.

Mr. K M Murugesan (CS)

Right, Sir. Next speaker Mr. Hardik Jain.

Mr. Hardik Jain (shareholder)

Good afternoon, sir.

This is Hardik Jain from Mumbai. I am pleased to note your performance in the last seven years. I am holding these shares since long. I have few questions about our business.

My first question is we bought this KC Industries as a small, very small unit and now it is above breakeven. So, if you could give us more details about capital infusion in this company and whether this company's product line is similar to our product line or it is something different.

I believe we bought this unit at a very reasonable price and it was not making profit at that point of time. So, this is my first question regarding smart meters. I believe our factory is now ready and we are bidding for the tenders from government and export orders.

So, if you could elaborate or give us some hint about the orders at this point of time which are expected. So, I'm sure our marketing division is trying hard to get the orders for smart meter, metering division and overall, our order book position.

These are my three broad questions and most of the most of the detailing has already been done. So, these are my three questions which are on very broader side. Especially on smart meter business and infusion in Casey industries.

Regarding Saudi Arabia. I believe our product line would be same as we are manufacturing in India. So I believe Saudi Arabia, we will not be investing more money. But in this Casey Industries and smart metering business. These two are my broad questions.

Thank you, sir.

Mr. N Rangachary (Chairman)

Thank you, Mr. Jain.

Mr. K M Murugesan (CS)

The next speaker Mr. Abhishek.

Mr. Abhishek (shareholder)

Sir, can you hear me? Sir? Am I audible?

Mr. K M Murugesan (CS)

Yes, Abhishek. Very good afternoon.

Mr. Abhishek (shareholder)

Very good afternoon, sir.

Mr. N Rangachary (Chairman)

Yes Mr. Abhishek, good afternoon

Mr. Abhishek (shareholder)

Good afternoon, sir. How are you sir?

Mr. N Rangachary (Chairman)

Fine. How are you?

Mr. Abhishek (shareholder)

Yeah, doing good sir. Thank you.

Mr. N Rangachary (Chairman)

Please go ahead

Mr. Abhishek (shareholder)

Sir, first of all, I congratulate the management on the eve of 39th annual general body meeting the trust all is well with you and your family in this challenging situation. The company deserves much more respect than the current market cap. After completing most than a decade of successful operations. Profitability, human industry and becoming one of the strongest brands in the respective segment.

Sir, your chairman speak was really elaborate and most of our questions have been covered in your chairman's speech. And my prior speakers have also

covered most of my questions. I shall not repeat the same thing sir. I would request. What are the steps being taken by the management. The other expenses, legal, professional charges, audit please.

I would like to know from myself and my team running a legal firm in the name and style of service associate. So, I request the management to finally endure the firm in the affair of the company and we will be glad to extend our services. We are based in Chennai. So, then the company has a very good corporate governance practice. I do appreciate the management for that.

We are really thankful to the company secretary and our entire team contacting us well in advance and making this 39 conversational body meeting Agra and its success. So then I would request the management to kindly arrange for a planned visit for the shareholders as soon as possible and the company has moved for Penturillus practices and we are really thankful to the entire board of directors for their sincere efforts in bringing the company to this particular extent and rewarding the minority shareholders in large numbers and we can see that your hard work is translated into numbers and that we are able to see the strong exchange and the share price is being rewarded to the shareholders. So nothing much to answer.

I wish the company and the board of directors a great success and prosperity in the coming future and thank you for doing the opportunities. I hope to see you in hybrid education. Thank you.

Mr. N Rangachary (Chairman)

God bless you Mr. Abhishek. You have a nice house; I must tell you that.

Mr. K M Murugesan (CS)

Thanks Mr. Abhishek. Chairman sir, registered speaker Shard has completed that turn. You can go ahead sir.

Mr. N Rangachary (Chairman)

Now I think most of these questions refer to some technical issues or the other. How we plan to run a business. How you plan to enjoy the benefits of expansion of trade and all. Mr. Rajesh, would you like to answer this?

Mr. D Rajesh Kumar (Joint Managing Director & CFO)

Well. Yes sir. Thank you all of you for showing such an interest and seeking clarifications on various points. I think first I would like to answer. I think Rohit said that we surprise every one and a half, two years. So, I would suggest that we will remain to be like that and keep surprising you instead of giving all answers in one go.

I think that will answer all of your questions, maybe and on your annual report. I think it's a design. Let's leave it just as a design. So, let's not. I'm not putting any meaning to it. The arrows sideways might mean that we are, we are just. I wouldn't say not pessimistic, but not very optimistic. But then we will give a very modest guidance. But then we will keep surprising you. So, let's, let's take it that way.

And also, I would say that, you know, we would will refrain from naming any large group or customer companies before we actually strike or get an order. So, yes, I think we are in discussion with various large groups and customers within the country for selling both the EV chargers as well as the smart meters. So, we will let everybody know as soon as we secure the first order or any new development with any new customers.

e will definitely let everyone know on that. On the new products and the R and D and the investment. Yes, I think we are exploring various product initiatives within the electrical segment, particularly on the transformers, the wire harness, expansion of range of products in our existing legacy products. So, the investment is going into all these areas and at the same time we are also trying to customize the products to various countries.

Now, we have recently entered into Australia. That's one of the new areas that we have entered. And we also developed new products for the north American market. So, these will show some significant improvement in the top line in the coming quarters, specifically on smart meters. As you all know that we have set up this facility.

We started setting up this facility last year. I think in one year's time we have completed the setting up of a state-of-the-art manufacturing facility for smart meters. We have secured all the required licenses for the factory for the product, including the BIS for both single phase and the three phase meters. The test laboratories are approved by NABL.

We have submitted samples to various customers in the country and some of them have also integrated with their software’s. We are in advanced stage of commercial discussion to close the order. So, we will again there. I think we will let you know as soon as any new development happens about the factory photograph that shown on the annual report. It's just one of the tavern facilities that we have.

I think it's a factory in Coimbatore. Manufacturing wires and cables is the facility that we have shown on the annual report about Saudi Arabia I think the investment in Saudi Arabia is close to around ten crores. As was informed in the chairman's speech in Saudi we are planning to manufacture our existing products. There is no new product that we are planning there. It is just going to be our products made in Saudi Arabia.

We expect that this made in Saudi Arabia label will spur growth and add more new customers in the middle eastern market. On KC, I think the acquisition happened in 2019. As Roy rightly said, I think post-acquisition we had to face the pandemic, which was not a good scenario for any of the industries.

However, we overcame the challenges for the last. For the two years post our acquisition in the company is showing extremely good growth, very stable. Profitability has improved significantly and if you have seen in the recent past, we have also made an investment through KC Industries on a new technology business, the electric charger business. Again, we definitely have plans for growing KC with new products.

We expect that the KC will continue to grow between 20 and 30% for the next at least three to four years. The products that KC we make is very similar to what we are making in Salzer. Except for one or two products where we compete each other. The rest of the products are completely different and new for the group. So as such, we will continue to grow.

We are continuing to explore various opportunities. We are not writing of anything, technical tie ups, if anything comes our way or any acquisitions, if at all, is in our own line and if it benefits the growth of the company, we will definitely look at those opportunities. But as of now, there is nothing significant for us to report.

I think I've answered most of the questions. If left anything out, maybe we can. We can answer you. You can please connect us, connect with us by email or phone call and we'll be happy to share any information that has not been shared here. Thank you, sir.

Mr. N Rangachary (Chairman)

Thank you. Rajesh.

Mr. Murugesan, you have exhausted the list of shareholders who wanted to speak. Now you can tell the shareholders that if any one of them has not voted so far, they can use the facility which is available.

Mr. K M Murugesan (CS)

Yes, sir. So, any shareholders who have not excised their voting by remote e-voting now can exercise their voting. This voting facilities will be available till 15 minutes after closure of this meeting.

Mr. N Rangachary (Chairman)

Thank you. Murugesan.

Now, Dear shareholders, we have now reached the end of this meeting. We have had a very purposeful meeting. As I said, the future of this industry is assured on the basis of our developing programs, the government's programs, the industries programs.

You know, we are one of the industries which depend on industrialization, and industrialization is taking place in a very significant manner and with digitalization and others taking a very upper part in our plans for development, we do hope that electronics will have a very bright future and I am sure that as and when we have some information about our progress in many of the discussions that we have been having with our prospective customers, we let the shareholders know of it.

You don't have to worry about any withholding of information from us. So, we have had a very purposeful meeting. I must thank you all for your participation. Let me wish you all the best. The only thing is that the results that come out of the voting will be, let will be subject to the scrutinized report.

When we receive that, we'll put it on the exchanges on our this one website, and the company's website will discuss this. We have at least, I think we'll do that within the next two days or so. Thank you, ladies and gentlemen, for your participation.

May I now, with your permission, declare this meeting has closed.

The 39th Annual general meeting of Salzer is hereby closed.