

December 16, 2017

To

THE CORPORATE RELATIONSHIP DEPT
BSE Limited
I Floor, New Trading Ring,
Rotunda Building,
P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001.
SCRIP CODE: 517059

M/s. National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel : +91 22 26598235/36, 26598346
Fax : +91 22 26598237/38
Symbol: **SALZERELEC**

Dear Sir (s),

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 2015

This is to inform in furtherance to our intimation dated November 17, 2017 on the outcome of the Board Meeting and in terms of the voting results given by the Scrutinizer Mr. G Vasudevan, Practising Company Secretary that the following resolutions as placed before the Members of the Company have been declared as duly passed by requisite majority of the shareholders of the Company at their Extra Ordinary General Meeting held today (December 16, 2017):-

1. Re-classification of the authorized share capital of the Company for provision of both equity shares and Non Cumulative Convertible Preference shares;
2. Amendment to Capital Clause of Memorandum of Association of the Company consequent to the re-classification of the Authorized Share Capital;
3. Alternation of relevant Article of the Articles of Association of the Company, making the provision for issuance of Non Cumulative Convertible Preference shares;
4. Acquisition of whole of the business undertaking of Salzer Magnet Wires Limited, a related party of the Company within the meaning of Section 2 (76) of the Companies Act, 2013, as a going concern on slump basis in accordance with the Business Transfer Agreement with appointed date April 01, 2017 for a consideration other than cash;



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5. Allotment of 5,00,000 equity shares on preferential basis to Salzer Magnet Wires Limited at an issue Price of Rs.197/- per equity share for consideration other than cash in respect of aforementioned business acquisition; and
6. Allotment of 5,30,000 Non Cumulative Convertible 5% Preference Shares ("NCCPS") at an issue Price of Rs.197/- Per NCCPS to Salzer Magnet Wires Limited on a preferential basis for consideration other than cash in respect of aforementioned business acquisition

We have annexed a detailed statement with the disclosures required to be submitted with the Stock Exchange in pursuance of SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 2015 as **Annexure A** to this letter.

May kindly be acknowledged the receipt, take on record and disseminate to the stakeholders accordingly.

Thanking you

Yours faithfully,
For Salzer Electronics Limited


S Baskarasubramanian
Director (Corporate Affairs) & Company Secretary



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Annexure A

Disclosure as required to be submitted in pursuance of SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 2015

a. Name of the target entity ("Seller"), details in brief such as size, turnover etc.;

Salzer Magnet Wires Limited ("**Seller**") engaged in the business of manufacturing the enamelled coated copper wires and recorded a gross turnover of Rs. 6,607.90 Lakhs with Profit after Tax of Rs.0.99 Lakh. In pursuance of the Business Transfer Agreement, the Seller's whole of the business is being acquired by Salzer Electronics Limited ("**the Company**") as a going concern and on slump sale basis for consideration other than cash with appointed date as April 01, 2017.

b (i) Whether the acquisition would fall within related party transaction(s)

Yes. Seller is a related party to the Company within the meaning of Section 2(76) of the Companies Act 2013 and the business acquisition shall therefore be regarded as a related party transaction.

b (ii) whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?

Yes. The promoters of the Company are shareholders of the Seller.

b (iii) If yes, nature of interest and details thereof and whether the same is done at "arm's length

Yes. The promoters of the Company are the shareholders of the Seller and the proposed acquisition of the business from the Seller is being done at arm's length basis.

c. Industry to which the entity being acquired belongs;

Electrical Industry

d. objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);

Consequent to Seller's decision to sell its business undertaking in view of its constraints and limitation to grow in the competitive business environment as a single product company, the Company has decided to acquire the business of the Seller. Further, the acquisition is in sync with the business strategy of the Company for its long term growth and to add synergetic products in its baskets.



e. brief details of any governmental or regulatory approvals required for the acquisition;

Not applicable. However, being the acquisition of the business from the Seller for the consideration other than cash by means of allotment of such number of securities, in principle approvals from BSE Limited and National Stock Exchange Limited under Regulation 28 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 is required for such allotment.

f. indicative time period for completion of the acquisition;

The Company intends to complete the acquisition within one month from the date of shareholders approval.

g. Nature of consideration - whether cash consideration or share swap and details of the same;

Valuation of the Consideration of Rs. 20.29 Crores for acquisition of the business undertaking of the Seller has been determined based on the Valuation Report dated November 11, 2017 issued by a Qualified Independent Valuer after valuing the entire business of Seller. The determined Consideration of Rs. 20.29 Crores will be discharged by the Company in the following manner in line with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 :-

Sr. No	Type of Securities	Aggregate Value
i.	Allotment of 5,00,000 Equity Shares to seller at an issue price of Rs.197/- per share on preferential basis	Rs.9.85 Crores
ii.	Allotment of 5,30,000 Non-Cumulative Convertible 5% Preference Shares ("NCCPS") to the Seller at an Issue Price of Rs.197/- per share on preferential basis and such NCCPS would be converted into 5,30,000 Equity Shares over the period of two years from the date of allotment by the seller.	Rs.10.44 Crores
	Total	Rs. 20.29 Crores



h. cost of acquisition or the price at which the shares are acquired;

Rs.20.29 Crores (Rupees twenty crores and twenty nine lakhs only)

i. percentage of shareholding / control acquired and / or number of shares acquired;

The shareholding of the Seller (forming part of the Promoters' Group in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009) will be 3.33 % on acquisition of 5,00,000 equity shares of the Company. On conversion of the 5,30,000 NCCPS into equity shares (proposed to be undertaken over a period of two financial years), the shareholding of the Seller will be 6.63% in the Company.

j. brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

Seller, an unlisted entity established by Mr. R Doraiswamy on September 09, 2008 in Coimbatore in the State of Tamil Nadu, is engaged in the business of manufacturing enameled copper wires with various dimensions, catering to the needs of motor industries, automobile industries, electronic industries, electrical switch gear industries, transformer winding industries and relay coil-winding industries and its business presence in India Only.

Last three years Revenues of the Seller from its Audited Financial Statements

	2016-17	2015-16	2014-15
	Rs. In Lakhs	Rs. Lakhs	Rs. Lakhs
Gross Revenue from Operations	6607.90	5708.61	5683.25

