

April 13, 2021

To

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

M/s. National Stock Exchange of India Ltd.,
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Bandra (E), Mumbai - 400 051
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SCRIP CODE: 517059Symbol: **SALZERELEC**

Dear Sir,

Sub: Voluntary Winding up of M/s.Salzer Magnetic Wires Ltd - a Promoters' Body Corporate under Insolvency and Bankruptcy Code - Distribution of its equity investment in Salzer Electronics Limited among its shareholders.

We wish to inform hereby with reference to the captioned subject that

- a) It has been reported to the exchanges vide our letter dated December 16, 2017 on the approval of the shareholders of our Company to acquire the whole of the business undertaking from Salzer Magnet Wires Limited ("**SMW**") on slum basis for the consideration other than Cash with the allotment of 5,00,000 equity shares of Rs.10/- each at an issue price of Rs.197/- per share and 5,30,000 Non-Cumulative Convertible 5% Preference share ("**NCCPS**") at an issue price of Rs.197/- per share on preferential basis in terms of then the SEBI (Issue of Capital and Disclosure Requirement Regulations 2009 ("**ICDR Regulation**") for the total consideration of Rs.20.29 Crs.
- b) It has further been reported to the Exchanges vide our letter dated March 16, 2018 on our Board's approval, based on respective exchanges' In-principal sanction, over the allotment 5,00,000 equity shares and 5,30,000 NCCPS at the said issue price to SMW under Promoters and Promoters Group Category.
- c) It has further been reported to the Exchange vide our letter dated May 24, 2018 with regard to approval of our Board on the allotment of 5,30,000 equity shares against the conversion of similar number of NCCPS.
- d) In terms of Regulation of 78(1) of ICDR Regulations, the shares issued to SMW have been subjected to lock-in in the following manner.

S.No	Date of allotment	No of shares	Lock in upto
1	March 16, 2018	5,00,000	June 30, 2021
2	May 24, 2018	5,30,000	August 30, 2021
		10,30,000	

- e) As at March 31, 2021, SMW holds 10,30,000 shares representing 6.44% in the total paid-up shares in our Company.



- f) ~~It has been reported that SMW, after sale of whole of business undertakings in 2018, couldn't find any ideal opportunity to start any ventures due to unfavourable business environment, and its books does not have any significant liabilities or assets except above investment in our Company.~~
- g) In this context, the shareholders of SMW approved the proposal of voluntary winding up under Chapter-V of The Insolvency and Bankruptcy Code 2016 ("**IBC Code**") and as the shares are not readily realizable in the market in the face of lock-in provisions, agreed to the distribution of SMW's holding of 10,30,000 shares in our Company being the assets and does not have any liabilities in the books of accounts among its shareholders in the ratio of 1:13 with continuous lock-in provisions.
- h) Accordingly, the shareholders appointed Liquidator in SMW, part of the winding up proceedings under IBC, initiated corporate action for distribution of SMW's holdings in a phased manner.
- i) In the first phase by filing requisite Corporate Action Form with CDSL, the Liquidator distributed 8,72,491 shares among the shareholders of SMW at above agreed ratio on April 10, 2021 with due debit to SMW's Demat Account with IIFL Securities. Of the distributed shares, 5,00,000 shares and 3,72,491 shares are carrying respective balance lock-in period upto June 30, 2021 and August 30, 2021 in the hands of the recipients of shares.
- j) As the result of First Phase distribution, SMW's individual shareholding in our Company stands reduced to 0.99% and Our Promoters, also being the shareholders of SMW, collectively received 345359 shares from SMW Account against their respective holdings in SMW and thereby our total promoters holdings got reduced from 35.83% to 32.53% and
- k) It has been reported by the liquidator of SMW that the second phase would commence at the earliest for completing the balance distribution of 1,57,509 shares.

Enclosed herewith an annexure showing shareholding structure of our promoters before and post distribution of shares held by SMW in our Company under phase one.

This is for exchange's information, and kindly disseminate to the stakeholders.

Thanking you

Yours faithfully

For SALZER ELECTRONICS LIMITED


S. BASKARASUBRAMANIAN
DIRECTOR (CORPORATE AFFAIRS)
& COMPANY SECRETARY

Encl : Annexure



Annexure

Shareholding structure of our promoters

		As at March 31,2021		Shares received under distribution from SMW	Post distribution holdings	
		Shares	%		Shares	%
A1	Individuals/Hindu undivided Family					
1	R THILAGAM	4,57,255	2.86%	28789*	4,86,044	3.04%
2	R DORAISWAMY	3,13,528	1.96%	5611*	3,19,139	2.00%
3	D RAJESHKUMAR	2,50,966	1.57%	11454*	2,62,420	1.64%
	Any Other (specify)					
4	SALZER MAGNET WIRES LTD	10,30,000	6.44%	(872491)	1,57,509	0.99%
5	SARADHA INVESTMENTS LIMITED	7,48,968	4.69%	52504*	8,01,472	5.01%
6	QUEBEC INFORMATION SERVICES I LTD	6,54,842	4.10%	52005*	7,06,847	4.42%
7	SRVE INDUSTRIES LIMITED	6,37,966	3.99%	74967*	7,12,933	4.46%
8	K R HEALTH CARE PRIVATE LIMITED	3,52,783	2.21%	52204*	4,04,987	2.53%
9	SALZER EXPORTS LTD	3,45,725	2.16%	39036*	3,84,761	2.41%
10	SALZER SECURITIES HOLDINGS LIMITED	1,07,007	0.67%	-	1,07,007	0.67%
11	R PAPPAMMAL	59,922	0.37%	-	59,922	0.37%
12	SAMHITA RAJESH	13,300	0.08%	-	13,300	0.08%
	Sub Total A1	49,72,262	31.11%		44,16,341	27.63%
	A2) Foreign				0	
	Individuals (Non-Resident Individuals)				0	
1	VISHNU RANGASWAMY .	7,54,500	4.72%	28789*	7,83,289	4.90%
	Sub Total A2	7,54,500	4.72%	-	7,54,500	4.90%
	A=A1+A2	57,26,762	35.83%		51,99,630	32.53%

* With remaining lock-in period upto August 30, 2021

