

May 24, 2018

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.,
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (E), Mumbai - 400 051
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Symbol: **SALZERELEC**

SCRIP CODE: 517059

Dear Sirs,

Sub : Submission of the Outcome of the Board Meeting

We are hereby submitting the following outcome of the Meeting of the Board of Directors of the Company held today (May 24, 2018) in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 :

1. Approval of the Financial results

The Board of Directors approved the IND AS complied Financial Statements comprising of Balance Sheet as at March 31, 2018 and Statement of Profit and Loss for the period ended on that date and the Financial Results of the Company for Fourth Quarter and year ended March 31, 2018 as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

Accordingly, we have enclosed IND AS complied Audited Financial Results for the Quarter and Year ended March 31, 2018 along with the Audit Report of M/s. Swamy & Ravi , Chartered Accountants, Statutory Auditors on the Audited Financial Results for the year ended March 31, 2018.

Pursuant to Regulation 47 of the SEBI (LODR), we would be publishing a extract of the Standalone Financial Results in the prescribed Format in English and Tamil Newspaper within the prescribed time. The details of the Financial Results of the Company would also be available on the website of the Company www.salzergroup.net as well as on the websites of the Stock Exchanges.

As required under SEBI Circular No.CIR/CFD/CMD/56/2016 dated May 27, 2016, we declare that the statutory auditors of the Company, M/s. Swamy & Ravi, Chartered Accountants, have in their report issued an Unmodified Opinion on the Financial Results of the Company for the year ended March 31, 2018.



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2. Recommendation of the Dividend for the Financial year 2017-18

The Board of Directors recommended the Dividend of Rs.1.60 per share (16%) for the Financial year 2017-18 which will be payable to all the shareholders with due approval of the Members at their forthcoming 33rd Annual General Meeting.

3. Allotment of 5,30,000 Equity shares

Upon exercising the conversion of 5,30,000 Non Cumulative 5% Convertible Preference Shares ("NCCPS") of Rs.10/- each by Salzer Magnet Wires Limited ("SMW"), the Board of Directors approved the allotment of 5,30,000 Equity shares of Rs.10/- each as fully paidup to SMW in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2009. Having allotted the said shares, The present paid-up equity share capital of the Company Rs. 5,09,37,370/- comprising of 1,50,93,737 equity shares of Rs.10/- each stand increased to Rs.15,62,37,370/- comprising of 1,56,23,737 equity shares of Rs.10/- each.

We shall inform you in due course the date on which the Company will hold its 33rd Annual General Meeting of the Members for the year ended March 31, 2018 and the dates for the closure of the Books for the purpose of AGM and payment of Dividend etc.,.

The Meeting commenced at 11.30 a.m and closed at 2.45 P.M.

May kindly be acknowledged the receipt and take on your record.

Thanking you
Yours faithfully

For Salzer Electronics Limited


S. Baskarasubramanian
Director (Corporate Affairs)
& Company Secretary
(DIN: 00003152 & FCS:4605)

Encl: As above.

Statements of the Audited Financial results (IND AS) for the fourth Quarter and Year ended March 31, 2018

		Quarter 31/03/2018	Quarter Ended 31/12/2017	Quarter Ended 31/03/2017	Year Ended 31/03/2018	Year Ended 31/03/2017
	PARTICULARS	Audited	Un-audited	Audited	Audited	Audited
		Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs
I	Revenue from operations	12,675.07	11,069.54	14,406.00	45,333.17	44366.41
II	Other Income	-86.95	61.80	185.54	310.24	544.35
III	Total Revenue (I + II)	12,588.12	11,131.34	14,591.08	45,643.41	44910.76
IV	Expenses					
	Cost of Materials Consumed	10876.29	8187.29	8116.31	34064.26	29317.16
	Excise Duty	0.00	0.00	3240.96	1056.03	5868.52
	Changes in inventories of finished goods and work in progress	-1712.78	-95.14	-475.71	-1718.52	-2118.37
	Employee benefits expenses	543.91	463.32	513.33	1985.69	1874.80
	Finance Cost	385.30	359.51	406.54	1491.25	1459.29
	Depreciation and amortization	294.68	263.18	230.31	1053.61	889.74
	Other expenses	1327.06	1166.06	1886.17	4617.23	5009.59
	Total Expenses	11714.46	10344.22	13917.91	42549.55	42300.73
V	Profit before exceptional and tax (III-IV)	873.65	787.11	673.16	3093.86	2610.03
VI	Exceptional Items	-	-	-	-	-
VII	Profit before tax (V-VI)	873.66	787.12	673.17	3093.86	2610.03
VIII	Tax expense:					
	(1) Current tax	230.81	165.79	198.52	701.57	623.68
	(2) Deferred tax	157.74	92.61	47.11	390.64	252.13
IX	Profit for the period - After Tax(VIII-IX)	485.11	528.72	427.54	2001.65	1734.22
X	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss			-		
	Re-measurement of post - employment benefit obligations	-65.37	-3.34	-2.92	-75.14	-9.70
	Change in fair value of FVOCI instruments	-11.66	4.83	9.55	5.23	0.97
	Profit on sale of instruments designated as FVOCI	-22.74	7.61	-87.49		154.22
	Income tax relating to these items	21.45	1.16	1.01	24.84	3.36
	Total Other Comprehensive Income For The Period, Net Of Tax	-78.32	10.26	-79.85	-45.07	148.85
XI	Total Comprehensive Income For The Period	406.79	538.98	347.69	1956.58	1883.07
XII	Paid up Share Capital - Equity Shares of Rs.10/- each	1499.67	1,449.67	1434.82	1499.67	1434.82
XIII	Reserves and Surplus (Other Equity)	-	-	-	25786.59	21820.54
XIV	Earnings per equity share in Rs.					
	(1) Basic	3.18	3.65	2.43	13.68	12.53
	(2) Diluted	3.10	3.56	2.35	13.31	12.11

Notes forming part of the financial results:

- 1) The above Audited Financial Results were reviewed by the Audit Committee and subsequently approved by the Board of Directors of Salzer Electronics Limited ("the Company") at their respective meeting held on May 24, 2018;
- 2) In line with notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has for the first time adopted Indian Accounting Standards ("IND AS") from April 01, 2017 with transition date as April 01, 2016. Accordingly, the financial results have been prepared in accordance with the Recognition and measurement Principles laid out in the IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act 2013 and other recognised accounting practices and Policies to the extent applicable;
- 3) The results for the quarter and year ended March 31, 2018 are in compliance with IND AS. Consequently, results for the Quarter and previous year ended March 31, 2017 have been restated to comply with IND AS to make them comparable. The Figures for the quarter ended March 31, 2018 are the balancing figures in respect of the full financial years and the year to date figures upto the third quarter of the Financial year;
- 4) During the year, the Company acquired the whole of business undertaking of Salzer Magnet Wires Limited ("SMW") on a slump sale basis as a going concern in terms of the Business Transfer Agreement dated March 08, 2018 for lump sum consideration of Rs.20.29 Crs which was discharged by means of allotment of 5,00,000 Equity Share of Rs.10/- each at an issue Price of Rs.197/- per shares and 5,30,000 Non Cumulative 5% Convertible Preference Shares of Rs.10/- each at an issue Price of Rs.197/- per share on preferential basis. Accordingly all the assets and liabilities of SMW have been transferred and vested upon in the Books of the Company effective March 08, 2018 without any further obligations;
- 5) In pursuance of above business acquisition effective March 08, 2018, the financials results of the Company also includes 24 days financial operations of the business acquired from SMW in audited Fourth quarter as well as full year financial results for the period ended March 31, 2018. Hence the financial results for the Fourth quarter as well as for full year period ended March 31, 2018 are to some extent not comparable to the financial results of previous quarter/Year/immediate previous quarter. During the 24 days of operations after acquisition, business generated the revenue of Rs. 9.79 Crs and made Profit after Tax of Rs.7.83 Lakhs;
- 6) Revenue from operations was disclosed Gross Excise Duty till June 30, 2017. The Government of India has implemented Goods and Service Tax ("GST") from July 01, 2017 replacing Excise Duty, Service Tax and other Indirect Taxes. As per IND AS 18, the revenue for the quarter ended September 30, 2017, December 31, 2017 and March 3, 2018 are reported net of GST.
- 7) During the year, The total authorized shares - 2,00,00,000 equity shares of Rs.10/- have been re-classified as (i) 1,90,00,000 Equity Shares of Rs.10/- each and 10,00,000 Non Cumulative Convertible Preference Shares of Rs.10/- each;
- 8) During the year, 1, 48,500 Equity shares allotted to the Employees of the Company who exercised their vested stock options under Salzer Electronics Limited Employees Stock Options Scheme 2012-13;
- 9) The Company's Operation relates to primarily One Segment "Electrical Installation Products". Hence the results are reported under One Segment as per the IND AS-108 - "Operating Segments",
- 10) The Board of Directors have recommended a Dividend of Rs.1.60 per share (16%) for the Financial year 2017-18;
- 11) The format of the Audited Financial Results as prescribed in SEBI's Circular No.CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016 on adoption of IND AS and in pursuance of Schedule III to the Companies Act 2013, which are applicable to the Companies that are required to comply with IND AS,



- 12) A statement of reconciliation of the Net Profit Reported for the quarter and year ended March 31, 2017 under IGAAP to the total comprehensive income in accordance with IND AS as under as required under Para 2.8 of SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016.

Particulars	Corresponding 3 months figure for the quarter ended 31.03.2017	Corresponding year ended 31.03.2017
Net profit as per previous GAAP (IGAAP)	356.67	1,709.43
IND AS Adjustments		
Change in revenue recognition policy and its cost in line with IND AS	-21.96	88.80
Fair valuation of Investments	-43.21	-134.05
RE-measurement of post employment defined benefit plans	5.05	11.83
Effect of provision for warranty	-14.59	-21.98
Depreciation impact on Property plant and equipment at deemed cost	-8.72	59.34
Tax impact on above changes	154.28	20.85
Net profit as per IND AS	427.53	1,734.23
Other Comprehensive Income (net of tax)	-79.84	148.85
TOTAL COMPREHENSIVE INCOME	347.69	1,883.08

13) Other Equity Reconciliation

Particulars	31.03.2017
Other Equity as IGAAP	20,765.41
Change in revenue recognition policy and its cost in line with IND AS	513.22
RE-measurement of post employment defined benefit plans	26.06
Fair valuation of Investments	18.95
Provision for Expected Credit Loss	-39.40
Provision for Warranty	-21.98
Revaluation of plant and machinery	-506.57
Revaluation of land	2619.49
Deferred taxes	-1,242.85
De-recognition of financial assets	-311.79
Other Equity as per IND AS	21,820.54

- 14) Basic Earnings per share and Diluted Earnings per Share have been prepared in accordance with IND AS 33,
- 15) Appended herewith the Statement of Assets and liabilities as required under SEBI Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015.
- 16) The Figures for the previous quarter and Year ending March 31, 2017 have been re-grouped, wherever necessary.

17) Statement of Assets and Liabilities.

Particulars		3/31/2018	3/31/2017
I ASSETS			
1	Non-current Assets		
(a)	Property, Plant and Equipment	16,176.47	13,663.71
(b)	Capital Work in progress	643.30	906.79
(c)	Investment Property	0.77	0.77
(d)	Intangible Assets	458.67	226.49
(e)	Financial Assets		
	i. Investments	86.55	78.75
	ii. Trade Receivables	2,190.46	2,168.52
	iii. Others	1,201.36	984.69
(f)	Other Non-Current Assets	208.80	237.95
Total Non-Current Assets		20,966.38	18,267.67
2	Current Assets		
(a)	Inventories	13,833.10	9,337.50
(b)	Financial Assets		
	i. Investments	222.45	386.59
	ii. Trade Receivables	11,731.25	11,702.29
	iii. Cash and Cash equivalents	158.01	566.65
	iv. Other Bank balances	841.88	672.79
	v. Loans	3,950.64	2,957.11
	vi. Others	261.29	80.17
(c)	Other Current Assets	2,344.23	1,420.73
Total Current Assets		33,342.85	27,123.83
TOTAL ASSETS		54,309.23	45,391.50
EQUITY AND LIABILITIES			
EQUITY			
(a)	Equity Share Capital	1,552.67	1,434.82
(b)	Other Equity	25,726.78	21,820.54
Total Equity		27,279.45	23,255.36
LIABILITIES			
1	Non-current Liabilities		
(a)	Financial Liabilities		
	i. Borrowings	765.22	1,182.49
(b)	Provisions	27.65	21.44
(c)	Deferred tax liabilities (net)	2,176.32	1,810.52
Total Non-current Liabilities		2,969.19	3,014.45

SALZER ELECTRONICS LTD.

salzer

CIN : L03210TZ1985PLC001535

2	Current Liabilities		
(a)	Financial Liabilities		
	i. Borrowings	12,777.79	10,304.78
	ii. Trade Payables	3,630.94	2,841.70
	iii. Others	1,051.73	1,095.95
(b)	Other Current Liabilities	5,756.36	4,676.68
(c)	Provisions	82.61	24.76
(d)	Current Tax Liabilities (Net)	761.16	177.82
	Total Current Liabilities	24,060.59	19,121.69
	TOTAL EQUITY AND LIABILITIES	54,309.23	45,391.50

Date : May 24, 2018

Place : Coimbatore

For Salzer Electronics Limited


N Rangachary
Chairman



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Swamy & Ravi

CHARTERED ACCOUNTANTS

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Ph : 0422 - 2446537, 4384536

E-mail : sr_cas2004@yahoo.co.in



Ref. No. :

Date : 24/5/18

Independent Audit Report

To

The Board of Directors,
Salzer Electronics Limited,
Coimbatore -641 047.

1. We have audited the accompanying Statement of the Financial Results of Salzer Electronics Limited ("the Company") for the year ended March 31, 2018, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by the SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016.
2. The statement, which is the responsibility of the company's management and approved by the Board of Directors, has been compiled from the related IND AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s).
4. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting Standards / principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us these financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard as modified by the SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016; and



Swamy & Ravi

CHARTERED ACCOUNTANTS

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Ref. No. :

Date :

(ii) Give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting Principles generally accepted in India of the Net Profit and Total Comprehensive Income and other financial information of the Company for the year ended March 31, 2018.

6. The results includes the results for the quarter ended March 31,2018, being the balancing figure between audited Figures in respect of the full audited financial year and the published year to date figures upto the Third quarter of the current financial year which were subjected to limited review by us

For Swamy & Ravi
Chartered Accountant
(Firm's Registration No. 004317S)

S. Alamelu
PARTNER
Membership No. 223555



Date: May 24, 2018
Place : Coimbatore -641011