



SALZER ELECTRONICS LTD

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Coimbatore -641 047. CIN : L03210TZ1985PLC001535
Phone No.0422-4233600/ 614/696
E-Mail : baskarasubramanian@salzergroup.com
web site : <https://www.salzergroup.net/>

July 9, 2021

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 (E), Mumbai - 400 051
Tel : +91 22 26598235/36, 26598346
Fax : +91 22 26598237/38
Symbol: **SALZERELEC**

Dear Sir;

Sub : Intimation of Execution of Joint Venture Agreement

With reference to the captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] we would like to inform you that the Company has today, i.e. 9th July 2021, executed a Joint Venture Agreement with M/s.Kostad Steuerungsbau GmbH. We are attaching herewith the Press Release along with Presentation on the JV.

The disclosure as required under Schedule III of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is attached as "Annexure-I" to this letter.

Kindly acknowledge the receipt and disseminate the same.

Thanking you
Yours faithfully

For SALZER ELECTRONICS LIMITED

S.BASKARASUBRAMANIAN
DIRECTOR (CORPORATE AFFAIRS)
& COMPANY SECRETARY
(DIN :00003152 & FCS:4605)
Encl : As above

Salzer – Kostad JV – Annexure -I

S. No.	Particulars	
a)	Name(s) of parties with whom the agreement is entered	Salzer Electronics Ltd (“Salzer”) and Kostad Steuerungsbau GmbH (“Kostad”)
b)	Purpose of entering into the agreement	The parties have entered into joint venture agreement to form a joint venture company for undertaking the business of manufacture and sale of EV charging stations and chargers. Salzer Kostad EV Chargers Pvt Ltd will be this JV company.
c)	Shareholding, if any, in the entity with whom the agreement is executed	Salzer does not have shareholding in Kostad or its group companies. The proposed shareholding of the joint venture company is as under: Salzer – 26% Kostad – 16%
d)	Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship	No
e)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	No
f)	In case of issuance of shares to the parties, details of issue price, class of shares issued	The joint venture company equity shares will be issued to the parties at fair value, as per applicable law.
g)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc	No potential conflict of interest arising out of this agreement.
h)	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof	Not Applicable

Business Update Release

Salzer forays into EV Business through Joint venture to manufacture technologically innovative and futuristic products in line with its strategy of product diversification

**JV named “Salzer Kostad EV Chargers Pvt Ltd”
with Austrian Company to manufacture DC FAST Chargers
for E Vehicles**

**JV partner – Kostad Steuerungsbau GmbH – Specialists in
EV chargers & e-charging stations**

**Salzer to own 26% equity in the Euro 2.00 Million (Rs 18cr)
JV company**

Key markets – India, South East Asia and Middle East

Coimbatore, 9th July 2021: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, is happy to announce its joint venture with **Kostad Steuerungsbau GmbH** to manufacture DC Fast charging stations for electric vehicles (EV).

Salzer will form a joint venture company named **Salzer Kostad EV Chargers Pvt Ltd**, with Austria-based company Kostad Steuerungsbau GmbH (Kostad). The JV will engage in the manufacturing of **DC Fast charging stations** for electrical Cars, Trucks & Buses, and components and systems thereof, in India.

Through this technical alliance, Kostad would provide technical know-how and requisite technology support to Salzer for the production of EV charging stations and related components.

The global industry for EVs has been on the rise in the recent past. Stringent emission norms and environmental concerns are expediting the adoption of EVs in various nations. The Government of India is also propagating the awareness and adoption of EVs and this is likely to open up huge opportunities for the company.

Salzer and Kostad would hold 26% and 16% equity in this JV respectively, E-March LLP – a Technology company with abundant resource and knowledge in Power electronics will hold

6%, while the rest would be held by private investors. The total investment in this venture would be Rs. 18 crores, 26% of which will be borne by Salzer over a period of 12 months.

Management Comment:

Commenting on this development, Mr. R. Doraiswamy, Managing Director, Salzer Electronics Ltd said:

“I am very happy and pleased to share the news that we are forming a joint venture company with an Austria-based specialist firm, Kostad Steuerungsbau GmbH.

*Through this JV, **Salzer Kostad EV Chargers Pvt Ltd**, we would bring DC Fast Charging stations for E Vehicles to the Indian market. Our manufacturing capabilities would be well complemented by the technical know-how from the Kostad team, to deliver international standard DC Fast chargers for E Vehicles and components for EVs in India. We will also be supplying to the south east Asian markets and Middle east apart from India. However India will be our key and most important target to begin with.*

Rising environmental concerns are leading to new and more stringent emission norms worldwide, including in India. This is also prompting various governments to encourage the development and adoption of EVs on a mass scale. While many developed nations already have a proper infrastructure in place, it is still in a nascent stage in most countries. The Indian Government too, has expressed plans to increase the share of EVs on the roads in the coming decade.

This is a huge opportunity for us, and the partnership comes at an opportune time, such that we can prepare and be ready for the anticipated demand in the coming years and capitalize on it. In line with our ethos, we continue to build on our technological capabilities while staying abreast with new trends and opportunities in the industry.”

About Salzer Electronics

- Salzer is a Leading player offering Total and Customized Electrical Solutions in Switchgears, Wires & Cables and Energy Management business. It is the largest manufacturer of CAM Operated Rotary switches & Wire Ducts in India. The Company caters to a wide range of products with four in-house manufacturing facilities, located in Coimbatore
- The Company has a wide distribution network locally and globally, exporting to many countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has a strong R&D team that focuses on developing and commercializing the technologies of the products, and as a result, can offer total customized electrical solutions to its customers.

About Kostad Steuerungsbau GmbH

Kostad is an Austria-based family-owned company specialising in customised electro-mobility solutions. The company offers e-mobility products and services covering switch cabinet construction, automation technology, cable assembly, electrical project planning and software. Kostad has built e-charging stations for EVs in several countries across the world.

For further information, please contact:

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Salzer Electronics Ltd.

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www.salzergroup.net

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Bridge Investor Relations Pvt. Ltd.

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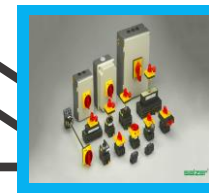
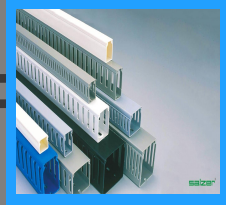
Caution Concerning Forward- Looking Statements:

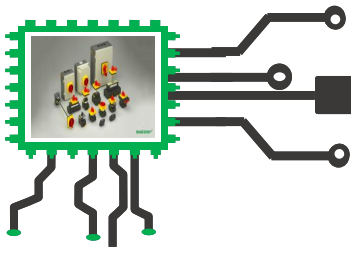
This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

Salzer Electronics Limited



Joint Venture for
EV Charging Infrastructure – Salzer Kostad EV
Chargers Pvt Ltd





Disclaimer

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This presentation has been prepared by Salzer Electronics Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

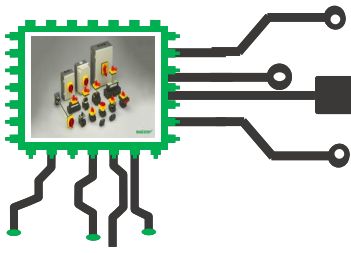
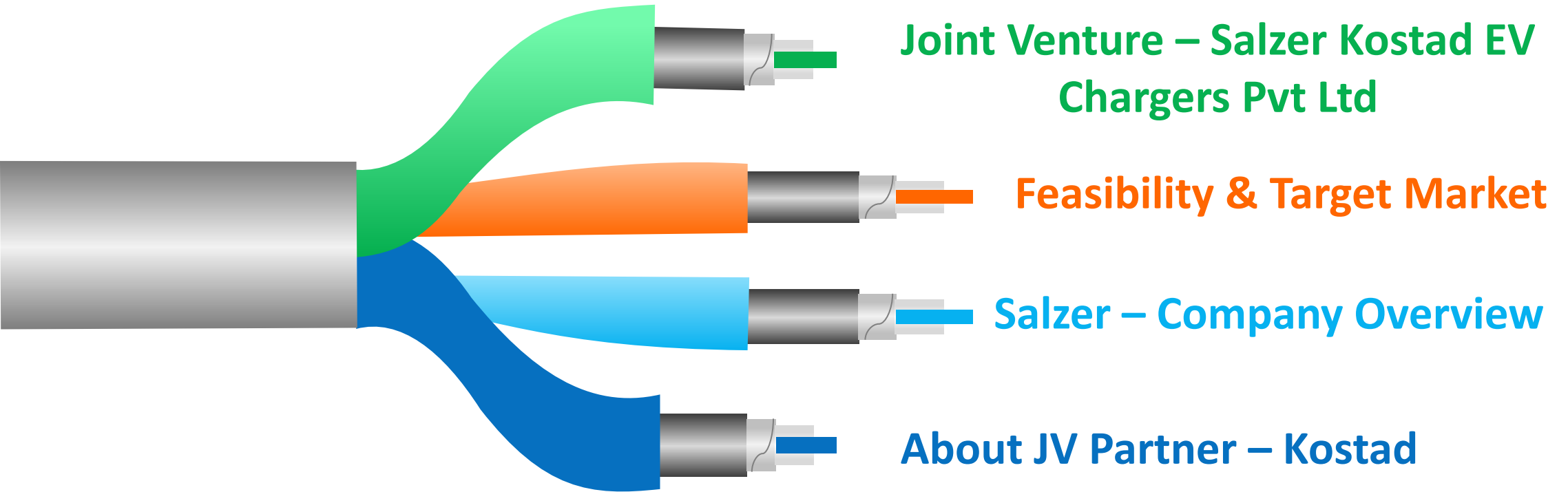
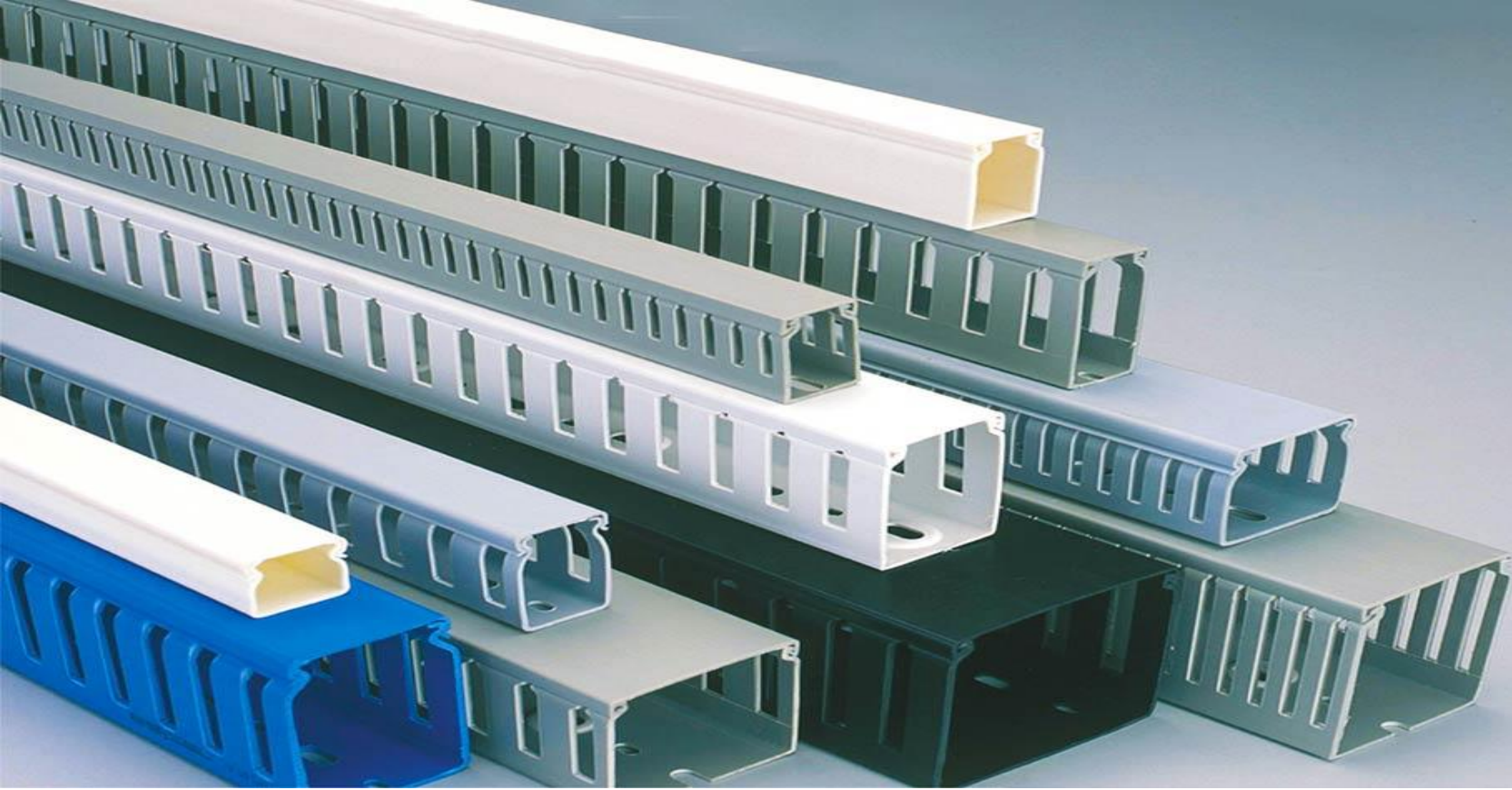
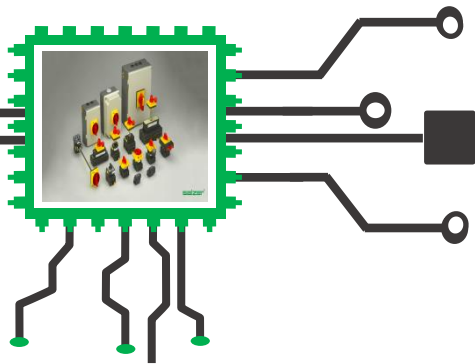


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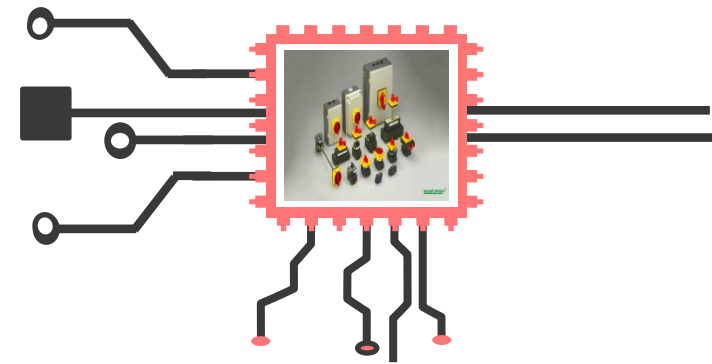


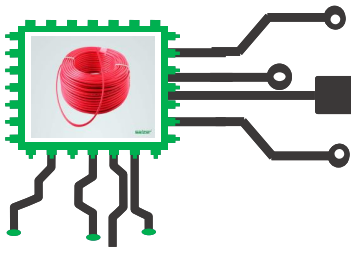


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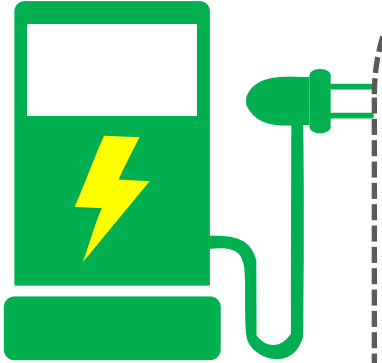
**Joint Venture – Salzer Kostad
EV Chargers Pvt Ltd**



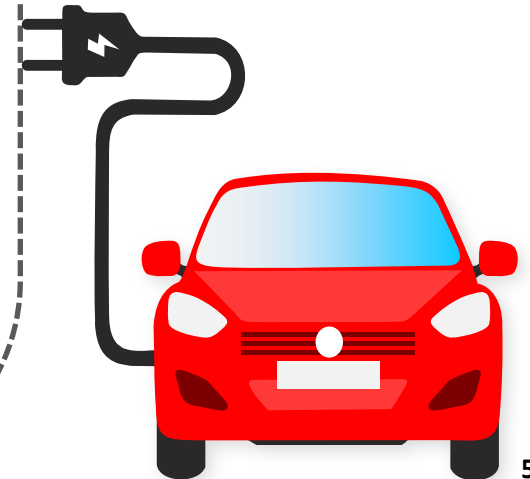


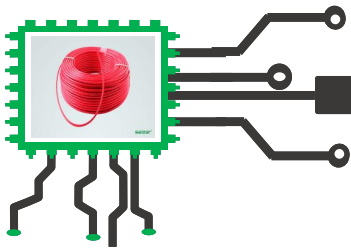
Foray Into EV Sector

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- Foraying into the **electric vehicles (EV) business** to manufacture technologically innovative and future-ready products, in line with Company's strategy of product diversification
- Entering a technical alliance with **Kostad Steuerungsbau GmbH (Kostad)** to manufacture **DC fast charging stations** and related equipment for electric vehicles
- Kostad, an Austria-based specialist in EV chargers and e-charging stations, will provide **technical know-how** and requisite technological support to Salzer for manufacturing of charging stations and related components and systems in India
- Charging stations manufactured would be used for a **wide range of EVs** such as electric cars, buses, trucks and buses
- Salzer will manufacture & market these products across **India, Southeast Asia and Middle East**
- Salzer will form a Joint Venture (JV) Company for this purpose, named **Salzer Kostad EV Chargers Pvt Ltd**, which will engage in development of products
- Salzer will hold **26% equity in this EUR 2 million (Rs. 18 crores)** JV Company, while Kostad would hold 16% equity stake. E-March LLP, a Technology Company with abundant resource and knowledge in Power electronics will hold 6%, while rest would be held by private investors





Joint Managing Director's Message

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Commenting on this JV, Mr. Rajesh Doraiswamy, Joint Managing Director, said :

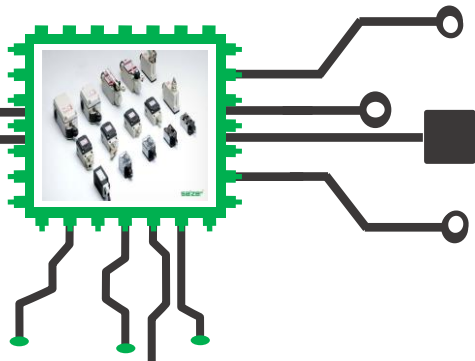
"I am very happy and pleased to share news that we are forming a joint venture Company with an Austria-based specialist firm, Kostad Steuerungsbau GmbH.

Through this JV, Salzer Kostad EV Chargers Pvt Ltd, we would bring DC Fast Charging stations for E Vehicles to Indian market. Our manufacturing capabilities would be well complemented by technical know-how from Kostad team, to deliver international standard DC Fast chargers for E Vehicles and components for EVs in India. We will also be supplying to south east Asian markets and Middle east apart from India. However, India will be our key and most important target to begin with.

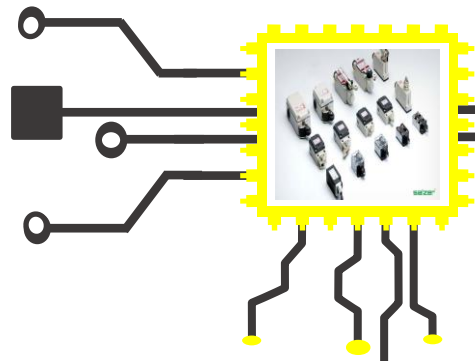
Rising environmental concerns are leading to new and more stringent emission norms worldwide, including in India. This is also prompting various governments to encourage development and adoption of EVs on a mass scale. While many developed nations already have a proper infrastructure in place, it is still in a nascent stage in most countries. The Indian Government too, has expressed plans to increase share of EVs on the roads in the coming decade.

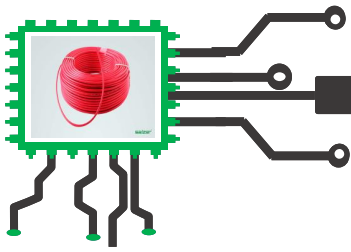
This is a huge opportunity for us, and partnership comes at an opportune time, such that we can prepare and be ready for anticipated demand in the coming years and capitalize on it. In line with our ethos, we continue to build on our technological capabilities while staying abreast with new trends and opportunities in industry."





Feasibility & Target Markets





Financial Feasibility & Target Markets

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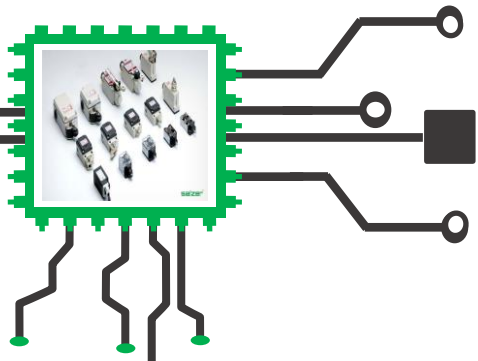
Funding & Operational Details

- Rs. 18 crores funding for this JV would primarily be used to create infrastructure like test equipment, plant & machinery, assembly kits etc. to manufacture EV chargers
- Current investment would be sufficient for a manufacturing capacity of 100 chargers per month. This would translate to approximately Rs. 75 crores in revenue
- Commercial Production is expected to commence over next 8-12 months.
- Initial capital infusion would be sufficient for coming three years. As market develops, Company may consider additional funding if capacities need to be expanded
- For sales made by JV Company Salzer Kostad EV Chargers Pvt Ltd in other Asian markets outside India, a royalty of 3% shall be paid to partner, while no such royalty is applicable to sales made in India

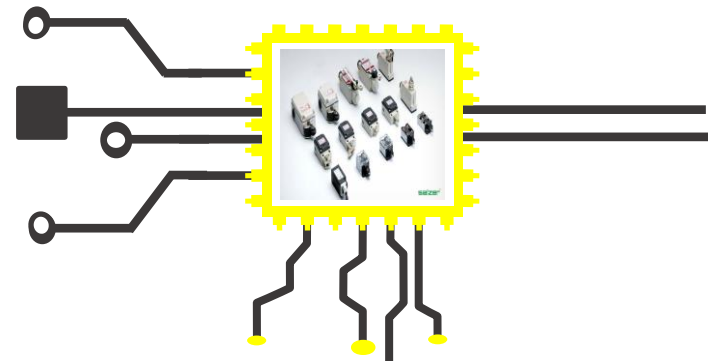
Target Markets

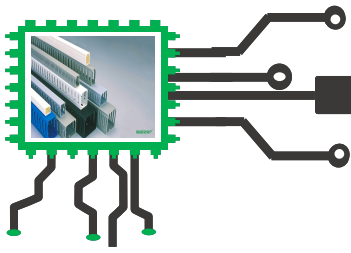
- Salzer Kostad EV Chargers Pvt Ltd will approach State Government tenders, EESL tenders as well as private sales. Company would also plan to create its own charging network
- Indian market for EV chargers is at a nascent stage, strong growth is expected to set in after two years. Hence, JV Company will explore options to sell in Asian markets as well as export back to Kostad on a buy-back arrangement





About Salzer & Kostad





Leading player offering total and customized electrical solutions

- Presence in Industrial Switchgears, Wires & Cables and Energy management business
- Largest manufacturer of Cam Operated Rotary Switches – Market leader with 25% share

Extensive Product portfolio across verticals with In-house manufacturing facilities

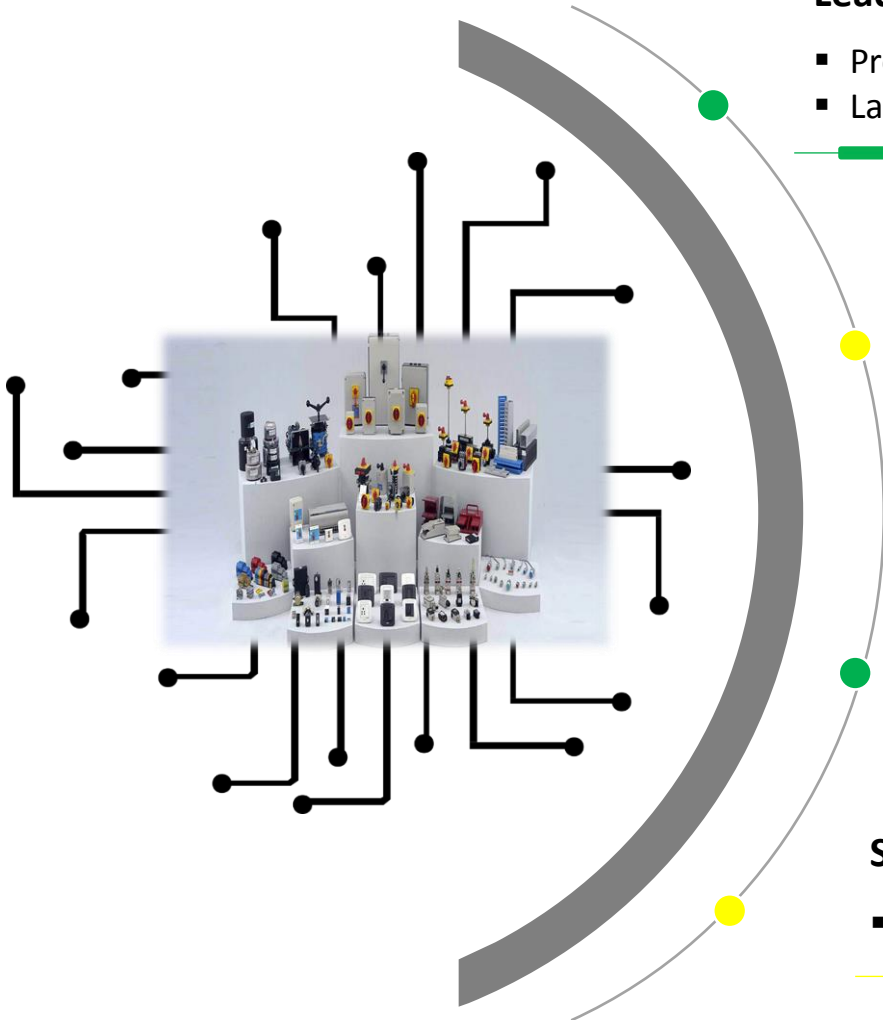
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

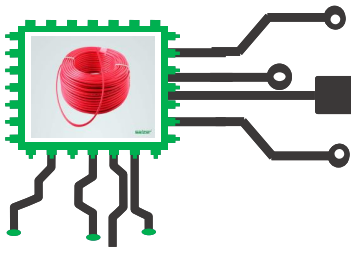
Wide Distribution network – local and global

- Own distribution network – local and global – export to 50 countries
- Access to L&T's local network through more than 350 distributors

Strong focus on product development and innovation

- Registered Patent for Rotary Switches, five product patents in process

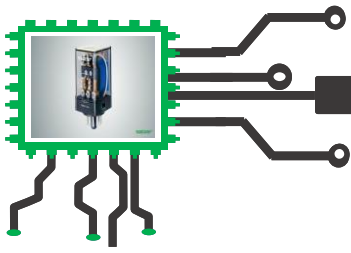




Kostad Steuerungsbau GmbH

- Kostad is an Austria-based family-owned Company specializing in customized electro-mobility solutions
- Company offers e-mobility products and services covering switch cabinet construction, automation technology, cable assembly, electrical project planning and software
- Kostad has built e-charging stations for EVs in several countries across the world
- Some of Kostad's key clients/partners include Siemens, EVN, Verbund, Go TO-U, ASFiNAG & Wien Energie





Thank You

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