



SALZER ELECTRONICS LTD

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E-Mail : baskarasubramanian@salzergroup.com
web site : <https://www.salzergroup.net/>

July 19, 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 **E-March**

With reference to the captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Company has today, i.e. 19th July 2021, executed Joint Venture with **E-March LLP** to manufacture electric conversion kits for vehicles.

We are attaching herewith the Press Release along with Presentation on the JV Project.

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

Business Update Release

**Salzer increases its penetration & presence
into EV Business through another Joint Venture**

**JV named “Salzer EMarch E-Mobility Pvt Ltd” to
manufacture electric conversion kits for Vehicles**

JV partner – EMarch LLP – Specialists in EV Conversion Kits

Salzer to own 26% equity in JV through 100% Subsidiary

Total investment in JV – Rs 6 crore

Coimbatore, 19th 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 **EMarch LLP** to manufacture electric conversion kits for vehicles.

Salzer would form a wholly owned subsidiary, **Salzer EV Infra Pvt. Ltd.**, which in turn would form a JV named **Salzer EMarch E Mobility Pvt. Ltd.**, in association with **EMarch LLP** (Indo-Austrian technology firm with abundant resource and knowledge in Electric Conversion Kits & power electronics). This JV would be engaged in manufacturing electric conversion kits for auto-rickshaws, cars and buses and also manufacture novel electric driven utility vehicles.

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, through its wholly owned subsidiary, would hold 26% equity in this JV, while EMarch LLP would hold 22.5%; the rest would be held by other private investors. The total investment in this venture would be Rs. 6 crores.

Management Comment:

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

“I am very pleased to share the news that we are forming another joint venture company with a technology firm, E-March LLP.

*Through this JV, **Salzer EMarch E Mobility Pvt. Ltd.**, we would bring affordable electric conversion kits for Auto Rickshaws to the market in the first phase. Going forward, e-Conversion kits will also be produced for Cars & Buses. Our manufacturing capabilities would be well complemented by the expertise and technical know-how from the E-March team, to deliver international standard conversion kits for electric auto-rickshaws, cars and buses.*

This partnership complements our recent JV endeavour to enter and grow in the EV space. 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. Affordable Conversion Kits for Autorickshaws is something that India needs in mass scale given the volumes of Auto's in India. The running cost of a E-Converted Auto Rickshaw will be 1/5th of that of the Conventional Auto.

This is a huge opportunity for us, and these partnerships come 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.

For further information, please contact:

Mr. Baskarasubramaniam

Ms. Savli Mangle / Mr. Rahul Trivedi

Salzer Electronics Ltd.

Bridge Investor Relations Pvt. Ltd.

Email: baskarasubramanian@salzergroup.com

Email: savli@bridge-ir.com / rahul@bridge-ir.com

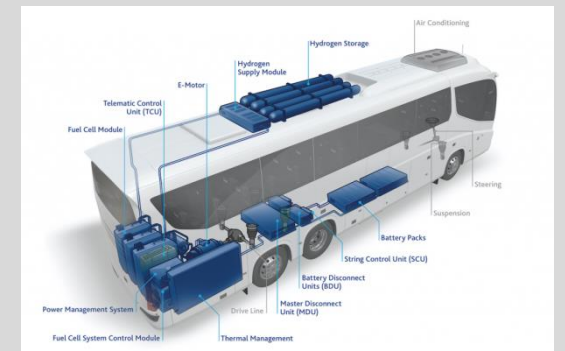
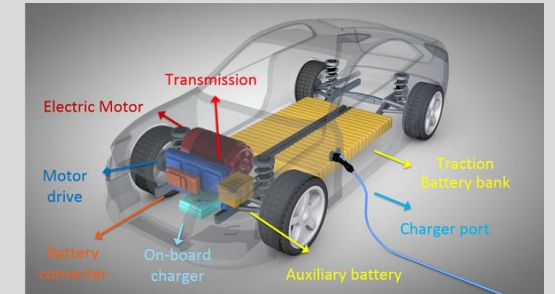
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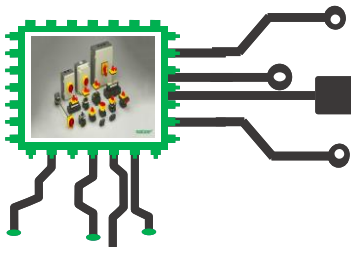
www.bridge-ir.com

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.

Joint Venture for Electric Conversion Kits – Salzer EMarch E-Mobility Pvt Ltd





Disclaimer

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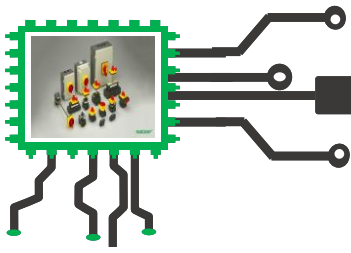
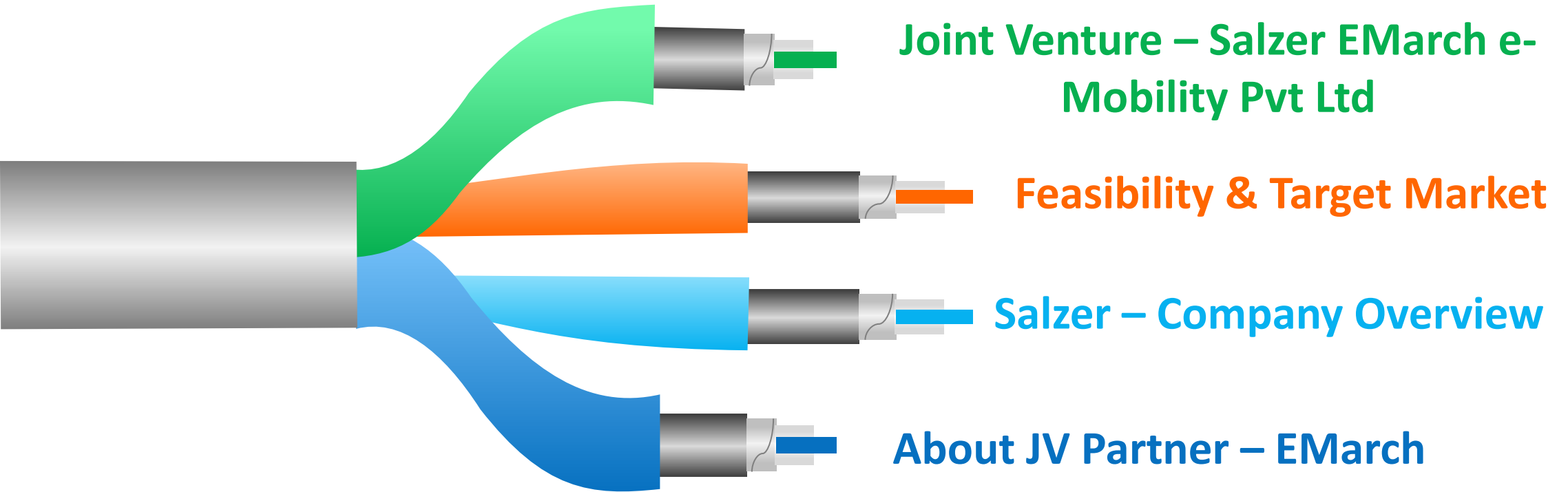


Table of Contents

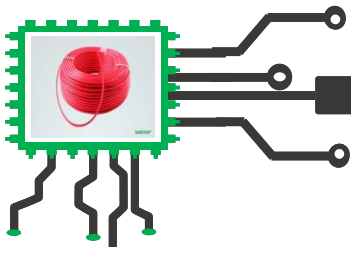




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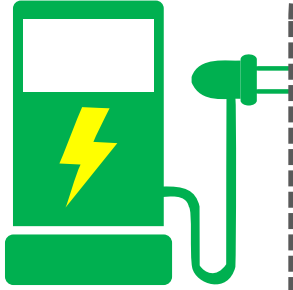
Expanding in EV Sector

Joint Venture –
Salzer EMarch E-Mobility Pvt Ltd

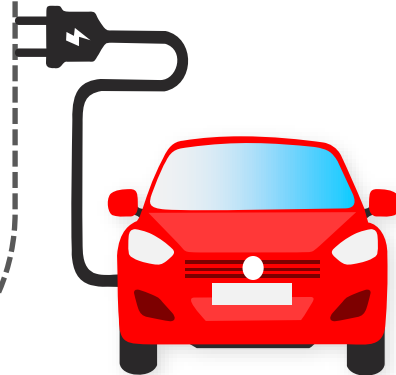


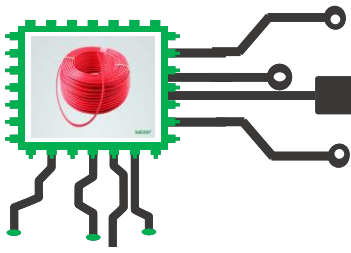
Expansion In EV Sector

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- Following recent foray into the **electric vehicles (EV) business**, new JV to expand EV infrastructure business through technologically innovative and future-ready products, in line with Company's strategy of product diversification
- Entering a technical alliance with **EMarch LLP (EMarch)** to manufacture **electric conversion kits** for vehicles
- EMarch, an Indo-Austrian technology firm with resources and knowledge in electric conversion kits and power electronics, will provide **technical know-how** and requisite technological support to Salzer for manufacturing of such electric conversion kits in India
- JV would manufacture conversion kits for a **wide range of EVs** such as auto rickshaws, cars and buses, as well as manufacture novel electric driven utility vehicles
- Salzer will manufacture & market these products across **India, starting with Tamil Nadu and Karnataka**
- Salzer will form a wholly owned subsidiary (**Salzer EV Infra Pvt Ltd**) which in turn will form the Joint Venture (JV) Company for this purpose, named **Salzer EMarch E-Mobility Pvt Ltd**, which will engage in development of products
- Salzer will hold **26% equity in this Rs. 6 crores** JV Company, while EMarch would hold 22.5% equity stake, and the 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 :

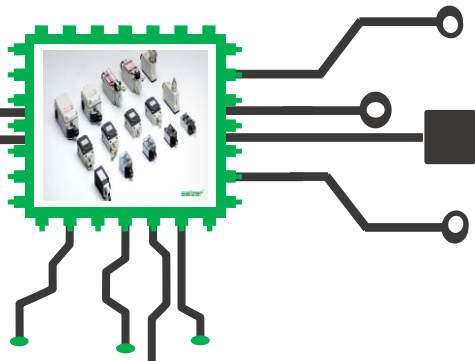
"I am very pleased to share the news that we are forming another joint venture company with a technology firm, E-March LLP.

Through this JV, Salzer EMarch E Mobility Pvt. Ltd., we would bring affordable electric conversion kits for Auto Rickshaws to the market in the first phase. Going forward, e-Conversion kits will also be produced for Cars & Buses. Our manufacturing capabilities would be well complemented by the expertise and technical know-how from the E-March team, to deliver international standard conversion kits for electric auto-rickshaws, cars and buses.

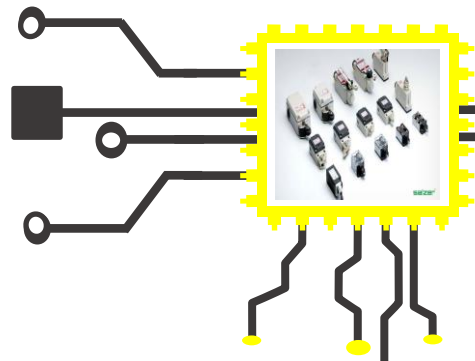
This partnership complements our recent JV endeavour to enter and grow in the EV space. Affordable Conversion Kits for Autorickshaws is something that India needs in mass scale given the volumes of Auto's in India. The running cost of a E-Converted Auto Rickshaw will be 1/5th of that of the Conventional Auto.

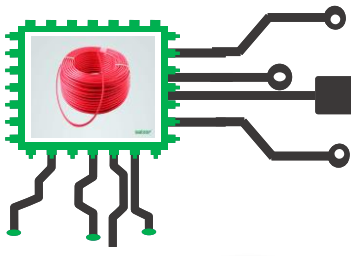
This is a huge opportunity for us, and these partnerships come at an opportune time, such that we can prepare and be ready for the anticipated demand in the coming years and capitalize on it. In line with our ethos, we continue to build on our technological capabilities while staying abreast with new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





Feasibility & Target Markets





Financial Feasibility & Target Markets

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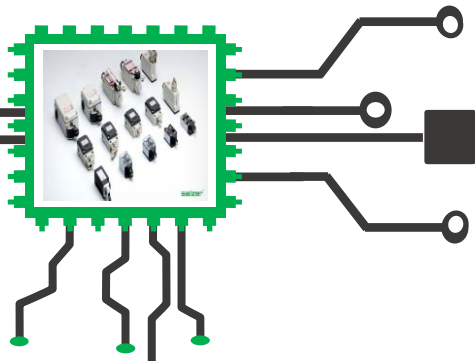
Funding & Operational Details

- Rs. 1.56 crores funding for this JV would primarily come from internal accruals and be used in the newly formed JV to manufacture electric conversion kits
- Current manufacturing capacity would be for 5,000 conversion kits per year. This would translate to approximately Rs. 25 crores in revenue, which would be achievable by the second year
- Company targets to scale up to 20,000 kits per year, yielding Rs. 100 crores in revenue, in next five years
- Commercial Production expected to commence by April 2022
- Once JV starts making profits, 3% royalty on sales payable to the partner, EMarch

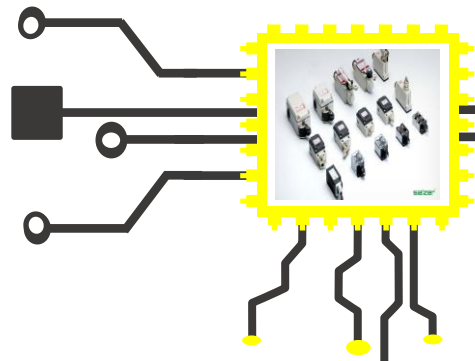
Target Markets

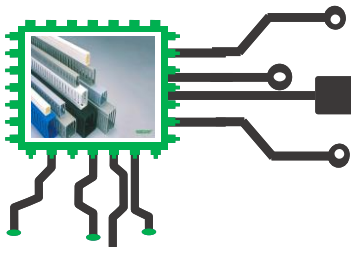
- Salzer EMarch E-Mobility Pvt Ltd to initially target markets in Tamil Nadu and Karnataka and then across India
- Domestic market for electric conversion kits is still at a nascent stage, with strong growth potential. Demand is likely to be driven from the public transport sub-sector as various local authorities encourage conversion of public transport utilities to EV technology.





About Salzer & EMarch





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

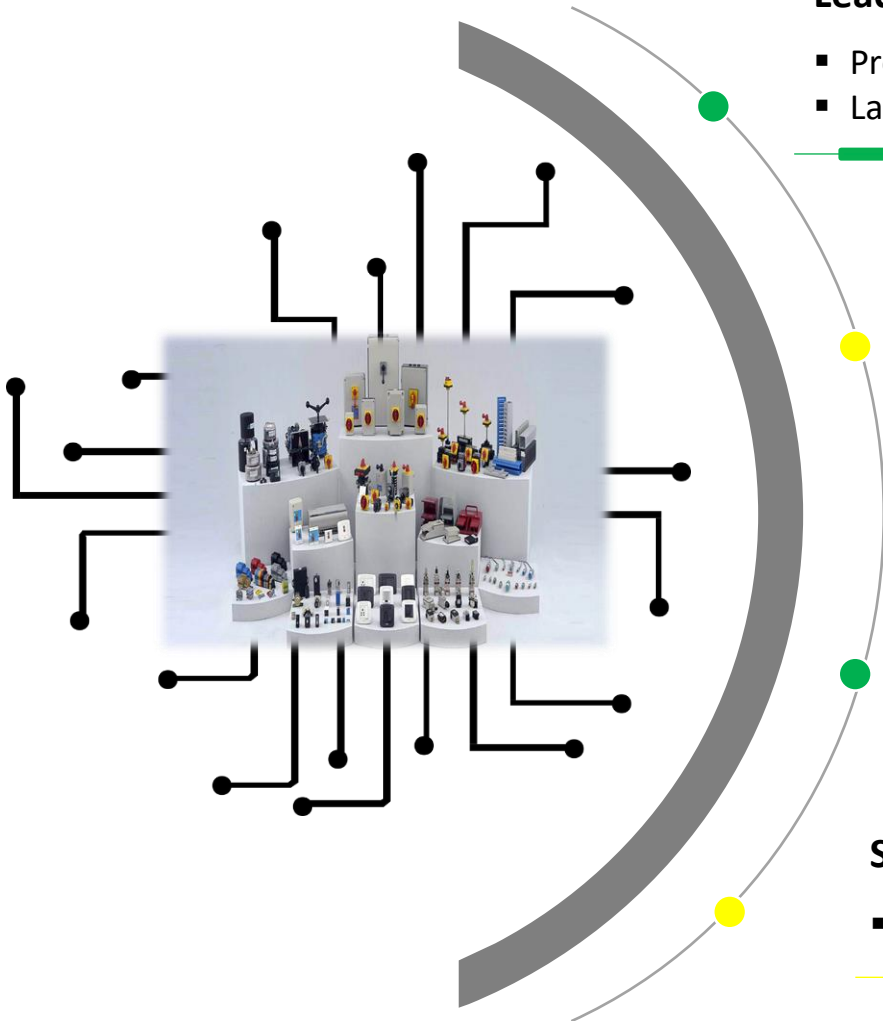
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

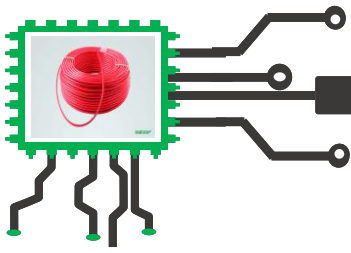
Wide Distribution network – local and global

- 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

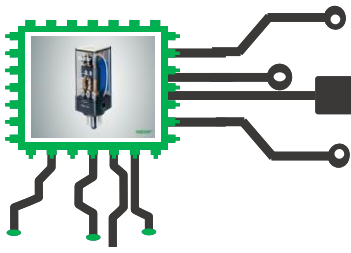




EMarch LLP

- EMarch is an Indo-Austrian Enterprise, a technology company with expertise and resources in electric conversion kits and power electronics. EMarch is an having wide expertise in the field.
- **Mr. Dean Marcelja** Director of EMarch is an Austrian Citizen with wide knowledge in EV utility vehicles and conversion kits. He has more than 20 years of experience in the field.
- Below are some of the products that will be manufactured and offered by the JV Salzer EMarch E-Mobility Pvt Ltd:





Thank You

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For further information, please contact:

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Investor Relations Advisors :

Bridge Investor Relations Pvt. Ltd.

Ms. Savli Mangle

savli@bridge-ir.com

Mr. Rahul Trivedi

rahul@bridge-ir.com

www.bridge-ir.com

Salzer – EMarch JV – Annexure

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

S. No.	Particulars	
a)	Name(s) of parties with whom the agreement is entered	Salzer Electronics Ltd ("Salzer") and EMarch LLP ("EMarch")
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 electric conversion kits for EVs. Salzer EMarch E-Mobility 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 EMarch or its group companies. The proposed shareholding of the joint venture company is as under: Salzer – 26% EMarch – 22.5%
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