

SESL/BM-03/OUTCOME/2022-23

June 28, 2022

BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers,
Dalal Street,
Mumbai-400 001.

National Stock Exchange of India Limited
Listing Department
Registered Office: "Exchange Plaza",
C-1, Block G, Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051.

Scrip Code: 532051

Scrip Code: SWELECTES

Dear Sir / Madam,

Sub: Outcome of the Board meeting under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board at its meeting held today (28.06.2022) has considered and approved the following subjects.

- 1. To review international availability of raw materials (SOLAR PHOTOVOLTAIC CELLS) and subsequent sale / Lease / dispose-off as a whole or in parts of the Solar Photovoltaics Module Manufacturing Plant (undertaking) located at Dabaspeta, Bengaluru, Karnataka**

During the year 2014, the Company had acquired 100% equity of HHV Solar Technologies Limited, an entity engaged in manufacturing of Solar Photovoltaic modules and having its plant located at Dabaspeta, Bengaluru, Karnataka. The capacity of the plant was increased in stages to reach the present capacity of 110 MW.

The above acquisition was considered due to the benefits of quality assurance, cost saving and availability of modules to complete the projects within the timeline etc. Thereafter, during the year 2016 the above subsidiary got merged with the Company for administrative convenience.

The solar modules being manufactured by the above plant have been sold by the Company in various forms such as using the modules for its Independent Power Producing (IPP) plants and Engineering, Procurement and Commissioning (EPC) projects for customers and also selling directly to outside markets. Since the plant was owned by the company, it helped the Company to meet tender requirements, some of which stipulated that the modules should be 'Made in India'.

Now, the Renewable Manufacturing industry is facing unexpected Market changes like availability of specific type of Solar Cells (M3/G1 158.75 mm) which are being used by the above plant for making solar modules and there will soon be a dearth of solar cell suppliers of the above kind.

If the raw material unavailability situation continues, the Company might have to maintain the plant at substantially understated capacity, i.e. at less than the minimum production requirement capacity / below break-even point levels, in which case, the Company will incur losses especially with respect to the non-recovery of fixed cost expenses like running of air conditioners, rental expenses etc.

Keeping in view the change/ advancement in technology and to control the above mentioned losses, the Board has decided to stop the production of this Plant (Dabaspeta, Bengaluru) permanently.



Considering the best interest of the Company, the Board will explore the various options such as to sell or lease or dispose-off the above undertaking as a whole or in parts based on the market situation in the near future.

In this regard, since the above plant (110MW plant located at Bengaluru) is falling under the definition of "undertaking" and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the company has decided to obtain the approval of the members of the Company at the ensuing Annual general meeting to consider the options of sale, lease or otherwise dispose-off as a whole or in parts of the above undertaking.

Alternates to own manufacturing:

The Company's Wholly Owned Subsidiary namely SWELECT HHV Solar Photovoltaics Pvt Ltd is in the process of constructing 500 MW Solar PV Module Manufacturing plant at Coimbatore with the latest cell technology [M10 (182 mm) and M12 (210 mm) cells] and expected to start its commercial operations by the end of Financial Year 2022-23. The Company expects this plant to cater to major utility scale developers, the Commercial & Industrial (C&I) segment as well as the export market.

The Company is having adequate stocks of solar modules which can be used for execution of solar projects by the Company for its IPP and EPC projects and by the subsidiaries for its solar projects under Group Captive Model and such stocks may be available till the time the above plant starts its commercial production. Alternatively, the modules may be imported or locally sourced for the time being. Therefore, there will not be any interruption in the business operations of the Company and its subsidiaries.

2. Approval of addendum to the Notice of 27th Annual General Meeting of the Company to be held on 28.7.2022

The Board of Directors also approved the addendum to the notice of the 27th AGM containing the Resolution and Explanatory statement for obtaining the shareholders' approval with regard to Sale / Lease / dispose-off as a whole or in parts of the Solar Photovoltaics Module Manufacturing Plant located at Dabaspet, Bengaluru, Karnataka as recommended by the Board.

The meeting commenced at 10.30 a.m. and ended at 12.10 p.m.

We request you to kindly take on record the above intimation.

Thanking you,
Yours faithfully,
For SWELECT Energy Systems Limited


R. Chellappan
Managing Director



Details as required under Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Sl. No	Disclosure Requirement	Details
1.	the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	Revenue – Rs.121.63 Crore (43%)
2.	date on which the agreement for sale has been entered into;	The Board decided that the Company will explore the best options such as either to sell or lease or dispose-off as a whole or in parts of the above plant based on the market situation and best interest of the Company and the Company would further intimate the Stock Exchanges.
3.	the expected date of completion of sale/disposal;	Upon decision made by the Board, the Company would further intimate the Stock Exchanges.
4.	consideration received from such sale/disposal;	Upon decision made by the Board, the Company would further intimate the Stock Exchanges.
5.	brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	Upon decision made by the Board, the Company would further intimate the Stock Exchanges.
6.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	Upon decision made by the Board, the Company would ascertain and further intimate the Stock Exchanges.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	Not Applicable

