

**February 9, 2024**

**BSE LIMITED  
Department of Corporate Affairs  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai-400001**

**Dear Sir/Madam,**

Scrip Code: **517166**

Sub: **Outcome of Board Meeting held on February 9, 2024**

**Ref: Intimation on Outcome of Board dated February 9, 2024 ("Intimation")**

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at its Meeting held today i.e., February 9, 2024 has inter-alia approved the following:-

Investment of Rs. 110 Crores in two phases (Rs.55 Crores in each phase) towards expansion of capacity of existing package portfolio to improve Sales to Rs.150 Crores in phased manner.

The Meeting of Board of Directors commenced today at 2.50 P.M and concluded at 6:35 P.M

This is for your kind information and records.

For **SPEL SEMICONDUCTOR LIMITED**



**SANKARANARAYANAN SIVARAMAN (FCS 2918)  
COMPANY SECRETARY**

Enclosed: As above

## SPEL Semiconductor Ltd – Business Growth & Expansion Plans

### India's First and Only OSAT Player SPEL Semiconductor Ltd is Poised to Expand its IC Assembly, Packaging & Test Capacity and Capability

SPEL was established in 1984. SPEL is the First and Only provider of turnkey IC assembly, packaging and test services in India to Global Customers of the Semiconductor industry. With nearly 4 decades of pioneering services in the field, the Company has established and has well positioned itself as a Reputed OSAT Company in the Global Semiconductor Business. SPEL offers a wide variety of packaging and test portfolios in the world. SPEL's high-technology factory ensures products meet the exact high-quality standards set by the Customers in Computing, Communication, Automotive, power and consumer electronics field.

SPEL is a subsidiary of Natronix Semiconductor Technologies (Pvt) Ltd, Singapore and is listed in Mumbai Stock Exchange.

### Innovative packaging and testing solutions for over 50 customers

SPEL provides a Comprehensive range of package portfolios including packages such as PDIP, Surface mount packages with body width 150 mils, 173 mils, 240 mils and 300 mils with pin-count ranging from 8 to 80 leads, DFN/QFN type leadless packages with package size ranging from 1mm to 12mm, thickness such as 0.5, 0.75, 0.9mm and pin-count ranging from 2 to 100 LD. Some of the niche package styles include sandwich packages and Wettable flank QFN Packages.

The Company formulates and implements strategies for new package development, assembly technology and materials to support the needs of new products of Customer for faster time to Market.

The Company's quality system is based on the International Standards such as ISO-9001, IATF 16949, ISO-14001.

SPEL's focused customer service continuously strives for improvement in Quality, Productivity, Delivery, Service and Cost.

### Quality focused culture towards Zero Defects

SPEL provides products and services of the highest quality through a "ZERO DEFECTS", preventive Quality culture. Our factory maintains world-class quality standards and have achieved IATF16949, ISO-9001, ISO-14001 and comply with the Sony Green Partner Program.

Now Government of India and Government of Tamilnadu have recognized this Industry as a thrust sector. The incentives offered by them are quite conducive for the proposed investment. The Projected financials with the investment of Rs.110 Crores is quite attractive and would serve the purpose of the targeted growth of the Company. Through this investment SPEL is confident of supporting the Government's Vision and Initiative in achieving the **Self-sustainability** within the Country.

The Key differentiators of the Company as against the new entrants in the field include:

- a) Eminent Board, Seasoned Management & Dedicated Workforce with engineering skills that include Package, Lead-frame design, Test development; Sound talent in Equipment Maintenance ensuring minimal vendor dependence
- b) Cost competitive turnkey service competing well with major APAC OSATs
- c) Well established presence in US Silicon Valley with diverse Customer base & Market network around the globe
- d) QMS such as IATF16949 & ISO14001 & ISO9001 in place; Quality systems & concepts well understood, implemented & practiced routinely. Mfg team has right aptitude, attitude & good communication skills.
- e) Qualified, Cost competitive & de-risked vendor base for critical Raw materials & Consumables
- f) STAR Export house with Green Channel status for imports; Geographically well connected

- g) Healthy working with all Statutory bodies & Government offices; Company owned land, Building with Clean room infrastructure, Abundant Power and Water with available open area for additional facility expansion and growth.
- h) Successful track record of CapEx loan repayment several times with various nationalized banks as well as with Customers.
- i) Established Customer base can absorb the additional capacity without the need for going through any special qualification procedures
- j) Majority of the funding would be allocated for investment in state of art plant & machinery that would augment the capacity 3x fold as the total incentive offered by both central and state government would be 75%.
- k) The Company has well established policies, procedures and Training systems in place and can take the new Employees On-Board with short span of time to meet the Capacity expansion requirements.
- l) The Company has sustained several industrial cycles including the Pandemic period proving the Robustness.
- m) Company enjoys the distinct competitiveness as against the new entrants coming in to Indian OSAT industry considering the learning curve and rigorous Customer audits and qualification cycle they need to get through which might take six to seven years.

The Company has obtained the Board approval towards the Rs.110 Crores project in Phase 1.

The Board has reviewed the project proposal and accorded approval for the Investment of Rs.110 Crores (Rs.100 Crores for Plant & Machinery and Rs.10 Crores towards working capital in 2 phases as mentioned below) by passing resolution as required. (Raising Rs.35 Crores debt fund in two phases)

Phase	Amount	GoI Subsidy	GoTN Subsidy	Bank
1a) Apr 2024	Rs.50 Crores (P&M) and Rs.5 Crores for WC	Rs.25 Crores	Rs.12.5 Crores	Rs.12.5 Crores (Loan) & Rs.5 Crores (WCL)
1b) Jul 2024	Rs.50 Crores (P&M) and Rs.5 Crores for WC	Rs.25 Crores	Rs.12.5 Crores	Rs.12.5 Crores (Loan) & Rs.5 Crores (WCL)

### Advanced turnkey packaging and test services

SPEL wants to add the below mentioned Advanced Packages in its product portfolio.

- a) Advanced QFN packages such as High Density, Flipchip QFN, stacked version and Double row.
- b) Power packages with Cu Clip attach, Exposed Pad packages, Multichip configuration
- c) Laminate packages with a wide variant.
- d) Wafer level packaging.

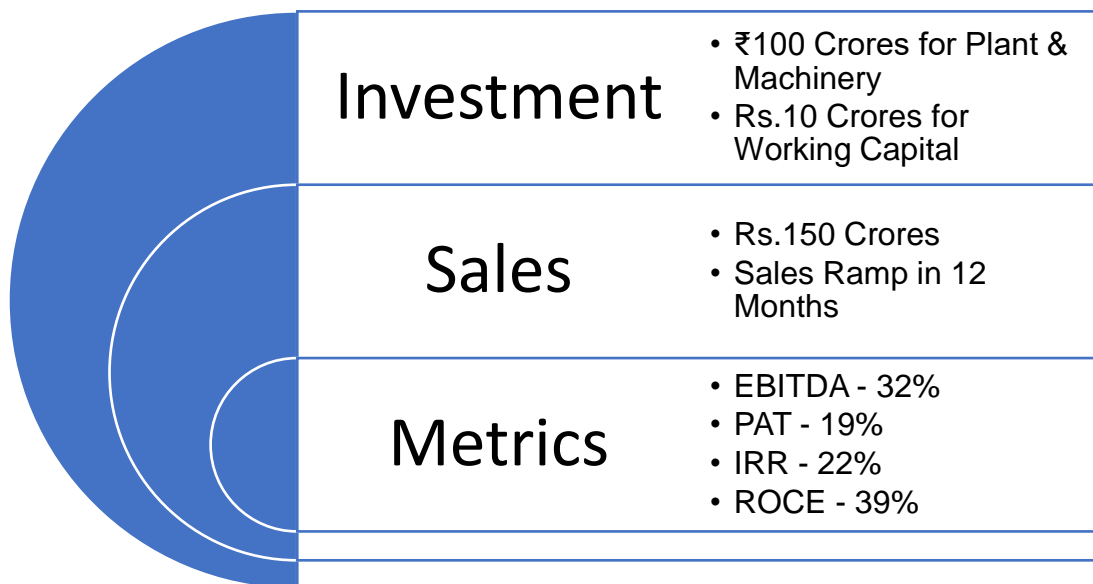
### Propelling towards Rs.1000 Crores Sales :

The Company has set forth ambitious expansion plans. With an investment of Rs.600Cr, the sales target is to exceed Annual sales of Rs.1000 Crores in about 5 years span of time. It is planned to achieve this by expanding Capacity and Capability in existing factory location as well as establishing 2<sup>nd</sup> Manufacturing facility within India as Greenfield unit with focus on Ball Grid Array Packages. The Company plans to raise funds through a combination of Debt and Equity for this investment. The Company is working with Financial Institutions towards finalizing financial closure for the proposed Rs.110 Crores immediate Investment plan in Phase 1.

**Project Plan:**

Location	Available	Regulatory
<ul style="list-style-type: none"><li>• SPEL Semiconductor Ltd, 5-CMDA Industrial area, M.M.Nagar Chennai 603209 India</li></ul>	<ul style="list-style-type: none"><li>• Land</li><li>• Building</li><li>• Water &amp; Power</li><li>• Clean Room</li><li>• investment on Plant &amp; Machine only</li></ul>	<ul style="list-style-type: none"><li>• Factory License</li><li>• Consent order from Pollution control board</li><li>• Electrical Inspectorate</li><li>• All license / permit in place</li></ul>

**Project Metrics : (Phase-1 – Rs.110 Crores Investment)**



**Project Timelines:**

