

SESL/BM-04/OUTCOME/2023-24

October 11, 2023

**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 held on October 11, 2023**

At the meeting held today i.e., 11th October, 2023 the Board of Directors, inter-alia, have approved the following businesses.

**1. Approval for divestment up to 100% stake in AMEX Alloys Private Limited (Wholly Owned Subsidiary Company)**

The proposal for sale of Equity investment in the Share Capital of AMEX Alloys Private Limited (Wholly Owned Subsidiary) was placed at the meeting for review and approval of the Board of Directors. In order to focus and strengthen its core business activities of the Company i.e. Solar Photovoltaic Modules Manufacturing, Distribution of Solar Panels and Balance of Systems in India and Abroad, Engineering, Procurement and Construction (EPC) of Solar Projects and Solar Power Generation (IPP), the Board has decided to sell the Equity Investment in the above wholly owned subsidiary as follows.

- ❖ Tranche 1: 90% shareholding - within sixty days from the date of Execution of Share Purchase Agreement.
- ❖ Tranche 2: 10% shareholding - on or before 31.3.2024

Pursuant to the provisions of Regulations 24 and 37A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 180 (1) (a) of the Companies Act, 2013, prior approval of shareholders of the Company shall be obtained for sale of any undertaking/dispose of shares in material subsidiary.

Accordingly, the Board has decided to obtain approval of shareholders through Postal Ballot for the above said business.

The disclosure requirements pertaining to the above business pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI's circular No.SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13.7.2023 is given in Annexure-A.

**2.Approval for Issuance of Postal Ballot Notice to the Shareholders regarding Material Related Party Transaction with SWELECT Clean Energy Private Limited (Subsidiary Company)**

SWELECT Clean Energy Private Limited (SCEPL) having its Registered Office at "SWELECT House", No.5, Sir P.S.Sivasamy Salai, Mylapore, Chennai - 600004, is a Subsidiary of SWELECT Energy Systems Limited and thus SCEPL is a related party within the meaning of Section 2(76) of the Companies Act 2013 ("Act"), and Regulation 2(1)(zb) of the SEBI (LODR) Regulations.

*Stay powerful when sun shines. And thereafter*

The above said Company was incorporated on 15.6.2023 to set up the Solar Power Plant under the Group Captive Generation Scheme and the construction of solar power plant by the said subsidiary is under process. SWELECT Energy Systems Limited has entered into transactions with SCEPL for Sale and Purchase of goods /materials (Sale of solar panels and its allied products) and services and Leasing of properties to the above company to aid the construction/operations of solar plants across Tamil Nadu. The aggregating value of the above said transactions is estimated at Rs.180 Crores which is considered as Material as per SEBI LODR Regulations and also exceeds the limits stated in the provisions of section 188 of the Companies Act, 2013 and the Board has decided to get approval of the shareholders through Postal Ballot.

3.The Board has also decided to get approval of shareholders through Postal Ballot process for increasing the remuneration of Mr. V.C. Raghunath and Ms. V.C. Mirunalini, Whole Time Directors.

The meeting commenced at 11:00 A.M. and ended at 12.30 P.M.

Kindly take note of the above compliance.

Thanking you,  
Yours faithfully,  
For SWELECT Energy Systems Limited

R. Chellappan  
Managing Director  
DIN:00016958

Enc.: as above

Annexure-A

S. 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 or undertaking or subsidiary or associate company of the listed entity during the last financial year;	The total income and net worth of AMEX Alloys Private Limited as on 31.3.2023 is Rs.121.89 Crore and Rs.32.90 Crore which contributed 31% and 4.30% respectively to the consolidated income and net worth of the Holding Company (SWELECT Energy Systems Limited).
2.	Date on which the agreement for sale has been entered into;	The Share Purchase Agreement has been executed today, i.e. on October 11, 2023 between SWELECT Energy Systems Limited ("the Seller"), AMEX Alloys Private Limited ("the Company") and DMW CNC Solutions India Private Limited ("the Purchaser") for approving the sale / transfer / disposal/divestment of 100% stake held by the Seller in the Company to the Purchaser in tranches, subject to approval of the Shareholders, completion of certain conditions precedent and other requisite approvals from statutory and regulatory authorities, if any.
3.	The expected date of completion of sale/disposal;	Tranche 1: 90% shareholding - within sixty days from the date of Execution of Share Purchase Agreement.  Tranche 2: 10% shareholding - on or before 31 <sup>st</sup> March, 2024.
4.	Consideration received from such sale/disposal;	The Enterprise Value for the proposed transaction is Rs. 110 Crore (+/- Agreed adjustments, if any) to be received in terms of the SPA executed between the Seller, Company and Purchaser and subject to approval of the Shareholders and consummation of the transaction.

5.	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof;	<p>DMW CNC SOLUTIONS INDIA PRIVATE LIMITED, Registered office: 89, Erode Main Road, Pichandampalayam Post, Perundurai, Erode, Tamil Nadu-638052.</p> <p>A leading supplier for many Original Equipment Manufacturers (OEMs) for their high precision machined components and the buyer is engaged in manufacturing and exporting a wide range of ferrous and non-ferrous precision machined components.</p> <p>The buyer is not related to Promoter/Promoter group/group companies.</p>
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	No
7.	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	<p>The proposed transaction is sale of equity investment in wholly owned subsidiary.</p> <p><b>Compliance under Regulation 37A:</b></p> <p>i). The above transaction will take place after approval of shareholders by passing a Special Resolution through Postal Ballot.</p> <p>ii). The other provisions of the above said regulation will be complied.</p>
8.	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

R. Chellappan  
Managing Director  
DIN:00016958