

SWELECT ENERGY SYSTEMS LIMITED

Registered Office: "SWELECT House", No.5, Sir P.S. Sivasamy Salai,
Mylapore, Chennai – 600 004

Tel: +91 44 24993266, Fax: +91 44 24995179

Website: www.swelectes.com; Email: cg.ird@swelectes.com

CIN: L93090TN1994PLC028578

NOTICE OF THE TWENTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY SIXTH Annual General Meeting (AGM) of the members of SWELECT ENERGY SYSTEMS LIMITED will be held on Monday the 26th July 2021 at 3.30 P.M. IST through Video Conferencing (VC) facility or Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of the audited financial statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and Auditors, be and are hereby considered and adopted.

RESOLVED FURTHER THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the report of the Auditors be and are hereby considered and adopted.

2. Declaration of Final Dividend

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT a final dividend of Rs.3/- (Rupees Three Only) per equity share [i.e.30% on the paid up equity share capital of Rs.15,15,87,600/- (Rupees Fifteen Crore Fifteen Lakh Eighty Seven Thousand Six Hundred Only)] of the Company as recommended by the Board of Directors be and is hereby declared and that the same be paid to those shareholders, in case of shares held in physical form, whose names appear on the Register of Members as of the close of business hours on 19th July 2021 and in case of shares held in dematerialized form to the beneficiaries as of the close of business hours on 19th July 2021 as per the details furnished by the depositories for this purpose.

3. Appointment of Mr. K. V. Nachiappan as a Director of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. K. V. Nachiappan (DIN: 00017182), whose period of office is liable to determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company.

4. Appointment of Mrs. V. C. Mirunalini as a Director of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Mrs. V. C. Mirunalini (DIN: 07860175), whose period of office is liable to determination by retirement of Directors by rotation and who has offered herself for re-appointment be and is hereby re-appointed as a Director of the Company.

SPECIAL BUSINESS:

5. Re-appointment of Mr. Gnanasekar Sukumar Samuel (DIN: 05284689) as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Gnanasekar Sukumar Samuel (DIN: 05284689), who holds office of Independent Director up to 27th July 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from Mr. Gnanasekar Sukumar Samuel, signifying his intention to propose himself as a candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of four consecutive years commencing from 28th July 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

6. Re-appointment of Mr. Sundaram Annadurai (DIN: 00137561) as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Sundaram Annadurai (DIN: 00137561), who holds office of Independent Director up to 27th June 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from Mr. Sundaram Annadurai, signifying his intention to propose himself as a candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 28th June 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

7. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) and amendment(s) thereto or re-enactments thereof for the time being in force) the remuneration of Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousand Only) plus applicable tax and out of pocket expenses in connection with the Audit payable to M/s. Ravichandran Bhagyalakshmi & Associates, (Firm Registration No.001253), Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31.03.2022 as approved by the Board be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. Approval for the borrowing powers of the company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013, ('Act') and all other applicable provisions, if any, of the Act, as amended from time to time, and the Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors or Committee of the Board of Directors (hereinafter referred to as "the Board") to borrow from time to time any sum or sums of money as may be required for the purpose of the business of the Company on such terms and conditions and with or without the security as the Board may think fit, from any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed an amount of Rs.400 crores (Rupees Four Hundred Crores only) and that the Board be and is hereby empowered and authorised to decide on the terms and conditions in relation to such borrowings from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/ agreements as may be required and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper and to settle any question, difficulty or doubt that may arise in respect of the borrowing(s) aforesaid.

9. Authorisation to create charge on properties of the Company, both present and future

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 ('Act') and other applicable provisions, if any, of the Act, as amended from time to time, and the Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors or Committee of the Board of Directors (hereinafter referred to as the "Board") to create charge, pledge, mortgage and hypothecate in addition to existing charge, pledge, mortgage and hypothecations already created by the Company, in such form, manner, ranking and at such time and on such terms and conditions as the Board may deem fit in the interest of the Company, on all or any of the immovable and/ or movable properties of the Company, both present and future, and / or any other assets or properties, either tangible or intangible, of the Company and / or the whole or any part of the undertaking(s) in favour of the Lender(s) for securing the borrowing availed or to be availed by the Company by way of loan, subject to the limits approved by the members under Section 180 (1) (c) of the Act together with the interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s) or any other document, entered into/to be entered into between the Company and the Lender(s) in respect of the said loan(s)/borrowing(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings / agreements as may be required and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper and to settle any question, difficulty or doubt that may arise in respect of creating mortgages / charges as aforesaid.

10. Approval for giving loan or guarantee or providing security under Section 185 of the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the

Company (hereinafter referred to as the “Board”, which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested (collectively referred to as the “Entities”), up to a sum not exceeding Rs.200 Crores [Rupees Two Hundred Crores Only] at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company.”

“RESOLVED FURTHER THAT the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/undertakings/agreements/papers/writings for giving effect to this Resolution.”

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED

Sd/-

Chennai
14th June 2021

R. Sathishkumar
Company Secretary

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 02/2021 dated January 13, 2021, permitted companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), in accordance with the requirements provided in the MCA General Circular No.20/2020. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 26th AGM of the Company is being convened and conducted through VC or OAVM. The deemed venue for the 26th AGM will be “SWELECT HOUSE”, No.5, Sir P.S.Sivasamy Salai, Mylapore, Chennai - 600 004.
2. The Company has enabled the Members to participate at the 26th AGM through the VC facility provided by Central Depository Services (India) Limited (CDSL). The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. As per the provisions under the MCA Circulars, Members attending the 26th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the instruction for Electronic Voting. Such remote e-voting facility is in addition to voting that will take place at the 26th AGM being held through VC.
5. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be eligible to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
6. The 26th AGM of the Company is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 26th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Corporate Members are required to access the link www.evotingindia.com and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC.

8. The Register of Members and Share Transfer Books of the Company will remain closed from 20th July 2021 to 26th July 2021 both days inclusive, for determining the name of Members eligible for payment of dividend on equity shares and AGM.
9. In line with the MCA Circulars, the notice of the 26th AGM along with the Annual Report 2020-2021 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2020-2021 will also be available on the Company's website at <https://www.swelectes.com/investors/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com.
10. Members holding shares in physical mode and who have not yet registered their e-mail addresses are requested to access the following web link <https://investors.cameoindia.com> for registering their e-mail addresses to receive the notice and reports. Members holding shares in electronic mode are requested to update their email id with the Depository Participants ('DPs') where they hold their Demat account.
11. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 26th AGM. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special businesses to be transacted at the 26th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. July 26, 2021. Members seeking to inspect such documents can send an email to cg.ird@swelectes.com.
12. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR, IFSC Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
13. Members who are holding shares in physical form are advised to submit a request letter with particulars of their Name, Folio Number, bank account, viz. name and address of the branch of the bank, MICR and IFSC code of the branch, type of account and account number along with copy of cancelled cheque leaf, self attested Aadhar and self attested PAN to our Registrar and Share Transfer Agent, Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai - 600 002, murali@cameoindia.com and investor@cameoindia.com. Ph: 91- 44-28460390.
14. The dividend on Equity shares, if declared at the ensuing Annual General Meeting, will be paid on August 4, 2021 (Dividend payment date) to those Members whose names appear on the Company's Register of Members on 19th July 2021 and as per the data provided by the depositories NSDL and CDSL as on 19th July 2021.
15. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. April 1, 2020 where the dividend value exceeds Rs.5,000/- (Rupees Five Thousand Only) in a financial year and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their DPs or in case shares are held in physical form with the Company / Registrar by sending documents through email.
16. The Members holding shares in Physical or Electronic mode may also upload the scan copy of Form 15G/15H by accessing the web link of our Registrar & Transfer Agent <https://investors.cameoindia.com> to get exemption from the deduction of tax.
17. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government.

In terms of the IEPF Rules, on 25.09.2020, the Company has transferred Rs.1,94,128/- (Rupees One Lakh Ninety Four Thousand One Hundred Twenty Eight Only) towards unpaid / unclaimed dividend amount in respect of final dividend declared for the financial year 2012-13 to the Investor Education and Protection Fund (IEPF).

As per provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The summary of shares transferred to Investor Education and Protection Fund Authority vide Corporate Action is furnished below:

Based on Dividend declared for the Financial Year	No. of shares transferred	Date of Corporate Action
2008-2009	5170	04-12-2017
2009-2010	5820	15-06-2018
2010-2011	450	08-10-2018
Allotment of Bonus shares (1:2) on account of shares already transferred to IEPF was made on 26.8.2019	5720	29-08-2019
2011-2012	NIL	NA
2012-2013	3125	07.10.2020
Total	20285	

However, the Shareholders may approach the Nodal Officer of the Company to claim the above unclaimed Dividend amount and Shares which were transferred to IEPF Authority. The Contact details of the Nodal officer are furnished in the website of the Company under Investors' page.

In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the financial year ended 31.03.2020, on the website of IEPF viz. www.iepf.gov.in and under "Investors" section on the website of the Company.

The summary of the unpaid dividend for the past years and the dates on which the outstanding amount shall be transferred to Investor Education and Protection Fund are given in the table below.

Year	Type of Dividend	Dividend per Share Rs.	Date of declaration	Due date for transfer to IEPF	Unclaimed Amount Rs. (As on 31.03.2021)
2013-2014	Final	9.00	28.07.2014	01.09.2021	2,43,099.00
2014-2015	Final	2.50	29.07.2015	05.09.2022	77,625.00
2015-2016	Interim	3.00	14.03.2016	19.04.2023	95,472.00
2015-2016	Final	1.00	28.07.2016	02.09.2023	41,235.00
2016-2017	Final	4.00	11.08.2017	16.09.2024	1,76,500.00
2017-2018	Final	4.00	09.08.2018	07.09.2025	99,412.00
2018-2019	Final	2.50	09.08.2019	14.09.2026	61,372.50
2019-2020	Unclaimed amount on sale of fraction shares (Distributed Rs.57.17 per share out of consideration arising on sale of 3960 fraction shares) arising out of allotment of Bonus shares made on 26.8.2019			20.11.2026	1,372.08
2019-2020	Interim	1.25	15.02.2020	16.03.2027	2,10,817.50
2019-2020	Final	0.75	10.09.2020	23.10.2027	78,999.50

18. Members who have not claimed their dividend for the financial year 2013-2014 and/or any subsequent years are requested to write to the Company giving necessary details along with claimant's proof of identity and address. In this connection the Company has placed the names of such persons who has not claimed dividend since 2013-2014 in the website of the company and the shareholders can view the details at www.swelectes.com under investors' page.
19. In case of any queries regarding the Annual Report, the Members may write to investor@cameoindia.com or cg.ird@swelectes.com to receive an email response.
20. As the 26th AGM is being held through VC, the route map is not annexed to this Notice.

Annexure to Notice

Explanatory statement pursuant to section 102 of the Companies Act, 2013.

The following statement sets out the material facts relating to special businesses mentioned in the accompanying Notice and shall be taken as forming part of the notice.

Item No. 5

Mr. Gnanasekar Sukumar Samuel (DIN: 05284689) was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 28th July, 2016 to hold office upto 27th July, 2021 ("first term" as per Section 149(10) and 149(11) of the Act).

The Nomination & Remuneration Committee at its Meeting held on 12.06.2021 after taking into account the performance evaluation of Mr. Gnanasekar Sukumar Samuel, during his first term of five years and considering the knowledge, acumen, expertise and experience in the respective fields and the substantial contribution made by the Director during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of Mr. Gnanasekar Sukumar Samuel as an Independent Director would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board recommended the re-appointment of Mr. Gnanasekar Sukumar Samuel as an Independent Director on the Board of the Company, to hold office for the second term of four consecutive years commencing from 28th July 2021 and not liable to retire by rotation. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from Mr. Gnanasekar Sukumar Samuel proposing himself as a candidature for the office of Independent Director.

Brief profile of the above Independent Director together with details including the shareholding, have been given in the attached annexure.

Mr. Gnanasekar Sukumar Samuel has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Gnanasekar Sukumar Samuel fulfils the conditions specified in the Act for his appointment as an Independent Director. The Company has also received from Mr. Gnanasekar Sukumar Samuel (i) the consent in writing to act as Director and (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013. (iii) a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of Mr. Gnanasekar Sukumar Samuel as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website www.swelectes.com.

This item being special business, is unavoidable in nature and the Board recommends the Special Resolution for re-appointment of the Independent Director at item no.5 as a Special Resolution of this notice for the approval of the members. Mr. Gnanasekar Sukumar Samuel is concerned or interested in the resolution of the accompanying notice relating to his own appointment. None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolution at item no.5

Summary of the performance evaluation report of the Independent Director

(Pursuant to Clause 1.2.5 of the Secretarial Standard-2 issued by the Institute of Company Secretary of India.)

The performance evaluation of Independent Director **Mr. Gnanasekar Sukumar Samuel (DIN: 05284689)** was done by the entire Board of Directors, excluding the director being evaluated and the Board expressed a positive evaluation as detailed below:

Preparation/ Involvement: Actively participated with good preparation constructively in all Board and Committee Meetings held during the year. The Director is familiar with the Company's Policies, Values & Beliefs and Code of Conduct.

Knowledge: Familiar with the Corporate Governance framework, Financial Reporting and issues which are impacting the organization.

Conduct: Team participant and listens to others' views and seeks clarifications from management and is open, impartial, sincere and taking account the interest of all stakeholders in decision making.

Contribution: Effectively communicates views and concerns and brings out a perspective and judgement to discussions. Innovative and engages with Senior Management during Meeting and informal discussions.

Independence: Independent from the entity and directors, also exercises his own judgement and voices freely.

Leadership and ability to conduct the meetings - Chairman of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Forex Management Committee : Open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion and conduct the meetings effectively.

Impartiality: impartial in conducting discussions, seeking views and dealing with dissent

Commitment and ability to keep the interests of shareholders in mind: Committed to the Board and Committee meetings and able to keep the interest of the shareholders in mind while taking decisions.

Item No. 6

Mr. Sundaram Annadurai (DIN: 00137561) was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 11th August 2017 to hold office upto 27th June 2022 ("first term" as per Section 149(10) and 149(11) of the Act).

The Nomination & Remuneration Committee at its Meeting held on 12.06.2021 after taking into account the performance evaluation of Mr. Sundaram Annadurai, during his first term of five years and considering the knowledge, acumen, expertise and experience in the respective fields and the substantial contribution made by the Director during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of Mr. Sundaram Annadurai as an Independent Director would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board recommended the re-appointment of Mr. Sundaram Annadurai as an Independent Director on the Board of the Company, to hold office for the second term of Five consecutive years commencing from 28th June 2022 and not liable to retire by rotation. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from Mr. Sundaram Annadurai proposing himself as a candidature for the office of Independent Director.

Brief profile of the above Independent Director together with details including the shareholding, have been given in the attached annexure.

Mr. Sundaram Annadurai has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Sundaram Annadurai fulfils the conditions specified in the Act for his appointment as an Independent Director. The Company has also received from Mr. Sundaram Annadurai (i) the consent in writing to act as Director and (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013. (iii) a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of Mr. Sundaram Annadurai as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website www.swelectes.com.

This item being special business, is unavoidable in nature and the Board recommends the Special Resolution for re-appointment of the Independent Director at item no.6 as a Special Resolution of this notice for the approval of the members. Mr. Sundaram Annadurai is concerned or interested in the resolution of the accompanying notice relating to his own appointment. None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolution at item no.6.

Summary of the performance evaluation report of the Independent Director

(Pursuant to Clause 1.2.5 of the Secretarial Standard-2 issued by the Institute of Company Secretary of India.)

The performance evaluation of Independent Director **Mr. Sundaram Annadurai (DIN: 00137561)** was done by the entire Board of Directors, excluding the director being evaluated and the Board expressed a positive evaluation as detailed below:

Preparation/ Involvement: Actively participated with good preparation constructively in all Board and Committee Meetings held during the year. The Director is familiar with the Company's Policies, Values & Beliefs and Code of Conduct.

Knowledge: Familiar with the Corporate Governance framework, Financial Reporting and issues which are impacting the organization.

Conduct: Team participant and listens to others' views and seeks clarifications from management and is open, impartial, sincere and taking account the interest of all stakeholders in decision making.

Contribution: Effectively communicates views and concerns and brings out a perspective and judgement to discussions. Innovative and engages with Senior Management during Meeting and informal discussions.

Independence: Independent from the entity and directors, also exercises his own judgement and voices freely.

Leadership and ability to conduct the meetings - Chairman of the Board and Corporate Social Responsibility Committee: Open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion and conduct the meetings effectively.

Impartiality: impartial in conducting discussions, seeking views and dealing with dissent

Commitment and ability to keep the interests of shareholders in mind: Committed to the Board and Committee meetings and able to keep the interest of the shareholders in mind while taking decisions.

Item No.7

On the recommendation of the Audit Committee, the Board, at its meeting held on 14.6.2021, appointed M/s. Ravichandran Bhagyalakshmi & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022. The Board also approved the remuneration of Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousands Only) plus out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

No Director, Key Managerial Personnel or their relatives, is interested or concerned in the resolution.

This item being special business, is unavoidable in nature and the Board recommends the resolution set forth in Item No.7 of the Notice for the approval of the members.

Item No. 8 and 9

As per the provisions of Section 180 of the Companies Act, 2013, approval of Members of the company by way of a Special Resolution is required to borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company banker's in the ordinary course of business) and to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. The Company secures the money borrowed by it by creating charge/lien/mortgage on the properties of the Company, which may be deemed to be sale/lease as per the provisions of Section 180 of the Companies Act, 2013. The existing borrowing powers upto Rs.300.00 crores as approved at the Annual General Meeting held on 9th August 2018, is not sufficient to meet the present financial requirements for the proposed expansion and upgradation programmes of the Company.

In view of the above, the resolutions under Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 by way of special resolution are set out at item no. 8 and 9 authorising the Board or Committee thereof to borrow and to create charge, pledge, mortgage etc., on the assets of the Company for securing the borrowings, provided that the total amount that may be borrowed by the Board shall not at any time exceed Rs.400.00 Crore (Rupees Four Hundred Crores only).

No director, key managerial personnel or their relatives, is interested or concerned in the resolution.

This item being special business, is unavoidable in nature and the Board recommends the resolution set forth in Item No(s). 8 and 9 of the Notice for the approval of the members.

Item No.10

The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan to such Entities.

The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for

the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

No director, key managerial personnel or their relatives, is interested or concerned in the resolutions.

This item being special business, is unavoidable in nature and the Board recommends the resolution set forth in Item No.10 of the Notice for the approval of the members.

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED

Sd/-

Chennai
14th June 2021

R. Sathishkumar
Company Secretary