

## **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](http://www.swelectes.com); Email: [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com)

CIN: L93090TN1994PLC028578

### **NOTICE OF THE TWENTY EIGHTH ANNUAL GENERAL MEETING**

Notice is hereby given that the **TWENTY EIGHTH Annual General Meeting** (AGM) of the members of **SWELECT ENERGY SYSTEMS LIMITED** will be held on Wednesday the 26<sup>th</sup> July 2023 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, 2023, 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, 2023 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, 2023 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.1.20 (One Rupee and Paise Twenty Only) per equity share on the paid up equity share capital of the Company, as recommended by the Board of Directors be and is hereby declared and the same be paid to the shareholders, who holds shares as on 19<sup>th</sup> July 2023.

- 3. Appointment of Mr. A. Balan (DIN: 00017091) as a Director of the Company**

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

**RESOLVED THAT** Mr. A. Balan (DIN: 00017091), 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 Ms. V. C. Mirunalini (DIN: 07860175) as a Director of the Company**

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

**RESOLVED THAT** Ms. 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. Continuation of Directorship of Mr. S. Annadurai (DIN: 00137561) as an Independent Director who is attaining age of 75 years**

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

**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any amendments thereto or reenactment thereof, for the time being in force) (hereinafter collectively referred to as the "Applicable Laws") consent of the members be and is hereby accorded to the continuation of Mr. S. Annadurai (DIN: 00137561) as an Independent Director of the Company who will attain age of 75 years on 31<sup>st</sup> July 2024, during his second term as an Independent Director of the Company.

**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 severally 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 Dr. S. Iniyan (DIN: 08355447) 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, Dr. S. Iniyan (DIN: 08355447), who holds office of Independent Director up to 31<sup>st</sup> March 2024 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 Dr. S. Iniyan, 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 1<sup>st</sup> April 2024.

**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 severally 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. 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.600 Crores [Rupees Six Hundred Crores Only] at any point of 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 severally 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.

**8. Approval for increasing the limit with respect to providing loan, guarantee and security and investment under section 186 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 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate in excess of limits prescribed from time to time to the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.1000 Crores (Rupees One Thousand Crores Only) outstanding at any time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, Directors and Company Secretary of the Company, be and are hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

#### 9. 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 31.03.2024 as approved by the Board be and is hereby ratified.

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

By Order of the Board  
For SWELECT ENERGY SYSTEMS LIMITED

Sd/-

Chennai  
29<sup>th</sup> May 2023

R. Sathishkumar  
Company Secretary

#### NOTES:

1. The Ministry of Corporate Affairs (MCA) has permitted companies, vide General Circular No.10/2022 dated 28<sup>th</sup> December 2022 and SEBI circular dated 5<sup>th</sup> January, 2023, to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-visual Means (OAVM) In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 28<sup>th</sup> AGM of the Company is being convened and conducted through VC or OAVM. The deemed venue for the 28<sup>th</sup> 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 28<sup>th</sup> AGM through VC facility provided by Central Depository Services (India) Limited (CDSL). The instructions for participation by Members are given in the INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING which is annexed in this notice. 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 28<sup>th</sup> 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 28<sup>th</sup> 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 28<sup>th</sup> 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 28<sup>th</sup> 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](http://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 20<sup>th</sup> July 2023 to 26<sup>th</sup> July 2023 both days inclusive, for determining the name of Members eligible for payment of dividend on equity shares and attending AGM.
9. In line with the MCA Circulars, the notice of the 28<sup>th</sup> AGM along with the Annual Report 2022-2023 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please be noted that this Notice and Annual Report 2022-2023 will also be made available on the Company's website link 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). However, as per circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13.5.2022 issued by SEBI the Company shall send hard copy of full Annual Report to those shareholders who request for the same.
10. **a) Mandatory furnishing of PAN, KYC and Nomination by holders of physical securities:**

Holders of physical securities shall furnish the PAN, KYC, Bank account and Nomination details with the RTA as per the Forms ISR-1, ISR-3 / ISR-13 provided in the Company's website link <https://swelectes.com/wp-content/uploads/2023/05/FORMS-TO-UPDATE-INVESTORS-DETAILS-1.pdf>

Registrar and share transfer agents (RTA):

M/s. Cameo Corporate Services Limited

"Subramanian Building", No.1, Club House Road, Chennai – 600 002.

Email: [investor@cameoindia.com](mailto:investor@cameoindia.com) Tel: 044-28460390

If the above details are not furnished, the folios of the shareholders shall be frozen by the Company's RTA on or after October 01, 2023. The securities in the frozen folios shall be a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid. b) eligible for any payment including dividend, interest or redemption payment shall be made electronically upon complying with the above requirements. c) referred by the RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. The RTA shall revert the frozen folios to normal status upon receipt of all the aforesaid documents.

**b) Compulsory linking of PAN and Aadhaar by all Investors:**

The investors whose PANs are not linked with Aadhaar numbers, as notified by Central Board of Direct Taxes, and Securities and Exchange Board of India shall also be frozen by the RTA.

The requirement of existing investors to link their PAN with their Aadhaar number is not applicable for Non-Resident Indians (NRI), Overseas Citizens of India (OCI) unless the same is specifically mandated by Central Board of Direct Taxes (CBDT), Ministry of Finance / any other Competent Government authority.

11. The Register of Directors and Key Managerial Personnel and their share holding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be made available for inspection by the Members electronically during the 28<sup>th</sup> AGM. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special businesses to be transacted at the 28<sup>th</sup> 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, 2023. Members seeking to inspect such documents can send an email to [cg.ird@swelectes.com](mailto: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. The Board of Directors of the Company ('the Board') at the Meeting held on 29<sup>th</sup> May, 2023, have recommended Final Dividend of Rs.1.20 per Equity Share for the financial year ended 31<sup>st</sup> March, 2023, subject to declaration of the same by the Members at the ensuing 28<sup>th</sup> Annual General Meeting of the Company and such Dividend, if declared, will be paid on 10<sup>th</sup> August, 2023 to those Members whose names appear on the Company's Register of Members as on 19<sup>th</sup> July 2023 and as per the data provided by the depositories NSDL and CDSL as on 19<sup>th</sup> July 2023.
14. Pursuant to the Income-tax Act, 1961, dividend income, is taxable in the hands of the shareholders, and the Company will be deducting tax at source (TDS), as applicable, from the dividend amount payable to you.

#### **I. Resident Shareholders**

TDS will be deducted @ 10% on the amount of dividend payable where a valid Permanent Account Number (PAN) has been furnished by the resident shareholders to their respective Depository Participants (in case shares are held in dematerialised form) or to the RTA of the Company (in case shares are held in certificate form).

TDS will be deducted @ 20% i.e. at twice the applicable rate on the amount of dividend payable where the resident shareholders:

- (i) have not furnished valid PAN; or
- (ii) have not linked PAN with their Aadhaar, where applicable. or
- (iii) are considered to be 'Specified Person' under Section 206AB of the Income Tax Act, 1961.

Shareholders who are yet to furnish their PAN to their respective Depository Participants / RTA are therefore requested to do so immediately.

No TDS, however, will be deducted from dividend payable to:

#### **Individual Shareholders, if:-**

- the amount of dividend payable by the Company during a financial year in the aggregate does not exceed Rs. 5,000/- , or
- their income is below the taxable limit and declaration is received by the Company from the shareholders in Form 15G (for individuals up to age of 60 years) or in Form 15H (for individuals above the age of 60 years).

#### **II. Non-Resident Shareholders**

TDS will be deducted @ 20% (plus applicable surcharge and cess) or the Tax Treaty Rate, whichever is lower, on the amount of dividend payable to Foreign Portfolio Investors, Foreign Institutional Investors and other non-resident shareholders.

For availing the benefit of Tax Treaty Rate, the shareholders will be required to submit necessary documents to the Company complete in all respects.

#### **III. General instructions / information**

- (1) Submission of Tax Exemption Forms / documents for availing the benefit of Tax Treaty Rate, as applicable, by 20<sup>th</sup> July, 2023
  - (i) The Tax Exemption Forms from resident shareholders and Forms & Documents from non-resident shareholders for availing the benefit of Tax Treaty Rate, as stated above, may be sent to Company on or before 20<sup>th</sup> July 2023 through e-mail at [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com) /by post / courier at SWELECT HOUSE, No.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai – 600 004 within the stipulated time period.
  - (ii) The consideration of the aforesaid documents, including application of beneficial Tax Treaty Rate, where applicable, will depend on the adequacy and completeness of such documents submitted by the shareholders and review of the same to the satisfaction of the Company.  
  
Documents received after 20<sup>th</sup> July, 2023 and / or incomplete documents will not be considered.
  - (iii) In the event the benefit of lower tax on dividend cannot be provided by the Company due to non-receipt / late receipt of the Tax Exemption Forms or the Forms & Documents, shareholders will still have an option to claim appropriate refund, if eligible, at the time of filing their income tax returns. No claim shall lie against the Company for taxes once deducted.



- (iv) In the event the dividend income as on the Record Date, i.e. 19<sup>th</sup> July 2023 is assessable to tax in the hands of a person other than the registered shareholder (viz., the shares are held by a clearing member, broker etc. on behalf of the actual beneficial owner), such registered shareholder (i.e. the said clearing member, broker etc.) is required to furnish to the Company on or before 20<sup>th</sup> July, 2023, a declaration containing the name, address, residential status and PAN of the actual beneficial owner to whom TDS credit is to be given, and reasons for giving credit to such person. No request in this regard will be considered by the Company after 20<sup>th</sup> July, 2023.
15. 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.
16. Pursuant to Sections 124 and 125 of the Companies Act, 2013, all dividends which remain unclaimed and unpaid for a period of seven years from the date they became due for payment were required to be transferred to the Investor Education and Protection Fund established by the Central Government.

In terms of the IEPF Rules, the Company has transferred the following unclaimed dividend amount to the Investor Education and Protection Fund (IEPF)

Date of transfer to IEPF	Dividend for the Financial Year	Nature of Dividend	Amount transferred (Rs.)
27 <sup>th</sup> September 2022	2014-2015	Final	73,348/-
27 <sup>th</sup> April 2023	2015-2016	Interim	93,420/-

Pursuant to Rule 5 of (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has also uploaded the information in respect of unclaimed dividends as on the date of the financial year ended 31.03.2022, on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under the "Investors" section on the website of the Company.

As per the 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 Company has sent out individual communication to the shareholders whose dividend remains unclaimed for seven consecutive years and published an advertisement in the newspapers, inviting such shareholders to claim their dividend. Since there were no communication received from the Shareholders, the Company had transferred 702 Equity Shares to the Investor Education and Protection Fund Authority vide Corporate Action on 04.10.2022 pertaining to dividend declared for the financial year 2014-15. The Company had also transferred 1100 Equity Shares to the Investor Education and Protection Fund Authority vide Corporate Action on 17.05.2023 pertaining to Interim dividend declared for the financial year 2015-16.

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

The Members who have not claimed their Final dividend so far for the financial year 2015-2016 or any subsequent financial years are requested to lodge their claims with the Company. The due date for transfer of the unclaimed Final dividend for the financial year 2015-16 is 2<sup>nd</sup> September 2023. Members who have not claimed their dividend are requested to write to the company and claim their dividend, before the due date.

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

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	5720	29-08-2019
2011-2012	NIL	NA

2012-2013	3125	07.10.2020
2013-2014	1861	12.10.2021
2014-2015	702	04.10.2022
2015-2016 (Interim Dividend)	1100	17.05.2023
<b>Total</b>	<b>23948</b>	

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 31.03.2023)
2015-2016	Final	1.00	28.07.2016	02.09.2023	41,017.00
2016-2017	Final	4.00	11.08.2017	15.09.2024	1,74,108.00
2017-2018	Final	4.00	09.08.2018	13.09.2025	96,980.00
2018-2019	Final	2.50	09.08.2019	13.09.2026	60,502.50
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			19.11.2026	1,257.74
2019-2020	Interim	1.25	15.02.2020	22.03.2027	1,55,125.00
2019-2020	Final	0.75	10.09.2020	16.10.2027	78,075.50
2020-2021	Final	3.00	26.07.2021	31.08.2028	96,663.00
2021-2022	Final	3.00	28.07.2022	31.08.2029	1,03,449.00

17. Members who have not claimed their dividend for the financial year 2015-2016 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 have not claimed dividend since 2015-2016 in the website of the company and the shareholders can view the details at [www.swelectes.com](http://www.swelectes.com) under investors' page.
18. In case of any queries regarding the Annual Report, the Members may write to [investor@cameoindia.com](mailto:investor@cameoindia.com) or [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com) to receive an email response.
19. As the 28<sup>th</sup> 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 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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. S. Annadurai (DIN:00137561) was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rule 2014, by the shareholders at the Annual General Meeting held on 11th August 2017 for a first term of five years up to 27<sup>th</sup> June 2022 and thereafter for a second term of five years upto 27<sup>th</sup> June 2027 at the Annual General Meeting held on 26<sup>th</sup> July 2021.

Mr.S. Annadurai, Independent director will attain the age of seventy five years on 31<sup>st</sup> July 2024. The Nomination and Remuneration Committee and the Board recognised his valuable contribution to the growth of the Company and recommended to continue to hold office of Independent Director of the company till this current tenure of appointment which ends on 27<sup>th</sup> June 2027.

In view of the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, consent of the Members is required by way of a Special Resolution for the continuation of Mr. S. Annadurai, as an Non- Executive Independent Director from 31<sup>st</sup> July 2024 to 27<sup>th</sup> June 2027.

Mr.S. Annadurai is concerned or interested in the resolution of the accompanying notice and none of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolution at item no.5.

Accordingly, the Board of directors have recommended a special resolution for approval of members.

A brief profile of Mr. S. Annadurai as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, is given in the Annexure to this Explanatory Statement.

#### **Item No. 6**

Dr. S. Iniyan (DIN: 08355447) 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 9<sup>th</sup> August 2019 to hold office upto 31<sup>st</sup> March 2024 ("first term" as per Section 149(10) and 149(11) of the Act).

The Nomination & Remuneration Committee at its Meeting held on 27.05.2023, after taking into account the performance evaluation of Dr. S. Iniyan , during his first term of five years and considered 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.

Based on the above, the Nomination & Remuneration Committee and the Board recommended the re-appointment of Dr. S. Iniyan as an Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from 1<sup>st</sup> April 2024 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 Dr. S. Iniyan proposing himself as a candidature for the office of Independent Director.

Dr. S. Iniyan 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 Dr. S. Iniyan fulfils the conditions specified in the Act for his appointment as an Independent Director. The Company has also received from Dr. S. Iniyan (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 Dr. S. Iniyan 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](http://www.swelectes.com).



This item being special business, is unavoidable in nature and the Board recommends for re-appointment of the Independent Director at item no.6 as a Special Resolution of this notice for the approval of the members. Dr. S. Iniyan 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.

A brief profile of Dr. S. Iniyan as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, is given in the Annexure to this Explanatory Statement.

**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 Dr. S. Iniyan (DIN: 08355447) 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 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.

**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 meetings and able to keep the interest of the shareholders in mind while taking decisions.

**Item No. 7**

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.

Considering the increase in number of subsidiaries for executing the solar power projects, the existing limit of Rs.400/- Crores approved by the Shareholders at the AGM held on 28.07.2022 for the above support is insufficient and hence it is proposed to increase the limit to Rs.600 Crores.

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.

None of the directors/key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 7 of the notice

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

#### **Item No.8**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required. Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the approval of Members by a special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to seek approval under Section 186 of the Companies Act, 2013, by way of a special resolution, up to a limit of Rs.1000 Crores, as proposed in the Notice. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.8 for approval by the members of the Company.

The overall limit mentioned in Item 7 & 8 shall not exceed Rs.1000 crores at any point of time.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 8 of the accompanying notice. The Board recommends the resolution at Item no.8 to be passed as a Special Resolution.

#### **Item No.9**

On the recommendation of the Audit Committee, the Board, at its meeting held on 29.05.2023, 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, 2024. The Board also approved the remuneration of Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousand Only) plus out of pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 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.

None of the directors/key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 9 of the notice.

The Board recommends the ordinary resolution set forth in Item No.9 of the Notice for the approval of the members.

By Order of the Board  
For SWELECT ENERGY SYSTEMS LIMITED

Sd/-

Chennai  
29<sup>th</sup> May 2023

R. Sathishkumar  
Company Secretary