

June 3, 2024

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: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - order of the Hon'ble National Company Law Tribunal, (NCLT) Chennai Bench dated 31.05.2024

We wish to inform that today we received an email communication from our Legal Counsel regarding approval of the Scheme of Amalgamation of SWELECT Solar Energy Private Limited (Transferor Company 1) and K J Solar Systems Private Limited (Transferor Company 2) with SWELECT Energy Systems Limited (Transferee Company), with a copy of order dated 31st May 2024 pronounced by The Hon'ble National Company Law Tribunal, (NCLT) Chennai Bench.

The Appointed Date of the Scheme is April 01, 2022. A copy of the Order is available on the NCLT website, and the same will also be made available on the Company's website (www.swelectes.com).

This is to further inform that as the Scheme involves merger of wholly-owned subsidiary companies with the Company, and no fresh equity share shall be issued by the Company in terms of the Scheme, there would be no effect on the Issued, Paid-up and subscribed Capital of the Company.

The Certified copy of the order will be issued by The Hon'ble National Company Law Tribunal, (NCLT) Chennai Bench in due course. The transferor companies shall stand dissolved once the order copy is filed with the Registrar of Companies.

We are hereby enclosing a copy of the said order for your records.

We request you to kindly take note of the above intimation.

Thanking you,

Yours faithfully,

For SWELECT ENERGY SYSTEMS LIMITED

R. Sathishkumar
Company Secretary & Compliance Officer
Encl.: as above



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH-I, CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **31.05.2024** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER : CA(CAA)/77(CHE)/2022
PETITION NUMBER : CP(CAA)/57(CHE)/2023
NAME OF THE PETITIONER(S) : Swelect Solar Energy Pvt. Ltd. And Ors.
NAME OF THE RESPONDENT(S) :
UNDER SECTION : Sec 230-232 of CA, 2013

ORDER

Present: Ms. Deepa Mariappan, Ld. Counsel for the Applicant.
Ms. Nandini Agarwal, Ld. Counsel for the RD.

Vide separate order pronounced in Open Court, the application is allowed and the scheme is sanctioned.

File be consigned to records.

Sd/-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-
SANJIV JAIN
MEMBER (JUDICIAL)

vs



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, CHENNAI**

CP(CAA)/57(CHE)2023 in CA(CAA)/77/CHE/2022

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of *Scheme of Amalgamation*

Of

SWELECT SOLAR ENERGY PRIVATE LIMITED

CIN: U31104TN2008PTC068923

Swelect House, No 5,

Sir P.S. Sivasamy Salai,

Mylapore, Chennai- 600 004

...1st Petitioner/ Transferor Company -1

And

KJ SOLAR SYSTEMS PRIVATE LIMITED

CIN: U29307TN2014PTC113480

Swelect House, No 5,

Sir P.S. Sivasamy Salai,

Mylapore, Chennai- 600 004

...2nd Petitioner/ Transferor Company-2

With

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

Swelect House, No 5,

Sir P.S. Sivasamy Salai,

Mylapore, Chennai- 600 004

...Transferee Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



Order Pronounced on 31st May 2024

CORAM

**SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

For Applicant(s):B.Dhanaraj, Advocate.

ORDER

(Heard through hybrid mode)

This is a Joint Company Petition filed by the Applicant Companies, namely SWELECT SOLAR ENERGY PRIVATE LIMITED (HEREINAFTER "TRANSFEROR COMPANY-1"), KJ SOLAR SYSTEMS PRIVATE LIMITED (HEREINAFTER "TRANSFEROR COMPANY-2"), AND SWELECT ENERGY SYSTEMS LIMITED (HEREINAFTER TRANSFEREE COMPANY") (together the "Petitioner Companies") with its Shareholders under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Applicant Companies herein with its



Shareholders. The Scheme is also annexed as **Annexure 1 of SR No. 2201.**

2. 1ST MOTION APPLICATION – IN BRIEF

2.1. The Applicant companies had filed the First Motion Application i.e., CA(CAA)/77/(CHE)/2022 seeking directions as follows

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
TRANSFEROR COMPANY – 1	To dispense with meeting as per petition Pg.17	NIL	To dispense with meeting as per petition Pg.18
TRANSFEROR COMPANY – 2	To dispense with meeting as per petition Pg.17	NIL	To dispense with meeting as per petition Pg.18
TRANSFeree COMPANY	To dispense with as per petition Pg.18-19	To dispense with as per petition Pg.19-20	To dispense with as per petition Pg. 19-20

2.2. Based on such application moved under Sections 230-232 of the Companies Act, 2013, directions were issued by this Tribunal, vide order dated **31.08.2023** and meetings of the equity shareholders were dispensed with. Meetings were ordered to be



held for the unsecured creditors and the chairperson appointed therein filed the report before this Tribunal as *Annexure K* of the Application typeset.

2.3 Subsequently, the second motion petition was filed before this Tribunal by the petitioner companies on **06.11.2023** for sanction of the Scheme of Amalgamation by this Tribunal.

3. **RATIONALE OF THE SCHEME**

3.1. The Board of Directors (defined herein) of the Transferor Companies and the Transferee Company believe the following benefits pursuant to the amalgamation of the Transferor Companies into the Transferee Company:

(a) The Transferor Companies are the wholly owned subsidiaries of the Transferee Company and the amalgamation, which shall be beneficial to the interest of the shareholders, employees and creditors, will result in legal integration of the business, reduction of the shareholding layers and direct control of assets of the Transferor Companies in the hands of the Transferee Company;



(b) To achieve cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements and rationalization of administrative expenses.

(c) The consolidation of activities of the Transferor Companies and the Transferee Company by way of amalgamation will lead to operational synergies, greater productivity and economical operations for future growth of the Transferee Company.

d) The Amalgamation will provide for pooling of the managerial, technical and financial resources of the Transferor Companies and the Transferee Company which will help in increasing the competitiveness of the Transferee Company.

(e) The Amalgamation will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources.



(f) The Amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Companies and the Transferee Company.

(g) There is no likelihood that interests of any shareholder or creditor of either the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Amalgamation will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

4. In the second motion application filed by the Petitioner Companies, this Tribunal vide order dated **20.12.2023** directed the Petitioner Companies to issue notice to the Statutory / Regulatory Authorities viz. (i) Regional Director (Southern Region), Chennai (ii) ROC, (iii) Official Liquidator (iv) the Jurisdictional Income Tax Department, and other sectoral regulators, who may govern the working of the respective companies, as well as for paper publication to be made in “The Financial Express”, English (All India Edition) and “Malai Malar” Tamil (Tamil Nadu Edition).



5. In compliance to the said directions issued by this Tribunal, the Petitioner Companies filed an affidavit of service before the Registry of this Tribunal on 11.08.2023. A perusal of the same discloses that the Petitioner Companies effected paper publications as directed by the Tribunal in “The Financial Express” (All India Edition) in English and “Malai Malar” (Tamil Nadu Edition) in Tamil on 31.07.2023 respectively. It is also seen that notices have been served to

S.NO	STATUTORY AUTHORITIES	DATE OF NOTICE
1.	Regional Director, Southern Region, Chennai	08.01.2024
2.	Registrar of Companies, Chennai	08.01.2024
3.	Official Liquidator	08.01.2024
4.	Income Tax Department	08.01.2024
5.	Reserve Bank of India	08.01.2024

6. Pursuant to the service of notice of the petition, the following statutory authorities have responded as follows:

6.1. REGIONAL DIRECTOR

6.1.1. On issuance of notice, the Regional Director, (*hereinafter referred to as 'RD'*) Southern Region, Chennai has filed



his report before this Tribunal on 08.03.2024 and the same is as follows:

Para	Observations
10	That as per Clause 4.1 of Part II of the scheme has confirms that all the executives, staff, workmen and other employees in the service of Transferor Companies, immediately before the appointed date, under this scheme shall become the executives, staff, workmen and other employees of the Transferee Company.
11	That as per Clause 11 of Part-II of the Scheme that upon the Scheme becoming fully effective, no share consideration has been issued to Transferor Companies 1 and 2 as they are wholly-owned subsidiary of holding company i.e., Transferee Company and entire paid up share capital of Transferor companies shall stand cancelled.
13	That as per Clause 11.1 of Part-II of the Scheme provides that upon the scheme becoming effective, the authorized capital of the Transferor Companies 1 and 2 shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their respective authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined



	authorized share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorized share capital. The prayer of the Petitioner company is not tenable. Hence, this Tribunal to direct the Petitioner to pay the difference fee/stamp duty if any arises on proposed increase of authorized share capital and to file the amended MOA and AOA with the ROC.
14	That Clause 17 of Part-II of the Scheme provides for dissolution of the Transferor Company, without being wound up.
15	That as per the report dated 14.2.2024 of ROC, Chennai, the Transferor Company and Transferee Company are regular in filing their statutory returns and filed returns upto financial year ending 31st March 2023. ROC, Chennai has further stated that there is no prosecution/complaint/inspection or investigation pending against the Transferor Company.

6.1.2. It is stated by the RD that, after examining the scheme, he has decided not to make any objection to the Scheme except for the observation made in para 13 of the report and has left it to this Tribunal to pass order on merits.



6.1.3. In response to the affidavit filed by the RD, the petitioner companies have filed a reply in the form of an affidavit vide SR No 2291 dated 06.05.2024. It is stated that, the Transferee Company undertakes to pay any difference in stamp duty arising from the increase in authorized share capital of the Transferee company.

6.2. OFFICIAL LIQUIDATOR

6.2.1. In relation to the Official Liquidator, (*hereinafter referred to as 'OL'*) to whom the notice was issued, he has filed the Report. It is stated in the report that, they have appointed M/s N.R. Krishnamoorthy and Co, Chartered Accountants from the panel maintained by their office to verify into the affairs of the Transferor Company. The OL in the report filed before this Tribunal has observed as follows;

Para	Observations
4.a)	The Transferor Companies are maintaining proper books of accounts as per the requirements of the Companies Act, 2013 and



	in accordance with generally accepted accounting principles.
4.b)	All the entries have been duly made in the statutory registers in accordance with the requirements of the Companies Act, 2013 and no discrepancies were noted.
4.c)	It is also observed from the records maintained at the office of the Registrar of Companies, Chennai that the companies have filed all the returns
4.d)	The companies have not accepted deposits from public as on date.

6.2.2 It is stated in para 5 of the OL report that on scrutiny of the records of the companies, the Chartered Accountants are of the opinion that the business of the companies were not carried on with intent to defraud the creditors of the companies or any other persons or for any fraudulent purpose attracting the provisions of Section 339 of the Companies Act, 2013.



6.2.3. The Official Liquidator has sought to take on record the above observations and consider the report of the Chartered Accountant. He has also sought to fix the remuneration payable to the Auditor who has investigated into the affairs of Transferor Company. In this regard, this Tribunal hereby directs the Transferor Company to pay a sum of ***Rs.65,000 + GST (Rupees Sixty Five Thousand Plus GST if applicable)*** to the Official Liquidator for the payment of fees payable towards the Auditor who has investigated into the affairs of the Transferor Company.

6.2.4. In response to the OL report, the Ld. Counsel has filed a reply affidavit before this Tribunal on 06.05.2024. It is stated that, the Transferee Company shall pay any remuneration as fixed by this Tribunal to the auditor who has investigated the affairs of the Transferor companies.

6.3. INCOME TAX AUTHORITY

6.3.1. On Notice being served to the Income tax department vide order dated **20.12.2023**, there is no



representation from the Department of Income Tax and this Tribunal in terms of Section 230(5) of the Companies Act, 2013 presumes that the Department of Income Tax does not have any objection to the sanction of the Scheme. (Deemed Consent).

6.3.2. Further in Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the IT Department in the Scheme of Amalgamation,

“taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in RE: Vodafone Essar Gujarat Limited v. Department of Income Tax (2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon’ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned.”



6.4. RESERVE BANK OF INDIA

6.4.1. On Notice being served to the Reserve Bank of India vide order dated **20.12.2023**, there is no representation from Reserve Bank of India and this Tribunal in terms of Section 230(5) of the Companies Act, 2013 presumes that the Reserve Bank of India does not have any objection to the sanction of the Scheme. (Deemed Consent).

7. ACCOUNTING TREATMENT

7.1. The Statutory Auditors of the Petitioner Companies have examined the Scheme and certified that the Petitioner Companies have complied with proviso to Section 230 (7) / Section 232 (3) and the Accounting Treatment contained in the proposed Scheme of Amalgamation is in compliance with the Applicable Indian Accounting Standards. The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of the Petitioner Companies are placed at **Exhibit N** of Company Application typeset.



7.2. It is stated that, no investigation proceedings are pending against the Transferor or Transferee Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the petitioner companies for oppression or mismanagement have been filed before this Tribunal or erstwhile Company Law Board.

8. OBSERVATIONS OF THIS TRIBUNAL

8.1. After analyzing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* beneficial to the Company and will not be in any way detrimental to the interest of the shareholders of the Company. In the absence of any other objections having been placed on record before this Tribunal and since all the requisite statutory compliances having been fulfilled, this Tribunal sanctions the Scheme of amalgamation appended as Annexure A1 of SR No 2201 with the Company Petition as well as the prayer made therein.



8.2. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

8.3. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

9. **THIS TRIBUNAL DO FURTHER ORDER:**

- (i) That all properties, right and interest of the Transferor Companies (1-2) shall, pursuant to section 232(3) of the Companies Act, 2013 without further act or deed be



transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company.

- (ii) That all the liabilities, powers, engagements, obligations and duties of the Transferor Companies (1-2) shall pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to the Transferee Company and accordingly the same become the liabilities and duties of the Transferee Company.
- (iii) That the Appointed date for the Scheme shall be **1st April 2022** as mentioned in *clause 1.3* of Part -I of the SCHEME itself. Further the Appointed date is within one year from the date of filing of Application.
- (iv) That as per clause 11 of Part II of the scheme, Transferor companies 1 & 2 are wholly owned subsidiaries of the Transferee company and the entire paid up share capital of Transferor companies shall stand cancelled.
- (v) That all proceedings now pending by or against the Transferor Companies (1-2) be continued by or against the Transferee Company.
- (vi) That all the employees of the Transferor Companies (1-2) in service on date immediately preceding the date on which the Scheme finally takes effect shall become the



employees of the Transferee Company without any break or interruption in their service.

- (vii) That the Transferee Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company after setting off the fees paid by the Transferor Companies (1-2).
- (viii) That the Transferor Companies (1-2) and the Transferee Company, shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies (1-3) shall be dissolved without winding up and the Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said company shall be consolidated accordingly.
- (ix) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.



10. Accordingly, the Company Petition stands **allowed** on the
aforementioned terms.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

Vinita Varshini.K