

**STERLING AND WILSON RENEWABLE ENERGY LIMITED**

**TRANSCRIPT OF THE EXTRAORDINARY GENERAL MEETING OF STERLING AND WILSON SOLAR LIMITED HELD ON TUESDAY, NOVEMBER 02, 2021 AT 02:30 P.M. IST THROUGH VIDEO CONFERENCING**

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**Welcome Address by Mr. Khurshed Daruvala:**

Hi! Good Afternoon Members! I hope that you and your family are safe. We welcome you to the Extraordinary General Meeting of your Company. The quorum being present, the meeting can start now.

In view of the continuing Covid-19 pandemic, and to ensure social distancing norms, this EGM of the Company is convened through Video Conferencing or Other Audio-Visual Means, in accordance with various circulars issued by the Ministry of Corporate Affairs and SEBI in this regard and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Let me introduce the Directors and Officers of your Company attending this meeting:

I am Khurshed Daruvala, Chairman of the Company and Chairperson of the Stakeholders Relationship Committee.

We have with us, Ms. Rukhshana Mistry, Independent Director and Chairperson of the Audit Committee.

**Ms. Rukhshana Mistry:** Good Afternoon!

**Mr. Khurshed Daruvala:** She is also the member of the Nomination and Remuneration Committee and has been authorised by Mr. Keki Elavia, Chairperson of the Nomination and Remuneration Committee to attend this meeting on his behalf.

Mr. Pallon Mistry, Non- Executive Director;

Mr. Bikesh Ogra, Non- Executive Director;

Mr. Amit Jain, Global CEO, Sterling and Wilson Solar Group;

**Mr. Amit Jain:** Good Afternoon!

**Mr. Khurshed Daruvala:** Mr. Chandra Kishore Thakur, Manager of the Company

Mr. Bahadur Dastoor, Chief Financial Officer; and

Mr. Jagannadha Rao, Company Secretary and Compliance Officer

I also welcome the representatives of M/s. Kalyaniwalla & Mistry, the Statutory Auditors of the Company and M/s. Manish Ghia & Associates, the Secretarial Auditors and Scrutinizers of the Company, attending this meeting.

I now request Mr. Jagannadha Rao, our Company Secretary to brief the Members.

**Mr. Jagannadha Rao:** Yes Khurshed. Good Afternoon Everyone! The Company has received one Corporate Authorization, representing Eight Crore Eleven Lakh Ten Thousand Seven Hundred and Ninety equity shares of the Company which constitutes 50.58 % of the paid- up share capital of the Company and there is no proxy facility available for this meeting.

The Members may note that the certificate obtained from the Statutory Auditors of the Company certifying that the preferential issue is being made in compliance with the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2018, is available for inspection electronically and the members may send their request to inspect the same, if they want it.

The Notice of this meeting has already been sent to all the Members through electronic mode, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. We, therefore, take the notice as read.

The extraordinary general meeting has been convened to seek the approval of the Shareholders of the Company for the proposal of raising funds by way of preferential issue of equity shares to Reliance New Energy Solar Limited, an entity not belonging to the promoter or promoter group of the Company. It is proposed to issue two crore ninety three lakh thirty three thousand three hundred and thirty three equity shares of face value of rupee one each fully paid up, for cash at a price of three hundred and seventy five rupees which includes the premium of three hundred and seventy four rupees per equity share as determined by the Board of Directors in accordance with the pricing guidelines prescribed under Regulation 164 of Chapter V of the SEBI ICDR Regulations, with the relevant date being October 01, 2021, for a consideration not exceeding an aggregate amount of rupees one thousand ninety nine crore ninety nine lakh ninety nine thousand eight hundred and seventy five to Reliance New Energy Solar Limited, the Proposed Allottee, in accordance with the provisions of Chapter V of the SEBI ICDR Regulations.

Now I request the Chairman to further brief the Members on the proposed business in the EGM.

**Mr. Khurshed Daruvala:** Good Afternoon once again dear Shareholders! I would like to inform that the Members that Reliance New Energy Solar Limited and the current Promoters that is Shapoorji Pallonji and Company Private Limited and myself, have on October 10, 2021 entered into a share subscription agreement, for recording the terms and conditions of the proposed issue of the equity shares on preferential basis to Reliance New Energy Solar Limited. In terms of the share subscription agreement, Reliance New Energy Solar Limited would subscribe to the equity shares subject to the completion of the conditions precedent under the share subscription agreement.

Simultaneously with the execution of the share subscription agreement, Reliance New Energy Solar Limited and the current Promoters have on October 10, 2021 entered into a share purchase

agreement, for selling certain equity shares of the Company by the Current Promoters to Reliance New Energy Solar Limited.

Pursuant to the execution of the share subscription agreement and the share purchase agreement, Reliance New Energy Solar Limited was required to make a mandatory open offer to the public shareholders of the Company pursuant to Regulation 3(1) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. In terms of the said Regulations, Reliance New Energy Solar Limited made a public announcement with regard to the said open offer on October 10, 2021.

The Members may note that pursuant to preferential issue, acquisition of the shares from the Promoters of the Company and from the public through open offer, Reliance New Energy Solar Limited proposes to acquire seven crore fifty eight lakhs seventy seven thousand three hundred and thirty four equity shares representing 40% of the enhanced equity share capital of the Company.

The equity shares to be issued and allotted on preferential basis to Reliance New Energy Solar Limited will be listed on the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited and will rank pari passu with the existing equity shares of the Company including with regard to dividend and voting rights.

The Members may also note that the issue of the equity shares pursuant to this preferential issue would be well within the authorised share capital of the Company.

All the relevant information as required under the Companies Act, 2013 and SEBI ICDR Regulations has been provided in the notice convening this meeting.

Further, I would like to add that the purpose of the preferential issue is to utilize the proceeds from the issue to strengthen the balance sheet to be able to bid for more projects across the world. Reliance is committed to making India a global leader in green energy-based solutions on the latest and most cost-competitive technologies. This partnership with the Company will provide it further access to world-class talent, engineering and project management skills and complement Reliance's proven strengths in digital technology, engineering, and procurement and project execution. All key ingredients required to deliver high quality, cost-efficient and time-bound implementation of giga-scale green energy capacity, in India and across the world. The above transaction is subject to customary regulatory and other approvals and closing conditions.

Now I request Mr. Jagannadha Rao, Company Secretary to brief the Members about voting formalities.

**Mr. Jagannadha Rao:** Thank you Mr. Daruvala.

In Compliance with the relevant provisions of the Companies Act, 2013, Rules made thereunder and SEBI Listing Regulations, the Company has provided the facility to the Members to exercise their right to vote on the businesses proposed to be transacted at this EGM through remote e-voting for the period commenced from October 30, 2021 to November 01, 2021. In order to facilitate the

Members, who have not exercised their right to vote through remote e-voting, the Company has also provided the facility to vote at this EGM through e-voting platform of NSDL.

Mr. Mannish Ghia of Manish Ghia & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer for remote e-voting as well as e-voting at this EGM, who would scrutinize the votes and hand over the combined report on voting within 2 working days of the conclusion of this EGM. Upon receipt of the result of voting along with the Scrutinizer's Report, the same shall be uploaded on the website of the Company, NSDL's website and also shall also be submitted to the Stock Exchanges.

The business as mentioned in the Notice convening the EGM, which have been put to vote through remote e-voting is "to create, offer, issue, and allot Equity Shares on a private placement/preferential basis to Reliance New Energy Solar Limited" which is a special resolution.

Since this meeting is being held through Video Conference/ Other Audio-Visual Means and the resolutions mentioned in the Notice convening this meeting have already been put to vote through "remote e-voting" there is no proposing and seconding of resolutions.

The Company had provided the facility to the Members to register themselves in advance by sending requests from their registered email address to express their views/ask questions during the EGM. So far, we have received requests from two shareholders, one Mr. Aspi Bhesania. I request Mr. Aspi Bhesania, if you have logged in, you may please switch on your video and express your views and request you to limit your speech up to 5 minutes.

Mr. Aspi Bhesania?

I think, till now he did not join. Now, I request the second speaker Mr. Tamal Kumar Majumdar request you to switch on your video and express your views and again request you to limit your speech to 5 minutes.

**Mr. Tamal Kumar Majumdar:** Certainly!

**Mr. Jagannadha Rao:** Yes Mr. Majumdar. You may go ahead.

**Mr. Tamal Kumar Majumdar:** Respected Mr. Daruvala, Mr. Rao and other Directors of the Company. Nice to meet after a period of only 32 days. My special thanks to the Secretarial team for sending me the link for the meeting. And, sir due to my cough and cold and fever I may be a bit slow but I will complete it in 5 minutes. Don't worry about that.

At the last AGM, Mr. Daruvala, I have one objection, I felt very bad, because at the meeting you promised me that the reply will be sent of mine through mail to my id, to my email id shortly. But even after completion of 32 days it has not reached me, till date. So, it tensed me Mr. Daruvala you had promised me at the meeting itself. So, I hope that something will be done in this regard. And, I have some queries relating to the preferential issue, to Reliance New Energy Solar Limited.

And sir, one thing, first I noted that if you open the attachment with the notice, file name came as Pantaloon 2016 page 65. I have never come across such thing in my notice Pantaloon 2016. I hope that this will not happen in future. And Sir, preferential allotment of 2.93 crores equity shares at a price of Rs. 375, at a premium of Rs. 374 where Reliance Solar will become a shareholder of 15.46% and our company will get almost Rs. 1,100 crores in this regard. You, Mr. Daruvala and Mr. Rao mentioned it that it will enhance our cash position. That is true! But on the other hand, equity will increase. So, the Company is still losing in the first quarter and in the first quarter it will still book losses. So, it will be a problem. There will be more dividend payment, if incase the Company will start giving or declaring profits. So, I want to know your view in this regard.

And Sir, promoter group actually entered into another agreement to sell 1.84 crore shares to Reliance, the same Company and I have noticed that it is posted on our website that the open offer for 4.91 crore equity which is 25.59%. Due to the preferential allotment, there will be an increase of 5% promoters holding from 69% to 74.1% in the equity. So, in case of 25 and another unique clause is there that incase Reliance fails to get 25.9% of the paid-up equity then the existing promoter will sell further shares to make it a success. So, noticing the current price there is a difference of more than nearly Rs. 78 that is the current market price. The open offer price is Rs. 375 and the current price I think around is Rs. 445. So, in case of the failure of the shareholders do not show interest in selling their shares to the promoters, to the Reliance then its ok. The promoter group, where the 75% of the threshold will be there. Otherwise, in case the general shareholders opted for it then there will be more than 75% in the equity because it is still 74.1%. So, the SEBI's threshold limit of 75% for a public Company will not be there. So, the promoters holding will increase more than 80 or something 90 or like that. In that case, whether another offer will be there for delisting of the shares? And that will be a sad occasion because the share was listed on August 20, 2019. So, in case of delisting the problem is that after the buyback offer, everybody is worried about is the delisting because some shareholders will opt for it and promoters will supplement that. So, it will certainly cross 75%. So, there may be a delisting within a period of less than 3 years of its listing. So, in this case I want to know your view. And sir, when do you believe the preferential allotment will be completed after the meeting and company will receive the money? As regards the preferential allotment issue is there sorry open offer is there, I noted that its last date opted in shares is 07/12/21. So, I want an assurance, direct assurance from each that after 07/12/21 whether it will be a listed company or not. Straight reply. Otherwise, I have no objection, it's a good proposition, everything is good. Mr. Daruvala, I think you will also open your heart in this regard. Thank you thank you Mr. Daruvala.

**Mr. Khurshed Daruvala:** Sure. First of all, Mr. Majumdar apologies for not having replied back earlier. So, I think internally we just need to make a note Jag that I know its Diwali now but atleast in a coming week we should make sure that the reply and his whatever query is raised last time, Mr. Majumdar we will go through it. We need to note that internally. So, on the other points Mr. Majumdar, yes on the transaction with Reliance, I will give you a bit of background on the thought process. As you have seen all the global plans of Reliance and in fact, we are very excited that it is not only Reliance but there are number of Indian large groups which are looking at creating India to be one of the large hubs for global manufacturing of modules and not only modules, going all the way down to polysilicon. I think it is important that over the next 10-20 years this business is going to be very exciting, and it is important that India becomes a complete eco-system for both manufacturing and project execution on a global basis. Now, as you have seen that our Company

has had the strengths over the number of years to do global project execution, with Reliance investing right from polysilicon getting into finally module manufacturing and other areas, we believe it's a perfect synergy for both the groups to give a long-term combined benefit to each other. So, I think that is clearly the purpose for going down the road of actually partnering with Reliance in this. Yes, you had mentioned that the current share price is Rs. 400 and odd and the open offer will be done at Rs. 375. So, you will appreciate that while there is a bit of dilution that happens to everyone in the primary issue, but that money will be both, minor shareholders and the promoters will get diluted through the primary issue but that will significantly strengthen the balance sheet. Subsequent to that, the minority shareholders will have a choice whether to tender their shares at that price or no and the transaction is being structured in such a way that the existing promoters will have to tender their shares to Reliance at the existing price even if the minority choose not to. So, what we are doing is that in order to bring in a strong long-term partner, the promoters have taken a call that at a fair price to everyone we will be diluting our shares significantly so that the Company can benefit in the long term. So, I think that is really the purpose of this deal and we believe it will be a win-win both for the Company and for Reliance going up in the future.

As regards to the point you had raised on delisting, so what happens is that in case the number of shares offered by the minorities in the open offer is high and because of that the promoters will cross 75%, the promoters have 1 year time period to sell down the shares again and to bring it down to making sure that we are not crossing the 75% threshold and that is the intention going forward.

As far as the timelines that you have mentioned I think I let Mr. Jagannadha Rao may be to just answer those on both the approximate timeline on both primary and secondary. Because, like I mentioned in my speech earlier these are subject to CCI and SEBI clearances etc.

So, Mr. Jagannadha Rao you could just take up that question on timelines.

**Mr., Jagannadha Rao:** Yaa, Mr. Daruvala. So, Mr. Majumdar first of all I would just like to clarify regarding the last AGM, your queries and then answers. If you remember Mr. Daruvala had initially mentioned that some of the questions, we may like to reply but subsequently Mr. Bahadur Dastoor, our CFO had already replied to all the queries. So, we were under belief that all the queries raised by you were replied. If you still feel that some of the queries were not replied than I would request, you to send an email. We are happy to send the necessary clarifications to you.

And, as far as timing is concerned as Mr. Daruvala rightly mentioned that the transaction is subject to receipt of the regulatory approvals. So, if the regulatory approvals are in place from today within next 15 days, we can complete the allotment of the shares to the Reliance entity whereby the Company would receive the money immediately. If the receipt of the regulatory approval gets delayed accordingly the allotment also may delay. And, the open offer process has already begun and that also has a link to these receipts of regulatory approvals. Until receipt of these regulatory approvals, Reliance cannot proceed with acquisition of shares. So, once that approval is received then the open offer would open and as per the statutory time limit which is supposed to be given to all the shareholders. That will be given and then the process will continue of about a month from the receipt of the regulatory approvals.

So, Mr. Chairman now since there are no other shareholders who have requested for speaking or raising any queries... request you to conclude the meeting.

**Mr. Khurshed Daruvala:** Sure, so on behalf of the Board of Directors and Management of the Company, I convey our sincere thanks to all the Members for attending and participating in this meeting. Please stay healthy and safe. Thank you very much, have a good day. I declare the meeting as concluded.

**Mr. Jagannadha Rao:** So, the Members may please note that the e-voting facility available at the meeting for those members who have not cast their vote through remote e-voting will remain open for another 15 minutes from now. The combined voting results as received from the Scrutinizers will be submitted to the stock exchanges within 2 working days. Thank you!