

October 10, 2019

| | |
|--|--|
| BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip Code: 542760 | National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Symbol: SWSOLAR |
|--|--|

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) - Revision in Credit Rating – Sterling and Wilson Solar Limited (SWSL)

Dear Sir

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we would like to inform that India Ratings & Research has revised (“downgraded”) the Long- term credit rating of the Company from ‘IND AA’ to ‘IND AA-’.

In accordance with the Listing Regulations, please find below the details of the instrument wise ratings of the Company:

| Facilities/ Instruments | Amount (Rs Cr) | Rating | Rating Action |
|----------------------------|----------------|---------------------------|--|
| Fund-based limits | 300 | IND AA - /Stable/ IND A1+ | Long -term rating downgraded from IND AA/ Stable; short term rating affirmed |
| Non-fund-based limits | 9,700 | IND AA - /Stable/ IND A1+ | Long -term rating downgraded from IND AA/ Stable; short term rating affirmed |
| Commercial Paper | 300 | IND A1+ | Affirmed |
| Non-convertible debentures | 100 | IND AA - /Stable | Assigned |

Reason provided by India Rating and Research (Rating Agency) for revision in rating:

The revision in rating reflects a change in Rating Agency approach for rating SWSL. The Rating Agency had earlier factored in SWSL’s strong operating and strategic linkages with its parent Shapoorji Pallonji & Company Private Limited (SPCPL) to arrive at SWSL’s ratings.



Sterling and Wilson Solar Limited
(Formerly known as Rashmika Energy Private Limited)
An Associate of Shapoorji Pallonji Group

Registered Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043

Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: U74999MH2017PLC292281

Email: info@sterlingandwilsonsolar.com | www.sterlingandwilsonsolar.com



The Rating Agency believes that post the successful completion of SWSL's INR 28.5bn initial public offering (IPO) in August 2019 (wherein promoters diluted their stake in SWSL) and its increased global footprint, SWSL is not dependent on SPCPL.

As per the terms of the Red Herring Prospectus, the Promoter Selling Shareholders shall utilize a portion of the Net IPO proceeds, towards full repayment of the loans due to SWSL and Sterling and Wilson International Solar FZCO (a wholly owned subsidiary of SWSL) from Sterling & Wilson Private Limited and Sterling and Wilson International FZE (a subsidiary of Sterling & Wilson Private Limited) respectively, within 90 days from the date of listing of the Equity Shares. Additionally, SWSL shall not be allowed to provide any inter-company loans as per its revised Articles of Association and the dividend distribution policy of SWSL would remain consistent with the need to grow the business and maintain a low leverage position.

Hence, the Rating Agency would analyse SWSL on a standalone basis without a support construct. SWSL's standalone credit profile has improved since the last rating review, as reflected in its improved business profile and likely improvement in its financial profile in FY20, post the collection of inter-corporate loans from the group entities. However, given that SPCPL continues to be the majority shareholder of SWSL, the rating of SWSL would remain linked to the credit profile of SPCPL and any further material deterioration in the credit profile of SPCPL would be negative for SWSL's ratings.

Management Comments:

The rating rationale has been revised from the earlier position which included strong support from its parent to one which now assesses SWSL on a standalone basis. SWSL's standalone credit profile has actually improved since the last rating review.

Hence, it is the view of the management that the downgrade is a more a correction due to removal of parental support as a factor rather than a reflection of the financial performance of SWSL.

The Company had order book of Rs. 3,832 Crore and LOI of Rs. 3,908 Crore (of which Rs. 2,196 Crore were converted into definitive EPC contracts since 31st March 2019 until 10th August 2019) as of 31st March 2019 which is being executed as per the plan. Further, SWSL continues to bid for new projects globally and has a strong balance sheet.

Request you to take the same on records.

Yours faithfully

For Sterling and Wilson Solar Limited

Jagannadha Rao Ch. V.

Company Secretary and Compliance Officer

