

LOAN REPAYMENT

Sterling and Wilson gives promoters a year's relief

Shapoorji Pallonji, Daruvala express inability to pay instalments



AMRITHA PILLAY

Mumbai, 16 September

A year since its listing, Sterling and Wilson Solar is still awaiting full payment of the intercorporate loan that the company extended to its promoters before the public offering. The company has now extended the repayment timeline by one year.

Promoters to the company — Shapoorji Pallonji and Company and Khurshed Daruvala — through letters in June and July had sought for an extension to facilitate the repayment of the June 2020 instalment. The promoters, the company revealed on Tuesday, had expressed inability to fund the instalment due in September, too, because of Covid-19 and related reasons.

"Further extension of time up to September 30, 2021, to facilitate funding for the repayment of part of the June 2020 instalment and the September 2020 instalment has been approved by the board," Sterling and Wilson Solar informed the stock exchange. This is the second time the promoters have sought a revised repayment schedule for the loan. Sterling & Wilson Solar was listed in August last year.

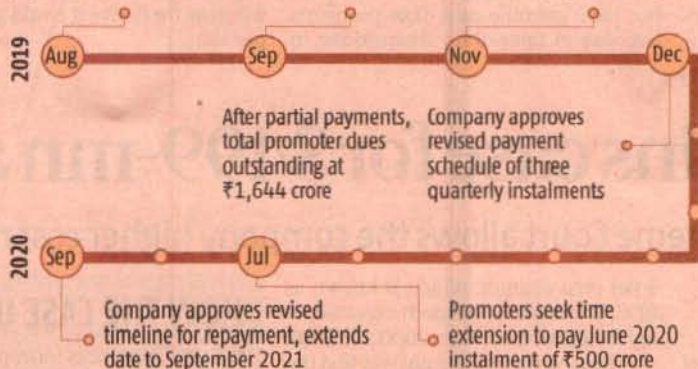
As of August 2019, promoters had an outstanding of ₹2,563 crore payable as interest and principal to the company. In November, the promoters wrote to the listed entity seeking a revised payment schedule because of significant and rapid deterioration in the credit market which created a

COMPANY'S TRYST WITH PROMOTER DEBT SO FAR

S&W Solar listed on exchanges; promoter inter-corporate dues payable at ₹2,563 crore

Post partial repayment; promoter dues at ₹2,341 crore

Promoters write to the listed entity seeking a revised payment schedule



Source: Company announcements

liquidity crisis, besides less than expected realisation from the public offering. A new repayment schedule was put in place in December under which three quarterly payments were to be made in March, June and September this year. The outstanding loan in December was at ₹1,644 crore.

Sterling and Wilson Solar said promoters have paid ₹103 crore of the June 2020 instalment of ₹500 crore. It said: "The promoters have created security on certain immovable properties valued at ₹460 crore in favour of the company by creating mortgage by way of deposit of title deeds to the company to secure the balance amount of ₹397 crore of the June 2020 instalment."

With the September deadline

looming, the promoters also informed the company that efforts to raise funds have been considerably affected because of certain reasons beyond their control. The promoters said: "It is improbable for the promoters to facilitate funding of the September 2020 instalment."

The promoters have now offered security on various assets aggregating to around ₹1,200 crore. The firm said the security is slightly higher than the aggregate outstanding loan. Sterling and Wilson Solar said it would also levy of an additional interest of 400 basis points per annum over the average interest rate on borrowings, against the interest spread of 100 basis points per annum levied earlier.