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Shapoorji Pallonji's solar biz files for ₹4,500-cr IPO

Swaraj Singh Dhanjal

■ swaraj.d@livemint.com

MUMBAI: Shapoorji Pallonji Group's solar power business Sterling and Wilson Solar Ltd on Tuesday filed the draft prospectus for its initial public offering (IPO), which will see promoters sell shares worth around ₹4,500 crore.

The IPO is a pure offer for sale by company's chairman Khurshed Yazdi Daruvala and Shapoorji Pallonji and Co. Pvt. Ltd. Daruvala holds 33.33%, while Shapoorji Pallonji and Co. holds 65.77% stake. The rest is held by individual members of the promoter group such as Cyrus Mistry.

Mint reported on March 18 that the Shapoorji Pallonji group was planning the IPO to deleverage its balance sheet by selling shares of the solar EPC business to the public.

Shapoorji Pallonji Group expects to raise about \$1 billion by bringing outside investors into its solar unit as part of the group's efforts to reduce debt, *Bloomberg* reported in November, citing Jai Mavani, executive director of Sterling and Wilson.

A separate listing of Eureka Forbes Ltd, the water purification unit of publicly traded Forbes and Co., and sales of commercial real estate would also be considered, the report said, citing Mavani.

Sterling and Wilson Solar is among the world's largest solar EPC companies providing pure-play, end-to-end solutions. It commenced operations in 2011 as the solar EPC division of Sterling and Wilson Pvt. Ltd, and was demerged into a separate company in April 2017.

The company provides EPC services primarily for utility-scale solar power projects with a focus on project design and engineering and manages all aspects of project execution



■ A file photo of a solar plant. Sterling and Wilson Solar is among the world's largest solar EPC companies providing pure-play, end-to-end solutions.

BLOOMBERG

THE IPO IS A PURE OFFER FOR SALE BY COMPANY'S CHAIRMAN KHURSHED YAZDI DARUVALA AND SHAPOORJI PALLONJI AND CO.

from conceptualizing to commissioning. It also provides operations and maintenance services, including for projects constructed by third parties.

The company had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 megawatt (MW), as of December 31. Last year, Sterling and Wilson won a contract to build a 1,177 megawatt solar project in Abu Dhabi, the largest such project at a single location.

Its order book stood at ₹4,309 crore as on December 31.

In 2017-18, the company reported a revenue of ₹6,871.70 crore, more than twice the

₹3,232.48 crore reported in the previous fiscal.

In 2017-18, it reported a profit of ₹450.53 crore, against a profit of ₹173.36 crore in the previous year. For the nine-month period ending December 31, it reported a profit of ₹343.43 crore on a revenue of ₹5,915.14 crore.

Sterling and Wilson operates in more than 25 countries, with a strong presence in West Asia, Africa, Europe, the Americas and Australia. Its overseas operations accounted for 65.13% of the company's revenue.

Investment banks ICICI Securities Ltd, Axis Capital Ltd, Credit Suisse Securities (India) Pvt Ltd, Deutsche Equities India Pvt Ltd, IIFL Holdings Ltd, and SBI Capital Markets Ltd are managing the company's initial public offering.

So far this year, four companies have raised ₹2,352.19 crore through initial public offerings, while in 2018, 24 companies raised ₹30,959 crore through initial public offerings.