

# Shapoorji Arm Eyes \$2 b from Global Solar Business

Sterling & Wilson says market in India has become crowded and margins have shrunk

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New Delhi: Sterling & Wilson, part of Indian conglomerate Shapoorji Pallonji Group, is scaling up its overseas solar business as the market in India has become crowded and margins continue to shrink. The company, which is the second largest solar EPC player globally, is targeting revenue of \$2 billion from its global solar operations in this financial year, of which India is expected to contribute around 30%, a senior executive said.

"It's become very crowded in In-



dia," Bikesh Ogra, president of Sterling & Wilson's renewable energy and storage business, told ET in an exclusive interaction. "Money is to be made and the business is becoming tighter. For us, we want to earn a decent margin. It's important for us to create a hedge in the form of international businesses. And we have been able to create a lot of traction in this arena."

India contributed about 45% to the company's revenue from solar operations in FY18 but FY19 looks "flatish" owing to the uncertainty in the policy environment in the country, Ogra said.

"We are very well poised to target \$1.8-\$2 billion revenues globally for FY19. In FY19, India's share looks like in and around 30%," he added.

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anti-dumping duties looming large over the Indian solar sector, the company had to let go of almost 300 MW because the developers were not ready to bear the risk of potential duty levies, he added.

In January this year, the Director General of

Safeguards proposed 70% duty on solar imports from China and Malaysia and a final decision is yet to be made. This period of uncertainty, as many stakeholders have spelt out in the past, is helping neither the project developers nor the manufacturers.

"This is also impacting the investment environment in India, even with its impressive target of adding 100GW of solar project capaci-

ty by 2022. "A lot of international investors are pumped by the kind of market India has to offer. But they won't come in until policies become clear. Land is also a major issue for them," said Ogra.

Sterling & Wilson, which is present across 28 countries including the US, the UAE, the Philippines, Argentina and Australia, is looking at making acquisitions abroad as it claims to be well-positioned in India with a portfolio of around 2.5GW.

"We are expanding globally. Likewise in Australia, we are looking at acquiring a construction company which has done some small solar projects, so they are trying to leverage our solar experience and want to grow in the Australian market," Ogra said. With a pipeline of about 3GW projects, the company is looking to acquire 5% of the global share in solar EPC business outside of China, he said.