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Sterling & Wilson files for ₹4,500-cr IPO

Promoters to use part of proceeds to repay loans

OUR BUREAU

Mumbai, April 16

Sterling and Wilson Solar, a Shapoorji Pallonji Group company, has filed a draft red herring prospectus with market regulator SEBI for a ₹4,500-crore IPO. The public float will be an offer-for-sale by the company's Chairman Khurshed Yazdi Daruvala and Shapoorji Pallonji and Company.

Shapoorji Pallonji and Company holds a 65.77 per cent stake in the company, while Daruvala holds a 33.33 per cent stake and the remaining is held by individuals of the promoter group, including former Tata Sons' chairman Cyrus Mistry.

"This offer comprises an offer-for-sale by the promoter selling

shareholders. The net proceeds from the offer will be paid directly to the promoter selling shareholders. We will not directly receive any net proceeds from the offer and will accordingly not have direct access to such funds," the company said in the filing.

"However, the promoter selling shareholders shall utilise a portion of the net offer proceeds to fund partial repayment of loans due to our company and Sterling and Wilson International Solar FZCO from SWPL and Sterling and Wilson International FZE (a subsidiary of SWPL), respectively," it added.

The company is an engineering, procurement and construction (EPC) firm. It was the world's largest solar EPC solutions provider in 2018 based on annual installations of utility-scale photovoltaic (PV) systems of more than five mega-watt peak (MWp), according to IHS Markit.

As of December 31, 2018, the firm had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 MWp. The company's order book stood at ₹4,309.09 crore as of December 31, 2018.

In fiscal 2018 and the nine months ended December 31, 2018, Sterling and Wilson's revenue from operations outside India accounted for 59.11 per cent and 65.13 per cent, respectively, of its total revenue from operations.

ICICI Securities, Axis Capital, Credit Suisse Securities (India), Deutsche Equities India, IIFL Holdings, and SBI Capital Markets are the global coordinators and book running lead managers, while IndusInd Bank and YES Securities (India) are the book running lead managers.

Following the IPO, the company intends to list the shares both on the BSE and the NSE.