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# Shapoorji Pallonji's solar EPC business announces ₹3,125 crore public offer

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**S**hapoorji Pallonji Group's solar engineering, procurement and construction (EPC) business, Sterling and Wilson Solar Ltd, on Thursday, announced its initial public offering (IPO) worth ₹3,125 crore.

The price band for the three-day IPO, which opens on 6 August, is fixed at ₹775-₹780 apiece.

The IPO, a pure offer for sale, will see its promoters—Shapoorji Pallonji and Co. Pvt. Ltd and the company's chairman Khurshed Yazdi Daruvala—offload shares worth ₹2,083.33 crore and ₹1,041.67 crore, respectively.



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Daruvala holds 33.33% in the company, while Shapoorji Pallonji and Co. holds a 65.77% stake. The rest is held

by individual members of the promoter group, such as Pallonji Shapoorji Mistry and Cyrus Mistry.

While the net proceeds from the share sale would go to the promoters, the company said in its red herring

prospectus that the promoters will utilize part of the proceeds for repaying certain loans of Sterling and Wilson Solar and Sterling and Wilson International Solar EZCO.

Mint reported on 18 March that the Shapoorji Pallonji group was planning the IPO to deleverage its balance sheet.

The size of the IPO, however, has been reduced by about 30% from ₹4,500 crore that the promoters had planned to sell in April. The development comes against the backdrop of sluggish market conditions which also led non-banking financial company (NBFC) Spandana

Sphoorty Financial Ltd, whose initial share sale opens on 5 August, to cut the secondary component of its IPO

by 29% to ₹800 crore from the ₹1,200 crore it had earlier planned to sell.

So far this year, only eight companies have gone public, raising around ₹5,509 crore, compared with

24 IPOs raising ₹30,959 crore in 2018, according to data from primary market tracker Prime Database.

Sterling and Wilson Solar, a pure-play end-to-end solar EPC company, claims to be the world's largest.

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 from conceptualizing to commissioning. It also provides operations and maintenance services, including projects constructed by third parties. Its business is focused in India, Africa and West Asia.

The firm 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 renewable energy EPC firm, with presence across 26 countries, had commissioned and contracted 205 solar EPC

projects with a total capacity of 6,870.12 megawatts (MW) as of 31 March. In 2017, Sterling and Wilson won a contract to build a 1,177MW solar photovoltaic (PV) plant in Abu Dhabi, the largest such project at a single location.

Its order book stood at ₹3,831 crore at the end of fiscal year 2019. The company's total sales from operations grew 20% to ₹8,240 crore and its profits rose 42% to ₹638 crore in FY19, compared to the previous fiscal year. 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 IPO.

**IPO will see Sterling and Wilson Solar's promoters offload shares worth ₹2,083.33 cr and ₹1,041.67 cr, respectively**