

MSEARCH

IPO OFFERING

STERLING AND WILSON SOLAR LTD

STERLING & WILSON



About Company

Recommendation: Invest for long term

Sterling and Wilson Solar Ltd (SWSL) is a Mumbai based end-to-end solar Engineering, Procurement and Construction ("EPC") solutions provider servicing globally. SWSL is focused on utility-scale solar power projects and manages the solar projects from conceptualizing to commissioning. It provides operations and maintenance (O&M) services for the 3rd party projects as well. According to IHS Markit Ltd, SWSL was the world's largest solar EPC solutions provider in 2018 based on annual installations of utility-scale PV systems of more than 5 mega-watt peak. Currently, it has a wide presence across 26 countries with 138 employees in the design and engineering team.

Price Band	: Rs. 775 to 780 per share
Bid Lot size	: 19 Shares
Issue size	: Rs. 3125 Cr
Issue Opens	: August 6th 2019, Tuesday
Issue Closes	: August 8th 2019, Thursday
Min App Amount	: Rs. 14,820/- at upper band

Important Note: All retail applications compulsory in UPI mode*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Msearch View:

We believe Sterling and Wilson Solar is well placed EPC player in a niche high-growth solar industry with high entry barriers and diverse global presence. We like the way SWSL operates business with asset-light model, under which their customers are responsible for sourcing and acquiring real estate while they typically lease equipment required for their operations. Addition to its business efficiency, SWSL has a strong parentage with a globally renowned brand, Shapoorji Pallonji which acts as strong catalyst for long term business association. On valuation parse at the upper end of the issue price Rs 780 SWSL commands Rs 12508 Cr market cap with P/E of 19x and P/BV of 12x times on its FY19 financials, which is relatively above market expectation considering the current market environment, while considering all the above optimistic factors for investment, SWSL's prospects look promising for the long term.