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The Company is proposing, subject to applicable statutory or regulatory requirements, receipt of requisite approvals, market conditions and other considerations to make an initial public offering of its equity shares and has filed a red herring prospectus dated July 29, 2019 (“**RHP**”) with Registrar of Companies, Maharashtra at Mumbai (“**RoC**”). The RHP is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), BSE Limited at [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the websites of websites of the Global Co-ordinators and Book Running Lead Managers at [www.icicisecurities.com](http://www.icicisecurities.com), [www.axiscapital.co.in](http://www.axiscapital.co.in), [www.credit-suisse.com](http://www.credit-suisse.com), [www.db.com/India](http://www.db.com/India), [www.iiflcap.com](http://www.iiflcap.com) and [www.sbics.com](http://www.sbics.com); Book Running Lead Managers at [www.indusind.com](http://www.indusind.com) and [www.yesinvest.in](http://www.yesinvest.in). Any potential investors should note that investment in equity shares involves a high degree of risk and for details refer to the “**Risk Factors**” on page 28 of the RHP. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.



# Today's presenters



**Khurshed Daruvala**  
*Chairman*

- Promoter of the Company
- Holds 33.3% stake in the Company
- Part of Sterling and Wilson group for almost 25 years



**Bikesh Ogra**  
*Director & Global CEO*

- With the Sterling and Wilson group for more than 2 decades
- 22+ years of experience in EPC sector



**Bahadur Dastoor**  
*Chief Financial Officer*

- With the Sterling and Wilson group for more than 8 years
- 23+ years of experience in finance and audit related matters
- Prior experience in Godrej & Boyce, Lovelock and Lewes



**Vikas Bansal**  
*Head – International Business Development*

- With the Sterling and Wilson group for more than 7 years
- Over 8 years experience in business development and sales
- Prior experience in Aricent Technologies and Asea Brown Boveri



# ISSUE SUMMARY

# Issue Summary

Company	Sterling and Wilson Solar Limited (the “Company” or “SWSL”)
Offering Structure	<ul style="list-style-type: none"> <li>▪ Initial Public Offering (“IPO”) of equity shares of face value INR 1 each of the Company</li> <li>▪ Will only be offered and sold (a) in the United States in reliance on Regulation S under the Securities Act or (b) in the United States only to QIBs in compliance with Rule 144A under the Securities Act . No securities may be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities law.</li> </ul>
Offering Size	<ul style="list-style-type: none"> <li>▪ IPO of equity shares of face value of INR 1 each of the Company aggregating up to INR 31,250.00 million, comprising of an offer for sale of equity shares by Shapoorji Pallonji and Company Private Limited aggregating up to INR 20,833.33 million and by Khurshed Yazdi Daruvala aggregating up to INR 10,416.67 million (together “Promoter Selling Shareholders”) <ul style="list-style-type: none"> <li>▪ Offer to QIBs – Not less than INR 23,437.50 million <ul style="list-style-type: none"> <li>▪ Of which Anchor Investor Portion - Up to INR 14,062.50 million</li> </ul> </li> <li>▪ Offer to Non – Institutional investors - Up to INR 4,687.50 million</li> <li>▪ Offer to Retail investors - Up to INR 3,125.00 million</li> </ul> </li> </ul>
Objects of the Offer	<ul style="list-style-type: none"> <li>▪ Achieve the benefits of listing the Equity Shares on Stock Exchanges which the Company expects will enhance its visibility, brand image apart from providing liquidity to the shareholder and public market for the equity shares in India</li> <li>▪ To carry out the sale of Offered Shares by the Promoter Selling Shareholders</li> <li>▪ Promoter Selling Shareholders shall utilize a portion of the net offer proceeds, towards funding full repayment of the loans due to the Company and Sterling and Wilson International Solar FZCO from Sterling and Wilson Private Limited (“SWPL”) and Sterling and Wilson International FZE (a subsidiary of SWPL) respectively within 90 days from the date of listing of the equity shares</li> <li>▪ Company will not directly receive any proceeds from the offer</li> </ul>

# Issue Summary Contd...

## Price Band & Bid Lot

- INR 775 to INR 780 per equity share
- Bid Lot being 19 equity shares and in multiples of 19 Equity Shares

## Offering Timelines

- Anchor Investor Bid Offer opens & closes on August 5, 2019
- Bid/Offer opens on August 6, 2019
- Bid/Offer closes on August 8, 2019

## Listing Venue



*National Stock Exchange of India Limited*



*BSE Limited*

## GCBRLMs



## BRLMs



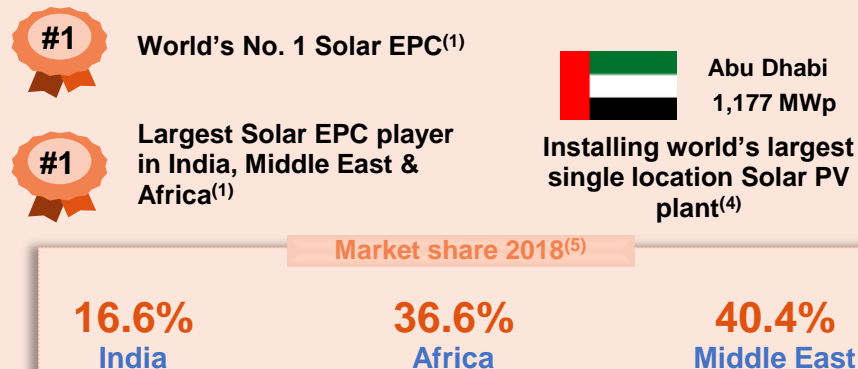




# COMPANY OVERVIEW

# Sterling & Wilson Solar – The Largest Global Solar EPC Player<sup>(1)</sup>

## Market Leader



## Operational Excellence



## Global Recognition

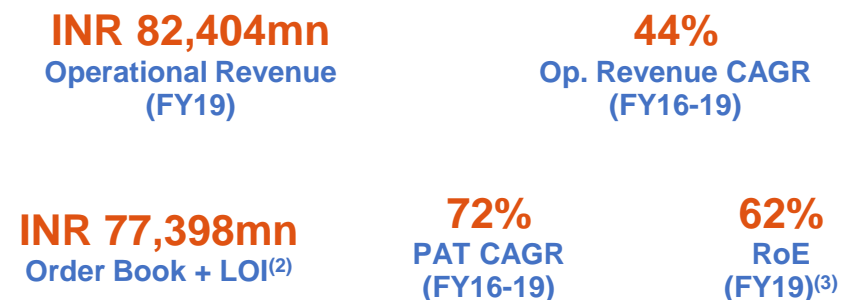


Leading Solar EPC – 2018  
RE International Excellence -  
Indian Companies - 2018



Excellence in Renewable Energy  
Project Execution Award  
CBIP 2017

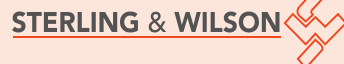
## Financial Performance



## Strong Parentage



Operations in 45 countries



90+ years of experience globally

### Highly Diversified Operations

- ✓ **70%** Revenues in FY19 from international projects
- ✓ **Diversified** Order Book + LOI<sup>(2)</sup> as on Mar-19 across **7 regions**

(1) IHS Markit ranking 2018; based on annual installations of utility scale PV systems >5MWp

(2) Order book, defined as the value of solar power projects for which the Company has entered into definitive EPC contracts minus the revenue already recognized from those projects, is INR 38,316mn as of March 31, 2019.

Letter of Intents (LOIs), defined as solar power projects for which the Company has won bids but has not executed definitive EPC contracts, is INR 39,082mn as of March 31, 2019.

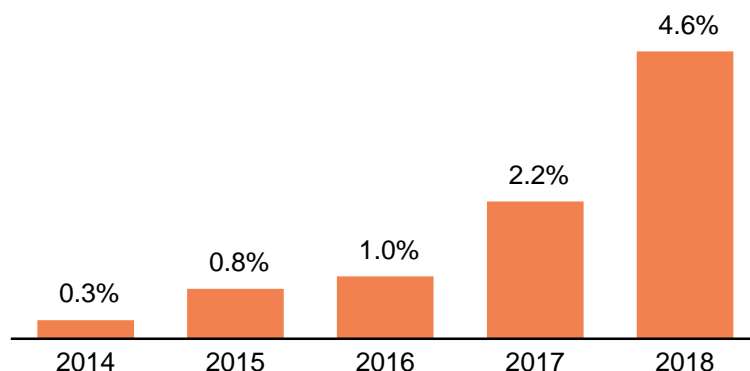
(3) ROE calculated as consolidated restated net profits divided by networth at the end of period; NW is Equity share capital plus other equity (including legal reserve, retained earnings and effective portion of cash flow hedge).

(4) CRISIL Ltd. | (5) Based on percentage share of annual installations of all utility-scale PV systems greater than 5 MWp in 2018 | (6) Total O&M Capacity as of 31 March 2019 | (\*All numbers rounded off to the nearest whole no.)



# Our journey towards becoming the Largest global solar EPC player<sup>(1)</sup> in a rapidly growing solar industry

Increasing global market share over the years



**90 years**  
of EPC experience

Sterling Wilson  
group started  
operations

**2011**  
Ventured into solar  
EPC business

**2015**  
Recognised as the largest  
Indian solar EPC player  
Achieved Inter Solar Award  
2015

**2014**  
Commenced first  
International Project

**2016**  
Ventured into  
roof-top solar

**2017**  
Demerger of S&W Solar  
focusing on pure-play  
solar EPC business  
from the S&W group

Bagged world's largest  
single location solar EPC  
project order in Abu Dhabi

**2018**  
Expanded operations  
in Australia by  
acquiring a controlling  
stake in GCO  
Electrical Pty Ltd.

**2019**  
Emerg ed as World's  
largest <sup>(1)</sup> Solar EPC  
player in 2018

Global player with  
presence and  
operations across India,  
Middle East, Africa,  
South East Asia,  
Europe, US and  
Australia

(1) IHS Markit 2018. Based on annual installations of utility-scale photovoltaic systems of more than 5MWp

# Wide presence and operational experience across geographies

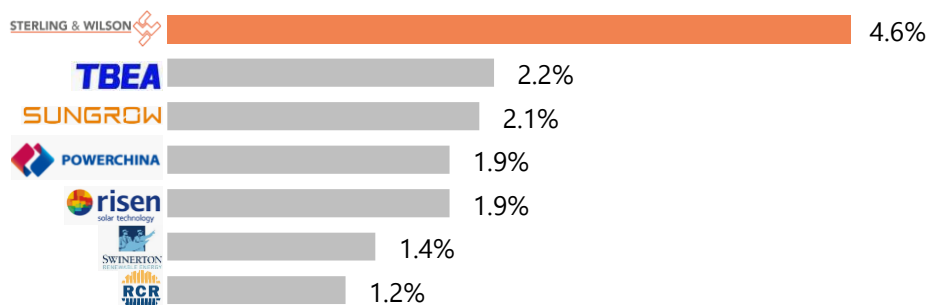


**26**  
Countries<sup>(1)</sup>

**6,870 MWp**  
capacity globally<sup>(2)</sup>

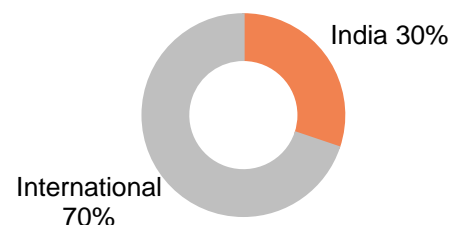
## Largest market share in solar EPC globally

### Market share (% of installations in 2018)<sup>(2)</sup>

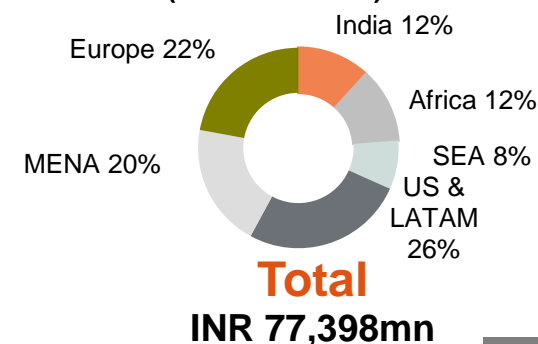


## Diversified global operations with a high contribution of revenue from international operations

### Revenue from Operations break-up (FY19)



### Order book + LOI break-up (As of Mar 2019)<sup>(3)</sup>



(1) Including the countries where the Company has a presence or has executed or is executing a project

(2) IHS Markit 2018; Share of annual installations of all utility-scale PV systems >5 MWp (% of MW) for the companies with the largest market shares in 2018.

(3) Cumulative as of March 31, 2019; Includes commissioned capacity, under-construction and confirmed contracted capacity. | (\*All numbers rounded off to the nearest whole no.)



# INVESTMENT HIGHLIGHTS



# Investment highlights

1



**Fast growing solar market**

2



**Global solar EPC Leader providing comprehensive end-to-end EPC solutions**

3



**A dedicated design and engineering team focused on innovation and developing efficient technology and engineering solutions**

4



**Strong relationships with customers and other key stakeholders**

5



**Strong parentage and the ability to leverage the global “SP” brand**

6



**Highly experienced management team with global operational experience in the solar EPC industry**

7



**Strong growth and financial performance backed by an asset-light business model**

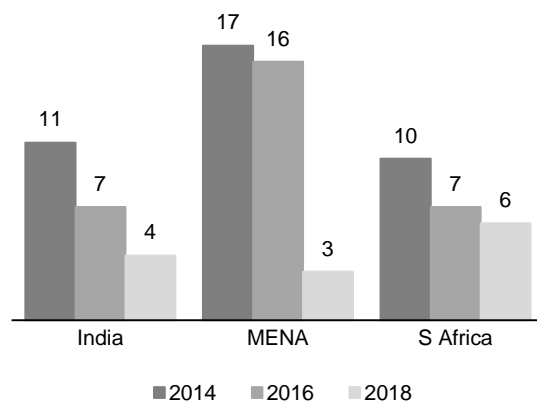
**STERLING & WILSON**   
SOLAR

# Solar has emerged as a disruptive low cost source of energy

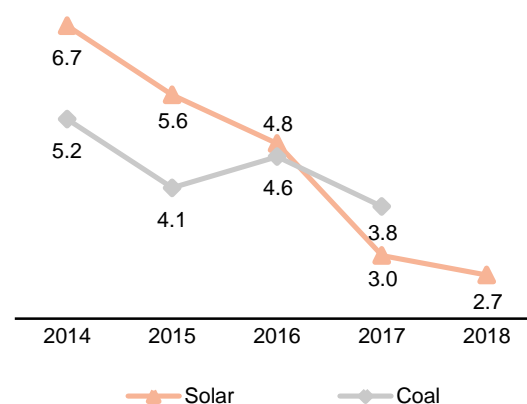
Solar PV project economics continue to improve with expectations of further improved cost competitiveness

**Solar tariffs have seen a sharp decline globally and have fallen significantly below those of traditional energy sources like coal**

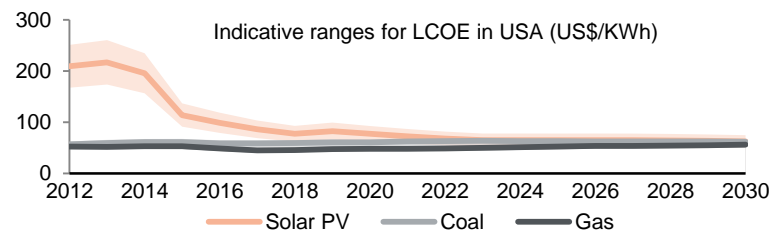
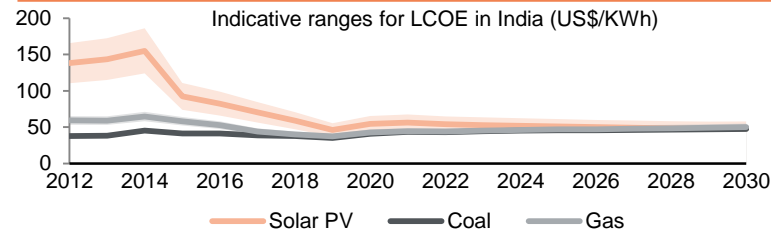
Solar auction prices (US Cents/KWh)



Tariff trend in India (Rs /KWh)<sup>(1)</sup>

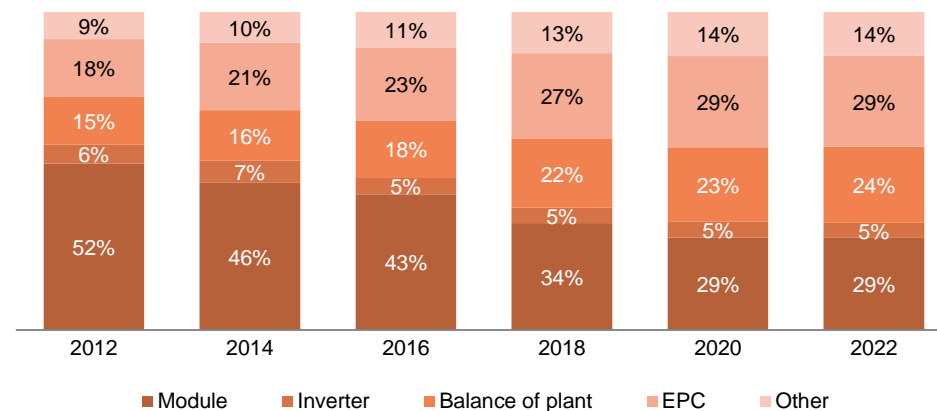
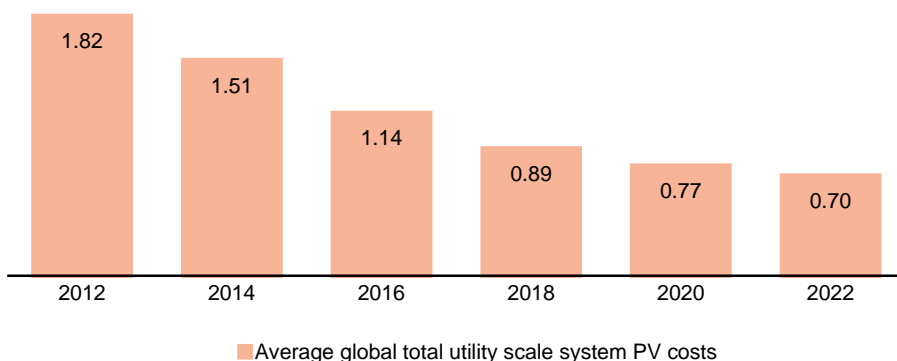


**Solar has increasingly competitive in terms of LCOE (cost of producing each unit of electricity over the lifetime)**



**Global solar utility-scale system costs continue to decline, primarily driven by falling module prices**

Price per Watt (\$/W)



Note: LCOE - Levelized Cost of Energy

Source: IHS Markit, CRISIL, BloombergNEF

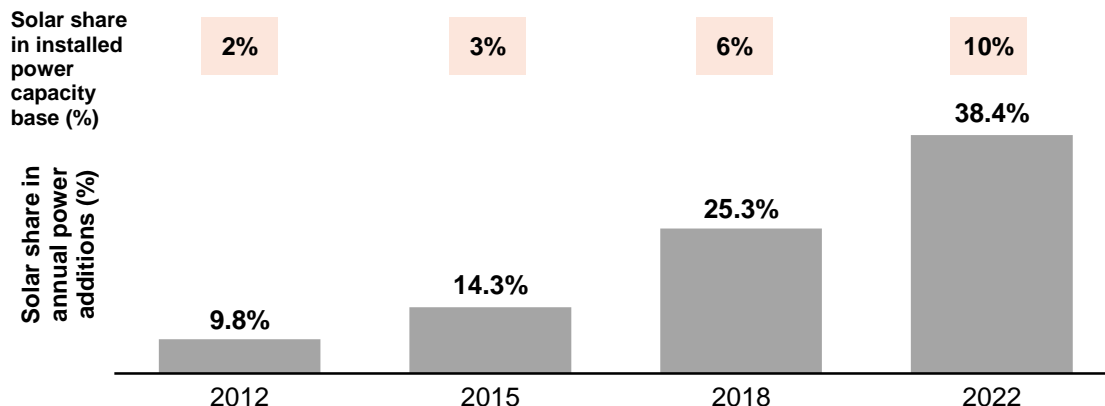
(1) Tariffs are for financial year (Fiscal year ending March), No competitively bid coal projects in 2018/ FY18, Coal tariffs include fixed + variable costs

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# Solar: disrupting the global power sector

Transformation in the global energy landscape with the continued surge of solar

Rapid uptick in the share of solar in the global power generation capacity, annual additions, and global installed power capacity base



Key advantages and growth drivers of solar

- ✓ Already among the **lowest cost power** sources even without government incentives
- ✓ **Declining utility scale PV system costs** and higher panel efficiency to further improve cost competitiveness
- ✓ **Greater efficiency** in installation and commissioning process
- ✓ **Favorable regulatory environment** and increasing commitments to combat climate change
- ✓ **PV can be deployed faster** to cover electricity demand gaps in areas with vulnerable electricity systems

Strong growth in PV installations in key markets the Company operates in<sup>(1)</sup>

Annual PV installations (GW)	2018	2021	2018-21 CAGR
India	10.7	15.0	11.7%
South East Asia	1.1	5.1	70.6%
Middle East and North Africa	4.6	8.4	22.2%
Rest of Africa	1.2	3.5	42.0%
Europe	10.6	23.4	30.0%
USA	10.4	16.7	17.4%
Latin America	6.0	7.0	5.4%
Australia	4.6	5.9	8.1%
<b>Grand Total (excluding Rest of World)</b>	<b>49.1</b>	<b>84.8</b>	<b>20.0%</b>

Source: IHS Markit

(1) China and Japan constitute major countries in rest of world

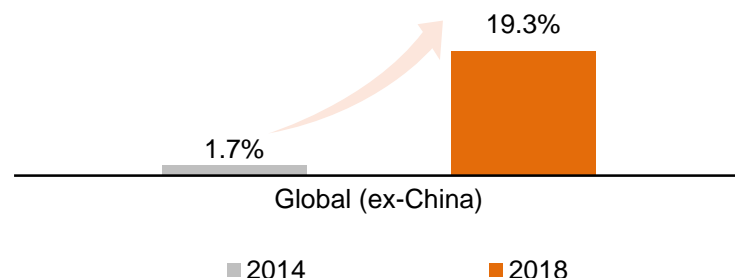
(2) Annual solar PV installations in India, SEA, Middle East, Africa, Europe, USA, Latin America and Australia.



# Solar EPC market expected to continue to shift towards larger players

Market-share is shifting towards larger solar EPC players with existing capabilities and sound financial strength

Market shares evolution of Top 5 (as in 2018)  
solar EPC players<sup>(1)</sup>



## Increasing market share of Top 20 players

With increasing number of projects larger than 100MW being built, as per IHS

### Driven by Key Factors...



Design & Engineering capabilities in a cost efficient manner



Financial strength and bankability



Strong track record of on-time project completion and high plant performance



Deep understanding of the local markets in which Company operates



Relationships built over time with customers, suppliers, lenders and others



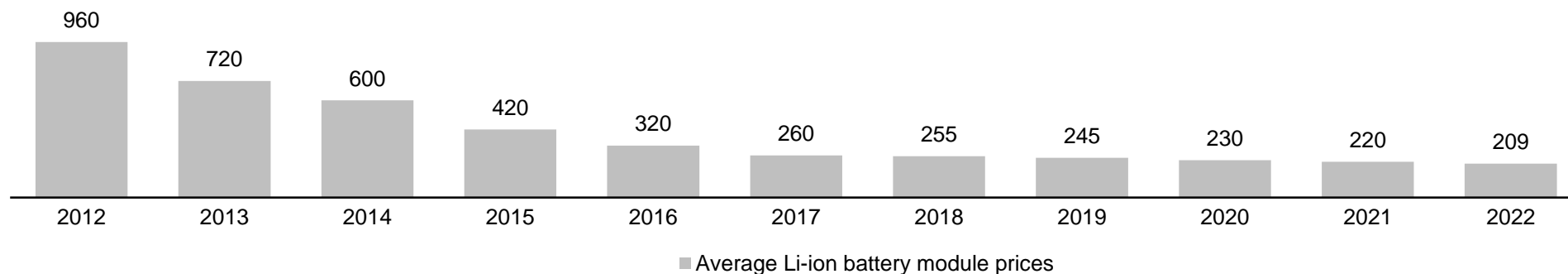
Limiting number of players that meet qualification requirements because of increasing size and complexity

(1) Source: IHS Markit; Market share of top 5 global players ex-China of 2018

# Energy storage market growth expected to drive solar demand in the medium-to-long term

## A significant reduction in battery costs...

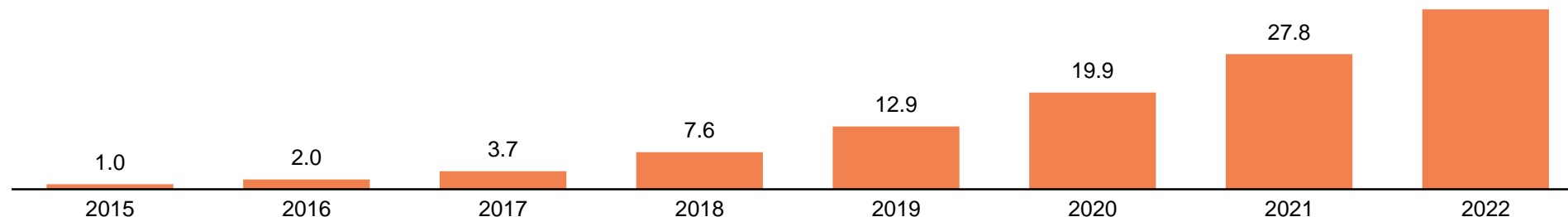
\$/kWh



## ... is driving the increased adoption of battery energy storage in solar PV plants

GW

### Cumulative PV installations paired with battery energy storage



Helps to overcome the inherent limitation of solar PV generation with stored energy now being able to be utilized when solar power is not being generated in off-peak times



Higher mix towards solar + storage (from pure solar) also helps in improving realizations for EPC players

# Investment highlights

1



**Fast growing solar market**

2



**Global solar EPC Leader providing comprehensive end-to-end EPC solutions**

3



**A dedicated design and engineering team focused on innovation and developing efficient technology and engineering solutions**

4



**Strong relationships with customers and other key stakeholders**

5



**Strong parentage and the ability to leverage the global “SP” brand**

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**Highly experienced management team with global operational experience in the solar EPC industry**

7



**Strong growth and financial performance backed by an asset-light business model**

**STERLING & WILSON**   
SOLAR



# Comprehensive Concept to Commission solar EPC solutions provider with end-to-end capabilities



Utility scale solar projects (incl turnkey & BOS)



Rooftop solar projects



Solar + energy storage



O&M service

## Key financial metrics (EPC business)

**INR 81,452mn**

FY19 Revenue from  
EPC business

**11.6%**

FY19 Gross  
margin

**124%**

FY17-19  
Revenue CAGR

## Key financial metrics (O&M business)

**INR 936mn**

FY19 Revenue from  
O&M business

**43.6%**

FY19 Gross  
margin

**96%**

FY17-19  
Revenue CAGR



### Design and Engineering

- Dedicated in-house design & engineering team of 154 people
- India based cost effective structure



### Procurement

- Selection of vendors after thorough due diligence
- Well-defined quality management procedures



### Inspection & Audit

- 3-stage audit process including initial factory audit, production process audit and monitoring at vendor's facility and pre-shipment inspection



### Construction

- Final inspection and testing under the supervision of project manager to ensure new plant is safe and meets design objectives



### Field quality monitoring

- Centralized monitoring with efficient tracking of under-construction plants

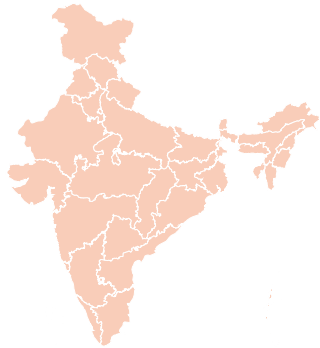


### O&M service

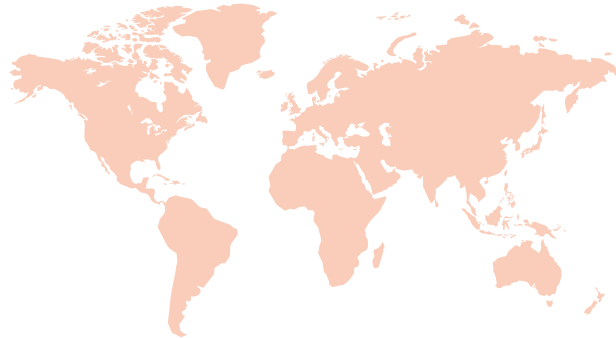
- Long Term O&M services for both own customers, and third-party projects

# Company's flexible Hub-and-Spoke business model facilitating geographic expansion to capture the global opportunities

Hub-and-Spoke business model driving global expansion through a cost effective India base...



**Design & engineering and  
Procurement team based in India**



**Regional presence across  
26 countries**



**Significant cost benefits &  
timely execution**

- ✓ Ability to mobilize & deploy resources on multiple projects globally through India base
- ✓ Strong relationship with suppliers due to global execution track record helps sourcing of raw materials at competitive prices
- ✓ Has facilitated expansion to 26 countries as on date in a quick period of time

# A strong execution track record and recognition from leading institutions (1/2)

## Strong operating metrics

**Zero**

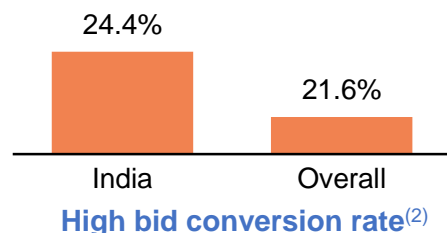
Sites with performance related LDs <sup>(1)</sup>

**Cost Benefits**

with the supply chain & design teams based in India

**0.18**

Site accidents <sup>(3)</sup>  
(Loss time frequency rate)



### History of timely completion of projects

- ✓ Installation of 200 MWp in Abu Dhabi within a short timeline of 1 month
- ✓ Completed a project in the Rajasthan within the scheduled timeline of 4 months despite various challenges

### High % of repeat customers <sup>(4)</sup>

**83.3%**  
In India

**64.4%**  
Outside India

**5,558MWp** Total O&M contracts <sup>(6)</sup>

**28.3%** Third Party O&M contracts <sup>(6)</sup>

**6,870 MWp**  
Total capacity till date <sup>(5)</sup>

**177**

Projects commissioned



**28**

Projects under-construction

<sup>(1)</sup> Liquidating Damages related to Performance ratios in FY18 and FY19 in EPC contracts

<sup>(2)</sup> Bid Conversion rate under EPC contracts for FY19.

<sup>(3)</sup> For FY19; Refers to Lost Time Injury Frequency Rate which is the number of lost time injuries occurring in a workplace per 1 million hours worked

<sup>(6)</sup> Total O&M contracts as on 31 March 2019

\* Numbers rounded off to nearest whole number, percentages to one decimal place

<sup>(4)</sup> Percentage of total commissioned capacity from customers with whom more than one project executed for FY19

<sup>(5)</sup> Cumulative as of March 31, 2019; Includes 5,271MWp of commissioned capacity and 1,599MWp of under-construction and confirmed contracted capacity.

# A strong execution track record and recognition from leading institutions (2/2)

## Global awards & recognition



**Leading EPC –  
Solar – Ground Based, 2018**



**Excellence in Renewable Energy  
Project Execution Award 2017**



**Project of the Year Award 2017**



**Solar O&M contractor of the year -Roof  
top scale, 2017**



**Immense contribution to the  
Infrastructure sector, 2016**



**Solar Today Utility Scale Solar EPC  
Contractor 2016 Award**



**Intersolar AWARD 2015  
(11 MWp Solar Project in  
Maharashtra under JNNSM PH II)**



**BMGI Energize Indian Power Sector  
Award in 2014 - Excellence in Solar  
EPC and Innovation in Solar Energy**



**Most promising firm and outstanding contribution  
towards the development of SE, 2014**



# Investment highlights

1



**Fast growing solar market**

2



**Global solar EPC Leader providing comprehensive end-to-end EPC solutions**

3



**A dedicated design and engineering team focused on innovation and developing efficient technology and engineering solutions**

**STERLING & WILSON**

**SOLAR**



4



**Strong relationships with customers and other key stakeholders**

5



**Strong parentage and the ability to leverage the global “SP” brand**

6



**Highly experienced management team with global operational experience in the solar EPC industry**

7



**Strong growth and financial performance backed by an asset-light business model**

# Dedicated design and engineering team focused on innovation and developing efficient technology

Value engineering solutions provided through a strong in-house design team with expertise in advanced technologies



**154**

**Persons strong design & engineering team**



**Real-time and predictive analytics**



**Innovation & Development of capabilities in emerging technologies**

Strong R&D capabilities led by in-house designing and engineering team providing customized unique solutions in various projects



Abu Dhabi  
1,177 MWp

## Challenges

- ? How to fit maximum capacity in a given land area with minimum bid criteria of 350MWp
- ? Maximizing electricity generation
- ? To automate and reduce O&M cost

## Solutions

- ✓ Unique installation structure of placing PV modules in east-west orientation instead of standard south facing orientation to maximize electricity generation
- ✓ Unique 8 high fixed structure design to optimize generation
- ✓ 1,412 robots to create an automated plant to reduce water consumption and operating expenses

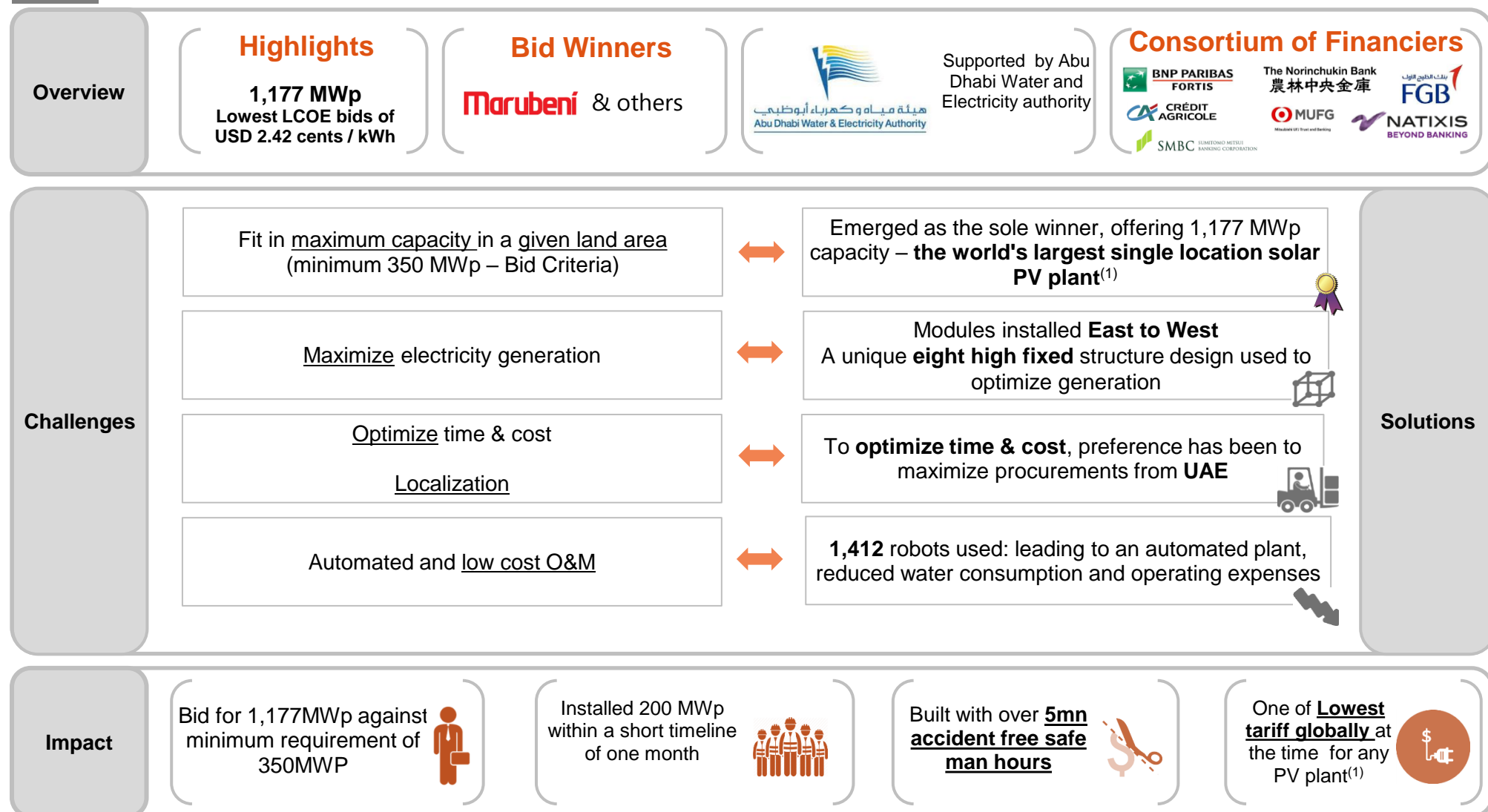


Philippines  
22.32 MWp

- ? Project site on a riverbed, hence the fear of flooding
- ? Site situated in a high-speed wind zone
- ? Problem of soft & mushy soil

- ✓ Three leg module mounting structure to make the project site flood resistant
- ✓ Combination of concrete ballast foundation & pilling foundation used
- ✓ Outdoor inverter stations on RCC beams to tackle soft, mushy soil
- ✓ Able to mobilize engineers & project managers from India quickly to meet deadlines

# Sweihan Abu Dhabi Project - World's largest single location solar PV plant



1) Source: CRISIL Research

# Investment highlights

1



**Fast growing solar market**

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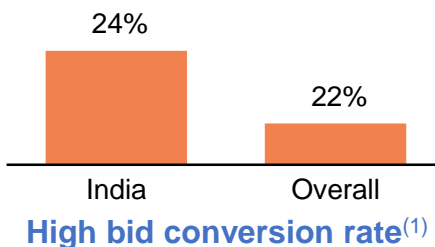
**Strong growth and financial performance backed by an asset-light business model**

# Bankable EPC service provider with a diversified blue chip customer base and strong relationship with other stakeholders

**Customers / Developers**



- Strong relationship with top global strategic developers
- Widening customer base with new class of developers like Private Equities Funds
- Manages the complete supply chain thereby reducing the number of service providers customer has to engage with and optimize solution



**High % of repeat customers<sup>(2)</sup>**

**83%**  
In India

**64%**  
Outside India

- Strong relationship with a multitude of global lenders - both state-owned and private
- Lenders rely on SW's credibility as an EPC player to finance projects

Lenders to  
Developers

- Strong relationship with world renowned consultants and engineers engaged by developers
- Their certification provides additional assurance to customers

Consultants /  
Owners' Engineers

- Strong relationship with diversified group of local and global suppliers of modules and other raw materials; critical to supply chain success
- Helps Company get significant cost benefits in sourcing materials

Suppliers

- Large scale public sector off-takers – Adds high credibility to international track record
- Helps in timely execution

Off-  
Takers

(1) Bid Conversion rate under EPC contracts for FY19

(2) Percentage of total commissioned capacity from customers with whom more than one project executed as of March 31, 2019, numbers rounded off to the nearest whole number



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**Strong growth and financial performance backed by an asset-light business model**

# Strong parentage and ability to leverage the global “SP” brand

## SP group’s experience translated into multiple advantages for S&W initially



### Global Access

**45**  
countries  
presence

- ▶ SP group’s presence in India, Middle East, Africa, APAC, South America and Europe assisted S&W in gaining access and entry
- ▶ SP group has a strong presence in Middle East and Africa



### EPC Knowledge

**150+**  
years of  
experience

- ▶ Assistance in getting subcontractors, connecting with government authorities, liaising and sometimes, submitting bids



### Financial support

**Strong  
financial  
backing**

- ▶ Support of SP group for non-fund limits to bid for large projects

## Emerged as a credible solar EPC player globally

- ▶ Assisted the Company in getting a head-start in establishing operations in these regions
- ▶ S&W gets the benefit of local EPC knowledge due to the presence of the SP group
- ▶ Helps meet certain financing requirements for bidding for projects

The Company is capable of rendering EPC knowledge and support for geographies not covered by SP group

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**Highly experienced management team with global operational experience in the solar EPC industry**

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**Strong growth and financial performance backed by an asset-light business model**

# Experienced management team with global operational experience



**Bikesh Ogra**

22+ 22+

**Director & Global CEO**

- 22 years experience in EPC sector
- Education - B.E.



**Bahadur Dastoor**

23+ 8+

**CFO**

- Heads the finance & accounting function of Company
- Previously served at Godrej & Boyce, Lovelock & Lewes and Kalyaniwalla and Mistry
- Education - CA, Fellow member of ICAI



**Vikas Bansal**

10+ 8+

**Head – International Business Development**

- Previously served at Asean Brown Boveri, Aricent
- Over 8 years of experience in business development and sales
- Education - MBA, B.E.



**Rajneesh Shrotriya**

23+ 4+

**Chief Technology Officer**

- Previously served at Adani Wilmar, Arvind Mills, Suzlon Energy, Green Infra, Lanco Solar Energy, etc
- Education - MBA, B.E.



**Kannan Krishnan**

23+ 10+

**COO – Solar (India & SAARC)**

- Designated as Manager of the Company
- Previously served at Asea Brown Boveri Ltd
- Education - B.E.



**Chandra Kishore Thakur**

33+ 1+

**COO – International**

- Over 33 years experience in Power & Infrastructure sector
- Previously served at National Thermal Power Corporation, Lanco Infratech, Punj Lyold
- Education - MBA

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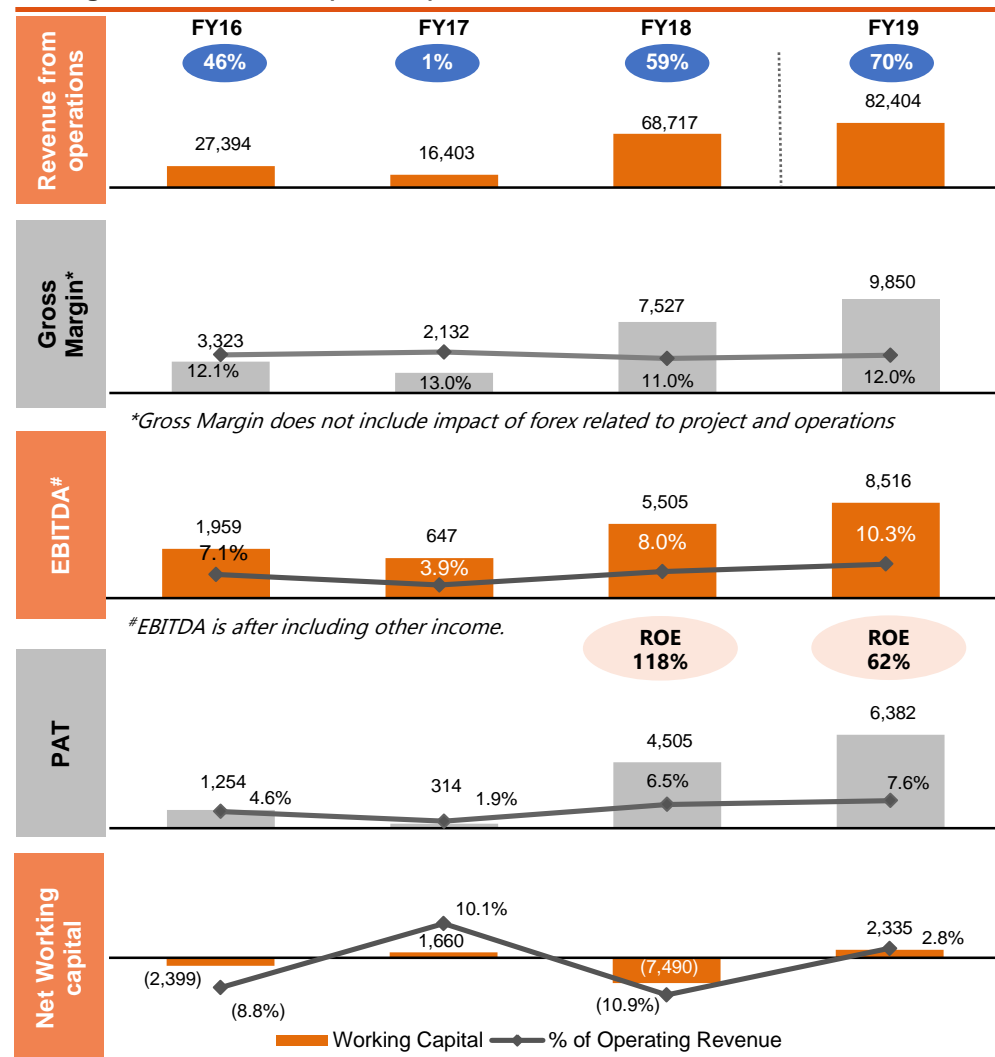


**Strong growth and financial performance backed by an asset-light business model**



# Strong growth and financial performance backed by an asset-light business model

## Strong financial metrics (INR mn)



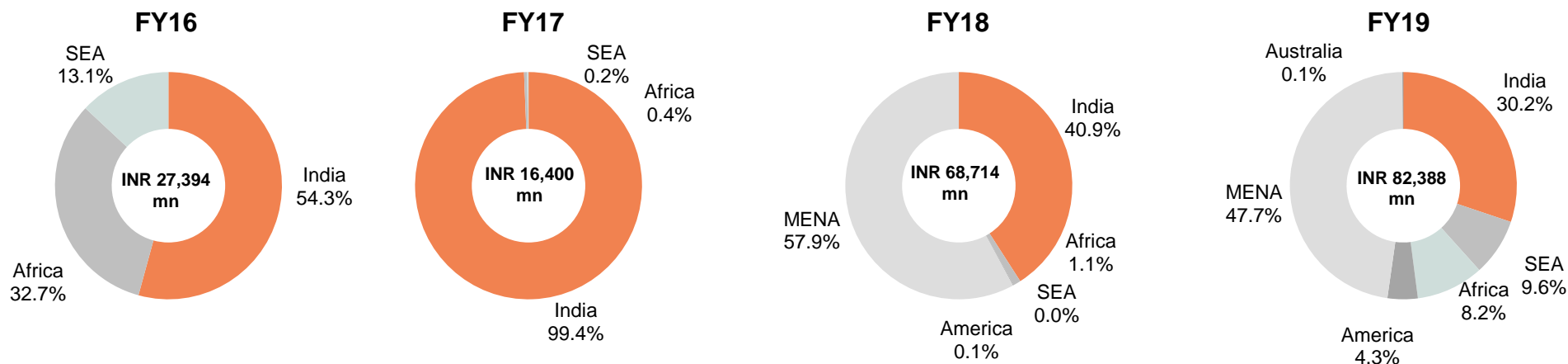
Note: Information for FY16 and FY17 pertains to the solar EPC business transferred into the Company subsequently  
 Gross Margin calculated as Revenue from Operations less COGS and Direct Project costs; all numbers are rounded off to the nearest whole number, percentages to one decimal place  
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● % of international revenues of the operating revenue

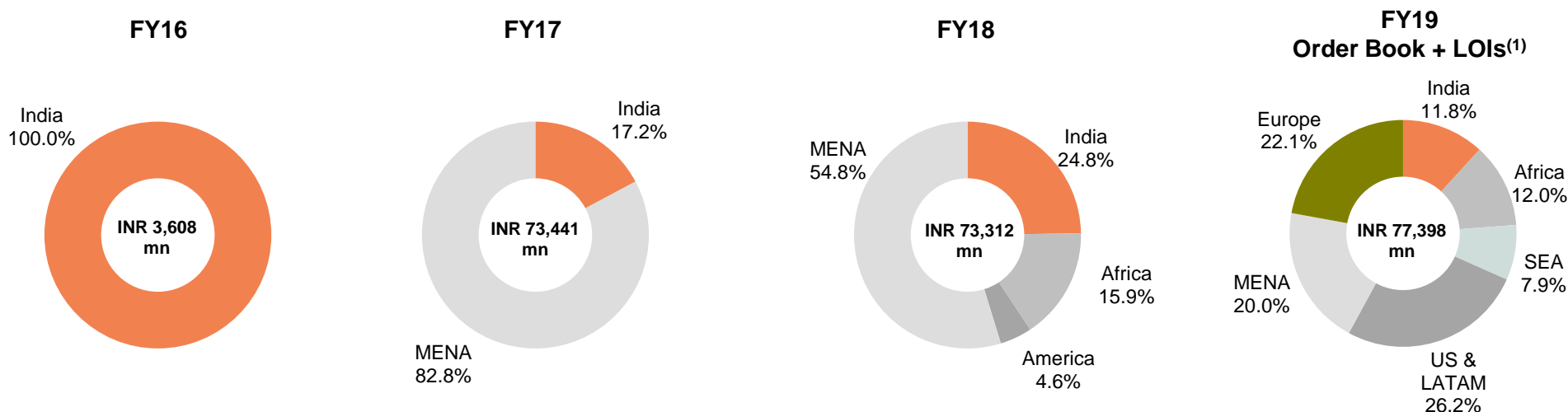
● NW calculated as Equity share capital plus other equity (including legal reserve, retained earnings and effective portion of cash flow hedge)

# Significant geographic diversification over the years

## EPC + O&M Revenue break-up by geography over the years



## Order book<sup>(1)</sup> break-up by geography over the years



(1) Order book, defined as the value of solar power projects for which the Company has entered into definitive EPC contracts minus the revenue already recognized from those projects, is INR 38,316mn as of March 31, 2019.  
Letter of Intents (LOIs), defined as solar power projects for which the Company has won bids but has not executed definitive EPC contracts, is INR 39,082mn as of March 31, 2019.

\* all numbers are rounded off to the nearest whole number, percentages to one decimal place



# STRATEGY

# Our Strategy

**Maintain market leadership through strategic expansion of overseas operations**

**Grow our customer base and maintain relationships with other key stakeholders**

**Increase operational & financial efficiency**

**Expand product offerings - O&M, rooftop solar EPC and solar storage solutions**

**Well planned geographical expansion strategy**

**In-depth & pro-active approach to strategically enter markets with conducive solar policies and solar resources**

- ✓ Pro-active identification of potential upcoming solar opportunities
- ✓ Sets up presence to conduct market diligence and bid for projects
- ✓ Ensures market preparedness well before projects actually come up for bidding



**Co-development & strategic partnership to enter other key markets**

- ✓ Co-development model in certain regions (such as USA, Europe, Australia, etc.) by making certain equity investments in projects to acquire EPC contract
- ✓ Entering new market by acquisitions or partnerships with local players



**Ability to tap opportunities arising in certain countries**

- ✓ In-house regional team monitoring various regions helps identify arising opportunities in countries which has no physical presence
- ✓ Provides ability to mobilize resources & undertake projects on one-off basis in countries without making permanent investments

# In summary, we have a differentiated business model which creates high entry barriers

---

- 1 One of the **only global pure-play solar EPC** players with a significant presence and operational experience across geographies
- 2 A **bankable player** with strong relationships with customers and other key stakeholders
- 3 Strong in-house team of 154 **design and engineering** people providing customized solutions
- 4 Leveraging the **low-cost India base** for global execution providing cost competitive solutions
- 5 **Quick decision making** & well-defined internal processes leading to timely execution
- 6 **Strong track record** of executing complex & large scale EPC projects leading to high customer retention and repeat business





## Detailed Financials

# Profit & Loss Statement

FYE March 31 (INR mn)	FY16	FY17	FY18	FY19
<b>Revenue from operations</b>	<b>27,394</b>	<b>16,403</b>	<b>68,717</b>	<b>82,404</b>
<i>Growth %</i>		(40.1%)	318.9%	19.9%
Direct Expenses	24,071	14,271	61,190	72,554
<b>Gross Profit</b>	<b>3,323</b>	<b>2,132</b>	<b>7,527</b>	<b>9,850</b>
<i>Gross margin %</i>	12.1%	13.0%	11.0%	12.0%
Overheads	1,435	1,583	2,150	3,429
Other income	70	98	127	2,095
<b>EBITDA</b>	<b>1,959</b>	<b>647</b>	<b>5,505</b>	<b>8,516</b>
<i>EBITDA margin %</i>	7.1%	3.9%	8.0%	10.3%
Depn. and Amort.	9	16	32	78
<b>EBIT</b>	<b>1,949</b>	<b>631</b>	<b>5,473</b>	<b>8,438</b>
<i>EBIT margin %</i>	7.1%	3.8%	7.9%	10.0%
<b>PBT</b>	<b>1,943</b>	<b>603</b>	<b>5,287</b>	<b>7,592</b>
<i>PBT Margin %</i>	7.1%	3.7%	7.7%	9.2%
Tax expense	689	289	781	1,209
<i>Tax rate %</i>	35.5%	47.9%	14.8%	15.9%
<b>PAT</b>	<b>1,254</b>	<b>314</b>	<b>4,505</b>	<b>6,382</b>
<i>PAT Margin %</i>	4.6%	1.9%	6.5%	7.7%

## Key Highlights

- ▶ Decline in FY17 revenue due to decrease in EPC revenue from international projects
  - 90MWp project in South Africa and 51MWp project in Philippines substantially completed in FY16
  - However, no EPC revenue recognized from any new international projects in FY17
- ▶ In FY18, international EPC revenue recognized from mainly 4 projects – 1,177MW Abu Dhabi and 175MWp Morocco projects
  - Increase in finance cost in FY18 mainly due to buyer's credit taken for imported modules for Abu Dhabi project and projects in India
  - Effective tax rate declined in FY18 due to significant increase in international revenue and lower tax rate in international geographies such as the UAE, which is the Company's global headquarters
- ▶ FY19; revenue from operations increased by 19.9% y-o-y primarily due to a significant increase in EPC revenue from South East Asia, Africa and United States of America and Latin America
  - A total of 19 EPC projects were executed across 10 countries in FY19; EPC revenues recognized for the first time from Australia
  - O&M revenues jumped 113.9% y-o-y to INR 936 mn in FY19
  - Improvement in EBITDA Margins due to operating leverage and efficiency in operations
  - Increase in finance cost of INR 846 mn was offset by the interest income of INR 1,597 mn from related parties

(1) Information for FY16 and FY17 pertains to the solar EPC business transferred into the Company subsequently.

\*Gross Profit does not include impact of forex related to project and operations; all numbers are rounded off to the nearest whole number, percentages to one decimal place

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# Balance Sheet

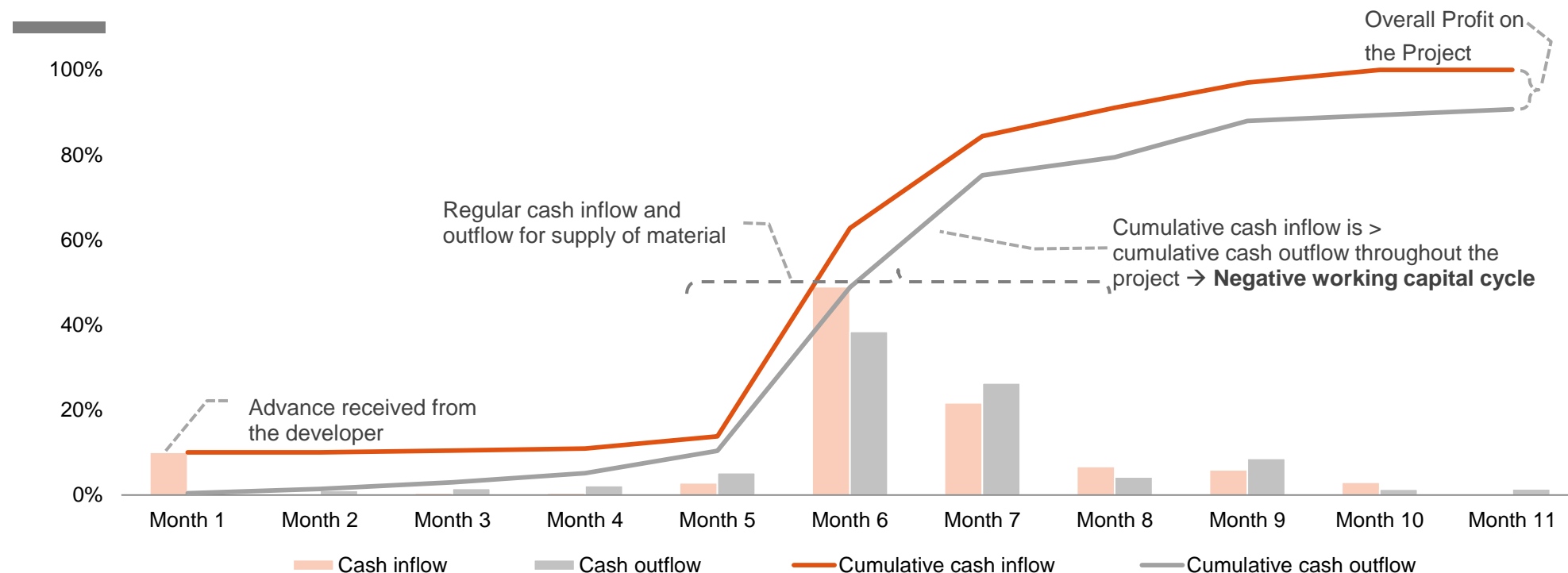
FYE March 31 (INR mn)	FY16	FY17	FY18	FY19
<b>Assets</b>				
<b>Non current assets</b>	<b>82</b>	<b>208</b>	<b>416</b>	<b>672</b>
Tangible assets (incl. CWIP)	61	76	231	265
Intangible assets	6	9	10	49
Deferred tax assets (net)	10	111	110	321
Other non current assets	5	12	64	36
<b>Current assets</b>	<b>7,051</b>	<b>10,577</b>	<b>48,788</b>	<b>53,247</b>
Inventories	13	149	186	131
Trade receivables	4,683	6,480	18,215	19,002
Cash & cash eq. & bank balances	309	109	1,041	4,545
Loans	16	28	94	19,534
Other current & financial assets	2,029	3,811	29,253	10,034
<b>Total assets</b>	<b>7,132</b>	<b>10,785</b>	<b>49,204</b>	<b>53,919</b>
<b>Equity and Liabilities</b>				
Shareholders' funds	(769)	566	1,939	8,375
<b>Non current liabilities</b>	<b>11</b>	<b>32</b>	<b>56</b>	<b>86</b>
Provisions	11	32	56	86
<b>Current liabilities</b>	<b>7,891</b>	<b>10,187</b>	<b>47,209</b>	<b>45,458</b>
Borrowings	3	3,151	1,841	22,278
Trade payables	6,738	4,629	37,398	19,125
Derivatives	32	194	104	-
Provisions	321	379	552	769
Other current & financial liabilities	796	1,836	7,314	3,286
<b>Total equity and liabilities</b>	<b>7,132</b>	<b>10,785</b>	<b>49,204</b>	<b>53,919</b>

## Key Highlights

- ▶ **Asset light model** with low fixed assets and nominal capital investments
  - Customers provide real estate assets for projects
  - Company takes assets / equipment required for projects on a lease basis
  - Entails low capex and fixed investments
- ▶ **Low working capital requirements** due to low inventory requirement, short duration of contracts with an average life of one year, and nature of payment cycle of customers and suppliers
  - Advance payment from customers typically
  - Shorter payment cycle from customers, compared to longer payment cycle to suppliers
- ▶ Borrowings in FY17 and FY18 mainly on account of buyer's credit taken for import of raw materials
- ▶ Borrowings at end of FY19 increased substantially on account of restructuring due to the Demerger whereby the Company increased debt and extended loans and advances to the group company

(1) Information for FY16 and FY17 pertains to the solar EPC business transferred into the Company subsequently.  
 \*all numbers are rounded off to the nearest whole number, percentages to one decimal place

# Illustrative working capital cycle depiction



## Net Working capital (INR mn)

FYE March 31 (INR mn)	FY16	FY17	FY18	FY19
<b>Current Assets</b>	<b>5,110</b>	<b>8,096</b>	<b>36,841</b>	<b>23,770</b>
Inventories	13	149	186	131
Trade receivables (incl. unbilled)	4,954	7,543	31,564	22,507
Advances to suppliers	142	404	5,091	1,131
<b>Current Liabilities</b>	<b>7,509</b>	<b>6,436</b>	<b>44,332</b>	<b>21,434</b>
Trade payables	6,738	4,626	37,398	19,125
Advances from customers	771	1,810	6,934	2,309
<b>Net Working Capital</b>	<b>(2,399)</b>	<b>1,660</b>	<b>(7,490)</b>	<b>2,335</b>

- ▶ Low working capital requirements due to asset light model, short duration of contracts and nature of payment cycles
  - Advance payment from customers typically
  - Longer payment cycle to suppliers
- ▶ Slightly positive working capital in FY19 relates to reduction in vendor days and lower customer advances mainly on account of delay in non-fund limit split on demerger

\*all numbers are rounded off to the nearest whole number

# Cash Flow Statement

FYE March 31 (INR mn)	FY16	FY17	FY18	FY19
<b>(A) Cash flow from operating activities</b>				
Profit before tax	1,943	603	5,287	7,592
Adjustments for non cash items	15	134	275	(434)
Operating profit before working capital changes	1,958	737	5,562	7,158
Working capital adjustments	(1,315)	(3,914)	(2,265)	(13,382)
<b>Cash flows generated from operating activities</b>	<b>643</b>	<b>(3,176)</b>	<b>3,297</b>	<b>(6,225)</b>
Income tax (paid) (net)	(38)	(5)	(774)	(1,056)
Effects of exchange differences	(7)	(5)	(12)	47
<b>Net Cash flows generated from operating activities (A)</b>	<b>598</b>	<b>(3,186)</b>	<b>2,511</b>	<b>(7,233)</b>
<b>(B) Cash flow from investing activities</b>				
Capital expenditure	(65)	(34)	(181)	(85)
Interest received	27	11	6	46
Loans given (net of received) to related parties*	—	—	—	(9,056)
Purchase of fixed deposits	—	—	(17)	(189)
Others	(9)	2	5	(4)
<b>Net Cash flows generated from investing activities (B)</b>	<b>(47)</b>	<b>(21)</b>	<b>(187)</b>	<b>(9,288)</b>
<b>(C) Cash flow from financing activities</b>				
Borrowings / loans received / (repaid)	(542)	3,271	(1,310)	20,434
Interest paid	(6)	(28)	(97)	(712)
Others	—	—	(3)	—
<b>Net Cash flows generated from financing activities (C)</b>	<b>(549)</b>	<b>3,243</b>	<b>(1,410)</b>	<b>19,722</b>
Net movement in currency translation (D)	—	(0)	2	46
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>2</b>	<b>36</b>	<b>915</b>	<b>3,247</b>
Cash and cash equivalents of subsidiaries acquired	—	—	39	6
Cash and cash equivalents at the beginning of the period	—	2	—	955
<b>Cash and cash equivalents at the end of the period</b>	<b>2</b>	<b>38</b>	<b>955</b>	<b>4,208</b>

\* during the Fiscal ended March 31, 2019, receivables from related party amounting to `10,298.76 million have been converted into loan

(1) Information for FY16 and FY17 pertains to the solar EPC business transferred into the Company subsequently. | all numbers are rounded off to the nearest whole number

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**THANK YOU**