

RIL boosts solar business with Rs 9,000 crore deals



Mukesh Ambani (Reuters)

NEW DELHI: [Mukesh Ambani](#)'s \$10-billion renewables dream will take wings with acquisition of Norway-based solar panel manufacturer [REC](#) Solar Holdings and a 40% stake in Sterling & Wilson Solar, a Shapoorji-Pallonji group company, with a combined deal value of more than Rs 9,300 crore.

[Reliance](#) New Energy Solar (RNESL), a wholly owned subsidiary of Reliance Industries (RIL), on Sunday acquired 100% shareholding of REC Solar Holdings AS (REC Group) from China National Bluestar (Group) Co, for an Enterprise Value of \$771 million (Rs 5,800 crore).

Simultaneously, RNESL also executed definitive agreements with Shapoorji Pallonji and Company (SPCPL), Khurshed Daruvala and Sterling & Wilson Solar (SWSL) to acquire 40% stake post-money in [SWSL](#) through a series of transactions.

THE TWO TARGETS

- Norway's **REC Solar Holdings**, controlled by a Chinese entity, makes solar grade polysilicon and solar panel & modules at facilities in Norway and Singapore
- It has more than 1,300 employees across the world
- RIL will use REC's tech to make metallic silicon and solar panels at its gigafactory at Jamnagar, Gujarat
- Initial annual capacity of this plant will be 4GW, eventually rising to 10GW



- The SP Group co **Sterling & Wilson** is an end-to-end solar engineering, procurement & construction (EPC) solutions provider operating globally
- It has more than 3,000 employees in 24 countries
- It has to its credit over 11GWp of solar power projects, managing a portfolio of 8.8GWp
- RIL will use the deal to add the acquired co's engineering talent, domain knowledge and global experience to its own solar value chain

These transactions include a 15.9% preferential allotment, purchase of 9.7% stake from the promoters and an open offer for 26%. Altogether, the transactions could entail total investment of up to Rs 3,900 crore, depending on the price at which the open offer is made.

These are the first steps in green energy by the oil-to-retail and telecom giant. While they may not match the recent Adani Green Energy's acquisition of SoftBank-promoted SB Energy for \$3.5 billion, they indicate RNESL's ambitions to establish a dominant position in the global green energy arena.

The acquisition of REC Solar will help Reliance expand in the US, Europe, Australia and elsewhere in Asia. The 40% stake in Sterling & Wilson Solar will provide Reliance the capability to execute clean energy projects globally.

With 11-plus GW of solar turnkey projects executed globally and more than five decades of engineering experience, SWSL is a leading international EPC and O&M service provider in the renewables sector. The company has a 3,000 strong team and presence across 24 countries.

REC manufactures solar grade polysilicon as well as solar panel and modules at facilities in Norway and Singapore. It has more than 1,300 employees globally, Reliance Industries said in a statement.

Reliance said it will use REC's technology to manufacture metallic silicon and solar panels at its proposed gigafactory at Jamnagar in Gujarat with initial annual capacity of 4 GW (gigawatts), which will be raised to 10GW.

The acquisition of REC Solar is part of \$2-billion – out of the \$10-billion renewables plan – Ambani had earmarked for acquisitions to create clean energy capabilities. "It is in line with our strategy of investing in new and advanced technologies and operating capabilities aimed at achieving Reliance's goal of enabling 100GW clean and green energy before the end of this decade," the statement quoted Ambani as saying.