

Renewable energy cos look to raise cash via IPO

It is more conducive for renewable firms to tap the markets this time, say experts

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MUMBAI: Several renewable energy companies in India, especially those owned or backed by financial sponsors, have started exploring plans to go public, either in India or abroad.

Mint reported on October 18 that Goldman Sachs-backed ReNew Power Ventures Pvt. Ltd, one of the top renewable energy companies in India, is exploring an overseas listing, possibly in the US or UK.

Companies such as Warburg Pincus-backed rooftop solar energy firm CleanMax Solar and Morgan Stanley-owned Continuum Wind Energy are some of the other companies that have held talks with advisers on initial public offerings (IPOs).

CleanMax Solar is backed by investors such as Warburg Pincus, UK Climate Investments and International Finance Corp. In 2012, Morgan Stanley Infrastructure Partners, which manages more than \$4 billion in assets globally, invested \$212 million in

Deals buzz

Some renewable energy companies are planning initial share sales. A look at firms that are in talks for an IPO and the deals landscape.

RENEWABLE COMPANIES EYEING AN IPO

Approx. portfolio** (in MW)
ReNew Power Pvt. Ltd

10,300

CleanMax Solar

600

Continuum Wind Energy

1,183

**Includes operational projects, those under development and plants in the pipeline

Graphic: Sarvesh Kumar Sharma/Mint

IPOs IN INDIA



Source: Prime Database, Sebi, company announcements

India-focused Continuum Wind.

"There is a definite buzz around IPOs in the renewable energy sector. ReNew will lead the way, and depending on how that goes, others will follow. Most discussions are at initial stages, and no firm decision has been taken on going public. They are likely to take the final call in the next month or two," said a person aware of the discussions, speaking on condition of anonymity as the talks are private.

Interest is high among financial investor-backed renewable firms, a second person added. "Some of these platforms have reached a significant scale where

RENEW POWER VENTURES IS EXPLORING AN OVERSEAS LISTING, IN THE US OR UK

an M&A is not the most optimum route of exit for investors. Such investors now want to see if they can tap capital markets," he said.

To be sure, this is not the first time ReNew Power is planning to go public.

The company filed a draft initial public offer prospectus in May 2018, which would have

seen its lead investor Goldman sell shares worth over ₹4,000 crore. The plan was eventually shelved.

However, industry experts believe that this time around the situation is far more conducive for renewable companies to tap the markets.

"The IPO market for renewable energy is quite different now from what it was a couple of years ago. The shift from high-carbon fuels to clean energy is now in full swing, and renewable energy companies are gaining significant attraction. This is due to the government's initiatives, including the expenditure undertaken by the dedicated public sector undertakings on climate-related mitigation activities and increasing investor interest internationally in clean energy companies," said Ravi Dubey, a partner at law firm IndusLaw.

He added that the investor response to recent public offering by Array Technologies in the US, coupled with various SPACs (special purpose acquisition companies) having raised money to target clean energy companies, indicates renewed investor interest in the sector.

Emails sent to CleanMax Solar and Continuum Wind Energy did not elicit a response.