STERLING AND WILSON PRIVATE LIMITED

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043, Maharashtra
Telephone No: +91-22-2548-5300, **Fax No:** +91-22-2548-5331
CIN: U31200MH1974PTC017538
Website: https://sterlingandwilson.com, **Email:** companysecretary@sterlingwilson.com

MEETING OF THE UNSECURED CREDITORS OF STERLING AND WILSON PRIVATE LIMITED CONVENED IN ACCORDANCE WITH THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

MEETING:

Day	Thursday
Date	February 16, 2023
Time	02:30 P.M. IST
Venue	Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai – 400043, Maharashtra

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – V
COMPANY SCHEME APPLICATION NO. C.A. (CAA) 224/MB/2022

In the matter of the Companies Act, 2013;

AND

In the matter of Section 234 read with Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Rule 11 and other applicable rules of the National Company Law Tribunal ('NCLT') Rules, 2016

AND

In the matter of Scheme of Arrangement of Sterling and Wilson Middle East Electromechanical LLC **('SW ME'** or 'the **Transferor Company')** WITH Sterling and Wilson Private Limited **('SWPL'** or 'the **Transferee Company')** and their respective Shareholders ('the Scheme' or 'this Scheme')

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC

...the Non-Applicant Company / Transferor Company

STERLING AND WILSON PRIVATE LIMITED

...the Applicant Company / Transferee Company

Sterling and Wilson Private Limited }
9th Floor, Universal Majestic, P. L. Lokhande Marg, }
Chembur (West), Mumbai – 400043, Maharashtra }
CIN: U31200MH1974PTC017538 }

… Applicant Company / Transferee Company

FORM NO. CAA. 2
[Pursuant to Section 230 (3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]
Company Scheme Application No. C.A. (CAA)/224/MB-V/2022

STERLING AND WILSON PRIVATE LIMITED

...the Applicant Company / Transferee Company

Notice of meeting of the Unsecured Creditors of Sterling and Wilson Private Limited convened in accordance with the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench

To
The Unsecured Creditors of Sterling and Wilson Private Limited as on 31st October 2022

TAKE NOTICE that by the order dated 29th November 2022 in the above mentioned Company Scheme Application **('Order')**, the Hon'ble National Company Law Tribunal, **Mumbai Bench ('Hon'ble Tribunal' or 'NCLT')** has directed inter alia that a meeting of the Unsecured Creditors of the Applicant Company be convened and held to consider and, if thought fit, to approve the proposed Composite Scheme of Arrangement between Sterling and Wilson Middle East Electromechanical LLC and Sterling and Wilson Private Limited and their respective Shareholders **('Scheme')** under Section 234 read with Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 **('Act')** read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme, if approved by the Unsecured Creditors, will be subject to the subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of the Applicant Company will be held physically on Thursday, 16th February, 2023 at 2:30 P.M. IST ('Meeting') at the registered office of the Applicant / Transferee Company at Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043, Maharashtra, at which day, date and time, when you the said Unsecured Creditors, are requested to attend.

TAKE FURTHER NOTICE that a copy of the Scheme, Notice and the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other annexures as stated in the Index including the valuation report are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Applicant / Transferee Company at https://sterlingandwilson.com. Any creditor may also obtain a copy of this Notice, scheme and explanatory statement and any other accompanying documents free of charge from the registered office of the Applicant / Transferee Company or by sending an email to companysecretary@sterlingwilson.com.

TAKE FURTHER NOTICE that the voting rights of the Unsecured Creditors shall be in proportion to their outstanding amount in the Applicant / Transferee Company as on 31st October 2022.

TAKE FURTHER NOTICE that Mr. Parameshwar V. Hegde, Chief Financial Officer of the Applicant Company, failing whom, Mr. K. P. Hariharan, Company Secretary of the Applicant Company, failing whom, Mr. Dipendra Maheshwari, DGM of the Applicant Company have been appointed to be the Chairperson of the meeting.

TAKE FURTHER NOTICE that Sanjay Rane and Associates, Chartered Accountants have been appointed as the Scrutinizer of the meeting.

In the Tribunal Convened Meeting, the Unsecured Creditors are requested to consider, and if thought fit, to pass with requisite majority, the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 234 read with Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Memorandum and Articles of Association of the Company and subject to the approval of the Hon’ble National Company Law Tribunal, Mumbai Bench (hereinafter referred to as **‘the Tribunal’**) and subject to such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **‘Board’**), the arrangement embodied in the proposed Composite Scheme of Arrangement between Sterling and Wilson Middle East Electromechanical LLC and Sterling and Wilson Private Limited and their respective shareholders **(‘Scheme’)** enclosed with the Notice of the Meeting, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

For Sterling and Wilson Private Limited

Sd/-
Parameshwar V. Hegde
Chairperson appointed for the meeting

Place **:** Mumbai
Date **:** 14th January, 2023

Registered Office:
9th Floor, Universal Majestic,
P. L. Lokhande Marg, Chembur (West),
Mumbai – 400043, Maharashtra

NOTES:

1. A proxy appointed to attend and vote on behalf of a creditor at this meeting, as aforesaid, need not be a creditor of the Transferee Company. The instrument of proxy to be effective, should however, be duly signed by the creditor entitled to attend and vote at the meeting or by his authorised representative and deposited not later than 48 hours before the time for holding the meeting with the Transferee Company at its Registered Office. Respective forms of proxy are attached and can also be obtained free of charge at the registered office of the Transferee Company.

2. All alterations made in the form of Proxy must be initialled by the creditor.

3. Where a body corporate authorises any person to act as its representative to attend and vote at the meeting, as aforesaid, a copy of the resolution of the Board of Directors or other governing body of such body corporate authorising such person to act as its representative at such meeting, and certified to be a true copy by a director, the manager, the secretary, or other authorised officer of such body corporate shall be lodged with the Transferee Company at its registered office or emailed to the Scrutinizer at sarikap@ssrane.net with a copy marked to companysecretary@sterlingwilson.com not later than 48 hours before the time for holding the meeting.

4. The Explanatory Statement pursuant to Sections 102, 230(3), 232(1), 232(2) of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in respect of the business set out above is annexed hereto.

5. The Notice of the Meeting along with the Explanatory Statement and other documents mentioned in the Index (collectively referred to as 'Notice') is being sent to the Unsecured Creditors as on 31st October 2022 through electronic mode at their email addresses as per the records of the Applicant / Transferee Company and in case the email address of any unsecured creditor is not available with the Transferee / Applicant Company, the Notice is being delivered at their last know addresses as per the records of the Applicant / Transferee Company.

6. Electronic copies of all the documents referred to in the Notice shall be made available for inspection. The Unsecured Creditors desiring inspection of such documents may send their request in writing to the Applicant / Transferee Company at companysecretary@sterlingwilson.com.

7. VOTING BY UNSECURED CREDITOR

A. The voting rights of the Unsecured Creditors shall be in the same proportion to the amount outstanding in the Applicant / Transferee Company as on 31st October 2022.

B. Sanjay Rane and Associates, Chartered Accountants, shall act as Scrutinizer to scrutinize the voting process during the Meeting, in a fair and transparent manner.

C. The Notice convening the Meeting will be published through an advertisement in the 'Free Press Journal' in English language and 'Navshakti' in the Marathi language, both having circulation in Mumbai.

8. DECLARATION OF RESULTS ON THE RESOLUTION

(i) The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the Meeting, make a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the Meeting or a person authorized by him in writing who shall countersign the same.

(ii) The result of the voting shall be announced by the Chairman of the Meeting or a person authorized by him in writing within 48 hours from the conclusion of the Meeting, upon receipt of the Scrutinizer's Report.

(iii) Subject to the receipt of requisite majority (being majority of persons representing three-fourths in value of the Unsecured Creditors voting in person or by proxy), the resolution shall be deemed to be passed on the date of the Meeting i.e., on 16th February 2023.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – V
COMPANY SCHEME APPLICATION NO. C.A. (CAA) 224/MB/2022

In the matter of the Companies Act, 2013;

AND

In the matter of Section 234 read with Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Rule 11 and other applicable rules of the NCLT Rules, 2016

AND

In the matter of Scheme of Arrangement of Sterling and Wilson Middle East Electromechanical LLC **('SW ME'** or 'the **Transferor Company')** WITH Sterling and Wilson Private Limited **('SWPL'** or 'the **Transferee Company')** and their respective Shareholders ('the Scheme' or 'this Scheme')

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CIN: U31200MH1974PTC017538 }

… Applicant Company / Transferee Company

EXPLANATORY STATEMENT TO THE NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF STERLING AND WILSON PRIVATE LIMITED

1. This is a statement accompanying the Notice convening the meeting of the Unsecured Creditors of the Applicant / Transferee Company, pursuant to the order dated 29th November 2022, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench **('Hon'ble Tribunal'/'NCLT')** in the Company Scheme Application referred to hereinabove. A meeting is being called, convened and conducted at the registered office of the Applicant / Transferee Company on Thursday, 16th February, 2023 at 2:30 P.M. IST, for the purpose of considering, and if thought fit, approving the arrangement embodied in the Composite Scheme of Arrangement between the Applicant Company and Sterling and Wilson Middle East Electromechanical LLC and their respective shareholders **('Scheme')** which inter alia envisages reduction of share capital and reorganization of reserves of the Applicant / Transferee Company as per Part II of the Scheme followed by merger of Sterling and Wilson Middle East Electromechanical LLC (**'SW ME'** or 'the **Transferor Company'**) with and into Sterling and Wilson Private Limited (**'SWPL'** or **'Transferee Company '**) and their respective Shareholders as per Part III of the Scheme.

2. A copy of the Scheme setting out in detail the terms and conditions of the scheme, inter alia, providing for the proposed reduction of share capital and reorganisation of reserves and Scheme of Arrangement between the Applicant / Transferee Company and Sterling and Wilson Middle East Electromechanical LLC and their respective Shareholders, which has been approved by the Board of Directors of the Applicant Company at its meeting held on 6th June 2022, is attached to this explanatory statement and forms part of this statement as ANNEXURE A.

3. **Background of Sterling and Wilson Private Limited is as under:**

   a) **Sterling and Wilson Private Limited** (**"SWPL"** or **"Transferee Company"** or **"Applicant Company"**), was incorporated on 13th June 1974, as a private limited company in the State of Maharashtra under the provisions of the Companies Act, 1956 under the name and style of "Sterling and Wilson Electricals Private Limited". The name was then changed to “Sterling and Wilson Private Limited” on 27th June 2007. The name was then changed to “Sterling and Wilson Limited” on 8th December 2009. The name was then changed to its present name of “Sterling and Wilson Private Limited” on 27th November 2014. The Transferee Company’s Corporate Identity Number is U31200MH1974PTC017538 and is having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043. The Transferee Company is, inter alia, engaged in designing, procurement, installation testing commissioning of Mechanical, Electrical Plumbing (MEP) systems, firefighting systems, building management systems, Transmission & Distribution system, building data centers, Operation & maintenance of these systems etc. business in India. The PAN of SWPL is AAACS9939D.

b) The e-mail id of the Authorized Representative of SWPL is hegde@sterlingwilson.com.

c) The Share Capital of SWPL, as on 31st October 2022 was as under:

Share Capital	Amount in (Rs.)
Authorised Share Capital	
5,00,00,000 equity shares of face value of Rs. 10 each	50,00,00,000
3,45,00,000 0% Compulsorily Convertible non-cumulative Preference Shares of Rs. 1,000/- each	34,50,00,00,000
Total	**35,00,00,00,000**
Issued, Subscribed and fully Paid-up	
2,93,69,333 Equity Shares of Rs. 10/- each	29,36,93,330
1,80,25,000 0% Compulsorily convertible non-cumulative Preference Shares of Rs. 1,000 each	18,02,50,00,000
Total	**18,31,86,93,330**

Subsequent to the above date, SWPL has issued 90,00,000 CCPS of face value Rs. 1,000 each, fully paid-up. There has been no change in the authorized, issued, subscribed and paid-up Equity Share Capital of SWPL.

d) The main object of SWPL is set out in the Memorandum of Association. The main objects inter alia are as under:

To carry on the business in India or elsewhere of electricians, mechanical engineers, manufacturers, contractors, installers, supervisors, workers, repariers, maintainers, service providers and dealers in electrical, mechanical, electronic, pneumatic, hydraulic apparatus, goods and sites, to plan, develop, establish, erect, construct, acquire , operate, run, manage, hire, lease, buy, sell, maintain, enlarge, alter, renovate, modernize, work and use power generating stations based on conventional/ nonconventional resources for evacuation, transmission, distribution, trading or supply of power through establishing or using stations, tie-lines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/ or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis or otherwise and to do all the ancillary related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms. to design, engineer, supply, erect, commission, operate and maintain telecommunication systems, (wireless or other), including formation of exchange centres, air-conditioning systems for commercial, industrial or for other applications, safety and alarm systems, solid or liquid waste treatment and energy recovery systems.

e) The Shareholding Pattern of SWPL as on 31st October 2022 is as under:

Sr No.	Name of the Equity Shareholders	First Holder of joint shares	Face Value	Number of shares held	Percentage (%)
1	Shapoorji Pallonji and Company Private Limited	Not applicable	10	1,94,80,000	66.33
2	Khurshed Y. Daruvala	Not applicable	10	97,45,293	33.17
3	Rohiqa C. Mistry	Not applicable	10	72,000	0.25
4	Pallon S. Mistry	Not applicable	10	72,000	0.25

Sr No.	Name of the Equity Shareholders	First Holder of joint shares	Face Value	Number of shares held	Percentage (%)
5	Parvin Z. Madan jointly with Khurshed Y. Daruvala	Parvin Z. Madan	10	10	0.00
6	Kainaz K. Daruvala jointly with Khurshed Y. Daruvala	Kainaz K. Daruvala	10	20	0.00
7	Zarine Y. Daruvala	Not applicable	10	10	0.00
Total				**2,93,69,333**	**100.00**

Sr No.	Name of the Shareholders	Number of shares held	Face Value	Amount	Percentage (%)
1	Shapoorji Pallonji and Company Private Limited	95,00,000	1,000	9,50,00,00,000	52.70
2	Khurshed Y. Daruvala	60,25,000	1,000	6,02,50,00,000	33.40
3	Sashwat Energy Private Limited	25,00,000	1,000	2,50,00,00,000	13.90
Total		**1,80,25,000**		**18,02,50,00,000**	**100.00**

f) The details of the Directors and Key Managerial Personnel of SWPL along with their addresses as well as shareholding as on 31st October 2022 are as follows:

Sr. No.	Name	Designation	Address	Shares (Nos)	Shareholding (%)
1	Zarine Yazdi Daruvala	Managing Director	613, Dinshaw Building, Jame Jamshed Road, Parsi Colony, Dadar, Mumbai – 400 014	10	0.00
2	Khurshed Yazdi Daruvala	Director	613, Dinshaw Building, Jame Jamshed Road, Parsi Colony, Dadar, Mumbai – 400 014	97,45,293	33.17
3	Pallon Shapoorji Mistry	Director	Sterling Bay, 103, Walkeshwar Road, Mumbai – 400 004.	72,000	0.25
4	Kalapathy Parameswaran Hariharan	Company Secretary	Forward House No. 01, Flat No. 06, Plot No. 325, Bhairavnath Mandir Road, Wadala West, Mumbai – 400 031.	-	-
5	Parameshwar Venkatraman Hegde	Chief Financial Officer	972-A, 4th Main, 2nd E Cross, 3rd Stage, 3rd Block, Basaveshwara Nagar, Bengaluru – 560 079.	-	-

g) The details of Promoters of SWPL along with their addresses as well as shareholding as on 31st October 2022 are as follows:

Sr. No.	Name	Address	Shares (Nos)	Shareholding (%)
1	Shapoorji Pallonji and Company Private Limited	70, Nagindas Master Road, Fort, Mumbai – 400 023.	1,94,80,000	66.33
2	Khurshed Y. Daruvala	613, Dinshaw Building, Jame Jamshed Road, Parsi Colony, Dadar, Mumbai – 400 014	97,45,293	33.17
3	Rohiqa C. Mistry	Sterling Bay, 103, Walkeshwar Road, Mumbai – 400 004.	72,000	0.25

Sr. No.	Name	Address	Shares (Nos)	Shareholding (%)
4	Pallon S. Mistry	Sterling Bay, 103, Walkeshwar Road, Mumbai – 400 004.	72,000	0.25
5	Parvin Z. Madan jointly with Khurshed Y. Daruvala	613, Dinshaw Building, Jame Jamshed Road, Parsi Colony, Dadar, Mumbai – 400 014	10	0.00
6	Kainaz K. Daruvala jointly with Khurshed Y. Daruvala	613, Dinshaw Building, Jame Jamshed Road, Parsi Colony, Dadar, Mumbai – 400 014	20	0.00
7	Zarine Y. Daruvala	613, Dinshaw Building, Jame Jamshed Road, Parsi Colony, Dadar, Mumbai – 400 014	10	0.00

h) The Board of Directors of SWPL have at their meeting held on 6th June 2022 unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

Sr. No.	Name of Directors	Voted in favour/ against / did not participate or vote
1	Zarine Yazdi Daruvala	**In Favour**
2	Khurshed Yazdi Daruvala	**In Favour**
3	Pallon Shapoorji Mistry	**In Favour**

4. Background of Sterling and Wilson Middle East Electromechanical LLC is as under:

a) **Sterling and Wilson Middle East Electromechanical LLC (“SW ME” or “Transferor Company”)** is a foreign, unlisted, Limited Liability Company incorporated on 19th May 2008 in the Emirate of Dubai under Federal Law No. (8) of 1984 under License No. 611316 and having its registered office at Office No. 123, Plot No. 582, Jabail Ali Industrial First, Box No. 88146, Dubai, United Arab Emirates and is, inter alia, engaged in the business of designing, procurement, installation testing commissioning of Mechanical, Electrical Plumbing (MEP) systems, firefighting systems, building management systems etc. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

b) The e-mail id of the authorized representative of SW ME is neville.madan@sterlingwilson.com.

c) The Share Capital of SW ME, as on 31st October 2022 was as under:

Particulars	Amount in (AED)
Authorized Share Capital	
300 Equity Shares of AED 1,000 each	3,00,000
Total	**3,00,000**
Issued, Subscribed and fully Paid-up	
300 Equity Shares of AED 1,000 each	3,00,000
Total	**3,00,000**

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of SW ME.

d) The main object of SW ME is set out in the Memorandum of Association as under:

1. *Electric Power Lines Contracting*
2. *Air-Conditioning, Ventilations & Air Filtration Systems Installation & Maintenance.*
3. *Electricity Transmission & Control Equipment Installation Works*
4. *Electromechanical Equipment Installation and Maintenance*

5. *Measuring & Control System Installation*
6. *Plumbing & Sanitary Installation*
7. *Electrical Fitting Contracting*
8. *Solar Energy Systems Installation”*

e) The Shareholding Pattern of SW ME as on 31st October 2022 is as under:

Sr No.	Name of the Shareholders	Number of shares held	Amount (in AED)	Percentage (%)
1	Sterling and Wilson Private Limited	300	3,00,000	100
Total		**300**	**3,00,000**	**100**

f) The details of the Director of SW ME along with his address as well as shareholding as on 31st October 2022 are as follows:

Sr. No.	Name	Designation	Address	Shares (Nos)	Shareholding (%)
1	Neville Madan	Managing Director	P. O. Box No. 54811, Dubai, United Arab Emirates	NIL	-

g) The details of Promoter of SW ME along with its address as well as shareholding as on 31st October 2022 are as follows:

Sr. No.	Name	Address	Shares (Nos)	Shareholding (%)
1	Sterling and Wilson Private Limited	Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (West), Mumbai – 400043	300	100

h) The Board of Director of SW ME has at their meeting held on 6th June 2022 approved the Scheme by voting in favor of the Scheme.

5. Relationship subsisting between the Companies involved in the Scheme

a) Sterling and Wilson Middle East Electromechanical LLC is a wholly owned subsidiary of Sterling and Wilson Private Limited

6. Rationale of the Scheme

Part II of the Scheme of Arrangement would facilitate as under:

a. The reduction of share capital in the manner proposed in the Scheme would enable the Transferee Company to rationalize its capital structure and present a true and fair financial position of the Transferee Company in a better manner, which is commensurate with its business and assets.

b. The Scheme envisages reduction by way of cancellation of its Compulsorily Convertible Preference Shares (“CCPS”) and face value of equity shares and subsequent payout against such cancellation so to create a Capital Reduction Reserve which shall be utilized to write off the accumulated losses in the Profit & Loss Account appearing as on the Appointed Date in the books of the Transferee Company.

c. The Scheme would not affect the ability or liquidity of the Transferee Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

a) SW ME has been sustaining substantial business losses over a number of years due to a weak overall business performance and general business environment, including the weak business environment in the Middle East (as also globally) on account of the ongoing COVID-19 pandemic. Further, RBI-prescribed One Time Restructuring of debt at the ultimate shareholder level (i.e., at Shapoorji Pallonji Group level) further stressed the business of SW ME due to non-availability of normal banking credit facilities (both fund-based and non-fund based) which would otherwise be available. Resultantly, there has been a steep decline in the overall business of SW ME.

b) In the context of the above, given that the management of SW ME and SWPL do not foresee a meaningful revival of the business of SW ME, it is envisaged that the business of SW ME be amalgamated with and into SWPL under this Scheme.

c) The amalgamation and consolidation of group structure, reduction in overheads including administrative, managerial and other expenditure, significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.

d) The proposed Scheme shall also enable the Transferor Company to address competitive regulatory environment, risks and policies, better management, ability to strategize the remaining business for long term growth, consolidation and creation of shareholder's value.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the Transferor Company and the Transferee Company. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

7. Details of Share Entitlement Ratio Report

Not Applicable for Part III of the Scheme, since the Scheme involves Amalgamation of a wholly owned subsidiary with its Holding Company.

The valuation report obtained from the Registered Valuer – Securities or Financial Assets certifying the valuation of Sterling and Wilson Private Limited is annexed and marked as **Annexure B** for Part II of the Scheme.

8. Salient features of the Scheme

The Salient features of the composite Scheme of arrangement are as under:

a) *Appointed Date: **"Appointed Date"** for the purpose of this Scheme means the closing hours of 31st day of March 2022.*

b) *Effective Date: **"Effective Date"** means the last of the dates on which the conditions specified in Clause 19 are complied with. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.*

c) *Compulsorily Convertible Preference Shares: **"Compulsorily Convertible Preference Shares"** or "CCPS" means fully paid-up 0% Compulsorily Convertible non-cumulative preference shares of Rs. 1,000 each issued by the Transferee Company;*

d) *Equity Shares: **"Equity shares"** means fully paid-up equity shares of Rs. 10 each issued by Transferee Company;*

e) *Profit & Loss Account: **"Profit & Loss Account"** means the accumulated losses / debit balances appearing in the books of accounts of the Transferee Company as on the Appointed Date and includes balances in profit and loss account of the Transferor Company which shall be recorded in the books of Transferee Company.*

f) *Transferor Company: **"Transferor Company"** or **"SW ME"** means Sterling and Wilson Middle East Electromechanical LLC having License No. 611316 and registered office of which is situated at Office No. 123, Plot Number 582, Jabail Ali Industrial First, Box No. 88146, Dubai, United Arab Emirates and Email ID of its authorized representative is neville.madan@sterlingwilson.com;*

g) *Transferee Company: **"Transferee Company"** or "SWPL" means Sterling and Wilson Private Limited having Corporate Identity No: U31200MH1974PTC017538 and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043. The PAN of the Transferee Company is AAACS9939D and the email ID of its authorized representative is hegde@sterlingwilson.com.*

Part II – Re-organisaton of reserves and reduction of share capital of the Transferee Company

I. ***Consideration:*** *With effect from the Appointed Date, 1,80,25,000 number of CCPS (having face value of INR 1,000 each) of the Transferee Company shall stand extinguished and cancelled through capital reduction proportionate to percentage of such CCPS held by the holders of the CCPS as on the Effective Date, for a consideration of INR 11.68 per equity share (as determined on a fully diluted basis), as determined vide Valuation Report dated 2 June, 2022, issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106, amounting to a total payout of INR 87,71,68,000.*

   With effect from the Appointed Date, 1,46,84,667 number of Equity Shares (having face value of INR 10 each) of the Transferee Company (50% of the Equity Shares of the Company as on 28 February 2022) shall stand extinguished and cancelled through capital reduction proportionate to percentage of such Equity Shares held by the holders of the Equity Shares as on the Effective Date, for a consideration of INR 11.68 per equity share, as determined vide Valuation Report dated 2 June, 2022, issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106, amounting to a total payout of INR 17,15,16,905.

II. ***Accounting Treatment:*** *With effect from the Appointed Date, the difference between the aggregate of face value of CCPS and Equity Shares so extinguished and cancelled through capital reduction as per Clause 4.2 and 4.3 above, on the one hand, and the amount of consideration payable on such extinguishment and cancellation, shall stand transferred to and be recorded as credit to the Capital Reduction Reserve.*

   With effect from the Appointed Date, such Capital Reduction Reserve shall be utilised for set-off of the debit balance in the Profit & Loss Account of the Transferee Company.

   *The extinguishment and cancellation of CCPS and Equity Shares in the manner stated above shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order un*der section 66 and other applicable provisions of the Act and no separate sanction under section 66 and other applicable provisions of the Act will be necessary.

PART III - Amalgamation of the Transferor Company with and into the Transferee Company:

(i) *Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date and upon the Part III of the Scheme becoming effective, the entire business and Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorizations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and applicable provisions of UAE and pursuant to the order of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.*

(ii) ***Consideration:*** *The entire share capital of Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, the shares held by the Transferee Company and its nominees in the Transferor Company shall be cancelled and extinguished and no share shall be issued by the Transferee Company in consideration for this Scheme of Amalgamation. Upon the coming into effect of this Scheme, the share certificates, if any, and / or the shares in electronic form representing the shares held by Transferee Company, and its nominees, in the Transferor Company, shall be deemed to be cancelled without any further act or deed for cancellation thereof by the transferor and shall cease to be in existence accordingly.*

(iii) ***Accounting Treatment:*** *Amalgamation of the Transferor Company with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations under common control) notified under Section 133 of the Act and under any other relevant Indian Accounting Standard prescribed under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.*

(iv) ***Dissolution of the Transferor Company:*** *Upon the Scheme becoming effective, the Transferor Company shall stand dissolved and the Transferor Company shall initiate and pursue all actions necessary under Federal Law No. 2 of 2015 on Commercial Companies for its liquidation and such other additional requirements in accordance with the regulatory provisions of UAE.*

h) *<u>Conditionality of the Scheme:</u>*

The Scheme is conditional upon and subject to (to the extent applicable and required) the following:

(i) *The requisite consents, approvals or permissions of any Appropriate Authority(ies) from India, UAE, which by law may be necessary, for the implementation of this Scheme.*

(ii) *The Scheme being approved by the respective requisite majorities of the shareholders and/ or creditors (as may be required and / or to the extent not dispensed with by the Appropriate Authority(ies)) of the Transferor Company and Transferee Company as required under applicable laws, if any, and as may be directed by the NCLT.*

(iii) *The Appointed Date having ensued.*

(iv) *Obtaining the sanction of the NCLT by the Transferor Company and Transferee Company under Section 234 read with Sections 230 to 232, Section 52 and Section 66 of the Act and other applicable provisions of the Act.*

(v) *The certified copies of the Orders of the Hon'ble NCLT sanctioning this Scheme, are filed with the jurisdictional Registrar of Companies, as may be required.*

(vi) *Compliance by the Transferor Company and the Transferee Company of all the necessary and applicable provisions of its respective Applicable Law.*

(vii) *Compliance with such other conditions as may be imposed by the NCLT or other Government Authority.*

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE UNSECURED CREDITORS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

9. Disclosure about effect of compromise or arrangement on material interest of Director and, Key Managerial Personnel:

The Directors and KMP and their respective relatives of the Transferor Company and the Transferee Company may be effected only to the extent of their shareholding in the Transferor Company and / or Transferee Company, or to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in Transferor Company and / or Transferee Company, if any. Save as aforesaid, none of the Directors / KMP of the Transferor Company and / or Transferee Company have any material interest in the Scheme.

10. The Scheme of Arrangement does not envisage any debt restructuring.

11. Amount due to Unsecured Creditors as on 31st October 2022

The Amount due to Unsecured Creditors standing in the books of SWPL as on 31st October 2022 is INR 2,306.48 Crores.

12. Pre and Post Capital Structure and Shareholding pattern

The pre-Scheme capital structure and shareholding pattern of the Transferor Company and Transferee Company are provided under clauses 3(c), 3(e), 4(c) and 4(e) above respectively. Upon the coming into effect of the Scheme, SW ME shall stand dissolved without winding up.

a) **Pre Scheme Capital Structure of SWPL**

Share Capital	Amount in (Rs.)
Authorised Share Capital	
5,00,00,000 equity shares of face value of Rs. 10 each	50,00,00,000
3,45,00,000 0% Compulsorily Convertible non-cumulative Preference Shares of Rs. 1,000/- each	34,50,00,00,000
Total	**35,00,00,00,000**
Issued, Subscribed and fully Paid-up	
2,93,69,333 Equity Shares of Rs. 10/- each	29,36,93,330
1,80,25,000 0% Compulsorily convertible non-cumulative Preference Shares of Rs. 1,000 each	18,02,50,00,000
Total	**18,31,86,93,330**

b) **Post Scheme Capital Structure of SWPL**

Share Capital	Amount in (Rs.)
Authorised Share Capital	
5,00,00,000 equity shares of face value of Rs. 10 each	50,00,00,000
3,45,00,000 0% Compulsorily Convertible non-cumulative Preference Shares of Rs. 1,000/- each	34,50,00,00,000
Total	**35,00,00,00,000**
Issued, Subscribed and fully Paid-up	
1,46,84,667 Equity Shares of Rs. 10/- each	14,68,46,670
Total	**14,68,46,670**

13. Effect of the Scheme on various parties

Under the Scheme, an arrangement is sought to be entered into amongst SWPL and SW ME (together as "Participating Companies") and their respective equity shareholders.

a) **Directors and Key Managerial Personnel (KMP)**

The Scheme is not expected to have any effect on the directors and KMP of the Participating Companies except pursuant to Part II of the Scheme becoming effective, there will be cancellation of 50% of equity share capital and 100% of preference share capital as on 31st March 2022 of SWPL to the extent as follows:

I. EQUITY SHARE CAPITAL:

Sr. No.	Name of the Promoter / Equity Shareholders	Number of shares held (pre-merger)	Number of shares held (post-merger)	Percentage (%)
1	Khurshed Yazdi Daruvala	97,45,293	48,72,646	33.17
2	Pallon Shapoorji Mistry	72,000	36,000	0.25
3	Zarine Yazdi Daruvala	10	5	0.00
Total		**98,17,303**	**49,08,651**	**33.42**

II. COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL

Sr No.	Name of the Promoter	Number of shares held (pre-merger)	Number of shares held (post-merger)	Percentage (%)
1	Khurshed Yazdi Daruvala	60,25,000	NIL	33.40
Total		**60,25,000**	**NIL**	**33.40**

b) Promoters and Non-Promoter members:

Under Part II of the Scheme, pursuant to the Scheme becoming effective, there will be a cancellation of 50% of equity share capital and 100% of preference share capital as on 31st March 2022 of SWPL as follows:

I. EQUITY SHARE CAPITAL:

Sr. No.	Name of the Equity Shareholders	Number of shares held (pre-merger)	Number of shares held (post-merger)	Percentage (%)
1	Khurshed Y. Daruvala	97,45,293	48,72,646	33.17
2	Pallon S. Mistry	72,000	36,000	0.25
3	Zarine Y. Daruvala	10	5	0.00
4	Cyrus P. Mistry	72,000	36,000	0.25
5	Parvin Madan jointly with Khurshed Y. Daruvala	10	5	0.00
6	Kainaz K. Daruvala jointly with Khurshed Y. Daruvala	20	10	0.00
7	Shapoorji Pallonji and Company Private Limited	1,94,80,000	97,40,000	66.33%
Total		**2,93,69,333**	**1,46,84,667**	**100.00**

II. COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL

Sr. No.	Name of the Shareholders	Number of shares held (pre-merger)	Number of shares held (post-merger)	Percentage (%)
1	Shapoorji Pallonji and Company Private Limited	95,00,000	-	52.70
2	Khurshed Y. Daruvala	60,25,000	-	33.40
3	Sashwat Energy Private Limited	25,00,000	-	13.90
Total		**1,80,25,000**	**-**	**100.00**

The entire issued, subscribed and paid-up capital of SW ME is held by SWPL. Upon the Part III of the Scheme becoming effective, the entire equity share capital of SW ME held by SWPL shall stand automatically cancelled and there will not be any issue and allotment of equity shares in SWPL.

c) Depositors, Debenture Holders, Deposit trustee and Debenture trustee

No effect of the Scheme on Depositors, Debenture Holders and Deposit trustee and Debenture trustee since there are no Depositors, Debenture Holders and Deposit trustee and Debenture trustee in the Participating Companies.

d) Creditors

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the respective Participating Companies (as applicable). No compromise is offered under the Scheme to any of the creditors of the respective Participating Companies. The liability of the creditors of the respective Participating Companies, under the Scheme, is neither being reduced nor being extinguished.

e) Employees

The Scheme shall in no manner whatsoever affect the terms and conditions of employment of the employees of SW ME as they will, pursuant to the scheme of the arrangement, become the employees of SWPL, as the case may be, without any break in their service.

14. Auditors Certificate of conformity of accounting treatment in the Scheme with Accounting Standards

The Statutory Auditors of the Applicant/Transferee Company have by their certificate dated 8th July 2022 confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 which is attached to this explanatory statement and forms part of this statement as **Annexure H.**

15. Approvals and intimations

a) The Scheme is subject to the approvals as mentioned in Clause 19 of the Scheme. The shareholders of the Applicant / Transferee Company have since already approved the Scheme and their meeting has been dispensed with by the said order dated 29th November 2022 of the Hon'ble Tribunal passed in the instant Company Scheme Application No. C.A. (CAA)224/MB/2022 filed by the Applicant. The Applicant / Transferee Company will also seek other approvals / orders as contemplated.

b) The Applicant / Transferee Company confirms that they have filed the Scheme with the Registrar of Companies.

c) The Applicant / Transferee Company further confirms that notice in the prescribed form is also being served on all Authorities in terms of the order dated 29th November 2022 along with copy of this notice, Scheme and other documents accompanying the same.

16. No investigation or proceedings under Sections 210 to 227 of the Companies Act, 2013 have been instituted or are pending in relation to SWPL.

17. SWPL has made the application before Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Section 234 read with sections 230 to 232 and section 66 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.

18. Inspection of documents

Following documents will be available for obtaining extract from or for making or obtaining copies of or inspection by the Unsecured Creditors of SWPL at their registered office between 10:00 a.m. to 06:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to the date of the meeting namely:

a. Audited Financial Statements of SWPL for the year ended 31st March 2022.

b. Provisional Unaudited Financial Statements of SWPL for the period ended 31st October 2022.

c. Audited Financial Statements of SW ME for the year ended 31st March 2021.

d. Unaudited Financial Statements of SW ME for the period ended 31st March 2022.

e. Provisional Unaudited Financial Statements of SW ME for the period ended 31st October 2022.

f. Copy of Memorandum of Association and Articles of Association of SWPL and SW ME.

g. Copy of the Order dated 29th November 2022 of the NCLT passed in Company Scheme Application No. C.A. (CAA) / 224 / MB / 2022 directing the convening of the meeting of the Unsecured Creditors of SWPL.

h. Copy of the Scheme of Arrangement.

i. Statutory Auditor's Certificate of SWPL confirming accounting treatment (specified in scheme) is in compliance with Accounting Standards.

j. Copies of the resolutions passed by the respective Board of Directors of SWPL and SW ME.

k. Copy of Valuation Report dated 2nd June 2022 issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106.

l. Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme and Explanatory Statement may be obtained from the Registered office of the Applicant Company.

Dated this 14th Day of January 2023

For Sterling and Wilson Private Limited

Sd/-
Parameshwar V. Hegde
Chairperson appointed for the meeting

INFORMATION PURSUANT TO SUB-SECTION 2 OF SECTION 232 OF THE COMPANIES ACT, 2013, CIRCULATED FOR THE MEETING

Dear Unsecured Creditors,

Pursuant to Sub-section 2 of Section 232 of the Companies Act, 2013, where an Order has been made by the Tribunal under Sub-Section (1), the companies between which a compromise or arrangement is proposed shall circulate information for the meeting so ordered by the Tribunal.

Whereas the Hon'ble Mumbai Bench of the National Company Law Tribunal ("NCLT") has ordered the meeting of the Unsecured Creditors to consider the proposed Scheme, in terms of Sub-section 2 of Section 232 of the Companies Act, 2013, the following information is circulated for the meeting:

- Composite Scheme of Arrangement between Sterling and Wilson Private Limited and Sterling and Wilson Middle East Electromechanical LLC and their respective Shareholders **(Annexure A)**.
- Valuation Report dated 2nd June 2022, obtained from the Registered Valuer – Securities or Financial Assets certifying the valuation of Sterling and Wilson Private Limited **(Annexure B)**.
- Report adopted by the Board of Directors of Sterling and Wilson Private Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 **(Annexure C).**
- Audited Financial Statements as on 31st March 2022 of Sterling and Wilson Private Limited **(Annexure D).**
- Provisional Unaudited Financial Statements as on 31st October 2022 of Sterling and Wilson Private Limited **Annexure E).**
- Audited Financial Statements as on 31st March 2021 of Sterling and Wilson Middle East Electromechanical LLC **(Annexure F).**
- Unudited Financial Statements as on 31st March 2022 of Sterling and Wilson Middle East Electromechanical LLC **(Annexure G).**
- Statutory Auditor's Certificate of SWPL confirming accounting treatment (specified in scheme) is in compliance with Accounting Standards **(Annexure H).**

Dated this 14th Day of January 2023

For Sterling and Wilson Private Limited

Sd/-
Parameshwar V. Hegde
Chairperson appointed for the meeting

ANNEXURE A

SCHEME OF ARRANGEMENT

UNDER SECTION 234 READ WITH SECTIONS 230 TO 232, AND SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES AND REGULATIONS MADE THEREUNDER

OF

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC
(“TRANSFEOR COMPANY” OR “SW ME”)

AND

STERLING AND WILSON PRIVATE LIMITED
(“TRANSFEREE COMPANY” OR “SWPL”)

AND

THEIR RESPECTIVE SHAREHOLDERS

A. PREAMBLE AND PURPOSE OF THE SCHEME

1. This Scheme of Arrangement (**“Scheme”**) is presented for the reduction of share capital and reorganization of reserves of Sterling and Wilson Private Limited (**“SWPL” or “Transferee Company”**), an Indian Company registered under the Companies Act, 2013 in the manner as set out in Part II of this Scheme, in accordance with Section 66 of the Companies Act, 2013, and other applicable provisions and rules made thereunder. This Scheme also provides for merger of Sterling and Wilson Middle East Electromechanical LLC (**“SW ME” or “Transferor Company”**), a foreign Limited Liability Company incorporated in the Emirate of Dubai under Federal Law No. 8 of 1984 and its subsequent amendments as a going concern with and into The Transferee Company in the manner as set out in Part III of this Scheme and in accordance to the provisions of Section 234 read with Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder for the Transferee Company and provisions as may be applicable to Transferor Company for mergers or arrangements in United Arab Emirates (**“UAE”**).

2. This Scheme seeks to undertake the following:

   - Reorganization of reserves and reduction of share capital of The Transferee Company in the manner set out in this Scheme; and
   - Amalgamation and vesting of business of Transferor Company with and into Transferee Company, being 100% holding company of the Transferor Company.

3. The Board of Directors of the Transferor Company and the Transferee Company have resolved that the reduction of share capital and reorganization of reserves of the Transferee Company and the merger of Transferor Company with and into Transferee Company would be in the interest of all the stakeholders of the Transferor Company as well as the Transferee Company, for the reasons stated in the rationale.

4. Further, the Board of Directors of the Transferee Company have decided to write off the accumulated losses in the Profit & Loss Account (as defined hereunder) appearing as on the Appointed Date, against the reduction in the paid up CCPS (as defined hereunder) and the face value of equity shares of the Transferee Company in accordance with section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions.

5. As on date, the Transferee Company holds the entire share capital of Transferor Company.

6. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. DESCRIPTION OF THE COMPANIES

1. **Sterling and Wilson Private Limited ("SWPL" or "Transferee Company"),** was incorporated on 13th June 1974 as a private limited company in the State of Maharashtra under the provisions of the Companies Act, 1956 under the name and style of "Sterling and Wilson Electricals Private Limited". The name was then changed to "Sterling and Wilson Private Limited" on 27th June 2007. The name was then changed to "Sterling and Wilson Limited" on 8th December 2009. The name was then changed to its present name of "Sterling and Wilson Private Limited" on 27th November 2014. The Transferee Company's Corporate Identity Number is U31200MH1974PTC017538 and is having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043. The Transferee Company is, inter alia, engaged in designing, procurement, installation testing commissioning of Mechanical, Electrical Plumbing (MEP) systems, firefighting systems, building management systems, Transmission & Distribution system, building data centers, Operation & maintenance of these systems etc. business in India.

2. **Sterling and Wilson Middle East Electromechanical LLC ("SW ME" or "Transferor Company")** is a foreign, unlisted, Limited Liability Company incorporated on 19th May 2008 in the Emirate of Dubai under Federal Law No. (8) of 1984 under License No. 611316 and having its registered office at Office No. 123, Plot No. 582, Jabail Ali Industrial First, Box No. 88146, Dubai, United Arab Emirates and is, inter alia, engaged in the business of designing, procurement, installation testing commissioning of Mechanical, Electrical Plumbing (MEP) systems, firefighting systems, building management systems etc. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

C. RATIONALE

1. SW ME is a wholly owned subsidiary of SWPL.

2. The reorganization of reserves and reduction of share capital of The Transferee Company, would, inter alia, entail the following benefits:

   i. The reduction of share capital in the manner proposed in the Scheme would enable the Transferee Company to rationalize its capital structure and present a true and fair financial position of the Transferee Company in a better manner, which is commensurate with its business and assets.

   ii. The Scheme envisages reduction by way of cancellation of its CCPS and face value of equity shares and subsequent payout against such cancellation so to create a Capital Reduction Reserve which shall be utilized to write off the accumulated losses in the Profit & Loss Account appearing as on the Appointed Date in the books of The Transferee Company.

   iii. The Scheme would not affect the ability or liquidity of The Transferee Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of The Transferee Company.

3. Amalgamation of the Transferor Company with and into the Transferee Company would, *inter alia,* entail the following benefits:

   i. SW ME has been sustaining substantial business losses over a number of years due to a weak overall business performance and general business environment, including the weak business environment in the Middle East (as also globally) on account of the ongoing COVID-19 pandemic. Further, RBI-prescribed One Time Restructuring of debt at the ultimate shareholder level (i.e., at Shapoorji Pallonji Group level) further stressed the business of SW ME due to non-availability of normal banking credit facilities (both fund-based and non-fund based) which would otherwise be available. Resultantly, there has been a steep decline in the overall business of SW ME.

   ii. In the context of the above, given that the management of SW ME and SWPL do not foresee a meaningful revival of the business of SW ME, it is envisaged that the business of SW ME be amalgamated with and into SWPL under this Scheme.

   iii. The amalgamation and consolidation of group structure, reduction in overheads including administrative, managerial and other expenditure, significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.

   iv. The proposed Scheme shall also enable the Transferor Company to address competitive regulatory environment, risks and policies, better management, ability to strategize the remaining business for long term growth, consolidation and creation of shareholder's value.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the Transferor Company and the Transferee Company. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

D. GENERAL

This Scheme is divided into the following parts:

(a) **Part I:** deals with definitions and interpretations, and sets out the share capital of the Transferor Company and the Transferee Company;

(b) **Part II:** deals with reduction of share capital and reorganization of reserves of The Transferee Company;

(c) **Part III:** deals with the Amalgamation of the Transferor Company with the Transferee Company; and

(d) **Part IV:** deals with general terms and conditions applicable to the Scheme.

E. SEQUENCE OF EFFECTIVENESS OF SCHEME

Upon the Scheme becoming operative, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative from the Effective Date only in the order mentioned hereunder:

1. Part II which provides for reorganization of reserves and reduction of share capital of The Transferee Company shall be operative prior to coming into effect of Part III; and

2. Part III which provides for Amalgamation and vesting of the Transferor Company with and into the Transferee Company shall take effect immediately after coming into effect of Part II of the Scheme.

F. <u>TREATMENT OF THE SCHEME IN RELATION TO MERGER FOR THE PURPOSES OF INCOME TAX ACT, 1961</u>

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under section 2(1B) and other applicable provisions of the Income Tax Act, 1961. If, at a later date, and to the extent applicable, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) and other applicable provisions of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(1B) and other applicable provisions of the Income Tax Act, 1961, or corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) and other applicable provisions of the Income Tax Act, 1961. Such modifications will, however, not affect the other provisions of the Scheme.

PART I

<u>DEFINITIONS, INTERPRETATION AND SHARE CAPITAL</u>

1. DEFINITIONS AND INTERPRETATIONS

In this Scheme (as defined hereunder), unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

1.1 **"Act"** or **"the Act"** means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made there under, and shall include any statutory modifications, re-enactment, alterations, amendments made thereto;

1.2 **"Amalgamation"** means merger of the Transferor Company with and into the Transferee Company in accordance with Section 234 read with Sections 230 to 232 of the Act read with **Section** 2(1B) of the Income Tax Act, 1961, in terms of Part III of the Scheme;

1.3 **"Applicable Law"** means any statute, law, regulation, ordinance, rule, judgement, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, **requirement** or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

1.4 **"Appointed Date"** for the purpose of this Scheme means the closing hours of 31st day of March, 2022;

1.5 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including but not limited to Registrar of Companies, Regional Directors, National Company Law Tribunal (to be constituted under the Companies Act, 2013), Reserve Bank of India, the High Court(s), or arbitration or arbitral body having jurisdiction, and other government and regulatory authorities of UAE and India as may be applicable;

1.6 **“Board”** or **“Board of Directors”** in relation to the Transferor Company and the Transferee Company, as the case may be means the Board of Directors of such company, and shall include a Committee of Directors or any person authorized by the Board or such committee of Directors duly constituted and authorized for the purposes of matters pertaining to this Scheme and/or any other matter relating thereto;

1.7 **“Compulsorily Convertible Preference Shares”** or **“CCPS”** means fully paid-up 0% Compulsorily Convertible non-cumulative preference shares of Rs. 1,000 each issued by the Transferee Company;

1.8 **“Effective Date”** means the last of the dates on which the conditions specified in Clause 19 are complied with. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;

1.9 **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term “Encumbered” shall be construed accordingly;

1.10 **“Employees”** means all the permanent employees of the Transferor Company who are on the payroll of the Transferor Company as on the Effective Date;

1.11 **“Equity shares”** means fully paid-up equity shares of Rs. 10 each issued by Transferee Company;

1.12 **“FEMA”** means Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;

1.13 **“Income Tax Act”** means the Income Tax Act, 1961, including any statutory modifications re-enactments or amendments thereof for the time being in force;

1.14 **“NCLT”** or “Tribunal” means the National Company Law Tribunal, Mumbai Bench

1.15 **“Parties”** means the Transferor Company and the Transferee Company, collectively;

1.16 **“Profit & Loss Account”** means the accumulated losses / debit balances appearing in the books of accounts of the Transferee Company as on the Appointed Date and includes balances in profit and loss account of the Transferor Company which shall be recorded in the books of Transferee Company.

1.17 **“Relevant Jurisdiction”** means the territories of the Republic of India and the territories of United Arab Emirates as the case may be;

1.18 **“Registrar of Companies”** or **“RoC”** means the Registrar of Companies, Mumbai, India and the registrar or its equivalent of such other Appropriate Authority who has oversight on the company from a corporate law perspective in UAE;

1.19 **“Scheme”** or **“the Scheme”** or “this Scheme” means this scheme of Amalgamation in its present form or as modified by an agreement between the Parties, submitted to the NCLT or any other Appropriate Authority in the Relevant Jurisdiction with any modification made under Clause 18 of this Scheme, as approved or directed by the National Company Law Tribunal or any other Appropriate Authority;

1.20 **“Taxation”** or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company and the Transferee Company, as the case may be or any other person and all penalties, charges, costs and interest relating thereto;

1.21 **“Tax Laws”** means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature;

1.22 **"Transferor Company"** or **"SW ME"** means Sterling and Wilson Middle East Electromechanical LLC having License No. 611316 and registered office of which is situated at Office No. 123, Plot Number 582, Jabail Ali Industrial First, Box No. 88146, Dubai, United Arab Emirates and Email ID of its authorized representative is neville.madan@sterlingwilson.com;

1.23 **"Transferee Company"** or **"SWPL"** means Sterling and Wilson Private Limited having Corporate Identity No. U31200MH1974PTC017538 and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043. The PAN of the Transferee Company is AAACS9939D and the email ID of its authorized representative is hegde@sterlingwilson.com.

1.24 **"UAE"** shall mean United Arab Emirates or Emirates of Dubai.

1.25 **"Undertaking"** shall mean all the undertakings and businesses of the Transferor Company as a going concern and includes all the assets, properties, rights, licenses, investments and their debts, outstanding's, liabilities, duties, obligations and employees of the Transferor Company, of whatsoever nature and kind and wherever situated, as on the Appointed Date, including but not in any way limited to the following:

1.25.1 The Transferor Company's businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or in corporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work-in-progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, pre-qualifications, track record, experience, goodwill and all other rights, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connection, benefit of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, goods and service tax , value added tax, octroi, excise duty, turnover tax, service tax, MAT etc.), software license, Domain / Websites etc. in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated by the Transferor Company, as on the Appointed Date;

1.25.2 All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in UAE or anywhere in the world, including, stock-in-trade, packing material, raw materials, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest monies, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Company employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in UAE or anywhere in the world;

1.25.3 All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;

1.25.4 All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company;

1.25.5 Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

1.25.6 Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. or any other or like benefits under the said acts or under and in accordance with any law or act, whether in UAE or anywhere outside UAE;

1.25.7 All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the Amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the Amalgamation has become effective;

1.25.8 All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, pension and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

1.25.9 All permanent and temporary employees engaged by the Transferor Company at various locations;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time

In this Scheme, unless the context otherwise requires:

i. Words denoting singular shall include plural and vice versa;

ii. Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

iii. References to the word “include” or “including” shall be construed without limitation;

iv. A reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

v. Unless otherwise defined, the reference to the word “days” shall mean calendar days;

vi. References to dates and times shall be construed to be references to Indian dates and times;

vii. Reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

viii. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them under the Act or any other Applicable Law; and

ix. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives’ body (whether or not having separate legal personality).

2. SHARE CAPITAL

2.1 The authorised, issued, subscribed and paid-up share capital of Transferor Company or SW ME as on 28th February 2022 is as under:

A	**Authorised Share Capital**	**Amount (in AED)**
	300 Equity Shares of AED 1,000 each	3,00,000
	Total	**3,00,000**
B	**Issued, Subscribed Paid up Share Capital**	
	300 Equity Shares of AED 1,000 each	3,00,000
	Total	**3,00,000**

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Subsequent to the above, and till the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

2.2 The authorised, issued, subscribed and paid-up share capital of Transferee Company or SWPL on 28th February 2022 is as under:

A	**Authorised Share Capital**	**Amount (in Rs.)**
	5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000
	2,15,00,000 0% Compulsorily Convertible non-cumulative Preference Shares of Rs. 1,000/- each	21,50,00,00,000
	Total	**22,00,00,00,000**
B	**Issued, Subscribed Paid up Share Capital**	
	2,93,69,333 Equity Shares of Rs. 10/- each	29,36,93,330
	1,80,25,000 0% Compulsorily convertible non-cumulative Preference Shares of Rs. 1,000 each	18,02,50,00,000
	Total	**18,31,86,93,330**

Subsequent to above, and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

3.1 The Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the NCLT, shall become effective from the Appointed Date as defined under Section 232 (6) of the Act in terms of Clause 1.4 of Part I of this Scheme but shall become operative from the Effective Date in terms of Clause 19 of this Scheme.

3.2 Any references in the Scheme to **'upon the Scheme becoming effective'** or **'effectiveness of the Scheme'** or **'upon coming into effect of this Scheme'** shall mean the Effective Date.

PART II

REORGANISATION OF RESERVES AND REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

4. REORGANISATON OF RESERVES AND REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

4.1 With effect from the Appointed Date, 1,80,25,000 number of CCPS (having face value of INR 1,000 each) of the Transferee Company shall stand extinguished and cancelled through capital reduction proportionate to percentage of such CCPS held by the holders of the CCPS as on the Effective Date, for a consideration of INR 11.68 per equity share (as determined on a fully diluted basis), as determined vide Valuation Report dated 2 June, 2022, issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106, amounting to a total payout of INR 87,71,68,000.

4.2 With effect from the Appointed Date, 1,46,84,667 number of Equity Shares (having face value of INR 10 each) of the Transferee Company (50% of the Equity Shares of the Company as on 28th February 2022) shall stand extinguished and cancelled through capital reduction proportionate to percentage of such Equity Shares held by the holders of the Equity Shares as on the Effective Date, for a consideration of INR 11.68 per equity share, as determined vide Valuation Report dated 2 June, 2022, issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106, amounting to a total payout of INR 17,15,16,905.

4.3 With effect from the Appointed Date, the difference between the aggregate of face value of CCPS and Equity Shares so extinguished and cancelled through capital reduction as per Clause 4.2 and 4.3 above, on the one hand, and the amount of consideration payable on such extinguishment and cancellation, shall stand transferred to and be recorded as credit to the Capital Reduction Reserve.

4.4 With effect from the Appointed Date, such Capital Reduction Reserve shall be utilised for set-off of the debit balance in the Profit & Loss Account of the Transferee Company.

4.5 The extinguishment and cancellation of CCPS and Equity Shares in the manner stated above shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under section 66 and other applicable provisions of the Act and no separate sanction under section 66 and other applicable provisions of the Act will be necessary.

4.6 Notwithstanding the reduction of share capital as stipulated hereinabove, the Transferee Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.

4.7 This Part of the Scheme does not envisage transfer or vesting of any of the properties and/ or liabilities of the Transferee Company to or in any Person and consequently, the order of the Tribunal to the extent of this Part of the Scheme will not attract any stamp duty.

4.8 The Transferee Company submits that the proposed reduction of capital as above is in conformity with and does not violate or circumscribe any provision of the Act.

4.9 All actions taken by the Transferee Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any terms and conditions or any other provisions of the Law.

PART III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH AND INTO THE TRANSFEREE COMPANY

5. AMALGAMATION AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY

5.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date and upon the Part III of the Scheme becoming effective, the entire business and Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorizations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and applicable provisions of UAE and pursuant to the order of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

5.2 Without prejudice to the generality of Clause 5.1 above, in respect of the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date and upon the Part III of the Scheme becoming effective.

5.3 All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Section 234 read with Sections 230 to 232 of the Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.

5.4 All intangible assets including various business or commercial rights, pre-qualification for past projects / sales, customer-base, etc. belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall include all letters of intent, request for proposal, prequalification, permits, registrations, bid acceptances, tenders, technical experience (including experience in executing projects), goodwill earned in execution of the projects, technical know-how, contracts, deeds, memorandum of understanding, bonds, agreements, track record and all other rights claims, powers in relation to or enjoyed by or granted in favour of the Transferor Company, and the historical financial strength including turnover, profitability, performance, market share, net-worth, liquid/ current assets and reserves of the previous years of the Transferor Company and all empanelments, accreditations, recognitions as approved vendors for undertaking any jobs.

5.5 Without prejudice to the generality of Clause 5.4 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

5.6 Where any of the liabilities and obligations attributed to Transferor Company on the Appointed Date has been discharged by it after the Appointed Date but prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company. Where after the Appointed Date, Transferor Company has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of the Transferee Company and the Transferee Company will assume liability for the same.

5.7 With effect from the Appointed Date and upon the Part III of the Scheme becoming effective, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

5.8 With effect from the Appointed Date and upon the Part III of the Scheme becoming effective, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time thereafter become due between the Transferor Company and the Transferee Company shall, on and from the Effective Date stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

5.9 All existing securities, mortgages, charges, liens or other Encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or Encumbrances shall not relate or attach to any other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme, without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business, to the extent permissible under the Foreign Exchange Management (Cross Border Merger) Regulations, 2018.

5.10 All existing Encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme, to the extent permissible under the Foreign Exchange Management (Cross Border Merger) Regulations, 2018.

5.11 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

5.12 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned, in favour of the Transferee Company upon the vesting and transfer of the undertaking of Transferor Company pursuant to the Scheme. The benefit of all statutory and regulatory permissions, licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

5.13 Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 234 read with Sections 230 to 232 of the Act, all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken /complied with by the Transferee Company.

5.14 Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.

5.15 The Amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and upon the Part III of the Scheme becoming effective, and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

6. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

6.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which any of the Transferor Company are party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. Any inter-se contracts between Transferor Company and the Transferee Company shall stand cancelled and cease to operate in the Transferee Company from the Effective Date upon coming into effect of this Scheme.

6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Part of the Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

7. **PERMITS, CONSENTS, LICENSES, REGISTRATIONS ETC.**

7.1 All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company, shall without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become from the Appointed Date, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. From the Effective Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, liberties, special status, etc. are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and / or approval, as the case may be, and the Transferee Company shall keep a record of such transactions.

7.2 The Transferee Company and the Transferor Company shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all applicable laws and legislations. The Transferee Company and the Transferor Company would be entitled to make an application for amending licenses/ authorisations.

8. **STAFF AND EMPLOYEES**

8.1 Upon the Scheme coming into effect, all permanent staff and employees of the Transferor Company in service on the Effective Date, shall deemed to have become the staff and employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any break or interruption in their service as a result of the Amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such Employees with the Transferor Company prior to the Amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible. It is hereby clarified that the accumulated balances, if any, standing to the credit of the Employees in the existing provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the of Employees of the Transferor Company shall be transferred, subject to applicable laws, to such provident fund, gratuity fund, superannuation fund or such trusts / funds of the Transferee Company or to be established and caused to be recognized by the appropriate authorities, by the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall become those of the Transferee Company. The accumulated balances, if any, standing to the credit of the former Employees of Transferor Company in the existing provident fund of Transferor Company shall be transferred to the account of the relevant provident fund authorities (including the Regional Provident Fund Commissioner having jurisdiction).

8.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.

8.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, subject to applicable laws, the existing trusts created for such funds by the Transferor Company shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the Employees of the Transferor Company will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

9. LEGAL PROCEEDINGS

9.1 If any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the Amalgamation or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

9.2 On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company. In case of any litigations, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company. The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferor Company with any of its employees, which is in force as on the Effective Date.

10. TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY

All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

11. CONSIDERATION

The entire share capital of Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, the shares held by the Transferee Company and its nominees in the Transferor Company shall be cancelled and extinguished and no share shall be issued by the Transferee Company in consideration for this Scheme of Amalgamation. Upon the coming into effect of this Scheme, the share certificates, if any, and / or the shares in electronic form representing the shares held by Transferee Company, and its nominees, in the Transferor Company, shall be deemed to be cancelled without any further act or deed for cancellation thereof by the transferor and shall case to be in existence accordingly.

12. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY

12.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations under common control) notified under Section 133 of the Act and under any other relevant Indian Accounting Standard prescribed under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.

12.2 All the assets and liabilities of Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Company as on the Appointed Date after giving effect to Part II of this Scheme.

12.3 The identity of the reserves pertaining to the Transferor Companies, shall be preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Transferee Company, as on the Appointed Date after giving effect to Part II of this Scheme.

12.4 The investments in shares of the Transferor Company, as appearing, inter alia, in the books of the Transferee Company shall stand cancelled.

12.5 To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

12.6 The surplus / deficit of the value of the assets over the value of liabilities and reserves of the Transferor Company, pursuant to Amalgamation of Transferor Company with and into the Transferee Company, and as recorded in the books of account of the Transferee Company shall, after adjusting for cancellation of inter-company investments in Clause 12.4 and other adjustments as above in Clause 12.5, be recorded as “Capital Reduction Reserve” in the books of the Transferee Company.

12.7 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies and the difference till the Appointed Date will be quantified and adjusted in the Capital Reduction Reserve mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

12.8 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

12.9 Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and generally accepted accounting principles.

13. CONDUCT OF BUSINESS FOR THE TRANSFEREE COMPANY

13.1 With effect from the Appointed Date up to and including the Effective Date:

13.1.1 The business of the Transferor Company shall be deemed to have been carried on and shall carry on the business and activities in ordinary course and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets for and on account of and in trust for the Transferee Company.

13.1.2 Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferee Company for and on behalf of, and in trust for and as an agent of the Transferor Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been exercised for and on behalf of the Transferee Company.

13.2 Without prejudice to Clause 13.1 above, with effect from the Appointed Date and upon the Scheme becoming effective, any documents of title/ rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Appointed Date, the Transferee Company shall, in relation to such properties, be accountable for all rates, rents and taxes whatsoever inclusive of the same remaining outstanding as on the Appointed Date. Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company.

13.3 Where any liabilities and obligations attributed to the Undertaking are discharged by the Transferor Company on or after the Appointed Date, but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.

13.4 All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by the Transferor Company for the period falling on and after the Appointed Date shall, for all purposes be treated as the income, profits, expenditure or losses (as the case may be) of the Transferee Company.

13.5 All Taxes paid or payable by the Transferor Company in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of the Transferor Company and in so far as it relates to the Tax payment by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

13.6 Any refund under any Tax Laws dealing with Taxes allocable or related to the business of the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company shall also belong to and be received by the Transferee Company.

13.7 All Tax benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Company under the Tax Laws or any Tax deduction/ Collections at Source, unabsorbed depreciation, Tax credits, benefits of CENVAT credits, GST Input Tax credits, benefits of input credits up to the Effective Date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee company upon the passing of the order.

13.8 All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Effective Date, shall be continued and/or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the Amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.

13.9 Any transaction entered into by the Transferor Company between the Appointed Date and the Effective Date will not be regarded as noncompliant of withholding tax/tax deduction at source obligation under the Income Tax Act or Goods and Service Tax obligation only on the ground that, on the sanction of the scheme, the transactions are regarded as having been carried out by the Transferee Company.

13.10 All expenses incurred by the Transferor Company and the Transferee Company in relation to the Amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, including Stamp Duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income Tax Act over a period of five (5) years beginning with the financial year in which the scheme becomes effective.

13.11 Upon this Scheme being effective, and in terms thereof, both the Transferor Company and the Transferee Company are expressly permitted to prepare/redraw the relevant financial statements, as required, in accordance with, and in terms of, Appendix C to Indian Accounting Standards (“IndAS”) 103 and/or International Financial Reporting Standards, as applicable, and the financial statements once certified by the Auditors and/or Firm of Chartered Accountants, will be regarded as duly drawn up in compliance with Companies Act, 2013 and/or laws applicable in relation to the Transferor Company. Further, the Transferor Company and the Transferee Company are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax, goods and services tax returns, minimum alternate tax returns as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired and without incurring any additional liability on account of interest, penalty, late fees or any other sum.

14. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved and the Transferor Company shall initiate and pursue all actions necessary under Federal Law No. 2 of 2015 on Commercial Companies for its liquidation and such other additional requirements in accordance with the regulatory provisions of UAE.

PART IV

<u>GENERAL PROVISIONS</u>

16. DIVIDENDS

16.1 The Transferor Company and Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

16.2 The holders of the shares of the Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

16.3 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company, as the case may be.

17. APPLICATION TO THE NCLT OR SUCH OTHER COMPETENT AUTHORITY

17.1 The Transferee Company shall, as may be required, make applications and/or petitions under Section 234 read with Sections 230 to 232, Section 52 and Section 66 of the Act and other applicable provisions of the Act to the NCLT at Mumbai Bench for sanction of this Scheme and all matters ancillary or incidental thereto.

17.2 The Transferor Company shall comply with the necessary and applicable provisions and procedural requirements under the applicable laws of UAE for effectuating the Scheme and dissolution of the Transferor Company. The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for their continuing as one company with the Transferee Company and apply for and obtain such other approvals, if any, required under the Applicable Laws.

18. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

18.1 The Transferor Company and Transferee Company with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things as may be necessary for bringing this Scheme into effect or agree to any terms and/ or conditions or limitations that the NCLT or any other authorities under law may deem fit to approve of, to direct and/ or impose. The aforesaid powers of the Transferor Company and Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorized in that behalf by the concerned Board of Directors subject to approval of the NCLT or any other authorities under the applicable law to such modification/ amendments to the Scheme. In case of any provisions that is inconsistent with the FEMA Regulations, the Scheme shall stand amended to that extent.

18.2 The Transferor Company and the Transferee Company may withdraw this Scheme prior to the Effective Date at any time.

19. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to (to the extent applicable and required) the following:

i. The requisite consents, approvals or permissions of any Appropriate Authority(ies) from India, UAE, which by law may be necessary, for the implementation of this Scheme.

ii. The Scheme being approved by the respective requisite majorities of the shareholders and/ or creditors (as may be required and / or to the extent not dispensed with by the Appropriate Authority(ies)) of the Transferor Company and Transferee Company as required under applicable laws, if any, and as may be directed by the NCLT.

iii. The Appointed Date having ensued.

iv. Obtaining the sanction of the NCLT by the Transferor Company and Transferee Company under Section 234 read with Sections 230 to 232, Section 52 and Section 66 of the Act and other applicable provisions of the Act.

v. The certified copies of the Orders of the Hon'ble NCLT sanctioning this Scheme, are filed with the jurisdictional Registrar of Companies, as may be required.

vi. Compliance by the Transferor Company and the Transferee Company of all the necessary and applicable provisions of its respective Applicable Law.

vii. Compliance with such other conditions as may be imposed by the NCLT or other Government Authority.

20. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

20.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 19 is not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority, if applicable, the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall he governed and be preserved or worked on as is specifically provided in the Scheme or as may otherwise arise in law and the Transferee Company shall bear the charges and expenses in connection with the Scheme unless otherwise mutually agreed.

20.2 In the event of this Scheme failing to take effect or becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties to the Scheme or any of them.

21. OPERATIVE DATE OF SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

22. BINDING EFFECT

Upon this Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

23. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme und matters incidental thereto, shall be borne by the Transferee Company and shall be charged to the Statement of Profit and Loss of the Transferee Company.

CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICMAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

To,

The Board of Directors,

Sterling and Wilson Private Limited

9th Floor, Universal Majestic,

P.L. Lokhande Marg,

Chembur, Mumbai – 400 043.

Sub: <u>Report on recommendation of Fair Value per equity share of Sterling and Wilson Private Limited</u>

Dear Sirs,

I refer to my engagement letter, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (hereinafter referred to as "the Valuer" or "I") has been requested by the management of Sterling and Wilson Private Limited [CIN: U31200MH1974PTC017538] (hereinafter referred to as "SWPL" or "the Company") to undertake the valuation of equity shares of Sterling and Wilson Private Limited and issue a report recommending the fair value per equity share of the Company.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, valuation approach and limitations to my scope of work. The report is structured as under:

1. Purpose of Valuation
2. Background
3. Sources of Information
4. Valuation Approach
5. Recommendation
6. Exclusions and Scope Limitations

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B/702, Jyoti Tower,
Kandivali Jyoti Park CHS Ltd,
Opp. Anand Ashram,
S.V. Road, Kandivali (West),
Mumbai – 400 067

1. PURPOSE OF VALUATION

1.1 I understand that the management of SWPL is considering reduction of Equity Shares of the Company in accordance with the provisions of the Companies Act, 2013.

1.2 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets has been appointed by the Company to issue a report on recommendation of Fair Value per Equity Share of Sterling and Wilson Private Limited as on 31st March 2022 ("Valuation Date").

2. BACKGROUND

2.1 STERLING AND WILSON PRIVATE LIMITED ("SWPL")

2.1.1 SWPL was incorporated on 13th June 1974 under the erstwhile provisions of the Companies Act, 1956. The registered office of the Company is currently situated at 9th Floor, Universal Majestic, P.L. Lokhande Marg, Chembur, Mumbai – 400 043 in the State of Maharashtra.

2.1.2 The Authorized, Issued, Subscribed and Paid-up Share Capital of the Company as on the date of this report is as under:

Particulars	Amount in INR
Authorised Share Capital	
5,00,00,000 Equity Shares of INR 10/- each	50,00,00,000
2,15,00,000, 0% Compulsorily Convertible Non-Cumulative Preference Shares of INR 1,000/- each	2150,00,00,000
Total	**2200,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
2,93,69,333 Equity Shares of INR 10/- each	29,36,93,330
1,80,25,000, 0% Compulsorily Convertible Non-Cumulative Preference Shares of INR 1,000/- each	1802,50,00,000
Total	**1831,86,93,330**

2.1.3 The equity shareholding pattern of the Company (on diluted basis) as on the date of this report is as under:

Name of the Shareholder	No. of Shares	% holding
Shapoorji Pallonji and Company Private Limited	5,94,80,000	56.94%
Khurshed Daruvala	3,48,45,293	33.35%
Cyrus P. Mistry	72,000	0.07%

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Pallon S. Mistry	72,000	0.07%
Mrs. Parvin Zarir Madan jointly with Mr. Khurshed Y. Daruvala	10	0.00%
Mrs. Kainaz K. Daruvala jointly with Mr. Khurshed Y. Daruvala	20	0.00%
Mrs. Zarine Y. Daruvala	10	0.00%
Sashwat Energy Private Limited	1,00,00,000	9.57%
Total	**10,44,69,333**	**100.00%**

2.1.4 The company is specialised in complete turn-key solutions, offering a large spectrum of services like electrical contracting, heat ventilation and air conditioning systems, public health and safety, LV Systems, EPC contracting and data centre solutions.

3. SOURCES OF INFORMATION

3.1. For the purpose of the valuation exercise, I have relied upon the following sources of information provided by the management of SWPL:

(a) Audited financial statements of the Company for the year ended 31st March 2021;

(b) Management certified unaudited financial statements of the Company for the year ended 31st March 2022;

(c) Management certified projected financial statements (including key underlying assumptions) comprising of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company for FY 2022-23 to FY 2030-31;

(d) Shareholding pattern of the Company (on diluted basis) as on the date of this report;

(e) Memorandum and Articles of Association of the Company;

(f) Other relevant details regarding the Company such as its history, past and present activities, future plans and prospects, income-tax position and other relevant information; and

(g) Such other information and explanations as required and which has been provided by the Management of the Company.

Besides the above information and documents, there may be other information provided by the Company which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Company has been provided with the

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opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

4. VALUATION APPROACH

4.1. For the purpose of valuation, generally the following approaches are adopted:

(a) the 'Underlying Asset' approach;

(b) the 'Income' approach; and

(c) the 'Market' approach.

4.2. <u>'Underlying Asset' Approach</u>

(a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets *Less* Liabilities) of the Company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the Fair Value per Share as per the 'Underlying Asset' Approach at Fair Values:

- The Fair Value of Quoted Shares held by the Company, if any, be considered at Market Value of such shares;
- The Fair Value of Unquoted Shares held by the Company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at Fair Value of Investments held by the Company;
- The Fair Value of Immovable properties, if any, held by the Company be considered at Market Value / Ready Reckoner Value as on the Valuation Date, made available to us by the management of the Company;
- Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
- Liabilities of the company be considered at their respective Book Values or their payable amounts as on the Valuation Date; and
- Potential Contingent Liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.

(b) Alternatively, the value may be determined considering the book value of the net assets (Assets *Less* Liabilities) of the Company and/or replacement cost basis, to the extent possible.

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4.3. 'Income' Approach

Under the 'Income' approach, the equity shares of the company can be valued using Discounted Cash Flow (DCF) Method – FCFF Approach.

DCF Method – FCFF Approach (for instance)

(i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

(ii) Using the DCF method involves determining the following:

- *Estimating the future free cash flows:*
  Future Free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting the Profit after tax for Depreciation and other Non-Cash Items, Interest, Incremental working capital requirements and capital expenditure.
- *Time Frame of such cash flows:*
  The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.
- *Appropriate Discount rate (WACC):*
  Under DCF-FCFF Method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is generally the weighted average of the company's cost of equity capital and debt. Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ('CAPM').
- *Terminal or perpetuity value:*
  The Perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using an appropriate rate of return and perpetual growth rate.

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- *Valuation of Investment in other entities*

  The investment of the Company in other entities is to be valued as per the valuation methodologies suitable to that entity.
- *Value for Equity Shareholders:*

  The Value of Business so arrived considering the Net Present Value of the explicit period and terminal or perpetuity value is adjusted for net of cash & cash equivalents, loan funds and surplus assets viz. Deposits, Investments, etc. as on the valuation date to arrive at the value for equity shareholders as on the Valuation Date.

4.4. 'Market' Approach

(a) Market Price Method ("MP Method")

Since the Company is not listed on any stock exchange, the market price of the equity share of the Company is not available and the said method is not applicable for the current valuation exercise.

(b) Comparable Companies Multiple Method ("CCM Method")

Under the CCM method, the value of the equity share of an unlisted company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

(c) Comparable Transaction Method ("CTM")

Under the CTM, the value of the equity share of an unlisted company is determined considering the past transaction of similar companies as well as the market value of comparable companies that have an equivalent business model to the company being valued.

4.5. The value so arrived at under any of the approaches is divided by the outstanding number of equity shares to arrive at the value per share of the Company.

4.6. Considering the proposed nature of business of the Company and based on the review of projected financial statements made available to me by the Company, I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair value per equity share of the Company as the assets may not provide true reflection of the earning capacity of the Company. Further, based on the analysis and in my opinion, it may not be appropriate to consider CCM or CTM methods for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of the

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Company may not reflect the true potential of business operations of the Company as that of the comparables.

4.7. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. RECOMMENDATION

5.1. It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond our control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the Companies. The assumptions and analysis of market conditions, comparables, prospects of the Industry as a whole and the Company, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.

5.2. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

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5.3. In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including scope limitation and exclusions given below), in my opinion, it is thought fit to consider value per equity share determined as per 'Income' approach - DCF Method in the ultimate analysis as the fair value per equity share of the Company, which works out to ***INR 11.68*** – *Refer Annexure A.*

6. EXCLUSIONS AND SCOPE LIMITATIONS

6.1. The report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

6.2. No investigation of the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of legal nature.

6.3. The recommendation is based on the estimates of future financial performance as projected by the Management of the Company, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the Company and the industry in which the Company operates. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as I being associated with or a party to such projections.

6.4. The work does not constitute certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of the engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

6.5. This report is issued on the understanding that the Company has drawn my attention to all material information, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on my opinion, on the value of the equity share of the Company,

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REGISTERED VALUER

including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I also have no responsibility to update this report for events and circumstances occurring after the date of this report.

6.6. This Valuation Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Company and other parties connected thereto.

6.7. In the course of the valuation, I was provided with both written and verbal information. I have evaluated the information provided to me by the Company through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.

6.8. The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.

6.9. The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Company, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only after obtaining prior permission in writing.

6.10. This report is prepared exclusively for the use of the Company solely for the purpose of assisting the Company, under consideration, in recommending the fair value per equity share of the Company. Further, the fees for this engagement is not contingent upon the results arrived under this valuation exercise.

6.11. By its very nature, valuation work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, opinion on the valuation exercise may differ due to application of the facts and assumptions, formulas used and numerous other factors. There is, therefore, no indisputable single value or standard

HARSH C. RUPARELIA RV REGN. NO. IBBI/RV/05/ 20[illegible] (Securities or Financial Assets) REGISTERED VALUER methodology for arriving at the value per equity share. Although my conclusions are in my opinion reasonable, it is quite possible that others may not agree.

6.12. CA Harsh Chandrakant Ruparelia, nor his employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Company referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,
Yours faithfully,

HARSH C. RUPARELIA
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CA HARSH CHANDRAKANT RUPARELIA
REGISTERED VALUER – Securities or Financial Assets
IBBI Registration No. IBBI/RV/05/2019/11106
Membership No. ICMAI RVO/S&FA/00054
ICAI Membership No. 160171
Date: 2nd June 2022
Place: Mumbai
UDIN: 22160171AKMOUW9348

Annexure A

INR in Crores

Particulars		31-03-23	31-03-24	31-03-25	31-03-26	31-03-27	31-03-28	31-03-29	31-03-30	31-03-31	TV
PAT		-166.57	-61.71	-21.36	49.84	107.54	177.11	261.27	352.67	387.78	294.33
Depreciation		35.00	35.00	35.00	35.00	35.00	33.00	33.00	33.00	33.00	34.65
Interest (net of tax)		132.00	155.63	147.88	119.50	114.00	108.50	97.50	92.00	78.70	59.85
Adjustments:											
Adjustments for Working Capital		491.47	-267.29	163.36	130.16	162.21	-38.98	-4.87	-123.02	-143.94	-75.61
Additions to Fixed Assets (Net)		-30.00	-30.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-34.65
Net Inflows/(Outflows)		461.89	-168.37	284.88	294.50	378.75	239.63	346.91	314.65	315.53	278.57
Discounting Factor (WACC)	17.5%	0.92	0.79	0.67	0.57	0.48	0.41	0.35	0.30	0.25	
Net Present Value of Inflows/(Outflows)		426.11	-132.20	190.35	167.48	183.31	98.70	121.61	93.87	80.12	

Calculation for Perpetuity		**INR in Crores**
FCFF for Perpetuity		**278.57**
Growth Rate		5%
Total Capitalised Value		**2,228.60**
Discount Factor		0.25
Present Value of Perpetuity		**565.86**

Equity Value of Company		**INR in Crores**
Net Present Value of Explicit Period		1,229.36
Present Value of Perpetuity		565.86
FCFF		**1,795.22**
Add/(Less): Adjustments		
Cash and bank balances		204.00
Loan Receivable		185.57
Loan to JV's		25.00
Borrowings		-2,300.00
Investments		212.23
Equity Value for Shareholders		**122.02**
No. of Equity Shares (on diluted basis)		**104,469,333**
Equity Value for Shareholders		**11.68**

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STERLING & WILSON

Report adopted by the Board of Directors of Sterling and Wilson Private Limited (the "Company") on the Draft Scheme of Arrangement ("Scheme") of Sterling and Wilson Middle East Electromechanical LLC ("SW ME" or "the Transferor Company") WITH Sterling and Wilson Private Limited ("SWPL" or "the Transferee Company") and their respective Shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. BACKGROUND:

i. A meeting of the Board of Directors ('Board') of Sterling and Wilson Private Limited ("the Transferee Company" or "SWPL") is scheduled to be held on 6th June, 2022 to consider and recommend the proposed Scheme of Arrangement of the Transferor Company with the Company and their respective shareholders ("the Scheme") to be implemented as per the terms specified in the scheme.

ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Arrangement on each class of Shareholders, Key Managerial Personnel, Promoters and non-promoter Shareholders and the same is required to be appended with the notice of the meeting of Shareholders and / or creditors. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.

iii. This report is made by the Board after perusing, *inter alia,* the following necessary documents ('Documents'): a) Draft Scheme of Arrangement initialled by the Director for the purposes of identification. b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company. c) Audited accounts of the Transferor and Transferee Company as on 31st March, 2021. d) Valuation report issued by Registered Valuer – Securities or Financial Assets certifying the valuation of Sterling and Wilson Private Limited e) Provisional statement of accounts of the Transferor and Transferee Company as on 28th February, 2022.

2. BOARD REPORT:

Based on review of the Draft Scheme of Arrangement and the above-mentioned Documents, the Board has formed the opinion that:

i. Since the Transferor Company is a wholly owned subsidiary of the Company and the entire paid- up share capital of the Transferor Company is held by the Company, as a result of the proposed Arrangement, the shares of the Transferor Company held by the Company shall stand cancelled and there shall be no issuance of shares or payment of any consideration by the Company to the shareholders of the Transferor Company.

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Sterling and Wilson Private Limited
Associates of: Shapoorji Pallonji and Company Private Limited
Registered Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: U31200MH1974PTC017538
Email: mumbai@sterlingwilson.com | www.sterlingandwilson.com

ii. As the entire undertaking of the Transferor Company shall stand transferred to the Company, the rights and interests of the shareholders and / or the creditors of the Transferor Company shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of the Transferor Company.

iii. The proposed Arrangement would, *inter alia,* have the following benefits:

The reduction of share capital and reorganization of reserves of the Transferee Company, would, inter alia, entail the following benefits:

a. The reduction of share capital in the manner proposed in the Scheme would enable the Transferee Company to rationalize its capital structure and present a true and fair financial position of the Transferee Company in a better manner, which commensurate with its business and assets.

b. The Scheme envisages reduction by way of cancellation and payout its CCPS and face value of equity shares so to create a Business Reconstruction Reserve Account ("BRR Account") which shall be utilized to write off the accumulated losses in the Profit & Loss Account appearing as on the Appointed Date in the books of the Transferee Company.

c. The Scheme would not affect the ability or liquidity of the Transferee Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

Amalgamation of the Transferor Company with and into Transferee Company would, inter alia, entail the following benefits:

a. SW ME has been sustaining substantial business losses over a number of years due to a weak overall business performance and general business environment, including the weak business environment in the Middle East (as also globally) on account of the ongoing COVID-19 pandemic. Further, RBI-prescribed One Time Restructuring of debt at the ultimate shareholder level (i.e., at Shapoorji Pallonji Group level) further stressed the business of SW ME due to non-availability of normal banking credit facilities (both fund-based and non-fund based) which would otherwise be available. Resultantly, there has been a steep decline in the overall business of SW ME.

b. In the context of the above, given that the management of SW ME and SWPL do not foresee a meaningful revival of the business of SW ME, it is envisaged that the business of SW ME be amalgamated with and into SWPL under this Scheme.

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c. The amalgamation consolidation of group structure, reduction in overheads including administrative, managerial and other expenditure, significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.

d. The proposed Scheme shall also enable the Transferor Company to address competitive regulatory environment, risks and policies, better management, ability to strategies the remaining business for long term growth, consolidation and creation of shareholder's value.

3. The effect of the proposed Scheme of Arrangement on the stakeholders of the Company would be as follows:

Effect of the Scheme on:

(a)	Shareholders	The shareholders have provided their consent affidavit to SWPL with respect to the proportionate reduction and cancellation of 50% of equity share capital and 100% reduction and cancellation of preference share capital as on 31st March 2022 which would be effected by Part II of the Scheme.
(b)	Key managerial personnel (KMP)	No impact since the KMPs would continue to be KMPs post the effectiveness of the Scheme.
(c)	Directors	Except Promoter director.
(d)	Promoters	The impact on the rights of the Promoters would be proportionate to the reduction and cancellation of 50% of equity share capital held by them, in their capacity as shareholders, as on 31st March 2022, which would be effected by Part II of the Scheme.
(e)	Non-promoter members	No impact since the Scheme does not affect the rights and interests of the members or the creditors of the Company.
(f)	Depositors	No impact since there are no depositors in the Company.
(g)	Creditors	No impact since the Scheme does not affect the rights and interests of the members or the creditors of the Company.
(j)	Employees of the Company	No impact as the employees would continue to be employed with the Company

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4. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its Shareholders, Creditors and other Stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of the Company approved the Scheme at their meeting held on 6th June, 2022.

For and on behalf of the Board of Directors of Sterling and Wilson Private Limited

ZARINE Y. DARUVALA
Director
DIN: 00190585
Place: Mumbai
Date: 5th June, 2022

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& MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STERLING AND WILSON PRIVATE LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **Sterling and Wilson Private Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Rwanda, Tanzania and Egypt (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss (including other comprehensive income), changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

As on March 31, 2022, the Company's total exposure towards Sterling and Wilson International FZE (SW FZE), a wholly-owned subsidiary of the Company aggregates Rs. 1,112.51 crores, which comprises of investment in equity shares of the aforesaid subsidiary amounting to Rs. 1.12 crores, loans given including interest outstanding amounting to Rs. 1,110.19 crores and other recoverable balances amounting to Rs. 1.20 crores. The audited financial statements of the wholly- owned subsidiary have not been received from the subsidiary's management as at the date of this report, as a result of which we are unable to comment whether an impairment provision is required towards these aforesaid exposures. Moreover, SW FZE has repaid an amount of Rs. 216 crores after the balance sheet date, as at the date of this report.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone Ind AS financial statements.

Emphasis of Matter

a) We draw attention to note 50 of the standalone Ind AS financial statements regarding the filing of application of the Scheme of Arrangement ("Scheme") before the National Company Law Tribunal (NCLT), Mumbai Bench, on August 30, 2022, for the reduction of share capital and reorganization of reserves of the Company and the merger of Sterling and Wilson Middle East Electromechanical

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LLC, wholly-owned subsidiary company ("Transferor Company/SW MELLC"), a foreign Limited Liability Company incorporated in the Emirate of Dubai into the Company. As on March 31, 2022, the Company's total exposure towards SW MELLC, aggregates Rs. 1,701.49 crores, which comprises of investment in equity shares of the aforesaid subsidiary amounting to Rs. 0.62 crores, loans given including interest outstanding amounting to Rs. 1,545.10 crores and other recoverable balances amounting to Rs. 155.77 crores. Based on discussions with the Company's Management and the expected NCLT approval for the Scheme of Arrangement and merger, no adjustments/impairment is made in the standalone Ind AS financial statements for the aforesaid total exposure towards SW MELLC.

b) We draw attention to note 60 of the standalone Ind AS financial statements regarding recoverability of trade receivables, unbilled receivables and advance for projects aggregating to Rs. 94.04 crores as at March 31, 2022 which represents contractual dues from Sky Power Group (Developers) in respect of two states namely Telangana and Madhya Pradesh which were under disputes with the Developers (seven Special Purpose Vehicle (SPV) owned by Sky Power Group). Out of the seven projects, pursuant to negotiations/discussion, disputes for four projects have been resolved and settled prior to March 2022. For the two projects the Delhi High Court had directed Sky Power Group (Developers) to furnish Bank Guarantees equivalent to 50% of the total receivables towards the aforesaid two projects. The developers have sought extensions which Delhi High Court has granted. With regard to one project, the dispute is between Sky Power Group and Madhya Pradesh Power Management Company Limited which is sub judice and currently is being heard at Supreme Court and the verdict is awaited. Subsequent to Supreme Court decision, the Company expects settlement/recovery of its dues.

Based on discussions with the Developers, Company's Legal Counsel, favourable order passed by Delhi High Court and the expected Supreme Court verdict, the Management believes that outstanding amount is good and recoverable and that no adjustments/impairments are required to be made in the standalone Ind AS financial statements of the Company towards the total outstanding receivables as on the balance sheet date.

Our Opinion and Report on Other Legal and Regulatory Requirements are not modified in respect of the above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Director's Report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The other information as specified above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as specified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place with reference to its standalone Ind AS financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial information of 3 branches included in the standalone Ind AS financial statements of the Company whose standalone financial information reflect total assets of Rs. 83.02 crores as at 31 March 2022, the total revenue of Rs. 78.53 crores for the year ended on that date, as considered in the standalone Ind AS financial statements. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

These branches are located outside India whose financial and other information have been prepared in accordance accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective countries. The Company has converted the financial information of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is solely based on the report of branch auditors and the conversion adjustments prepared by the Company and audited by us.

Our Opinion and Report on Other Legal and Regulatory Requirements are not modified in respect of the above matters.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) Except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches not visited by us.

c) The audit report on the accounts of one of the branch offices of the Company audited under Section 143(8) of the Act have not been addressed to us by the branch auditors of the above referred branch, as required pursuant to the provisions of Section 143(8) read with sub-rule (2) of Rule 12 of the Companies (Audit and Auditors) Rules, 2014. The said report on accounts have been addressed to the management of the branch and the same have been provided to us by the Company, which we have considered in the preparing this report.

d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flow dealt with by this report are in agreement with the books of account.

e) Except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act are not applicable to the Company.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40.1 to the standalone Ind AS financial statements;

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ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts – Refer Note 29 to the standalone Ind AS financial statements. The Company did not have any material foreseeable losses on derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, except as stated in note 58 to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)/ entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv (a) and iv (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Reg. No:- 104607W / W100166

KALYANIWALLA & MISTRY LLP
MUMBAI

Jamshed K. Udwadia
Partner
Membership No: 124658
UDIN No. 22124658BBMZVK2804
Mumbai, September 29, 2022

Annexure A to the Independent Auditor's Report

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' of our Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2022:

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

The Company is maintaining proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us, the Property, Plant and Equipment were physically verified by the management which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on physical verification of the fixed assets during the year.

(c) With respect to immovable properties of land and building that are freehold, according to the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and its intangible assets. Accordingly, the provision of paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions of paragraph 3(i) (e) of the Order are not applicable to the Company.

ii) (a) The Management has not conducted physical verification of the inventory during the year. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether material discrepancies, if any, have been properly dealt with in the books of account.

(b) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. According to the explanations given to us and based on our verification the returns filed by the Company are generally in agreement with the books of accounts.

iii) (a) According to the information explanation provided to us, the Company has provided loans or given guarantee, or provided security to subsidiaries, joint ventures and associates.

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The details of such loans, guarantees or security are as under:

(Rs in crores)

	Guarantees	Loans	Investments
Aggregate amount granted/provided during the year			
- **Subsidiaries** - **Joint venture** - **Others**	3.65 - -	692.41 - -	0.62 4.27 -
Balance Outstanding as at balance sheet date in respect of above cases			
- **Subsidiaries** - **Joint ventures** - **Others**	196.79	2,881.83 - 9.55	0.62 4.27 -

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, loans granted and advances in the nature of loans are not prejudicial to the Company's interest

(c) In case of the loans granted to subsidiaries and related parties, there are no stipulations as regards schedule of repayment of principal and interest, since the loans granted are on call. Loans granted to other parties have a stipulated date for repayment of principal and interest, where the repayment of principal is regular. However, the receipt of interest on those loans are not regular as stipulated.

(d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties except for principal amounting to Rs. 3 crores and interest amounting to Rs 3.24 crores both of which were overdue for a period of more than ninety days as on the balance sheet date. These overdue amounts have been received by the Company subsequent to Balance sheet date.

(e) According to the information explanation provided to us, the loans granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

(Rs in crores)

	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	2,891.38
Percentage of loans to the total loans	99.78

iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the granting of loans, investments made and guarantees provided by the Company. The Company has not given any security during the year to the parties covered under section 186 of the Act.

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v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, para 3(v) of the Order is not applicable to the Company.

vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions of paragraph 3 (vi) of the Order are not applicable to the Company.

vii) (a) The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, professional tax, goods and service tax, duty of customs and other material statutory dues have not been deposited regularly during the year by the Company with the appropriate authorities, there have been delays in certain cases. As explained to us, the Company did not have any dues on account of duty of excise and cess.

No undisputed amounts payable in respect of provident fund, employees state insurance, profession tax, income tax, goods and service tax, duty of customs and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date the became payables

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of Statute	Nature of dues	Demand (Rs. Crores)	Amount paid under protest (Rs. Crores)	Year to which amount relates	Forum where appeal is pending
Value Added Tax and Central Sales Tax	Non-Submission of Forms	0.10	-	2015-16	Assistant Commissioner of Commercial Taxes
Value Added Tax and Central Sales Tax	Tax	5.01	-	2012-13 To 2015-16	Additional Director General DGGSTI, Zonal Unit, Mumbai
Value Added Tax and Central Sales Tax	Non-Submission of Forms	15.23	0.22	2015-16 to 2016-17	Appellate Deputy Commissioner
Value Added Tax and Central Sales Tax	Tax	2.94	0.74	2005-06 to 2007-08	Assistant Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Tax	0.51	-	2017-18	Commercial Tax Officer
Value Added Tax and Central Sales Tax	Non-Submission of Forms	0.99	-	2013-14,2014-15,2016-17	Commercial Tax Officer
Value Added Tax and Central Sales Tax	Non-submission of Forms.	1.41	0.15	2011-12, 2012-13, 2013-14 to 2015-16	Commissioner of Commercial Tax
Value Added Tax and Central	Tax	1.00	0.10	2011-12,2015-16	Commissioner of Commercial Tax

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Name of Statute	Nature of dues	Demand (Rs. Crores)	Amount paid under protest (Rs. Crores)	Year to which amount relates	Forum where appeal is pending
Sales Tax					
Value Added Tax and Central Sales Tax	Non-Submission of Forms	0.07	0.01	2013-14	Deputy Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Non Submission of Forms	12.72	0.75	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11,2013-14,2016-17,2017-18	Deputy Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Non-submission of Forms	4.80	0.66	2012-13,2013-14,2015-16	Joint Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Disallowance of Labour and Service, Non-Submission of Forms	13.89	1.05	2012-13 to 2013-14,2015-16, 2016-17,2017-18	Joint Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Non verification of certificates and Forms	1.66	-	2011-12, 2013-14, 2015-16 to 2016-17	Excise & Taxation Officer Cum Assessing Authority
Value Added Tax and Central Sales Tax	Non-Submission of Forms	1.59	0.34	2013-14,2014-15 and 2015-16	Deputy Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Non-Submission of Forms	2.04	-	2015-16, 2016-17	Assistant Commissioner (ST)
Value Added Tax and Central Sales Tax	Non-submission of Forms.	7.89	3.18	2015-16	Commerical Tax Officer
Goods and Service Tax Act	Tax	6.57	0.43	2017-18	Deputy Commissioner, Abids STU-1
Value Added Tax and Central Sales Tax	Non-submission of Forms.	2.45	0.49	2017-18	Deputy Commissioner of State Tax
Value Added Tax and Central Sales Tax	Non-submission of Forms.	0.22	-	2015-16	Dy. Commissioner of Commercial Tax
Central Excise	Non submission of Certificates and Forms	1.06	-	2011-12, 2012-13,2013-14,2014-15,2015-16,2016-17	Excise & Taxation Officer
Value Added Tax and Central Sales Tax	Non-submission of Forms and Certificates	0.52	0.06	2009-10,2012-13,2013-14,2017-18	Asst. Commissioner of Commercial Taxes

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Name of Statute	Nature of dues	Demand (Rs. Crores)	Amount paid under protest (Rs. Crores)	Year to which amount relates	Forum where appeal is pending
Service Tax	Tax	0.91	-	2012-13	The Commissioner of Central Excise
Value Added Tax and Central Sales Tax	Non-submission of Forms	1.39	-	2017-18	High Court

viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision of paragraph 3(viii) of the Order is not applicable to the Company.

ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, the Company has not taken any term loan during the year and hence the provisions of paragraph 3(ix)(c) is not applicable.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions of paragraph 3(x)(b) of the Order are not applicable to the Company.

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xi) (a) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by the Company or fraud on the Company by its officers or employee has been noticed or reported during the year.

(b) In view of what is reported above, the provisions of paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) We have considered the whistle blower complaints received by the Company during the year.

xii) (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) (a) According to the information and explanations given to us and based on the documents and records produced before us, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered internal audit reports issued by internal auditors during our audit.

xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the provision of paragraph (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions of paragraph 3 xvi (d) of the Order are not applicable to the Company.

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xvii) According to the information explanation provided to us, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. Effect of Unquantified qualifications has not been considered.

(Rs. in crores)

Particulars	March 31, 2022	March 31, 2021
Cash loss	63.36	234.46

xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions of paragraph 3 (xviii) of the Order are not applicable to the Company.

xix) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, provision of paragraph 3(xx)(a) of the Order is not applicable to the Company.

(b) There is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act 2013 pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act. Accordingly, the provisions of paragraph 3(xx(b)) of the Order are not applicable to the Company.

xxi) The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of paragraph 3(xxi) has been included in the report.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Reg. No. 104607W/W100166

KALYANIWALLA & MISTRY LLP MUMBAI

Jamshed K. Udwadia
Partner
Membership No: 124658
UDIN: 22124658BBMZVK2804
Mumbai, September 29, 2022

Annexure B to the Independent Auditor's Report

The Annexure referred to in clause (g) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2022:

Report on the Internal Financial Controls with reference to standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone Ind AS financial statements of Sterling and Wilson Private Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of these standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

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Meaning of Internal Financial Controls with reference to standalone Ind AS financial statements

A Company's internal financial control with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, except for the possible effects of the material weaknesses described in the 'Basis for Qualified Opinion' paragraph below, on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as of March 31, 2022, based on the internal control with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2022 standalone Ind AS financial statements of the Company and these material weaknesses does not affect our opinion on the standalone Ind AS financial statements of the Company.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone Ind AS financial statements as at March 31, 2022:

a) The Company's overall Financial Closing Reporting Process needs improvement in terms of maker-checker principle and adequate timely reviews of financial information.

b) System generated Reports such as 'ZCUSAGE and ZDSTMT' reports which gives the information regarding outstanding trade receivables, advance from customers, total billings, advances received and unbilled listing, needs review and examination by management to ensure completeness and correctness of information contained in those reports for the purpose of financial reporting.

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We have been informed the Company is taking steps to improve these processes and strengthening the monitoring controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Reg. No: 104607W / W100166

KALYANIWALLA & MISTRY LLP MUMBAI

Jamshed K. Udwadia
Partner
Membership No: 124658
UDIN No. 22124658BBMZVK2804
Mumbai, September 29, 2022

Sterling and Wilson Private Limited

Standalone Balance Sheet

as at March 2022

(Currency : Indian rupees in crores)

	Note	31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, Plant and Equipment	*4*	**140.75**	180.57
Capital Work-in-Progress	*4*	**-**	0.33
Right-of-use assets	*4.1*	**28.29**	4.16
Other intangible assets	*5*	**1.60**	2.87
Financial assets			
(i) Investments	*6*	**94.79**	83.09
(ii) Other financial assets	*7*	**12.93**	17.05
Deferred tax assets (net)	*8*	**43.90**	75.00
Non-current tax assets (net)	*9*	**65.75**	36.30
Other non-current assets	*10*	**6.46**	6.23
Total non-current assets		**394.47**	405.60
Current assets			
Inventories	*11*	**34.40**	51.15
Financial assets			
(i) Investments	*12*	**0.79**	0.69
(ii) Trade receivables	*13*	**1,248.61**	1,325.35
(iii) Cash and cash equivalents	*14*	**48.72**	64.34
(iv) Bank balances other than cash and cash equivalents	*15*	**49.72**	46.78
(v) Loans	*16*	**2,859.24**	2,091.30
(vi) Other financial assets	*17*	**230.46**	240.80
Other current assets	*18*	**1,119.70**	1,186.91
Asset held-for-sale	*19*	**9.39**	-
Total current assets		**5,601.03**	5,007.32
Total assets		**5,995.50**	5,412.92

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Sterling and Wilson Private Limited

Standalone Balance Sheet

as at March 2022

(Currency : Indian rupees in crores)

	Note	**31 March 2022**	31 March 2021
Equity and liabilities			
Equity			
Equity share capital	*20*	**29.37**	29.37
Compulsorily convertible non-cumulative preference shares	*20*	**1,802.50**	1,802.50
		1,831.87	1,831.87
Other equity	*21*		
- Capital redemption reserve		**50.00**	50.00
- Securities premium account		**560.04**	560.04
- Retained earnings		**(614.33)**	(409.39)
- General Reserve		**13.39**	13.39
- Other comprehensive income		**1.09**	(0.69)
		10.19	213.35
Perpetual Loan	*22*	**958.21**	-
Total equity		**2,800.27**	2,045.22
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	*23*	**750.00**	14.97
(ii) Lease liabilities	*4.1*	**24.76**	2.22
Provisions	*24*	**17.29**	19.38
Total non-current liabilities		**792.05**	36.57

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STERLING AND WILSON PVT. LTD.
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Sterling and Wilson Private Limited

Standalone Balance Sheet

as at March 2022

(Currency : Indian rupees in crores)

	Note	31 March 2022	31 March 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	25	**637.26**	1,063.46
(ii) Lease liabilities	4.1	**5.46**	2.41
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		**23.34**	113.25
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,096.53**	1,382.58
(iv) Other financial liabilities	27	**109.90**	147.38
Other current liabilities	28	**479.00**	561.16
Provisions	29	**44.28**	53.63
Current tax liabilities (net)	30	**7.41**	7.26
Total current liabilities		**2,403.18**	3,331.13
Total liabilities		**3,195.23**	3,367.70
Total equity and liabilities		**5,995.50**	5,412.92
Significant accounting policies			
Notes to the standalone financial statements	1		

The attached notes are an integral part of these standalone financial statements.
As per our report of even date attached.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm's Registration No: 104607W/W100166

Jamshed K. Udwadia
Partner
Membership No: 124658
Mumbai
September 29, 2022

KALYANIWALLA & MISTRY LLP MUMBAI

For and on behalf of the Board of Directors of
Sterling and Wilson Private Limited
CIN:U31200MH1974PTC017538

Zarine Daruvala
Director
DIN: 00190585
Mumbai

Khurshed Daruvala
Director
DIN: 00216905
Mumbai

Parameshwar Hegde
Chief Financial Officer
Membership No: 203490
Mumbai
September 29, 2022

K. P. Hariharan
Company Secretary
Membership No: A-5165
Mumbai

Sterling and Wilson Private Limited

Standalone statement of profit and loss

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

	Note	31 March 2022	31 March 2021
Income			
Revenue from operations	*31*	**2,144.15**	2,278.30
Other income	*32*	**224.25**	255.92
Total income		**2,368.40**	2,534.22
Expenses			
Cost of construction materials, stores and spare parts	*33*	**1,262.20**	1,443.15
Changes in inventories of stock-in-trade	*34*	**2.75**	2.01
Direct project costs	*35*	**828.28**	850.54
Employee benefits expense	*36*	**180.03**	202.96
Finance costs	*37*	**97.30**	192.26
Depreciation and amortisation expense	*38*	**23.86**	31.68
Other expenses	*39*	**105.96**	118.29
Total expenses		**2,500.38**	2,840.89
(Loss) before exceptional items and income tax		**(131.98)**	**(306.67)**
Exceptional items			
Provision for impairment of loans to subsidiaries	*55*	**40.00**	-
(Loss) before income tax		**(171.98)**	-
Tax expense:	*47*		
Current tax		**1.87**	0.79
Deferred tax (credit) / charge		**31.10**	31.73
		32.97	32.52
(Loss) for the year		**(204.95)**	(339.19)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability		**1.78**	0.72
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		**1.78**	0.72
Total comprehensive (loss) for the year		**(203.17)**	(338.47)

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Sterling and Wilson Private Limited

Standalone statement of profit and loss

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

	Note	31 March 2022	31 March 2021
Basic earnings per share (EPS) (Rs.)		**(69.78)**	(115.49)
Diluted earnings per share (DEPS) (Rs.)		**(69.78)**	(115.49)

Significant accounting policies

Notes to the standalone financial statements *1*

The attached notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm's Registration No: 104607W/W100166

Jamshed K. Udwadia
Partner
Membership No: 124658
Mumbai
September 29, 2022

KALYANIWALLA & MISTRY LLP MUMBAI

For and on behalf of the Board of Directors of
Sterling and Wilson Private Limited
CIN:U31200MH1974PTC017538

Zarine Daruvala
Director
DIN: 00190585
Mumbai

Khurshed Daruvala
Director
DIN: 00216905
Mumbai

Parameshwar Hegde
Chief Financial Officer
Membership No: 203490
Mumbai
September 29, 2022

K. P. Hariharan
Company Secretary
Membership No: A-5165
Mumbai

Sterling and Wilson Private Limited

Standalone statement of cash flow

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

			31 March 2022	31 March 2021
A)	**Cash flows from operating activities**			
	(Loss) before tax		**(171.98)**	(306.68)
	Adjustments for:			
	Depreciation and amortisation expense		**23.86**	31.68
	Supplier balances written back		**(11.41)**	(16.45)
	Provision for gratuity		**(2.24)**	(1.32)
	Provision for leave encashment		**(6.33)**	(4.36)
	Bad debts written off		**27.29**	19.07
	(Write back)\Provision for bad and doubtful debts written back		**(14.93)**	(1.26)
	Interest accrued on receivables written off		**-**	38.67
	Loans and advances written off		**1.04**	-
	Loss on sale of property, plant and equipments (net)		**(0.27)**	(4.03)
	Property, plant and equipment written off		**6.40**	-
	(Write back) / provision for loss on onerous contracts		**8.60**	(3.88)
	Provision for liquidated damages (net)		**(11.46)**	2.43
	Dividend income		**(2.00)**	-
	Guarantee commission		**(1.20)**	(3.05)
	Finance costs		**97.30**	192.27
	Interest income		**(161.45)**	(217.61)
	Financial assets measured at FVTPL - net change in fair value		**(6.90)**	2.18
	Loss on sale of investments (net)		**-**	2.37
	Provision for impairment of loan		**40.00**	-
	Gain on foreclosure of lease rental		**(0.47)**	-
	Unrealised foreign exchange loss (net)		**34.65**	21.71
	Operating loss before working capital changes		**(151.51)**	(248.26)
	Working capital adjustments			
	(Increase) in inventories		**16.75**	8.89
	(Increase) in trade receivables		**59.21**	332.25
	Decrease\(Increase) in loans and advances		**(26.39)**	(8.56)
	(Increase) in other financial assets		**11.54**	301.54
	(Increase) in other current and non-current assets		**51.19**	(41.67)
	Increase in trade payable, other current liabilities and provisions		**(404.71)**	80.62
	Net change in working capital		**(292.40)**	673.07
	Cash flows (used in)/ generated from operating activities		**(443.91)**	424.81
	Income tax (paid) (net)		**(31.17)**	94.80
	Effects of exchange differences on translation of assets and liabilities		**0.17**	0.12
	Net cash (used in)/ generated from operating activities	**(A)**	**(474.91)**	519.73
B)	**Cash flows from investing activities**			
	Investment in equity shares of a subsidiary		**(4.88)**	(5.03)
	Proceeds from investment		**-**	0.20
	(Purchase) of non-current investments		**(0.02)**	-
	(Purchase) of current investments		**-**	(127.50)
	Proceeds from sale of current investments		**-**	125.13
	(Purchase) of property, plant and equipment and intangible assets		**(3.28)**	(17.68)
	Proceeds from sale of property, plant and equipment		**11.81**	16.33
	(Purchase) of fixed deposits, net		**1.32**	10.16
	Loan given to subsidiaries(net)		**(794.49)**	(469.62)
	Interest received		**161.45**	222.64
	Net cash (used in) investing activities	**(B)**	**(628.09)**	(245.37)

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Sterling and Wilson Private Limited

Standalone statement of cash flow

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

			31 March 2022	31 March 2021
C)	**Cash flows from financing activities**			
	Proceeds from issue of compulsorily converitble preference shares		-	300.00
	Non convertible Debentures obtained		-	(160.00)
	Unsecured loans obtained		**1,709.94**	283.70
	Unsecured loans repaid		**(1,249.61)**	(498.79)
	Increase in cash credit from banks (net)		**9.48**	10.39
	Secured loans obtained		**1,338.59**	429.69
	Repayment of secured loans (net)		**(587.56)**	(448.77)
	Repayment of lease liabilities		**(8.28)**	(11.31)
	Finance costs paid		**(125.18)**	(175.53)
	Net cash generated from / (used in) financing activities	**(C)**	**1,087.38**	(270.62)
	Net movement in currency translation	**(D)**	-	0.08
	Net increase in cash and cash equivalents	**(A + B + C + D)**	**(15.62)**	3.82
	Cash and cash equivalents at the beginning of the year		**64.34**	60.52
	Cash and cash equivalents at the end of the year		**48.72**	64.34

Notes :

1 The standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Statement of Cash Flows.

2 Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

3 The Company's banks have lien on fixed deposits aggregating Rs.50.83 crore (31st March 2021: Rs. 52.47 crore) against the Bank Gaurantees issued on behalf of the Company/Borrowing by the Company.

4 **Components of cash and cash equivalents**

	31 March 2022	31 March 2021
Balance with banks		
- in current accounts	**47.93**	63.93
Cheques in hand	**0.08**	0.14
Cash on hand	**0.71**	0.27
	48.72	64.34

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MUMBAI

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Sterling and Wilson Private Limited

Standalone statement of cash flow

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

5 **The movement of borrowings as per Ind AS 7 is as follows:**

Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes:

Reconciliation of liabilities arising from financing activities

Particulars	**As at 1 April 2021**	**Changes considered in the standalone statement of cashflows**	**Non-cash changes (including foreign exchange adjustment)**	**As at 31 March 2022**
Long-term borrowings	**14.97**	**735.03**	**-**	**750.00**
Short-term borrowings	**1,063.46**	**485.80**	**-**	**637.26**

Particulars	**As at 1 April 2020**	**Changes considered in the standalone statement of cashflows**	**Non-cash changes (including foreign exchange adjustment)**	**As at 31 March 2021**
Long-term borrowings	**44.68**	**(29.71)**	**-**	**14.97**
Short-term borrowings	**1,416.95**	**(353.49)**		**1,063.46**

The attached notes are an integral part of these standalone financial statements.
As per our report of even date attached.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm's Registration No: 104607W/W100166

Jamshed K. Udwadia
Partner
Membership No: 124658
Mumbai
September 29, 2022

KALYANIWALLA & MISTRY LLP
MUMBAI

For and on behalf of the Board of Directors of
Sterling and Wilson Private Limited
CIN:U31200MH1974PTC017538

Zarine Daruvala
Director
DIN: 00190585
Mumbai

Khurshed Daruvala
Director
DIN: 00216905
Mumbai

Parameshwar Hegde
Chief Financial Officer
Membership No: 203490
Mumbai
September 29, 2022

K. P. Hariharan
Company Secretary
Membership No: A-5165
Mumbai

Sterling and Wilson Private Limited

Standalone statement of changes in equity

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

A. ***Share capital***

	Note	Balance as at 1 April 2021	Changes during the yrear	Balance as at 31 March 2022
Equity share capital	20	29.37	-	29.37
Previous year numbers are in italics		*29.37*		*29.37*

B. ***Compulsorily convertible non-cumulative preference shares***

	Note	Balance as at 1 April 2021	Changes during the yrear	Balance as at 31 March 2022
Compulsorily convertible non-cumulative preference shares	20	1,802.50	-	1,802.50
Previous year numbers are in italics		*1,802.50*	-	*1,802.50*

C. ***Other equity***

	Reserves and surplus				Sub-total	Items of other comprehensive income			Sub-total	Total
	Retained earnings	Securities premium account	General reserve	Capital Redemption reserve		Foreign currency translation reserve	Effective portion of cash flow hedge	Other items of other comprehensive income		
Balance as at 1 April 2020	(70.19)	560.04	13.39	50.00	553.24	-	-	(1.41)	(1.41)	551.83
Total comprehensive income for the period										
Profit / (Loss) for the period	(339.20)	-	-	-	(339.20)	-	-	-	-	(339.20)
Items of OCI for the period, net of tax:	-	-	-	-	-	-	-	0.72	0.72	0.72
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(339.20)	-	-	-	(339.20)	-	-	0.72	0.72	(338.48)
Balance as at 31 March 2021	(409.38)	560.04	13.39	50.00	214.04	-	-	(0.69)	(0.69)	213.35
Balance as at 1 April 2021	(409.38)	560.04	13.39	50.00	214.05	-	-	(0.69)	(0.69)	213.35
Total comprehensive income for the year										
Profit / (Loss) for the year	(204.95)	-	-	-	(204.95)	-	-	-	-	(204.95)
Items of OCI for the period, net of tax:	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability, net of tax	-	-	-	-	-	-	-	1.78	1.78	1.78
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(204.95)	-	-	-	(204.95)	-	-	1.78	1.78	(203.17)
Balance as at 31 March 2022	(614.33)	560.04	13.39	50.00	9.11	-	-	1.09	1.09	10.18

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Sterling and Wilson Private Limited

Standalone statement of changes in equity

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

D. *Perpetual Loan*

	Note	Balance as at 1 April 2021	Changes during the yrear	Balance as at 31 March 2022
Compulsorily convertible non-cumulative preference shares	22	-	958.21	958.21

The attached notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm's Registration No: 104607W/W100166

Jamshed K. Udwadia
Partner
Membership No: 124658
Mumbai
September 29, 2022

KALYANIWALLA & MISTRY LLP MUMBAI

For and on behalf of the Board of Directors of Sterling and Wilson Private Limited
CIN:U31200MH1974PTC017538

Zarine Daruvala
Director
DIN: 00190585
Mumbai

Khurshed Daruvala
Director
DIN: 00216905
Mumbai

Parameshwar Hegde
Chief Financial Officer
Membership No: 203490
Mumbai
September 29, 2022

K. P. Hariharan
Company Secretary
Membership No: A-5165
Mumbai

1 Background

Sterling and Wilson Private Limited ("the Company") is one of India's leading Mechanical, Electricals and Plumbing and Fire-fighting services (collectively known as 'MEP services'). The Company has a pan India presence and international operations in Middle East, South East Asia, Africa, Europe and Australia.

The Company is specialised in complete turn-key solutions, offering a large spectrum of services like electrical contracting, heat ventilation and air-conditioning systems, public health and safety, LV systems, EPC contracting and data centre solutions with having experience of executing more than 3,500 projects.

The Company was established in 1927 as Wilson Electric Works. The Company was renamed as Sterling and Wilson Electricals Private Limited in 1974 and subsequently as Sterling and Wilson Private Limited in financial year 2007. The name has been changed to Sterling and Wilson Limited on 24 June 2009 and subsequently as Sterling and Wilson Private Limited on 7 November 2014.

Sterling and Wilson Private Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 17 April 2008.

2 Basis of preparation of the standalone Ind AS financial statements

a Statement of compliance

The accompanying standalone Ind AS financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereafter.

The standalone Ind AS financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on September 29, 2022.

b Functional and presentation currency

These standalone Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in crores, unless otherwise stated.

c Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
(ii) it is expected to be realised within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;
(ii) it is due to be settled within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the engineering, procurement and construction services (EPC) segment of the Company, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 36 months for the purpose of current - non-current classification of assets and liabilities. For the other operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

d ***Basis of measurement***

The standalone Ind AS financial statements have been prepared on the historical cost basis except for the following::
- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

e ***Use of estimates and judgments***

The preparation of the standalone Ind AS financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as follows:

(i) ***Evaluation of percentage of completion***

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs

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to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the period in which such changes are determined.

(ii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(v) Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future saleability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

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(vi) *Impairment losses on trade receivables*

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

In case of trade receivables, lease receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.
Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12-months from the reporting date.

(vii) *Impairment losses on investment*

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(viii) *Measurement of fair values*

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value meaasurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in the following notes:-
- Note 48 – Financial Instruments.

(ix) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3 Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the standalone statement of profit and loss as and when incurred.

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Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Company's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as under :

Assets	**Life in no. of years**	**Schedule II useful lives**
Office buildings	60 years	60 years
Plant and equipment	5 years to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing INR 5,000 or less are fully depreciated in the year/period of purchase.

3.2 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to five years using straight line method.

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The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit and loss in the period the asset is derecognised.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

Financial assets: Business model assessment (Continued)

– how the performance of the portfolio is evaluated and reported to the Company's management;
– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

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– terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.

(ii) Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

(iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the standalone statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss. See Note 3.3 (e) for financial liabilities designated as hedging instruments.

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(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement of profit and loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the standalone statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a

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present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the standalone statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the standalone statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the standalone statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the standalone statement of profit and loss.

3.4 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or
(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

3.5 Inventories

Construction material, stores and spare parts at central stores comprises of modules, wires, cables, components and spares. Stock in trade comprises of land acquired for Solar EPC projects.

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Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.6 *Statement of cash flows*

The Statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.

3.7 *Impairment*

Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.8 *Employee benefits*

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post-employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Company has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the standalone statement of profit and loss in the periods during which the related services are rendered by employees. In respect of foreign branch, the Company's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the standalone foreign branch operates.

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(ii) Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the standalone statement of other comprehensive income in the period in which they occur and not reclassified to the standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the standalone statement of profit and loss.

Other long-term employee benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit Method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurement gains or losses are recognised in the standalone statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

3.9 *Provisions and Contingencies*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the

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risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.10 Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

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3. The Company's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.
Any variations in contract work, claims, and incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.
Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Revenue from sale of goods

The Company recognises revenue from sale of goods once the customer takes possession of the goods. Revenue respresents the invoice value of goods provided to third parties net of discounts and sales laxes/value added taxes

Operation and maintenance income:

The Company recognises revenue from Operations & Maintenance services using the time-elapsed measure of progress i.e input method on a straight-line basis.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

3.11 Unbilled Revenue, Advances from customers, progress payments and retention

Revenue from services performed on contracts from the end of the last billing to the balance sheet date is recognised as unbilled revenue.

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Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

3.12 Leases

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company has the tight to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

3.13 *Recognition of dividend income, interest income or expense*

Dividend income is recognised in the standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.14 *Income tax*

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.15 Foreign currency

(i) Foreign currency transactions

- Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

- Measurement of foreign currency items at the reporting date

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Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in the Statement of Profit and Loss and accumulated in Equity (as exchange differences on translating the financial statements of a foreign operation).

3.16 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.17 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

Profit or loss on sale of investments is determined on the basis of first in first out (FIFO) basis of carrying amount of investment disposed off.

3.18 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

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3.19 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.20 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3.21 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its standalone financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

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Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

as at March 2022

(Currency : Indian rupees in crores)

4 Property, Plant and Equipment and Capital Work-in-Progress

Particulars	Office buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :									
Balance as at 1 April 2020	119.30	16.92	71.29	2.05	6.14	20.79	236.49	7.61	244.10
Add: Exchange differences on translation of foreign operations	-	(0.00)	(0.15)	(0.00)	0.02	(0.02)	(0.16)	-	(0.16)
Add: Additions during the year	2.48	1.79	12.28	0.05	0.74	0.29	17.63	-	17.63
Less: Disposals during the year	-	-	3.25	-	0.59	0.47	4.30	7.29	11.59
Balance as at 31 March 2021	121.78	18.70	80.17	2.10	6.31	20.59	249.66	0.33	249.99
Balance as at 1 April 2021	121.78	18.70	80.17	2.10	6.31	20.59	249.66	0.33	249.99
Add: Exchange differences on translation of foreign operations *		-	0.15 -	0.00	(0.01)	(0.08)	0.06	-	0.06
Add: Additions during the year*	-	0.00	2.69	0.00	0.19	0.14	3.03	-	3.03
Less: Assets classified as held for sale(refer note 19)	-	-	11.02	-	-	-	11.02	-	11.02
Less: Disposals during the year	0.05	-	21.88	0.23	1.14	1.33	24.62	0.33	24.95
Balance as at 31 March 2022	**121.74**	**18.71**	**50.11**	**1.87**	**5.35**	**19.33**	**217.11**	-	**217.11**
Accumulated depreciation:									
Balance as at 1 April 2020	6.01	8.09	20.16	0.84	2.48	12.96	50.54	-	50.54
Add: Exchange differences on translation of foreign operations	-	(0.00)	(0.02)	0.00	(0.00)	(0.01)	(0.04)	-	(0.04)
Add: Additions during the year	1.93	4.22	8.96	0.23	0.66	3.72	19.72	-	19.72
Less: Disposals during the year	-	-	0.36	-	0.39	0.38	1.13	-	1.13
Balance as at 31 March 2021	7.94	12.31	28.74	1.07	2.75	16.29	69.09	-	69.09
Balance as at 1 April 2021	7.94	12.31	28.74	1.07	2.75	16.29	69.09	-	69.09
Add: Exchange differences on translation of foreign operations*	- -	0.00 -	0.05	0.00	0.00	0.06	0.02	-	0.02
Add: Additions during the year	1.93	2.82	7.88	0.20	0.61	2.45	15.89	-	15.89
Less: Assets classified as held for sale(refer note)	-	-	1.63	-	-	-	1.63	-	1.63
Less: Disposals during the year	0.02	-	4.56	0.14	1.00	1.29	7.01	-	7.01
Balance as at 31 March 2022	**9.85**	**15.13**	**30.38**	**1.13**	**2.36**	**17.51**	**76.36**	-	**76.36**
At 31 March 2022	**111.89**	**3.58**	**19.73**	**0.74**	**2.99**	**1.82**	**140.75**	-	**140.75**
At 31 March 2021	113.85	6.40	51.44	1.03	3.56	4.30	180.57	0.33	180.88

* *The amount is less than Rs 1,00,000*

Notes:

a) Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.

b) Rs. Nil amount of impairment loss is recognised during the current and comparative periods.

c) As at 31 March 2022, properties with a carrying amount of Rs. Nil (31 March 2021: Rs. Nil) and all movable fixed assets with carrying amount of Rs.25.28 crore (31 March 2021: Rs. 60.32 crore) are subject to first charge to secure bank loans.

d) Adjustments includes the exchange fluctuation of Rs. 0.08 crore (31 March 2021 : Rs. 0.24 crore) on net block due to translation of property, plant and equipment of a foreign branch at closing exchange rate.

(Currency : Indian rupees in crores)

4.1 Disclosure under Ind AS 116, Leases

A) Right-of-use assets

	Land and Buildings *	Total
Cost		
Balance as at 1 April 2021	23.97	23.97
Add: Additions during the year	34.95	34.95
Less: Disposals during the year	(4.16)	(4.16)
Balance as at 31 March 2022	**54.76**	**54.76**
Accumulated depreciation and impairment		
Balance as at 1 April 2021	19.81	19.81
Add: Depreciation for the year	6.66	6.66
Balance as at 31 March 2022	**26.47**	**26.47**
Carrying amounts		
Balance as at 1 April 2021	4.16	4.16
Balance as at 31 March 2022	**28.29**	**28.29**

* Carrying amount of Right-of-use assets at the end of the reporting period is towards property taken on lease for office premises, the underlying leasehold improvements is presented in note 4.1 under "Property, plant and equipment and capital work-in-progress".

Following is the movement in Lease liabilities:

	Amount
Balance as at 1 April 2020	**14.86**
Add: Additions	
Add: Finance cost accrued during the year	1.07
Add/Less: Effect of foreign currency translation	
Add/Less: Non cash movements for acquisition and disposals	
Less: Payments of lease liabilities	11.31
Balance as at 31 March 2021	**4.62**
Add: Additions	34.95
Add: Finance cost accrued during the year	3.54
Add/Less: Effect of foreign currency translation	
Add/Less: Non cash movements for acquisition and disposals	(4.62)
Less: Payments of lease liabilities	8.28
Balance as at 31 March 2022	**30.21**

B) Amount recognised in the statement of profit & loss

	31 March 2022	31 March 2022
Depreciation on Land and Buildings	**6.66**	9.91

	31 March 2022	31 March 2022
Interest expense	**3.54**	1.07
Short-term lease expense	**22.23**	20.49
Low value lease expense	-	-
Expense relating to variable lease payments not included in lease liabilities	-	-
Total	**25.77**	**21.56**

(Currency : Indian rupees in crores)

4.1 Disclosure under Ind AS 116, Leases *(Continued)*

C) Cash outflow on leases

	31 March 2022	31 March 2021
Repayment of lease liabilities (Including Interest on lease liabilities)	8.28	11.31
Short-term lease expense	22.23	9.91
Total cash outflow on leases	**30.51**	21.22

D) Maturity analysis of lease liabilities

31 March 2022	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities	8.57	8.57	19.46	2.11	38.70	11.50%
	8.57	**8.57**	**19.46**	**2.11**	**38.70**	

31 March 2021	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities	2.76	0.78	1.29	0.84	5.67	11.50%
	2.76	**0.78**	**1.29**	**0.84**	**5.67**	

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(Currency : Indian rupees in crores)

5 Intangible assets and intangible assets under development

Particulars	Computer software	Total
Gross carrying amount :		
Balance as at 1 April 2020	15.15	15.15
Add: Exchange differences on translation of foreign operations	(0.03)	(0.03)
Add: Additions during the year	0.05	0.05
Less: Disposals during the year	2.75	2.75
Balance as at 31 March 2021	**12.42**	**12.42**
Balance as at 1 April 2021	12.42	12.42
Add: Exchange differences on translation of foreign operations	(0.11)	(0.11)
Add: Additions during the year	0.26	0.26
Less: Disposals during the year	-	-
Balance as at 31 March 2022	**12.57**	**12.57**
Accumulated amortisation and impairment losses:		
Balance as at 1 April 2020	8.45	8.45
Add: Exchange differences on translation of foreign operations	(0.02)	(0.02)
Add: Amortisation for the year	2.05	2.05
Less: Disposals during the year	0.93	0.93
Balance as at 31 March 2021	**9.56**	**9.56**
Balance as at 1 April 2021	9.56	9.56
Add: Exchange differences on translation of foreign operations	0.10	0.10
Add: Amortisation for the year	1.31	1.31
Less: Disposals during the year	-	-
Balance as at 31 March 2022	**10.97**	**10.97**
At 31 March 2022	**1.60**	**1.60**
At 31 March 2021	2.86	2.86

Notes:

a) Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.

b) As at 31 March 2022, Rs. Nil (As at 31 March 2021 : Rs. Nil) of impairment loss is recognised.

(Currency : Indian rupees in crores)

		31 March 2022	31 March 2021
6	**Non-current investments**		
	Investment in equity instruments (fully paid-up)		
	(a) Unquoted, in subsidiaries (at cost)		
	Sterling and Wilson International FZE 1,000 [31 March 2021: 1,000] shares of AED 1,000 each, fully paid-up	**1.12**	1.12
	Range Consultants Private Limited # 150,000 [31 March 2021: 150,000] shares of Rs. 10 each, fully paid-up	**4.96**	4.96
	Sterling and Wilson Security Systems Private Limited 10,000 [31 March 2021: 10,000] shares of Rs. 10 each, fully paid-up	**0.01**	0.01
	Sterling and Wilson Nigeria Limited 6,375,000 [31 March 2021 : 6,375,000] shares of Naira 1 each, each fully paid up	**0.17**	0.17
	Sterling and Wilson Co-Gen Solutions AG 50,000 [31 March 2021 : 50,000] shares of CHF 1 each, fully paid up	**0.35**	0.35
	Sterling and Wilson Middle East W.L.L. 98 [31 March 2021 : 98] shares of Qatari Riyals 1,000 each, fully paid up	**0.19**	0.19
	GCO Australia PTY Ltd 38,000 [31 March 2021 : 38,000] shares of AUD 1 each, fully paid up	**0.18**	0.18
	Sterling & Wilson Nigeria FZE 100,000 [31 March 2021: Nil] shares of USD 1 each, fully paid-up	**0.73**	0.73
	Sterling & Wilson Co-Gen Solutions Pvt Ltd 5,000,000[31 March 2021: Nil] shares of Rs 10 each, fully paid-up	**5.00**	5.00
	Sterling & Wilson Middle East Electro Mechanical L.L.C. 3,000[31 March 2021: Nil] shares of AED 100 each, fully paid-up	**0.62**	-
	# The Company has pledged 100% of equity shares held by it in the share capital of Range Consultants Private Limited as a collateral security to secure bank loans.		
	(b) Unquoted, in Joint Ventures (at cost)		
	Sterling and Wilson Enel X e-Mobility Pvt Ltd 4,267,621[31 March 2021: Nil] shares of Rs 10 each, fully paid up	**4.27**	-
	Sterling and Wilson Enel X e-Mobility Private Limited was incorporated on July 19, 2021 having its registered office in Mumbai, Maharashtra. The company is primarily engaged in the business of electric mobility charging infrastructure services, providing related software licenses, implementing and servicing long term contractual service agreements for electric vehicles and provision of ancilliary services.		
	(c) Unquoted, in others (at fair value through profit or loss)		
	Transtel Utilities Ltd,UK*# 10 [31 March 2021 : 10] shares of GBP 1 each, fully paid up	**0.00**	0.00
	SWB Power Ltd*# 10 [31 March 2021 : 10] shares of GBP 1 each, fully paid up	**0.00**	0.00
	Monjin Interviews Private Limited (Refer note 48(b)) 237,037 [31 March 2021: 237,037] shares of Rs 10 each, fully paid-up	**28.70**	19.91

* The investments in Transtel Utilities Ltd., UK and SWB Power Ltd. are shown at Cost since the information about the fair value of those investments are not available. Management is of the view that the difference between Cost and Fair value is not material.

The Investment value is less than Rs. 1,00,000

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		31 March 2022	31 March 2021
6	**Non-current investments *(Continued)***		
	Investment in Preference Shares		
	(Measured at fair value through Profit and loss)		
	(a) Unquoted, in fellow subsidiaries		
	Sterling Generators Private Limited	**48.49**	50.46
	500,000 [31 March 2021: 500,000] 4% redeemable, non-convertible, non-cumulative preference shares of Rs 1,000 each, fully paid-up. The preference shares are redeemable after a period of 8 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report.		
	Investment in Partnership Firm (at Cost)		
	Enrich-SWPL JV	**0.01**	0.01

Name of the Partners	**Share in Profits (%)**
Sterling and Wilson Private Limited	49%
Enrich RD Infraprojects Private Limited	51%

Total Capital of firm : Rs One lakh only.

	31 March 2022	31 March 2021
	94.79	83.09
The aggregate book value of unquoted non-current investments are as follows:		
Aggregate carrying amount of non-current investments	**94.79**	83.09
Aggregate amount of impairment in value of investments	-	-

		31 March 2022	31 March 2021
7	**Other non-current financial assets**		
	Bank deposits* (due to mature after 12 months from reporting date)	**1.25**	5.69
	(Includes interest accrued on bank deposits Rs. 0.00 crore [31 March 2021: Rs. 0.02 crore])		
	Security deposits	**11.68**	11.36
		12.93	**17.05**

* Bank deposits to the extent of Rs. 1.25 crore (31 March 2021: Rs. 5.67 crore) is held as margin money or security against the borrowings, guarantees, other commitments.

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		31 March 2022	31 March 2021
8	**Deferred tax assets (net)**		
	Deferred tax assets		
	Employee benefits	**20.04**	20.04
	Provision for bad and doubtful debts	**8.89**	8.89
	Provision for loans and advances	**1.83**	1.83
	Provision for loss on onerous contracts	**3.22**	3.22
	Carry forward business losses	**-**	31.10
	Unabsorbed depreciation	**19.24**	19.24
	Mat credit entitlement	**5.40**	5.40
	Others	**0.23**	0.23
		58.85	89.95
	Deferred tax liabilities		
	Excess of depreciation as per Income tax Act, 1961 over book depreciation	**12.57**	12.57
	Fair valuation of investments	**2.13**	2.13
	Writeback of Provision for liquidated damages	**0.26**	0.26
		14.96	14.96
	Deferred tax assets, net	**43.90**	75.00
	Deferred tax assets recognised, net	**43.90**	75.00
9	**Non-current tax assets (net)**		
	Advance tax (net of provision for tax Rs. 119.90 crore [31 March 2021: Rs. 81.75 crore]) *(includes fringe benefits tax and wealth tax)*	**65.75**	36.30
		65.75	36.30
10	**Other non-current assets**		
	(Unsecured, considered good)		
	To parties other than related parties		
	Capital advances	**3.42**	3.30
	Prepayments	**3.04**	2.93
		6.46	6.23

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	31 March 2022	31 March 2021
11 Inventories		
(valued at lower of cost or net realisable value unless otherwise stated)		
Construction materials, stores and spare parts (includes inventory in transit Rs. Nil [31 March 2021: Rs. Nil]	**3.93**	17.93
Stock-in-trade	**30.47**	33.22
	34.40	51.15
Carrying amount of inventories (included above) pledged as securities for borrowings	**3.93**	17.93

The cost of inventories recognised as an expense includes Rs. Nil (31 March 2021: Rs. Nil) provided towards inventory obsolescence.

12 Current investments

	31 March 2022	31 March 2021
Investment in equity instruments		
(Measured at fair value through profit and loss)		
Quoted:		
Crompton Greaves Consumer Electrical Limited* 6 [31 March 2021 : 6] Equity shares of Rs. 10 each, fully paid-up	**0.00**	0.00
CG Power & Industrial Solution Limited* 6 [31 March 2021 : 6] Equity shares of Rs. 10 each, fully paid-up	**0.00**	0.00
Ruchi Soya Limited* 2 [31 March 2021 : 2] Equity shares of Rs. 2 each, fully paid-up	**0.00**	0.00
Tata Consultancy Services Limited 1,232 [31 March 2021 : 1232] Equity shares of Re. 1 each fully paid-up	**0.46**	0.39

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(Currency : Indian rupees in crores)

12 Current investments *(Continued)*

	31 March 2022	31 March 2021
Unquoted:		
Western India Sugar & Chemical Industries Limited*	**0.00**	0.00
400 [31 March 2021 : 400] Equity shares of Rs. 10 each, fully paid-up		
Mid East India Limited*	**0.00**	0.00
300 [31 March 2021 : 300] Equity shares of Rs. 10 each, fully paid-up		
Montari Leather Limited*	**0.00**	0.00
1,000 [31 March 2021 : 1,000] Equity shares of Rs. 10 each fully paid-up		
Otoklin Plants and Equipment's Limited*	**0.00**	0.00
500 [31 March 2021 : 500] Equity shares of Rs. 10 each, fully paid-up		
SIV Limited (South India Viscose Limited)	**0.01**	0.01
600 [31 March 2021 : 600] Equity shares of Rs. 10 each, fully paid-up		
Sudhiti Hosiery Limited	**0.01**	0.01
2,500 [31 March 2021 : 2,500] Equity shares of Rs. 10 each, fully paid-up		
Less: Provision for diminution in the value of unquoted current investments	**0.03**	0.03
Total (a)	**0.47**	0.38

** The Investment value is less than Rs. 1,00,000*

	31 March 2022	31 March 2021
Investment in debentures		
(Measured at amortised cost)		
Western India Sugar & Chemical Industries Limited	**0.00**	0.00
300 [31 March 2021 : 300] 15% Debentures of Rs. 50 each, fully paid-up		
Total (b)	**0.00**	0.00

** The Investment value is less than Rs. 1,00,000*

	31 March 2022	31 March 2021
Investment in mutual funds		
(Measured at fair value through profit and loss)		
250,000 units [31 March 2021 : 250,000 units] Union Long Bond Fund Growth	**0.31**	0.30
Total (c)	**0.31**	0.30
Total (a + b + c)	**0.79**	0.69
Aggregate carrying amount of quoted investments	**0.47**	0.40
Aggregate market value of quoted investments	**0.47**	0.40
Aggregate carrying amount of unquoted investments	**0.03**	0.03
Aggregate amount of impairment in value of investments	**0.03**	0.03

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Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

as at March 2022

(Currency : Indian rupees in crores)

13. Trade receivables (refer note 52 for ageing)

	31 March 2022	31 March 2021
(Unsecured)		
Trade Receivables (refer note below)		
- Considered good	**1,248.61**	1,325.35
- Considered doubtful	**9.26**	24.19
	1,257.87	1,349.54
Less: Doubtful debts	**9.26**	24.19
Net trade receivables	**1,248.61**	1,325.35
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	**107.54**	68.51

As at 31 March 2022, trade receivables includes retention of Rs. 256.79 crore (31 March 2021 : Rs. 276.34 crore) relating to construction contracts.

Note:
Certain customer balances under Trade Receivable are subject to balance confirmations and reconciliations, if any. The Company has also received balance confirmation replies from certain customers and are in the process of reconciling those balances with that as per books of accounts. The management is of the view that the impact on Statement of Profit and Loss will not be material.

Dues from firms or private companies in which any director is a partner or a director or member :

	31 March 2022	31 March 2021
Shapoorji Pallonji and Company Private Limited	**24.40**	27.68
Sterling and Wilson Co-Gen Pvt Ltd	**-**	0.62
	24.41	28.30

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(Currency : Indian rupees in crores)

		31 March 2022	31 March 2021
14	**Cash and cash equivalents**		
	Balances with Bank		
	- in current accounts	**47.93**	63.93
	Cheques, drafts on hand	**0.08**	0.14
	Cash on hand	**0.71**	0.27
		48.72	64.34
15	**Bank balances other than cash and cash equivalents**		
	Balances with banks		
	- in deposit accounts*	**49.72**	46.78
	(with original maturity more than 3 months but less than 12 months)		
	(Includes interest receivable of Rs. 0.04 crore (31 March 2021 : Rs. 0.04 crore)		
		49.72	46.78

* Bank deposit to the extent of Rs. 49.54 crore (31 March 2021 : Rs. 46.74 crore) is held as margin money or security against the borrowings, guarantees, other commitments.

		31 March 2022	31 March 2021
16	**Loans**		
	(Unsecured, considered good)		
	To related parties (refer note 1 and 2 below)		
	-Loans given to subsidiaries		
	- considered good	**2,841.83**	2,004.73
	- credit impaired	**40.00**	-
		2,881.83	2,004.73
	Less: credit impaired	**40.00**	-
		2,841.83	2,004.73
	- Other related parties	**9.55**	52.16
	To parties other than related parties		
	(i) Loan to others	**6.24**	32.59
	(ii) Loan to employees	**1.62**	1.82
		2,859.24	**2,091.30**

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Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

as at March 2022

(Currency : Indian rupees in crores)

	31 March 2022	31 March 2021
16 Loans *(Continued)*		
Dues from firms or private companies in which any director is a partner or a director or member :		
Note 1: Loan given to subsidiaries		
Sterling and Wilson International FZE	**1,110.19**	1,805.59
Sterling and Wilson Middle East WLL*	**89.14**	81.00
Sterling & Wilson Co-Gen Solutions Private Limited*	**124.65**	106.58
Sterling and Wilson Middle East Electromechanical L.L.C	**1,545.11**	-
GCO Australia PTY Limited	**12.03**	10.90
Sterling & Wilson Nigeria Limited	**0.71**	0.64
	2,881.83	2,004.73
Note 2: Loan to other related parties		
Transtel Utilities Ltd UK.	**9.55**	8.94
Sterling and Wilson International Solar FZCO	**-**	43.23
	9.55	**52.16**

(Loan given to subsidiaries and other related parties carry an interest rate ranging from 6.75% to 11.89% and is repayable on demand)

*Loan to subsidiaries Sterling and Wilson Co-Gen Solutions Private Limited Rs 25 crore (31 March 2021: Rs Nil) and Sterling and Wilson Middle East WLL Rs 15 crore (31 March 2021: Rs Nil) are impaired.

	31 March 2022	31 March 2021
17 Other financial assets		
(Unsecured, considered good)		
To related parties		
(i) Unbilled receivables		-
Other interest		
(ii) Recoverable expenses	**214.88**	195.53
(iii) Other receivables	**1.46**	23.26
To parties other than related parties		
(ii) Security deposits		
- considered good	**9.44**	16.34
- considered doubtful	**0.60**	0.60
	10.04	**16.94**
Less: Provision for doubtful deposit	**0.60**	0.60
	9.44	16.34
(iii) Other receivables	**4.68**	5.65
	230.46	240.78

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(Currency : Indian rupees in crores)

	31 March 2022	31 March 2021
17 Other financial assets *(Continued)*		
Dues from firms or private companies in which any director is a partner or a director or member:		
Recoverable expenses		
Sterling and Wilson International FZE	**1.20**	151.05
Sterling and Wilson Middle East WLL	**1.80**	4.31
Sterling and Wilson Security Systems Private Limited	**1.94**	2.17
Sterling and Wilson Nigeria Limited	**5.13**	4.24
Sterling and Wilson Co-Gen Solutions Private Limited	**8.80**	4.59
Sashwat Energy Private Limited	**0.56**	0.56
Sterling and Wilson Solar FZCO	**2.63**	2.55
Sterling and Wilson Middle East Electromechanical LLC	**155.77**	-
Transtel Utilities Limited, UK	**12.13**	18.00
Enrich-SWPL JV	**16.57**	7.47
STC Power S.R.L	**1.33**	-
SWPL-Jindun JV	**7.00**	0.57
Other receivables		
Sterling Generators Private Limited	**1.45**	2.36
Sterling and Wilson Renewable Energy Limited (formely Sterling and Wilson Solar Limited)	**-**	20.90
18 Other current assets		
(Unsecured, considered good)		
To related parties		
(i)Advances for supply of goods	**1.82**	5.77
(ii) Unbilled receivables	**57.46**	33.07
To parties other than related parties		
Advances for supply of goods		
- considered good	**87.29**	80.83
- considered doubtful	**4.65**	4.65
	91.94	85.48
Less: Provision for doubtful advances	**(4.65)**	(4.65)
	87.29	80.83
(i) Unbilled receivables		
- considered good	**750.32**	817.85
- considered doubtful	**-**	-
	750.32	817.85
Less: Provision for doubtful unbilled receivables	**-**	-
	750.32	**817.85**
Advance to employees	**5.81**	12.76
Other recoverables	**-**	0.17
Balance with government authorities	**206.36**	224.54
Prepayments	**10.64**	11.92
	1,119.70	**1,186.91**
19 Asset held for sale		
Plant & Machinery held for sale	**9.39**	-
	9.39	-

In March 2022 the management has decided to hive off its Rooftop Independent Power Producers Division. The negotiation for sale with interested parties are in process. The aforementioned sale is expected to be completed by April 2022.

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(Currency : Indian rupees in crores)

		31 March 2022	31 March 2021
20	**Equity share capital**		
	Authorised		
	50,000,000 Equity shares (31 March 2021: 50,000,000 shares) of Rs 10 each	**50.00**	50.00
	215,00,000 (31 March 2021 : 215,00,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each	**2,150.00**	2,150.00
	Issued, subscribed and fully paid up:		
	29,369,333 Equity shares (31 March 2021 : 29,369,333 shares) of Rs 10 each, fully paid-up	**29.37**	29.37
	18,025,000 (31 March 2021 : 18,025,000) 0% Compulsorily convertible non-cumulative preference shares of Rs. 1,000 each, fully paid-up	**1,802.50**	1,802.50
		1,831.87	1,831.87

(A) Reconciliation of shares outstanding at the beginning and at the end of year :

	31 March 2022		31 March 2021	
	Number	**Amount**	Number	Amount
Equity shares				
Balance as at the beginning and end of the year	**2,93,69,333**	**29.37**	2,93,69,333	29.37
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	**2,93,69,333**	**29.37**	2,93,69,333	29.37
0% Compulsorily convertible non-cumulative preference shares				
Balance as at the beginning of the year *	**1,80,25,000**	**1,802.50**	1,80,25,000	1,802.50
Add: Issued during the year **	-	-	-	-
Less: Repayment during the year	-	-	-	-
Balance as at the end of the year	**1,80,25,000**	**1,802.50**	1,80,25,000	1,802.50

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

0% Compulsorily convertible non-cumulative preference shares:

* Compulsorily convertible non-cumulative preference shares were issued on 17 March 2018 each share is convertible into four equity shares of par value Rs. 10 each after 36 months from the date of issue. The Company has extended the conversion period from March 14, 2021 up to March 14, 2027, i.e. being an additional period of 72 months. Compulsorily convertible non-cumulative preference shares were issued on 10 March 2020 and each share is convertible into four equity shares of par value Rs. 10 each after 240 months from the date of issue.

** Compulsorily convertible non-cumulative preference shares were issued on 03 October 2020 and 07 January 2021 and each share is convertible into five equity shares of par value Rs. 10 each after 240 months from the date of issue.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend is not declared in respect of a financial year, the entitlement for that financial year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, the preference shareholders' will be entitled to receive from the proceeds of liquidity event, on par to the holders' of equity shares or securities convertible into equity shares, an amount equal to 100% of the amounts invested by it plus any declared but unpaid dividends, to be distributed pro-rata among the holders' of equity shares and preference shares of the Company on an as converted basis.

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20 Equity share capital *(continued)*

(C) Shares held by the Holding Company and its subsidiaries

	31 March 2022 Number	31 March 2022 Amount	31 March 2021 Number	31 March 2021 Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	**1,94,80,000**	**19.48**	1,94,80,000	19.48
0% Compulsorily convertible non-cumulative preference shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	**95,00,000**	**950.00**	95,00,000	950.00
Sashwat Energy Private Limited, subsidiary of the Holding Company	**25,00,000**	**250.00**	25,00,000	250.00

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2022 Number	31 March 2022 % holding	31 March 2021 Number	31 March 2021 % holding
Equity shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	**1,94,80,000**	**66.33%**	1,94,80,000	66.33%
Khurshed Daruvala, Director	**97,45,293**	**33.17%**	97,45,293	33.17%
0% Compulsorily convertible non-cumulative preference shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	**95,00,000**	**61.19%**	95,00,000	61.19%
Khurshed Daruvala, Director	**60,25,000**	**38.81%**	60,25,000	38.81%
Sashwat Energy Private Limited, subsidiary of the Holding Company	**25,00,000**	**100.00%**	25,00,000	100.00%

(E) Percentage change in promoters shareholding during the year:

Promoter name	No of shares	%tage of Total shares	%tage change during the year	Type of share capital
Shapoorji Pallonji and Company Private Limited	1,94,80,000	66%	None	Equity Shares
Khurshed Daruvala, Director	72,000	0%	None	
Pallon S. Mistry	72,000	0%	None	
Khurshed Y. Daruvala	97,45,293	33%	None	
Pervin Madan jointly with Khurshed Y. Daruvala	10	0%	None	
Kainaz K. Daruvala jointly with Khurshed Y. Daruvala	10	0%	None	
Zarine Y. Daruvala	20	0%	None	
Total	**2,93,69,333**			
Sashwat Energy Private Limited	25,00,000	14%	None	Compulsorily Convertible Preference shares
Shapoorji Pallonji And Company Private Limited	95,00,000	53%	None	
Khurshed Y. Daruvala	60,25,000	33%	None	
Total	**1,80,25,000**			

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20 Equity share capital *(continued)*

(F) Shares reserved for issue under options and contracts / commitments

	31 March 2022		31 March 2021	
	Number	**Amount**	Number	Amount
Compulsorily convertible non-cumulative preference 10,000,000 equity shares of Rs 10 each	**1,00,00,000**	**10.00**	1,00,00,000	10.00
Compulsorily convertible non-cumulative preference shares 50,100,000 equity shares of Rs 10 each	**5,01,00,000**	**50.10**	5,01,00,000	50.10
Compulsorily convertible non-cumulative preference shares 15,000,000 equity shares of Rs 10 each	**1,50,00,000**	**15.00**	1,50,00,000	15.00

21 Other equity

	Particulars	*Note*	**31 March 2022**	31 March 2021
	Securities premium account	*(i)*	**560.04**	560.04
	Capital Redemption Reserve	*(ii)*	**50.00**	50.00
	General Reserve	*(iii)*	**13.39**	13.39
	Retained earnings	*(iv)*	**(614.34)**	(409.38)
	Remeasurements of defined benefit liability	*(v)*	**1.09**	(0.69)
			10.20	213.36
(i)	**Securities premium account**			
	Balance as at the beginning and end of the year		**560.04**	560.04
	Add : Addition during the year		**-**	-
	Balance at end of the year		**560.04**	560.04
(ii)	**Capital Redemption Reserve**			
	Balance as at the beginning and end of the year		**50.00**	50.00
	Add: Exchange difference on translation of foreign operations arisen during the year		-	-
	Balance at end of the year		**50.00**	50.00
(iii)	**General Reserve**			
	Balance as at the beginning and end of the year		**13.39**	13.39
	Balance at end of the year		**13.39**	13.39
(iv)	**Retained earnings**			
	Balance as at the beginning and end of the year		**(409.38)**	(70.19)
	Add : Addition during the year		**(204.95)**	(339.20)
	Balance at end of the year		**(614.34)**	(409.38)
(v)	**Remeasurements of defined benefit liability**			
	Balance as at the beginning and end of the year		**(0.69)**	(1.41)
	Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax		**1.78**	0.72
	Balance at end of the year		**1.09**	(0.69)
	Total		**10.19**	213.36

Notes:

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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22 Perpetual Loan

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	-	-
Addition/(Repayments) during the year	**958.21**	
Balance at the end of the year	**958.21**	-

Note:

The Company had acquired loans from its Promoter and Promoter Group Companies ("Lender"). The aggregate outstanding balance of the loans as at March 31, 2022, are as under:

Party Name (Lender)	Shapoorji Pallonji and Company	Evangelos Ventures Private Limited
Loan Amount	277.64	634.63
Interest Outstanding up to March 2021	45.94	Nil
Total Amount	**323.58**	**634.63**

The above loans were converted into perpetual loans, effective April 01, 2021, vide the resolutions passed by the Board of Directors of Evangelos Ventures Private Limited and Shapoorji Pallonji and Company Private Limited, at their meetings held on March 31, 2021 and March 30, 2022, respectively.

The Loans shall be perpetual in nature, with no maturity or a defined tenure. The provisions of the Loan Agreement state that the Borrower may, at its discretion, repay a part or all of the outstanding amounts (including any interest due thereon). The Lender shall not have any right whatsoever to cause or require the Borrower to repay any part or all of the amounts outstanding under the Arrangement at any point in time.

The interest on the outstanding amount under the Arrangement shall be payable and at the end of each financial year, calculated on the principal amount of the outstanding amount under the Arrangement up to 11.50% per annum. The payment of interest shall be subject to any surplus cash being available with the Borrower and at the sole discretion of the Borrower, irrespective of the fact that any surplus cash is available with the Borrower.

Further to the resolutions passed by the Board of Directors of the Company, at their meetings held on April 01, 2021 and March 07, 2022, respectively, no interest shall accrue and be payable for the Financial Year ending March 31, 2022, on both the perpetual loans.

The said interest shall be on a non-cumulative basis and therefore, the Borrower at its sole discretion can pay the interest for preceding financial years and/or that particular financial year.

		31 March 2022	31 March 2021
23	**Long-term Borrowings**		
	Term Loan		
	Secured		
	From Others *	**750.00**	-
	From banks **	-	14.97
		750.00	14.97

* Loan from Reliance Ventures Limited amounting to Rs.750 crore carry an interest rate of 10.5% and are repayable at the expiry of 2 years from the draw down date

** Term Loan from ICICI Bank Limited of Rs. 60 crore is repayable over a period of three years carrying a moratorium of one year commencing from the date of drawdown. The loan has been fully availed is repayable in 8 quarterly instaments. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) 7.30% plus Spread 3.10% (adjustable annually). The loan is secured by exclusive charge on commercial office unit no. 1301-1312, 13th Floor along with 55 car parkings located in Universal Majestic, P L Lokhande Marg, Chembur, Mumbai.

The Company has been charged penal interest on delay in repayment of principal (refer note 56).

		31 March 2022	31 March 2021
24	**Long-term provisions**		
	Provision for employee benefits		
	Gratuity (refer note 41)	**17.29**	19.38
		17.29	19.38
25	**Current borrowings**		
	Secured		
	Current maturities of long term debt (refer note 23)	**14.97**	29.71
	(a) Loans repayable on demand		
	- Cash credit loan from banks (refer note (a) below)	**76.61**	67.13
	(b) Other loans		
	- Working capital loan from banks (refer note (a)) below	**138.12**	115.15
	- Buyers credit (refer note (b) below)	**8.06**	-
		237.76	211.99
	Unsecured		
	Loan and deposit from related parties (refer note (c), (d) and (e) below)	**399.50**	851.47
		399.50	851.47
		637.26	1,063.46

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25 Current borrowings *(Continud)*

Details of the securities and the repayment terms:

a. Cash credit\Working capital demand loan facility from Consortium i.e. Union Bank of India(lead bank),State Bank Of India, Yes Bank Limited, Axis Bank Limited, DBS Bank India Limited, ICICI Bank Limited, IDBI Bank Limited, IDFC First Bank Limited, RBL Bank Limited and IndusInd Bank Limited is secured by a first charge by way of hypothecation of all current assets, movable plant and machinery, computers, vehicles and furniture and fixtures with a carrying value of Rs. 25.28 crore (31 March 2021: Rs. 60.32 crore) as a collateral security, term deposit of Rs. 13.50 crore, pledge of 100% paid up equity shares held in the share capital of Range Consultants Private Limited, a subsidiary of the Company and charge on commercial office premises of the company situated at Madiwala,Bangalore, ranking pari passu. Cash credit facility from the banks carries interest rate ranging from 8.00% to 12.50% p.a., on monthly basis on actual amount utilised, and are repayable on demand.

b. In the previous year, the company had availed buyers credit facility from ICICI Bank Ltd ,Union Bank of India and IDBI Bank Limited with interest ranging from 125 bps to 175 bps on 6 months Libor.

c. Unsecured loans and deposits from directors , their relatives and entities over which directors and their relatives exercise control amounting to Rs 399.50 crore carry an interest rate of 11.5% p.a and are repayable on demand.

d. Loan from parent company Shapoorji Pallonji & Co Pvt Ltd amounting to Rs 277.64 crore carrying an interest rate of 11.5% has been converted to perpetual loan

e. Loans from Related parties include Rs. Nil as payable to Sterling and Wilson Renewable Energy Limited (formerly Sterling and Wilson Solar Limited) as at March 31, 2022 with Interest expense of Rs. 17.36 crore and average interest rate of 14.21%

26 Trade payables (refer note 53 for ageing)

	31 March 2022	31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 45.1)	**23.34**	113.25
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**1,025.31**	1,141.92
Acceptances **	**71.22**	240.66
	1,119.87	1,495.83

** Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the company continues to recognise the liability till settlement with the banks which are normally within a period of 120 days amounting to Rs. 71.22 crore (31 March 2021: Rs. 240.66 crore).

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		31 March 2022	31 March 2021
27	**Other financial liabilities**		
	To related parties		
	Interest accrued and due:		
	- to holding company	-	45.94
	- to director	**5.53**	5.75
	- other related parties	**1.12**	3.17
	Other payables	**7.92**	-
	To parties other than related parties		
	Interest accrued and not due :		
	- to others	**16.31**	-
	Interest accrued and due		
	- to banks	**0.21**	0.79
	- to others	-	0.05
	-to micro enterprises and small enterprises	**7.55**	6.44
	Other payables	**35.00**	31.87
	Employee benefits payable	**36.25**	53.37
		109.90	147.38
28	**Other current liabilities**		
	To related parties		
	Advances from customers (refer note 40 (C))	**62.27**	59.03
	Billing in advance of work completed	**5.26**	6.59
	To parties other than related parties		-
	Employee payables	**3.76**	3.36
	Statutory dues payable :		-
	- Tax deducted at source payable	**10.35**	16.37
	- Provident fund payable	**2.38**	5.85
	- Profession tax payable	**0.10**	0.10
	- Employees State Insurance payable	**0.05**	0.08
	Advances from customers (refer note 40 (C))	**284.37**	363.04
	Billing in advance of work completed	**110.46**	106.74
		479.00	561.16

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		31 March 2022	31 March 2021
29	**Short-term provisions**		
	Provision for employee benefits		
	Gratuity (refer note 41)	**0.92**	1.07
	Compensated absences	**24.88**	31.21
	Other provisions		
	Provision for liquidated damages or price discount	**4.54**	16.00
	Provision for loss on onerous contracts	**13.95**	5.35
		44.28	53.63

Provision for loss on onerous contracts:
In case of construction contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the statement of profit and loss.

Provision for:	**31 March 2022**	31 March 2021
Opening balance	**5.35**	9.23
Add: during the year	**13.95**	5.35
Less: Utilised during the year	**(5.35)**	(9.23)
Closing balance	**13.95**	5.35

Provision liquidated damages:
Liquidated damages or Price discounts are contractual obligations affecting the contract revenue in case of the construction contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts

Provision for:	**31 March 2022**	31 March 2021
Opening balance	**16.00**	13.57
Add: during the year	**1.72**	2.43
Less:Adjustments	**(13.18)**	-
Closing balance	**4.54**	16.00

		31 March 2022	31 March 2021
30	**Current tax liabilities (net)**		
	Provision for current tax (net of advance tax Rs. 19.52 crore [31 March 2021: Rs. 50.66 crore]) *(includes fringe benefit tax and wealth tax)*	**7.41**	7.26
		7.41	7.26

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		31 March 2022	31 March 2021
31	**Revenue from operations**		
	Sale of services		
	Income from works contracts	**1,940.81**	2,048.36
	Revenue from operation and maintenance services	**189.96**	225.27
	Other operating income		
	Sale of scrap	**9.19**	1.35
	Export incentives	**4.19**	3.32
		2,144.15	2,278.30
32	**Other income**		
	Interest income:		
	- deposits with banks	**2.48**	3.64
	- loan to subsidiaries and other related parties	**153.73**	199.67
	- loan to others	**0.72**	2.40
	- loan to employees	**0.26**	0.11
	- income tax refund	**4.26**	11.70
	- retention payable	**-**	0.09
	Write back of provision for bad and doubtful debts (net)	**14.93**	1.26
	Dividend Income	**2.00**	-
	Gain on forward cover cancellation	**-**	0.03
	Supplier balances written back	**11.41**	16.33
	Foreign exchange gain (net)	**10.35**	0.03
	Other miscellaneous income	**15.27**	9.70
	Profit on sale of Property, Plant & Equipments (net)	**0.27**	4.03
	Financial assets measured at fair value through profit & loss a/c - net change in fair value	**6.90**	-
	Guarantee commission	**1.20**	3.05
	Write back of provision for loss on onerous contracts	**-**	3.88
	Gain on foreclosure of lease rental	**0.47**	-
		224.25	255.92
33	**Cost of construction materials, stores and spare parts**		
	Inventory of materials at the beginning of the year	**17.93**	24.81
	Add: Purchase during the year	**1,248.19**	1,436.26
	Less : Inventory of materials at the end of the year	**3.92**	17.92
		1,262.20	1,443.15
34	**Change in inventory of stock-in-trade**		
	Inventory of stock-in-trade at the beginning of the year	**33.22**	35.23
	Less: Inventory of stock-in-trade at the end of the year	**30.47**	33.22
	Decrease/ (increase) in inventory	**2.75**	2.01

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Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

		31 March 2022	31 March 2021
35	**Direct project costs**		
	Communication expenses	**1.73**	0.99
	Stores and spare parts consumed	**9.41**	5.41
	Commission expenses	**4.62**	2.30
	Legal and professional fees	**15.03**	18.01
	Printing and stationery expenses	**0.98**	0.85
	Insurance costs	**18.16**	15.60
	Repairs and maintenance - others	**13.36**	14.07
	Selling and marketing expenses	**0.29**	0.02
	Traveling and conveyance expenses	**8.24**	9.28
	Rent	**16.15**	17.34
	Rates and taxes	**5.26**	4.43
	Electricity, power and fuel	**3.77**	2.85
	Donation	**-**	0.01
	Bank charges	**15.68**	31.13
	Provision for loss on onerous contracts	**8.60**	-
	Liquidated damages	**1.04**	7.06
	Miscellaneous expenses	**43.33**	47.37
		165.65	176.72
	Employee benefits expense		
	Salaries, wages and bonus	**179.38**	202.80
	Contribution to provident fund and other funds	**13.27**	17.49
	Staff welfare expenses	**5.01**	7.19
		197.66	227.48
	Sub-contractor expenses	**464.97**	446.34
		828.28	850.54
36	**Employee benefits expense**		
	Salaries, wages and bonus	**155.56**	167.39
	Contribution to provident fund and other funds	**9.77**	13.41
	Gratuity (refer note 41)	**4.04**	4.82
	Compensated absences	**5.56**	8.31
	Staff welfare expenses	**5.10**	9.03
		180.03	202.96
37	**Finance costs**		
	Interest expense		
	- on secured loans	**31.60**	33.00
	- on unsecured loans	**45.93**	130.55
	- on dues of micro enterprises and small enterprises	**1.10**	3.63
	- on lease liabilities	**3.54**	1.07
	- on others	**9.70**	15.01
	- on retention payable	**0.21**	1.58
	Other borrowing costs	**5.22**	7.43
		97.30	192.26

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(Currency : Indian rupees in crores)

		31 March 2022	31 March 2021
38	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	**15.89**	19.72
	Depreciation on Right-of-use assets	**6.66**	9.91
	Amortisation of intangible assets	**1.31**	2.05
		23.86	31.68
39	**Other expenses**		
	Communication expenses	**2.37**	2.80
	Stores and spare parts consumed	**1.08**	1.36
	Commission expenses	**0.40**	0.03
	Legal and professional fees	**28.36**	24.59
	Printing and stationery expenses	**0.47**	0.59
	Insurance costs	**3.52**	1.76
	Repairs and maintenance - others	**7.51**	8.01
	Selling and marketing expenses	**0.46**	1.22
	Traveling and conveyance expenses	**9.82**	7.54
	Rent	**6.08**	5.42
	Rates and taxes	**2.15**	1.75
	Electricity, power and fuel	**2.38**	1.84
	Payment to auditors (refer note (a) below)	**0.34**	0.40
	Property, plant and equipment written off	**6.40**	-
	Bank charges	**4.67**	4.04
	Loss on sale of invesment	**-**	2.37
	Loss on sale of land	**1.04**	-
	Bad debts written off	**27.29**	19.07
	Interest accrued on receivables written off	**-**	38.67
	Land development charges	**1.75**	-
	Financial assets measured at fair value through profit & loss a/c - net change in fair value	**-**	2.18
	Miscellaneous expenses	**13.35**	9.71
	Foreign exchange loss (net)	**-**	5.26
	Allocated expenses	**(13.49)**	(20.33)
		105.96	118.29
	(a) Payment to auditors		
	As auditor		
	Statutory audit	**0.29**	0.28
	Tax audit	**0.03**	0.03
	Other services	**0.02**	0.01
	Certification services	**-**	0.08
		0.34	0.40

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(Currency : Indian rupees in crores)

40 Disclosure under Ind AS 115, Revenue from Contracts with Customers

A) The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Industrial Engineering Procurement and Construction (EPC). The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. There is no impact on the Company's revenue on applying Ind AS 115 from the contracts with customers.

B) Disaggreagtion of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 44.

C) Reconciliation of contract assets and liabilities

Particulars	31 March 2022	31 March 2021
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	**817.85**	1,135.02
Add: Revenue recognised during the year	**2,130.77**	2,273.63
Less: Invoiced during the year	**(2,140.84)**	(2,557.74)
Contract assets as at end of the year	**807.78**	850.92
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	**422.07**	526.38
Add: Addition during the year	**165.65**	200.22
Less: Applied during the year	**(241.08)**	(304.53)
Contract liabilities as at end of the year	**346.64**	422.07

*The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

**The contract liability primarily relates to the advances from customer towards on-goining EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from works contracts	**1,942.53**	2,050.79
Adjustment on account of:		
Provision for liquidated damages	**(1.72)**	(2.43)
Total	**1,940.81**	2,048.36
Revenue from operation and maintenance services	**189.96**	225.27
Adjustment on account of:		
Adjustment during the year	**-**	-
Total	**189.96**	225.27

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40 Disclosure under Ind AS 115, Revenue from Contracts with Customers *(Continued)*

E) Performance obligation

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Industrial Engineering Procurement and Construction (EPC). The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognizes the entire estimated loss in the year/period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2022.

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40.1 Contingent liabilities and commitments

Contingent liabilities	**31 March 2022**	**31 March 2021**
(a) Claims against the company not acknowledged as debts		
(i) Demands raised by Sales tax authorities	**79.06**	76.59
(ii) Demands raised by Service tax authorities	**5.92**	6.17
(b) Bank guarantees outstanding	**76.39**	78.18
(c) Corporate guarantees outstanding	**120.40**	116.75
	281.77	277.70
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs. 3.42 crores [31 March 2021: Rs. 3.3 crores])	**1.40**	0.52
	1.40	0.51

Other commitments

The Company has issued letters of undertakings to provide need based financial support to its following wholly owned subsidiaries:
a) Sterling and Wilson International FZE and its subsidiaries; and
b) Sterling and Wilson Security Systems Private Limited.
c) Sterling and Wilson Co-Gen Solutions Private Limited

41 Employee Benefits

Defined contribution plan:

Contribution to provident fund and other funds aggregating to Rs. 23.04 crore (31 March 2021: Rs. 30.9 crore) is recognised as an expense and included in 'Employee benefits expenses'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of Rs. 0.2 crore.

Compensated absences (Short-term employee benefits)

Short term leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement.

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41 Employee Benefits *(Continued)*

Change in the present value of the defined benefit obligation

		31 March 2022	31 March 2021
I	**Reconciliation of the present value of defined benefit obligation**		
	Balance at the beginning of the year	**20.46**	21.78
	Benefits paid	**(5.66)**	(5.30)
	Current service cost	**2.63**	3.32
	Past Service Cost- Vested Benefits	**-**	-
	Net Interest cost	**1.41**	1.49
	Liability transferred in / acquisitions	**1.71**	0.10
	Liability transferred out	**(0.55)**	(0.21)
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in demographic assumptions	**(0.05)**	-
	- changes in financial assumptions	**(0.85)**	(0.10)
	- experience adjustments	**(0.89)**	(0.62)
	Balance at the end of the year	**18.21**	20.46
II	**Amount recognised in the standalone statement of profit and loss under employee benefits expense**		
	Current service cost	**2.63**	3.32
	Net interest cost	**1.41**	1.49
		4.04	4.82
III	**Remeasurement recognised in other comprehensive income**		
	Actuarial gains / losses on obligation for the year	**(1.74)**	(0.72)
		(1.74)	(0.72)
IV	**Maturity profile of defined benefit obligation**		
	Within next 12 months	**0.92**	1.07
	Between 1 and 5 years	**3.19**	3.31
	Above 5 years	**47.93**	56.08
V	**Actuarial assumptions:**		
	Discount rate	**6.90%**	**6.90%**
	Salary escalation	**5.00%**	**5.00%**
	Employee turnover	**Service < 5 : 14% Service>=5 : 2%**	**Service < 5 : 14% Service>=5 : 2%**
	Mortality tables	**Indian assured lives mortality (2006-08)**	**Indian assured lives mortality (2006-08)**
	Weighted average duration of the projected benefit obligation	**15 years**	**15 years**

Change in the present value of the defined benefit obligation (Continued)

VI Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Defined Benefit Plan	
Defined Benefit Obligation - Discount rate + 100 basis points	(1.92)	(2.36)
Defined Benefit Obligation - Discount rate - 100 basis points	2.30	2.85
Defined Benefit Obligation - Salary escalation rate + 100 basis points	1.93	2.48
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(1.74)	(2.18)
Defined Benefit Obligation - Employee turnover + 100 basis points	0.60	0.58
Defined Benefit Obligation - Employee turnover - 100 basis points	0.69	0.68

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable to the Company.

Compensated absences

Compensated absences for employee benefits of Rs. 5.56 crore (31 March 2021: Rs.8.31 crore) expected to be paid in exchange for the services recognised as an expense during the year.

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(Currency : Indian rupees in crores)

42 Disclosure pursuant to section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Details of investments made by the Company as on 31 March 2022

Investments in equity shares

Name of the entity	As at 1 April 2021	Investment during the year	Redeemed/Sold during the year	Other Adjustments	As at 31 March 2022
Sterling and Wilson International FZE	**1.12**	-	-	-	**1.12**
	1.12	-	-	-	*1.12*
Range Consultants Private Limited	**4.96**	-	-	-	**4.96**
	4.96	-	-	-	*4.96*
Sterling and Wilson Security Systems Private Limited	**0.01**	-	-	-	**0.01**
	0.01	-	-	-	*0.01*
Sterling and Wilson Nigeria Limited	**0.17**	-	-	-	**0.17**
	0.17	-	-	-	*0.17*
Sterling & Wilson Middle East Electro Mechanical L.L.C.	-	**0.62**	-	-	**0.62**
	-	-	-	-	-
Sterling and Wilson Co-Gen Solutions AG	**0.35**	-	-	-	**0.35**
	0.35	-	-	-	*0.35*
Sterling and Wilson Middle East W.L.L.	**0.19**	-	-	-	**0.19**
	0.19	-	-	-	*0.19*
GCO PTY Ltd	**0.18**	-	-	-	**0.18**
	0.18	-	-	-	*0.18*
Sterling and Wilson Nigeria FZE	*0.74*	-	-	-	**0.74**
	0.74	-	-	-	-
Sterling & Wilson Co-Gen Solutions Pvt Ltd	**5.00**	-	-	-	**5.00**
	5.00	-	-	-	
Sterling and Wilson Enel X e-Mobility Pvt Ltd	-	**4.27**	-	-	**4.27**
	-	-	-	-	-
Monjin Interviews Private Limited	**19.91**	-	-	**8.79**	**28.70**
	19.91	-	-	-	*19.91*
Crompton Greaves Consumer Electrical Limited#	**0.00**	-	-	-	**0.00**
	0.00	-	-	-	*0.00*
CG Power & Industrial Solution Limited#	**0.00**	-	-	-	**0.00**
	0.00	-	-	-	*0.00*
Ruchi Soya Limited#	**0.00**	-	-	-	**0.00**
	0.00	-	-	-	*0.00*
Tata Consultancy Services Limited	**0.39**	-	-	**0.07**	**0.46**
	0.23	-	-	*0.17*	*0.39*
Western India Sugar & Chemical Industries Limited#	**0.00**	-	-	**(0.00)**	-
	0.00	-	-	*(0.00)*	-
Mid East India Limited#	**0.00**	-	-	**(0.00)**	-
	0.00	-	-	*(0.00)*	-
Montari Leather Limited#	**0.00**	-	-	**(0.00)**	-
	0.00	-	-	*(0.00)*	-
Otoklin Plants and Equipment's Limited#	**0.00**	-	-	**(0.00)**	-
	0.00	-	-	*(0.00)*	-
SIV Limited (South India Viscose Limited)	**0.01**	-	-	**(0.01)**	-
	0.01	-	-	*(0.01)*	-
Sudhiti Hosiery Limited	**0.01**	-	-	**(0.01)**	-
	0.01	-	-	*(0.01)*	-
Arshiya Limited	-	-	-	-	-
	0.19	-	*0.19*	-	-

** previous year numbers are in Italics*

 # corresponding values are less than Rs. 100,000

(Currency : Indian rupees in crores)

42 Disclosure pursuant to section 186 of the Companies Act, 2013 *(Continued)*

B. Details of loans given by the Company are as follows: *(Continued)*

Note 1: Sterling and Wilson International FZE

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	6.75% p.a.

Note 2: Sterling and Wilson Middle East Electromechanical(L.L.C)

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	6.75% p.a.

Note 3: Sterling and Wilson Middle East WLL

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	6.75% p.a.

Note 4: Sterling and Wilson Co-Gen Solutions Pvt Ltd

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	11.5% p.a.

Note 5: Transtel Utilities Ltd, UK

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	8.5% p.a.

Note 6: GCO Pty Ltd

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	8.5% p.a.

Note 7: Sterling & Wilson Nigeria Ltd

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	6.75% p.a.

Note 8: Sterling & Wilson Solar FZCO

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	7.5%-11.89% p.a.

C. Details of guarantees given by the Company are as follows:

Name of the entity	Purpose	As at 01 April 2021	Adjustment	Guarantees given during the year (including adjustment on account of exchange difference)	Guarantees expired during the year (including adjustment on account of exchange difference)	As at 31 March 2022
Sterling and Wilson International FZE						
Corporate Guarantees	Working Capital	**116.75**	-	**3.65**	-	**120.40**
		775.54	-	-	*(658.79)*	*116.75*
STC Power S.r.l.						
Bank Guarantee	Working Capital	**78.18**	-	**(1.79)**	-	**76.39**
		78.18	-	-	-	*78.18*
Sterling & Wilson CO-Gen						
Corporate Guarantees	Working Capital	-	-	-	-	-
		80.00	-	-	*(80.00)*	-

** previous year numbers are in Italics*

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

42 Disclosure pursuant to section 186 of the Companies Act, 2013 *(Continued)*

A. Details of investments made by the Company as on 31 March 2022 *(Continued)*

Investment in preference shares

Name of the entity	As at 1 April 2021	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2022
Sterling Generators Private Limited	50.46	-	-	(1.97)	48.49
	53.56	-	-	*(3.09)*	*50.46*

** previous year numbers are in Italics*

Investment in debentures

Name of the entity	As at 1 April 2021	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2022
Western India Sugar & Chemical Industries Limited#	0.00	-	-	-	0.00
	0.00	-	-	-	*0.00*

** previous year numbers are in Italics*

 # corresponding values are less than Rs. 100,000

Investment in mutual fund units

Name of the fund	As at 1 April 2021	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2022
Union Long Bond Growth Fund	0.30	-	-	0.01	0.31
	0.28	-	-	*0.02*	*0.30*

** previous year numbers are in Italics*

B. Details of loans given by the Company are as follows:

Name of the entity	As at 1 April 2021	Loans Transferred **	Loans given during the year	Repaid during the year (including foreign exchange adjustment)	Interest Income for the year (net of TDS)	Foreign exchange during the year	As at 31 March 2022
Sterling and Wilson International FZE (refer note 1 below)**	1,805.59	(1,429.24)	658.78	-	75.07	-	1,110.19
	1,402.76		*227.93*	-	*174.90*	-	*1,805.59*
Sterling and Wilson Middle East Electromechanical L.L.C (SWMELLC) (refer note 2 below)**	-	1,467.90	-	-	77.21	0.00	1,545.11
							-
	-	-	-	-	-	-	-
Sterling and Wilson Middle East WLL (refer note 3 below)	81.00	-	-	-	5.64	2.50	89.14
	74.03	-	*0.13*	-	*8.34*	*(1.51)*	*81.00*
Sterling and Wilson Co-Gen Solutions Pvt Ltd (refer note 4 below)	106.59	-	33.61	(15.55)	-	-	124.65
	35.31	-	*80.56*	*(19.60)*	*10.32*	-	*106.59*
Transtel Utilities Ltd, UK (refer note 5 below)	8.94	-	-	-	0.75	(0.14)	9.55
	7.56	-	-	-	*0.70*	*0.68*	*8.94*
GCO Pty Ltd (refer note 6 below)	10.89	-	-	-	0.94	0.20	12.03
	6.94	-	*1.62*	-	*0.80*	*1.53*	*10.89*
Sterling & Wilson Nigeria Ltd (refer note 7 below)	0.64		-	-	0.04	0.02	0.71
	0.59		-	-	*0.07*	*(0.02)*	*0.64*
Sterling & Wilson Solar FZCO (refer note 8 below)	43.23	(46.47)	-	-	1.89	1.36	-
	53.48	-	-	*(15.40)*	*3.67*	*1.47*	*43.23*

** previous year numbers are in Italics*

*** pursuant to business transfer agreement(BTA) entered between Sterling & Wilson FZE(SWIFZE) and Sterling And Wilson Middle East Electromechanical LLC(SWMELLC) with the effective date of 28th February 2022 loan payable amount of Rs 1,467.90 crores has been transferred by SWIFZE to SWMELLC.*

(Currency : Indian rupees in crores)

43 Corporate social responsibility

The Company has constitued a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The funds are utilised during the period on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards various activities.

The details set below are for the amount spent by the Company.

Particulars	31 March 2022		
A. Gross amount required to be spent by the Company during the year		-	
B. Amount spent during the year ended 31 March 2022	In cash	Yet to be paid in cash	Total
	-	-	-

Particulars	31 March 2021		
A. Gross amount required to be spent by the Company during the year		-	
B. Amount spent during the year ended 31 March 2021	In cash	Yet to be paid in cash	Total
	-	-	-

44 Segment reporting

The Group has identified following operating activities as primary segment:
(i) Work Contracts;
(ii) Trading of goods;
(iii) Operation and maintenance service;
(iv) Leasing of property; and
(v) Income from consultancy services.

The segments have been identified and reported taking into account the nature of products and services provided and the differing risks and returns in terms to the information required by the Indian Accounting Standard 108 ('AS 108') on 'Operating Segments'.

Segment revenue and results:
(i) Direct expenses are allocated to the respective segment.
(ii) Common allocable costs are consistently allocated amongst the segments on appropriate basis.
(iii) Unallocable income and expenses includes general corporate income and expense items which are not allocated to any business segment.

A. Basis for segmentation

The Company is primarily engaged in the business of Mechanical, Electricals and Plumbing and Fire-fighting. In accordance with Ind AS 108 "Operating Segments", the Company has determined its business segments as "Mechanical, Electricals and Plumbing and Fire-fighting". The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for Mechanical, Electricals and Plumbing and Fire-fighting. As the Company's business activity falls within a single business segment viz. 'Mechanical, Electricals and Plumbing and Fire-fighting', the standalone Ind AS financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

B. Geographical information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Disaggregation of Revenue into geographical area :

Particulars	31 March 2022	31 March 2021
India	1,876.56	1,777.11
Outside India	267.59	501.19
	2,144.15	2,278.30

b) Revenue from contract with customers :

Particulars	31 March 2022	31 March 2021
Recognised over time	1,940.81	2,048.36
Recognised at a point in time	203.34	229.94
	2,144.15	2,278.30

c) Non-current assets (other than financial instruments and

Particulars	31 March 2022	31 March 2021
India	234.53	223.45
Outside India	8.32	7.01
	242.85	230.46

d) Information about major customers

Revenue from one customer of the Company is Rs. Nil (31 March 2021: Rs. Nil) which is more than 10% of the Company's total revenue.

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45 Earnings per share

Particulars		31 March 2022	31 March 2021
Basic earnings per share			
Numerator:			
(Loss) after tax attributable to equity shareholders	A	**(204.95)**	(339.20)
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		**2,93,69,333**	2,93,69,333
Equity shares issued during the year		**-**	-
Number of equity shares outstanding at the end of the year		**2,93,69,333**	2,93,69,333
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	**2,93,69,333**	2,93,69,333
Adjusted weighted average number of equity shares outstanding during the year (based on date of issue of shares)	C	**10,44,69,333**	9,55,51,525
Basic earnings per share (EPS) (Rs.)	A / B	**(69.78)**	(115.49)
Diluted earnings per share (DEPS) (Rs.)*		**(69.78)**	(115.49)
Face value per share		**10.00**	10.00
* Current year DEPS is antidilutive			

45.1 Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

Particulars	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**23.34**	113.25
- Interest	**7.55**	6.44
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**Nil**	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**Nil**	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**Nil**	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	**7.55**	6.44
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**Nil**	Nil

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46 Related party disclosures (Continued)

46.1 List of related parties

1) Holding company

Shapoorji Pallonji and Company Private Limited

2A) Subsidiaries, direct and indirect holding

Sterling and Wilson International FZE
Sterling and Wilson Cogen Solutions AG
Sterling and Wilson Co-Gen Solutions Private Limited
Sterling and Wilson Middle East WLL
Sterling and Wilson Nigeria Limited
Sterling and Wilson Nigeria FZE
Range Consultants Private Limited
Sterling and Wilson Security Systems Private Limited
GCO Australia Pty Limited *(formerly GCO Pty Limited)*
Sterling and Wilson Middle East Electromechanical L.L.C
Enrich-SWPL JV
Sterling and Wilson-Jindun Consortium
Sterling and Wilson Power Solutions LLC
Sterling and Wilson Power Systems Inc.
STC Power S.R.L
SPC-SWPL JV
Co. Stell SRL
P.T.C. S.a.s. di Barzanti Massimo
Sterling and Wilson Middle East Electromechanical (Bahrain) WLL
Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC
Sterling and Wilson Cogen Solutions LLC

2B) Fellow subsidiaries

Esterlina Solar Engineer Private Limited
Eureka Forbes Limited
Evangelos Ventures Private Limited
Forvol International Service Limited
Global Infra FZCO
Larsen & Toubro Limited Shapoorji Pallonji & Co Limited Joint Venture
Relationship Properties Private Limited
S. D. Corporation Private Limited
Sashwat Energy Private Limited
Shapoorji Pallonji Lanka (Pvt) Limited

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46 Related party disclosures (Continued)

46.1 List of related parties

2B) Fellow subsidiaries *(Continued)*

Shapoorji Pallonji Mid East LLC
Shapoorji Pallonji Nigeria Limited
SP Fabricators Private Limited
Sterling and Wilson International Solar FZCO
Sterling and Wilson Renewable Energy Limited *(formerly Sterling and Wilson Solar Limited)*
Sterling Generators Private Limited *(formerly Sterling and Wilson Powergen Private Limited)*
Sterling Viking Power Private Limited

3) Joint Venture

Sterling and Wilson Enel X e-Mobility Private Limited

4) Key Management Personnel

Zarine Y. Daruvala, Director
Khurshed Y. Daruvala, Director
Pallon Shapoor Mistry, Director
Ravi Ananthakrishnan, Director *(upto January 22, 2022)*
Parameshwar Hegde, Chief Financial Officer
K. P. Hariharan, Company Secretary

5) Relatives of Key Management Personnel

Kainaz K. Daruvala
Delna K. Daruvala
Jehan.K. Daruvala
Zenobia Farhad Unwalla
Farhad Homi Unwalla

6) Entities over which key managerial person or their relatives exercise control

Delsys Infotech Private Limited
Sterling and Wilson Energy Systems Private Limited
Sterling and Wilson Services Private Limited
Transtel Utilities Private Limited
Transtel Utilities Limited, UK

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Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1	Short term borrowings obtained	-	131.00	-	-	-	-	**1,709.94**	102.70	-	-
2	Short term borrowings repaid	-	225.23	**397.56**	178.52	-	-	**852.05**	95.04	-	-
3	Loans given during the year	-	-	**692.39**	310.29	-	-	-	-	-	-
4	Loans repaid during the year	-	-	**15.55**	34.51	-	-	-	-	-	-
5	Loan transfer	-	-	-	-	-	-	-	-	-	-
6	Remuneration	-	-	-	-	-	-	**4.97**	2.21	-	-
7	Employee benefits	-	-	-	-	-	-	**0.02**	0.05	-	-
8	Purchases of construction material	-	-	**34.92**	42.40	-	-	**11.87**	1.29	-	-
9	Receiving of Services	**2.23**	0.14	**5.99**	4.86	-	-	**2.06**	0.91	-	-
10	Income from works contracts	**31.86**	48.19	**190.82**	64.28	-	-	-	-	-	-
11	Revenue from operation and maintenance services	-	-	-	-	-	-	0.07	-	-	-
12	Guarantee Commission	-	-	**1.20**	**3.05**	-	-	-	-	-	-
13	Other Income	-	-	**5.18**	6.29	-	-	-	-	-	-
14	Advances received from customer	**0.40**	2.46	-	-	-	-	-	-	-	-
15	Interest income	-	-	**152.98**	198.97	-	-	**0.75**	0.70	-	-
16	Interest expenses	-	40.53	**17.37**	73.72	-	-	**3.70**	16.25	-	-
17	Rent expenses	-	-	**0.66**	0.66	-	-	**7.78**	7.77	-	-
18	Reimbursement of expenses	-	0.30	**4.31**	1.78	-	-	-	-	-	-
19	Trade receivables *	**24.40**	27.68	**85.20**	37.01	-	-	-	-	-	3.81
20	Advances to supplier	-	-	**1.82**	5.77	-	-	-	-	-	-
21	Interest receivable	-	-	**531.32**	377.67	-	-	**1.61**	0.87	-	-
22	Gross amount due from customer	**18.45**	30.23	**39.01**	18.19	-	-	-	-	-	-
23	Gross amount due to customer	**5.26**	6.52	-	0.08	-	-	-	-	-	-
24	Recoverable expenses	-	-	**202.74**	177.52	-	-	**12.13**	18.00	-	-
25	Recovery towards expenses and others	-	-	**22.79**	33.81	-	-	-	-	-	-
26	Interest payable	-	45.94	-	0.02	-	-	**6.66**	8.90	-	-
27	Trade payable	**39.64**	38.72	**48.39**	45.15	-	-	**14.75**	1.83	-	-
28	Short-term borrowings	-	277.64	-	397.56	-	-	**399.49**	176.23	-	-
29	Loan Given	-	-	**2,350.51**	1,670.29	-	-	**7.94**	8.07	-	-
30	Advance from customer	**28.44**	54.68	**33.83**	22.86	-	-	-	-	-	1.72
31	Rent payable	-	-	**0.06**	-	-	-	-	0.77	-	-
32	Interim dividend (on preference shares and equity shares)	-	-	**2.00**	-	-	-	-	-	-	-
33	Other receivables	-	-	**1.45**	**23.27**	-	-	-	-	-	-
34	Other Payables	-	-	**7.92**	-	-	-	-	-	-	-

*** Trade receivables is gross of billing in advance of work completed.**

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
35	Corporate guarantees cancelled	-	-	-	738.79	-	-	-	-	-	-
36	Corporate guarantees outstanding	-	-	**120.40**	116.75	-	-	-	-	-	-
37	Bank guarantees outstanding	-	-	**76.39**	78.18	-	-	-	-	-	-
38	Preference share capital issued	-	200.00	-	-	-	-	-	100.00	-	-
39	Sale of intangible asset	-	-	-	6.20	-	-	-	-	-	-
40	Investment in Joint Ventures	-	-	-	-	**4.27**	-	-	-	-	-
41	Investment in subsidiaries	-	-	**0.62**	5.73	-	-	-	-	-	-
42	Purchase of shares	-	2.55	-	-	-	-	-	2.45	-	-
43	Borrowings transferred to Perpetual Loan	**277.64**	-	**634.63**	-	-	-	-	-	-	-
44	Interest payable transferred to Perpetual Loan	**45.94**	-	-	-	-	-	-	-	-	-
45	Interest Receivable transferred	-	-	-	-	-	-	-	-	-	-

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1	**Short term borrowings obtained**										
	Shapoorji Pallonji and Company Private Limited	-	131.00	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	**33.25**	6.85	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	-	7.05	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	-	1.70	-	-
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	-	15.10	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	-	0.10	-	-
	Sterling & Wilson Services Pvt Ltd	-	-	-	-	-	-	0.30	-	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**548.76**	26.00	-	-
	Jehan.K.Daruvala	-	-	-	-	-	-	-	10.90	-	-
	Transtel Utilities Private Limited							**10.00**	35.00		
	Evangelos Ventures Pvt Ltd	-	-	-	-	-	-	**1,117.63**	-	-	-
2	**Short term borrowings repaid**										
	Shapoorji Pallonji and Company Private Limited	-	225.23	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	**0.60**	65.05	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	**1.65**	0.05	-	-
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	**3.20**	0.40	-	-
	Jehan.K.Daruvala	-	-	-	-	-	-	**10.90**	-	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	**0.08**	-	-	-
	Evangelos Ventures Pvt Ltd	-	-	-	-	-	-	**533.00**	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	**397.56**	178.52	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-		-	-	-	-	-	-
	Transtel Utilities Private Limited	-	-	-		-	-	**12.22**	9.54	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	-	20.00	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**290.41**	-	-	-

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
3	**Loans given during the year**										
	Sterling and Wilson International FZE	-	-	**658.78**	227.93	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	**33.61**	80.56	-	-	-	-	-	-
	GCO Pty Ltd	-	-	-	1.67	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	-	0.13	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical L.L.C	-	-	-	-	-	-	-	-	-	-
4	**Loan Repaid during the year**										
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	**15.55**	19.60	-	-	-	-	-	-
	Sterling & Wilson International FZCO	-	-	-	14.91	-	-	-	-	-	-
5	**Loan Transfer during the year**			-							
	Sterling and Wilson International FZE	-	-	**(1,429.24)**	-	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical L.L.C	-	-	**1,467.90**	-	-	-	-	-	-	-
	Sterling & Wilson International FZCO	-	-	**(38.66)**	-	-	-	-	-	-	-
6	**Remuneration**										
	Mrs Zarine Y Daruvala	-	-	-	-	-	-	**1.88**	0.30	-	-
	Mr. Parameshwar Hegde	-	-	-	-	-	-	**1.00**	0.64	-	-
	Mr. K. P. Hariharan	-	-	-	-	-	-	**0.27**	0.22	-	-
	Mr. Ravi Ananthakrishnan (upto 21 January, 2022)	-	-	-	-	-	-	**1.83**	1.05	-	-

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(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
7	**Employee benefits**										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	-	-	-
	Mrs Zarine Y Daruvala	-	-	-	-	-	-	**0.02**	0.05	-	-
8	**Purchases of construction material**										
	Sterling Generators Private Limited	-	-	**21.71**	42.42	-	-	-	-	-	-
	Sterling & Wilson International FZCO	-	-	**12.25**	-	-	-	-	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	**0.95**	(0.05)	-	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	**0.13**	0.05	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**11.74**	1.24	-	-
	Eureka Forbes Ltd.	-	-	**0.00**	0.03	-	-	-	-	-	-
9	**Receiving of Services**										
	Shapoorji Pallonji and Company Private Limited	**2.23**	0.14	-	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	**1.63**	2.25	-	-	-	-	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**0.65**	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	**0.84**	0.49	-	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	**0.03**	-	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	**1.00**	0.91	-	-
	Forvol International Service Ltd.	-	-	**0.74**	0.31	-	-	-	-	-	-
	Sterling & Wilson Energy Systems Pvt Ltd	-	-	**2.74**		-	-	-	-	-	-
	Eureka Forbes Ltd.	-	-	**0.00**	0.01	-	-	-	-	-	-
	Transtel Utilities Private Limited	-	-			-	-	**0.38**	-	-	-
	Sterling & Wilson International FZCO	-	-	**0.03**		-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	1.80	-	-	-	-	-	-

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
10	**Income from works contracts**										
	Shapoorji Pallonji and Company Private Limited	**31.86**	48.19	-	-	-	-	-	-	-	-
	S. D. Corporation Private Limited	-	-	-	2.55	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	1.23	-	-	-	-	-	-
	K.Y.Daruvala	-	-	-	-	-	-		-	-	-
	GLOBAL INFRA FZCO	-	-	**0.09**	0.98	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	**13.74**	29.60	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	**-0.55**	-0.53	-	-	-	-	-	-
	Sterling and Wilson Jindun Consortium	-	-	**163.44**	15.35	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	0.13	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd	-	-	**0.14**	3.67	-	-	-	-	-	-
	Sterling and Wilson Nigeria Limited	-	-	**-0.05**	-0.29	-	-	-	-	-	-
	Sterling and Wilson Nigeria FZE			**2.85**	7.30						
	Shapoorji Pallonji Lanka (Pvt) Ltd	-	-	**11.13**	4.30	-	-	-	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	**0.04**	-	-	-	-	-	-	-
11	**Revenue from operation and maintenance services**										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	**0.07**	-	-	-
12	**Guarantee Commission**										
	Sterling and Wilson Middle East WLL	-	-	-	0.32	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	0.40	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	**1.20**	2.33	-	-	-	-	-	-
13	**Other Income**										
	Sterling and Wilson Renewable Energy Ltd	-	-	**5.18**	6.29	-	-	-	-	-	-
14	**Advance received from customers**										
	Shapoorji Pallonji and Company Private Limited	**0.40**	2.46	-	-	-	-	-	-	-	-

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
15	**Interest income**										
	Sterling and Wilson International FZE	-	-	**67.26**	174.90	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	**5.64**	8.34	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	11.19	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	**1.89**	3.67	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	**0.75**	0.70	-	-
	GCO Pty Ltd	-	-	**0.94**	0.80	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	**0.04**	0.07	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical(L.L.C)	-	-	**77.21**	-	-	-	-	-	-	-
16	**Interest expenses**										
	Shapoorji Pallonji and Company Private Limited	-	40.53	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	9.85	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	-	0.07	-	-
	Ms.Kainaz Daruvala	-	-	-	-	-	-	**1.66**	0.58	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	**0.01**	0.00	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	-	0.92	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	**0.81**	0.25	-	-
	Jehan.K.Daruvala	-	-	-	-	-	-	**1.22**	0.12	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	-	2.50	-	-
	Transtel Utilities Private Limited	-	-	-	-	-	-	-	1.96	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	**17.36**	73.70	-	-	-	-	-	-
	Eureka Forbes Ltd.			**0.02**	0.03						
17	**Rent expenses**										
	Range Consultants Private Limited	-	-	**0.66**	**0.66**	-	-	-	-	-	-
	Transtel Utilities Private Limited	-	-	-	-	-	-	**7.54**	7.53	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**0.24**	0.24	-	-
18	**Reimbursement of expenses**										
	Sterling and Wilson Renewable Energy Ltd	-	-	**4.31**	1.50	-	-	-	-	-	-
	Enrich-SWPL JV	-	-	-	0.28	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	-	0.30	-	-	-	-	-	-	-	-

KALYANIWALLA & MISTRY LLP MUMBAI

STERLING AND WILSON PVT. LTD. MUMBAI

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

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(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
19	**Trade Receivables**										
	Shapoorji Pallonji and Company Private Limited	**24.40**	27.68	-	-	-	-	-	-	-	-
	S. D. Corporation Private Limited	-	-	-	5.16	-	-	-	-	-	-
	Global Infra FZCO	-	-	**2.50**	2.91	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	**14.22**	17.79	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	**0.08**	0.67	-	-	-	-	-	-
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	-	-	-	-	-	-	-	-	-	3.81
	Shapoorji Pallonji Nigeria Ltd	-	-	**1.24**	1.97	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	-	0.17	-	-	-	-	-	-
	Sterling and Wilson Jindun Consortium	-	-	**64.75**	-	-	-	-	-	-	-
	Shapoorji Pallonji Lanka (Pvt) Ltd	-	-	**0.34**	1.79	-	-	-	-	-	-
	Sterling and Wilson Nigeria FZE	-	-	**2.06**	5.94	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	0.62	-	-	-	-	-	-
20	**Advances to supplier**										
	Sterling Generators Private Limited	-	-	**1.82**	5.77	-	-	-	-	-	-
21	**Interest receivable**										
	Sterling and Wilson International FZE	-	-	**420.66**	345.59	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	**9.07**	9.07	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	-	5.74	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	**1.61**	0.87	-	-
	GCO Pty Ltd	-	-	**1.82**	0.86	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	**0.71**	0.64	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	**21.86**	15.76	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical(L.L.C)	-	-	**77.21**	-	-	-	-	-	-	-

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Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

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(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
22	**Gross amount due from customer**										
	Shapoorji Pallonji and Company Private Limited	18.45	30.23	-	-	-	-	-	-	-	-
	Global Infra FZCO	-	-	0.31	0.29	-	-	-	-	-	-
	Sterling and Wilson Jindun Consortium	-	-	38.71	15.35	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	0.00	2.49	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	-	0.06	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-		-	-	-	-	-	-
23	**Gross amount due to customer**										
	Shapoorji Pallonji and Company Private Limited	5.26	6.52	-	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	-	0.08	-	-	-	-	-	-
24	**Recoverable expenses**										
	Sterling and Wilson Security Systems Private Limited	-	-	1.94	2.17	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	1.80	4.31	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	1.20	151.05	-	-	-	-	-	-
	Sterling and Wilson Nigeria Limited	-	-	5.13	4.24	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical(L.L.C)	-	-	155.77	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	2.63	2.55	-	-	-	-	-	-
	Shashwat Energy Pvt Ltd	-	-	0.56	0.56	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	8.80	4.59	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	12.13	18.00	-	-
	Enrich-SWPL JV	-	-	16.57	7.47	-	-	-	-	-	-
	STC Power S.R.L	-	-	1.33	-	-	-	-	-	-	-
	Sterling and Wilson Jindun Consortium	-	-	7.00	0.57	-	-	-	-	-	-
25	**Recovery towards expenses and others**										
	Sterling and Wilson Middle East WLL	-	-	-	0.39	-	-	-	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	12.36	28.03	-	-	-	-	-	-
	Enrich-SWPL JV	-	-	9.10	5.30	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	0.08	-	-	-	-	-	-
	STC Power S.R.L	-	-	1.33	-	-	-	-	-	-	-

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
26	**Interest payable**										
	Shapoorji Pallonji and Company Private Limited	-	45.94	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	**5.53**	5.53	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	**0.06**	0.06	-	-
	Ms.Kainaz Daruvala	-	-	-	-	-	-	**0.11**	0.31	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	**0.01**	0.00	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	-	0.85	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	**0.05**	0.22	-	-
	Jehan.K.Daruvala	-	-	-	-	-	-	**0.89**	0.11	-	-
	Transtel Utilities Private Limited	-	-	-	-	-	-	-	1.81	-	-
	Eureka Forbes Ltd.	-	-	-	0.02	-	-	-	-	-	-
27	**Trade payable**										
	Shapoorji Pallonji and Company Private Limited	**39.64**	38.72	-	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	**28.17**	36.87	-	-	-	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	**1.36**		-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	**4.98**	4.50	-	-	-	-	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	**0.32**	0.20	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	**0.04**	0.12	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**11.37**	1.46	-	-
	Sterling and Wilson International Solar FZCO	-	-	**12.49**	-	-	-	-	-	-	-
	Sterling & Wilson Energy Systems Pvt Ltd	-	-	-	-	-	-	**3.02**	0.06	-	-
	Esterlina Solar Engineer Private Limited	-	-	-	2.21	-	-	-	-	-	-
	Forvol International Service Ltd.	-	-	**0.02**	0.14	-	-	-	-	-	-
	SP Fabricators Private Limited	-	-	**1.36**	1.36	-	-	-	-	-	-
	Eureka Forbes Ltd.	-	-	-	0.07	-	-	-	-	-	-

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STERLING AND WILSON PVT. LTD. MUMBAI

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
28	**Short term borrowings**										
	Shapoorji Pallonji and Company Private Limited	-	277.64	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	**73.02**	40.37	-	-
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	**11.50**	14.70	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	-	1.65	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	-	397.56	-	-	-	-	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	**0.30**	-	-	-
	Evangelos Ventures Pvt Ltd	-	-	-	-	-	-	-	50.00	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	**7.05**	7.05	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	**0.02**	0.10	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	**284.35**	26.00	-	-
	Jehan.K.Daruvala	-	-	-	-	-	-	-	10.90	-	-
	Transtel Utilities Private Limited	-	-	-	-	-	-	**23.24**	25.46	-	-
29	**Loan Given**										
	Sterling and Wilson International FZE	-	-	**689.53**	1,460.01	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	**115.57**	97.51	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	**7.94**	8.07	-	-
	GCO Pty Ltd	-	-	**10.21**	10.04	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	-	37.49	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	**67.29**	65.25	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical(L.L.C)			**1,467.90**	-						
30	**Advance from customer**										
	Shapoorji Pallonji and Company Private Limited	**28.44**	54.68	-	-	-	-	-	-	-	-
	Sterling and Wilson Jindun Consortium	-	-	**27.20**	13.00	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	**3.36**	3.36	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	-	1.10	-	-	-	-	-	-
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	-	-	-	-	-	-	-	-	-	**1.72**
	Shapoorji Pallonji Lanka (Pvt) Ltd		-	**3.27**	5.40	-	-	-	-	-	-

Sterling and Wilson Private Limited

Notes to the standalone financial statements ***(Continued)***

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
31	**Rent payable**										
	Transtel Utilities Private Limited	-	-	-	-	-	-	-	0.77	-	-
	Range Consultants Private Limited	-	-	**0.06**	-	-	-	-	-	-	-
32	**Interim dividend on preference shares**										
	Sterling Generators Private Limited		-	**2.00**	-	-	-	-	-	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	-	-	-	-
33	**Other receivables**										
	Sterling Generators Private Limited	-	-	**1.45**	2.36	-	-	-	-	-	-
	Sterling and Wilson Renewable Energy Ltd	-	-	-	20.90	-	-	-	-	-	-
	Sterling & Wilson Waaree Pvt Ltd	-	-	-	0.01	-	-	-	-	-	-
34	**Other Payables**										
	Sterling and Wilson Renewable Energy Ltd	-	-	**7.92**	-	-	-	-	-	-	-
35	**Corporate guarantees cancelled (including foreign exchange adjustments)**										
	Sterling and Wilson International FZE	-	-	-	658.79	-	-	-	-	-	-
	Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	-	80.00	-	-	-	-	-	-
36	**Corporate guarantees outstanding**										
	Sterling and Wilson International FZE	-	-	**120.40**	116.75	-	-	-	-	-	-
37	**Bank guarantees outstanding**										
	STC Power S.R.L	-	-	**76.39**	78.18	-	-	-	-	-	-
38	**Preference share capital issued**										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	100.00	-	-
	Shapoorji Pallonji and Company Private Limited	-	200.00	-	-	-	-	-	-	-	-

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STERLING AND WILSON PVT. LTD. MUMBAI

Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
39	**Sale of intangible asset**										
	Sterling and Wilson Renewable Energy Ltd	-	-	-	6.20	-	-	-	-	-	-
40	**Investment in Joint Ventures**										
	Sterling and Wilson Enel X e-Mobility Pvt Ltd	-	-	-	-	4.27	-	-	-	-	-
41	**Investment in subsidiaries**										
	Sterling & Wilson Middle East Electro Mechanical L.L.	-	-	0.62	-	-	-	-	-	-	-
	Sterling & Wilson Nigeria FZE	-	-	-	0.73	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	5.00	-	-	-	-	-	-
42	**Purchase of shares**										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	1.23	-	-
	Shapoorji Pallonji and Company Private Limited	-	2.55	-	-	-	-	-	-	-	-
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	-	1.22	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	-	0.01	-	-
43	**Borrowings transferred to Perpetual Loan**										
	Shapoorji Pallonji and Company Private Limited	277.64	-	-	-	-	-	-	-	-	-
	Evangelos Ventures Pvt Ltd	-	-	634.63	-	-	-	-	-	-	-
44	**Interest payable transferred to Perpetual Loan**										
	Shapoorji Pallonji and Company Private Limited	45.94	-	-	-	-	-	-	-	-	-
45	**Interest Receivable transferred**										
	Sterling and Wilson International FZE	-	-	7.81	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	(7.81)	-	-	-	-	-	-	-

The transactions with related parties are at arm's length and were in ordinary course of business.

(Currency : Indian rupees in crores)

47 Income taxes

a) Amount recognised in the Standalone statement of profit and loss

Particulars	31 March 2022	31 March 2021
Current tax expense :		
Current year	**1.87**	0.79
Changes in estimate related to prior years	**-**	-
	1.87	0.79
Deferred tax :		
Origination and reversal of temporary differences P&L	**31.10**	31.73
Origination and reversal of temporary differences - OCI	**-**	-
	31.10	31.73
Tax expenses	**32.97**	32.52

b) Income tax recognised in other comprehensive income

Particulars		31 March 2022	
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement gain on post employment defined benefit plan	**1.78**	-	**1.78**
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	-	-	-

Particulars		31 March 2021	
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	0.72	-	0.72
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	-	-	-

c) Reconciliation of effective tax rate

Particulars	31 March 2022	31 March 2021
(Loss) before tax	**(171.98)**	(306.68)
Tax using the Company's domestic tax rate (current year 34.944%)	**(60.10)**	(107.17)
Tax effect of:		
Expenses that are not deductable in determining taxable profit	**9.01**	6.62
Income which are exempt from tax	**-**	-
Change in deductible temporary differences	**(1.19)**	(0.11)
Deductible expenses	**-**	0.94
Ind-AS adjustments	**(1.27)**	(0.18)
Items taxed at differential rates	**(0.43)**	(0.29)
Changes in estimates related to prior years	**(3.98)**	(3.82)
Unrecognized Deferred Tax Asset of current year	**57.97**	104.02
Reversal of Deferred Tax Asset of previous year	**31.10**	31.73
Effect of tax rates in foreign jusrisdictions	**1.87**	0.79
Tax (income) / expenses as per staement of Profit and Loss	**32.97**	32.52

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(Currency : Indian rupees in crores)

47.1 Income taxes *(Continued)*

d) **The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:**

Particulars	Balance as at 1 April 2021	Recognised/(Reversed) in profit or loss during 2021-	Recognised in OCI during 2021-22	Balance as at 31 March 2022
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(12.57)	-	-	**(12.57)**
Provision for bad and doubtful debts, unbilled receivables and loans and advances	10.73	-	-	**10.73**
Provision for loss on onerous contracts	3.22	-	-	**3.22**
Provision for liquidated damages	(0.26)	-	-	**(0.26)**
Employee benefits	20.04	-	-	**20.04**
Carry forward business losses	31.10	(31.10)	-	**-**
Unabsorbed depreciation	19.24	-	-	**19.24**
Fair valuation of investments	(2.13)	-	-	**(2.13)**
Retention receivable	0.23	-	-	**0.23**
Net deferred tax asset	69.60	(31.10)	-	**38.50**

e) **The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:**

Particulars	Balance as at 1 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March 2021
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(12.57)	-	-	(12.57)
Provision for bad and doubtful debts, unbilled receivables and loans and advances	10.73	-	-	10.73
Provision for loss on onerous contracts	3.22	-	-	3.22
Provision for liquidated damages	(0.26)	-	-	(0.26)
Employee benefits	20.04	-	-	20.04
Carry forward business losses	62.83	(31.73)	-	31.10
Unabsorbed depreciation	19.24	-	-	19.24
Fair valuation of investments	(2.13)	-	-	(2.13)
Retention receivable	0.23	-	-	0.23
Net deferred tax asset	101.34	(31.73)	-	69.60

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(Currency : Indian rupees in crores)

47.1 Income taxes *(Continued)*

f) **Unrecognised deferred tax assets/(liabilities)**

Particulars	Amount
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	7.61
Provision for bad and doubtful debts, unbilled receivables and loans and advances	(5.22)
Provision for loss on onerous contracts	3.40
Provision for liquidated damages	0.74
Employee benefits	2.15
Loan impairment	13.98
Carry forward business losses	33.44
Unabsorbed depreciation	3.64
Fair valuation of investments	(1.36)
Retention receivable & payable	(0.45)
Security deposits	0.04
Total	57.97

Since the company has incurred losses in the previous years,the management has decided not to consider the defereed tax assets/(liabilities) arising in the current year.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

g) **The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:**

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

h) **Tax losses carried forward**

Particulars	Assessment Year	31 March 2022	Expiry date
Expire	2018-19	33.32	2025-26
	2020-21	156.55	2027-28
	2021-22	272.96	2028-29
		462.83	
Never expire	2018-19	12.04	
	2020-21	36.03	
	2021-22	24.52	
		72.58	

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48 Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if carrying amount is a reasonable approximation of fair value.

31 March 2022	Carrying amount FVTPL	FVTOCI	Amortised Cost	Total	Fair value Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable	Total
Financial assets								
Investments in subsidiaries & partnership firm	-	-	12.72	**12.72**	-	-	-	-
Investments in joint venture	4.27	-	-	**4.27**				
Investments in preference instruments	48.49	-	-	**48.49**	-	-	48.49	**48.49**
Investments in equity instruments	29.79	-	-	**29.79**	0.46		29.33	**29.79**
Investment in mutual funds	0.32	-	-	**0.32**	0.32	-	-	**0.32**
Cash and cash equivalents	-	-	48.72	**48.72**	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	49.72	**49.72**	-	-	-	-
Loans	-	-	2,859.24	**2,859.24**	-	-	-	-
Trade receivables	-	-	1,248.61	**1,248.61**	-	-	-	-
Other receivables	-	-	221.02	**221.02**	-	-	-	-
Unbilled receivables	-	-	807.78	**807.78**	-	-	-	-
Bank Deposits	-	-	12.93	**12.93**	-	-	-	-
	82.86	-	**5,260.76**	**5,343.62**	**0.78**	-	**77.82**	**78.60**
Financial liabilities								
Long term borrowings	-	-	750.00	**750.00**	-	-	-	-
Short term borrowings	-	-	637.26	**637.26**	-	-	-	-
Trade payables	-	-	1,119.87	**1,119.87**	-	-	-	-
Lease liabilities	-	-	5.46	**5.46**	-	-	-	-
Other current financial liabilities	-	-	109.90	**109.90**	-	-	-	-
	-	-	**2,622.50**	**2,622.50**	-	-	-	-

31 March 2021	Carrying FVTPL	FVTOCI	Amortised Cost	Total	Fair value Level 1 - Quoted	Level 2 -	Level 3 -	Total
Financial assets								
Investments in subsidiaries and associate	-	-	12.72	**12.72**	-	-	-	-
Investments in preference instruments	50.46	-	-	**50.46**	-	-	50.46	**50.46**
Investments in equity instruments	20.29	-	-	**20.29**	0.38	-	19.91	**20.29**
Investments in debt instruments	-	-	0.00	**0.00**	-	-	-	-
Investment in mutual funds	0.30	-	-	**0.30**	0.30	-		**0.30**
Cash and cash equivalents	-	-	64.34	**64.34**	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	46.78	**46.78**	-	-	-	-
Loans	-	-	2,119.01	**2,119.01**	-	-	-	-
Trade receivables	-	-	1,325.35	**1,325.35**	-	-	-	-
Other receivables	-	-	224.44	**224.44**	-	-	-	-
Interest accrued on receivables	-	-	-	-	-	-	-	-
Unbilled receivables	-	-	850.92	**850.92**	-	-	-	-
Bank Deposits	-	-	5.69	**5.69**	-	-	-	-
	71.05	-	**4,649.25**	**4,720.30**	**0.68**	-	**70.37**	**71.05**
Financial liabilities								
Long term borrowings	-	-	14.97	**14.97**				
Short-term borrowings	-	-	1,063.46	**1,063.46**	-	-	-	-
Trade payables	-	-	1,495.83	**1,495.83**	-	-	-	-
Lease liabilities			-	-				
Other current financial liabilities	-	-	2.41	**2.41**	-	-	-	-
	-	-	147.37	**147.37**				
	-	-	**2,724.03**	**2,724.03**	-	-	-	-

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48.1 Financial instruments – Fair values and risk management *(Continued)*

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Current investments - in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Non-current investments in unquoted instruments accounted for at fair value through profit or loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

Level 3 fair values

The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

Description of significant unobservable inputs to valuation:

Type	Valuation technique	Significant	Discounting rate	Sensitivity of the input to
Investments in unquoted instruments accounted for as fair value through profit and loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	31 March 2022: 12.85% 31 March 2021: 12.85%	1% (March 2022: 1% increase / (decrease) would result in (decrease) / increase in fair value by (Rs 0.83 crore) / Rs 0.86 crore (March 2021: (Rs 0.87crore) / Rs 0.89 crore)
Investments in unquoted equity instruments accounted for at fair value through profit or loss	31 March 2022: Current Transaction Method (CTM) 31 March 2021: Price of Recent Investment Method	31 March 2022: Current Transaction Method (CTM) 31 March 2021:Price of Recent Investment Method	31 March 2022: Not Applicable 31 March 2021: Not Applicabe	The valuation has been done on the basis of the "Current Transaction Method" based on the valuation report issued in August 2021 for 31st March 2021. This method is used in the event there is a investment that is made in the Company. There has been a transfer of 84,997 shares on 26th October 2018 and the valuation at which such transaction has taken place provides a basis for arriving at the fair value.

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48.1 Financial instruments – Fair values and risk management *(Continued)*

(b) Measurement of fair values *(Continued)*

Reconciliation of Level 3 Fair Value Measurements:

	Equity instruments	Preference instruments
Balance as at 31 March 2020	**20.33**	**53.54**
Add: Purchased during the year	-	-
Less:sale during the year	(0.90)	-
Less: Change in value of investment in preference shares and equity shares measured at FVTPL	1.16	(2.35)
Balance as at 31 March 2021	**20.59**	**50.46**
Add: Purchased during the year	4.88	-
Less:sale during the year	-	-
Add: Change in value of investment in preference shares and equity shares measured at FVTPL	8.89	(1.97)
Balance as at 31 March 2022	**34.37**	**48.49**

(c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:
i) Credit risk ;
ii) Liquidity risk ; and
iii) Market risk

Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

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48.1 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivables.

Total trade receivable as on 31 March 2022 is Rs. 1,248.61 crore (31 March 2021: Rs. 1,325.35 crore) and unbilled receivable as on 31 March 2022 is Rs. 807.78 crore (31 March 2021: Rs. 850.92 crore).

The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in receivables 6.67% (31 March 2021: 6.67%).

As per simplified approach, the Company makes provision of expected credit losses on trade receivables and other receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the provision for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Trade receivables	Unbilled receivables	Loans	Total
Balance as at 31 March 2020	**25.45**	-	**0.60**	**26.05**
Provision recognised / (reversed) (net)	**(1.26)**	-	-	**(1.26)**
Balance as at 31 March 2021	**24.19**	-	**0.60**	**24.79**
Provision recognised / (reversed) (net)	**(14.93)**	-	-	**(14.93)**
Balance as at 31 March 2022	**9.26**	-	**0.60**	**9.86**

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 48.72 crore and Rs. 64.34 crore as at 31 March 2022 and 31 March 2021 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Other bank balances

The Company held other bank balances of Rs. 49.72 crore and Rs. 46.78 crore as at 31 March 2022 and 31 March 2021 respectively with bank with good credit rating.

Investment in mutual funds

Investments primarily include investment in units of mutual funds. These mutual funds and counterparties have low credit risk.

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48.1 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

i. Credit risk *(Continued)*

Derivatives

The derivatives are generally entered with credit worthy banks and financial institutions counter parties. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.In current year the company has not entered into any derivative contracts.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries and joint ventures. As at 31 March 2022 and 31 March 2021, the Company has issued the guarantees to certain banks on behalf of its subsidiaries and joint ventures in respect of credit facilities availed by the subsidiaries and joint ventures. The Company has given guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligation.

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at 31 March 2022 and 31 March 2021. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Loans, investments in companies

The Company does not perceive any credit risk pertaining to loans provided or investments.

Other than the trade receivables, unbilled receivables and other receivables, the Company has no other financial assets that are past due but not impaired.

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48.1 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

ii *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company has access to funds from debt market through loans from banks, financial institutions and other debt instruments.

As at 31 March 2022, the Company had working capital demand loan of Rs. 138.12 crore, cash credit loan of Rs. 76.71 crore and loan from related parties of Rs. 399.50 crore including cash and cash equivalents of Rs. 48.72 crore and other bank balances of Rs. 49.72 crore.

As at 31 March 2021, the Company had working capital demand loan of Rs. 115.15 crore, cash credit loan of Rs. 67.13 crore and loan from related parties of Rs. 851.47 crore including cash and cash equivalents of Rs. 64.34 crore and other bank balances of Rs. 46.78 crore

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for derivative and non derivative financial liabilities:

			Contractual cash flows			
31 March 2022	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loan from banks	764.97	**764.97**	14.97	750.00	-	-
Cash credit loans from banks	76.61	**76.61**	76.61	-	-	-
Working capital demand loan	138.12	**138.12**	138.12	-	-	-
Other short-term borrowings	399.50	**399.50**	399.50	-	-	-
Trade payables	1,119.87	**1,119.87**	1,119.87	-	-	-
Interest accrued and due	6.65	**6.65**	6.65	-	-	-
Lease liabilities	30.21	**38.70**	8.57	8.57	19.46	2.11
Other current financial liabilities	-	-	-	-	-	-

			Contractual cash flows			
31 March 2021	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loan from banks	44.68	**44.68**	29.71	14.97	-	-
Cash credit loans from banks	67.13	**67.13**	67.13	-	-	-
Working capital demand loan	115.15	**115.15**	115.15	-	-	-
Other short-term borrowings	851.47	**851.47**	851.47	-	-	-
Trade payables	1,495.83	**1,495.83**	1,495.83	-	-	-
Interest accrued and due	38.64	**38.64**	38.64	-	-	-
Lease liabilities	5.68	**5.68**	2.76	0.78	1.29	0.84
Other current financial liabilities	85.24	**85.24**	85.24	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

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48 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

iii Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(a) Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

				31 March 2022			
	USD	**EUR**	**GBP**	**AED**	**Peso**	**ZAR**	**Others ***
Financial assets							
Trade receivables	**138.12**	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-
Loan to subsidiaries and others	**136.35**	-	**3.81**				**12.03**
Recoverable expenses	**167.98**	-	**17.71**	-	-	-	-
Exposure to foreign currency assets	**442.43**	-	**21.52**	-	-	-	**12.03**
Financial liabilities							
Trade payables and other payable	**40.36**	**3.44**	**1.68**	-	-	-	**0.06**
Exposure to foreign currency	**40.36**	**3.44**	**1.68**	-	-	-	**0.06**
Net Exposure	**402.07**	**(3.44)**	**19.84**	-	-	-	**11.97**

**others include AUD*

				31 March 2021			
	USD	**EUR**	**GBP**	**AED**	**Peso**	**ZAR**	**Others ***
Financial assets							
Trade receivables	169.89	-	-	-	-	-	-
Cash and Cash Equivalents	0.17	0.01	0.02	-	-	-	0.00
Loan to subsidiaries and others	124.87	-	8.94				10.90
Recoverable expenses	162.15	-	18.00	-	-	-	-
Exposure to foreign currency assets	457.09	0.01	26.97	-	-	-	10.90
Financial liabilities							
Trade payables and other payable	19.17	4.68	1.95	-	-	-	0.06
Exposure to foreign currency	19.17	4.68	1.95	-	-	-	0.06
Net Exposure	437.92	(4.68)	25.01	-	-	-	10.84

**others include CHF, AUD*

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48 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

iii Market risk *(Continued)*

(a) Currency Risk *(Continued)*

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

	31 March 2022		31 March 2021	
	Profit or loss		Profit or loss	
Effect in INR million	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	**20.10**	**(20.10)**	21.90	(21.90)
EUR	**(0.17)**	**0.17**	(0.23)	0.23
GBP	**0.99**	**(0.99)**	1.25	(1.25)
Others *	**0.60**	**(0.60)**	0.54	(0.54)

**others include CHF, AUD*

(Currency : Indian rupees in crores)

48 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

iii Market risk *(Continued)*

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 17, Note 22 , Note 24 and Note 26 of these standalone Ind AS financial statements.

Particulars	31 March 2022	31 March 2021
Fixed rate instruments		
Financial assets	**2,899.24**	1,892.95
Financial liabilities	**(1,149.50)**	(851.47)
	1,749.74	1,041.48
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(237.76)**	(226.96)
	(237.76)	(226.96)

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate

	Profit or loss		Equity, net of tax	
INR	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2022				
Variable-rate instruments	**(2.38)**	**2.38**	**(1.55)**	**1.55**
Cash flow sensitivity (net)	**(2.38)**	**2.38**	**(1.55)**	**1.55**

	Profit or loss		Equity, net of tax	
INR	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2021				
Variable-rate instruments	(2.27)	2.27	(1.48)	1.48
Cash flow sensitivity (net)	(2.27)	2.27	(1.48)	1.48

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

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48 Financial instruments – Fair values and risk management *(Continued)*

(c) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

Particulars	**31 March 2022**	31 March 2021
Non-Current Borrowings	**750.00**	14.97
Current Borrowings	**637.26**	1,063.46
Gross debt	**1,387.26**	1,078.43
Less : Cash and cash equivalents	**48.72**	64.34
Adjusted net debt	**1,338.54**	1,014.09
Total equity	**2,800.27**	2,045.22
Adjusted net debt to adjusted equity ratio	**0.48**	0.50

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49 Disclosure of Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variation	Reason for variation
Current Ratio (in times)	Current Assets	Current Liabilities	3.17	2.21	44%	On account of increase in loan to subsidiaries, conversion of loan from holding company to perpetual loan, interest waiver on loan taken form related parties and decrease in vendor payables
Debt-Equity Ratio	Total Debt	Total Equity (Including Non Controlling Interest)	0.50	0.53	-6%	
Debt Service Coverage Ratio	Earning for Debt Service	Debt service	(0.01)	(0.08)	-88%	On account of decrease in lossed and increase in loan repayments
Return on Equity Ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-8.54%	-14.85%	-42%	On account of reduction in losses due to decrease in overhead expenses and finance cost
Trade Receivables turnover ratio	Revenue from operations	Average Debtors	1.67	1.72	-3%	
Trade payables turnover ratio (in times)	Expenses	Average Trade Payables	0.97	0.99	-2%	
Net capital turnover ratio	Revenue from operations	Working Capital	0.56	0.83	-33%	On account of increase in loan to subsidiaries, conversion of loan from holding company to perpetual loan, interest waiver on loan taken form related parties and decrease in vendor payables
Net profit ratio	Net Profit after tax	Net Sales	-8.02%	-13.46%	-40%	On account of decrease in overhead expenses and finance cost
Return on Capital employed (in %)	Earning before interest and taxes	Capital Employed	-0.83%	-3.66%	-77%	Decrease in losses before Interest and Taxes and increase in non-current borrowings
Return on Investment (in %)	Income generated from invested funds	Average invested funds in investments	69.00%	76.00%	-7%	

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49 A Details of significant investments in subsidiaries, joint ventures and partnership firm

	Country of incorporation	%tage Direct holding	
		As at 2022	As at 2021
a) Subsidiaries			
Sterling and Wilson International FZE	Dubai United Arab Emirates	100%	100%
Sterling and Wilson Middle East WLL	Qatar	49%	49%
Range Consultants Private Limited	India	100%	100%
Sterling and Wilson Security Systems Private Limited	India	100%	100%
Sterling and Wilson Nigeria Limited	Nigeria	100%	100%
Sterling and Wilson Co-Gen Solutions AG	Switzerland	100%	100%
GCO Australia PTY Ltd	Australia	76%	76%
Sterling & Wilson Nigeria FZE	Nigeria	100%	100%
Sterling & Wilson Co-Gen Solutions Pvt Ltd	India	100%	100%
Sterling & Wilson Middle East Electro Mechanical L.L.C.	Dubai United Arab Emirates	100%	0%
b) Joint Ventures			
Sterling and Wilson Enel X e-Mobility Pvt Ltd	India	50%	0%
c) Partnership firm			
Enrich-SWPL JV	India	49%	49%

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50 Subsequent Event

The Company has made an application for a Scheme of Arrangement ("Scheme") before the National Company Law Tribunal, Mumbai Bench, on August 30, 2022, for the reduction of share capital and reorganization of reserves of Sterling and Wilson Private Limited (being the Transferee Company), under the Companies Act, 2013 in the manner as set out in Part II of this Scheme, in accordance with Section 66 of the Companies Act, 2013, and other applicable provisions and rules made thereunder.

The purported Scheme also provides for merger of Sterling and Wilson Middle East Electromechanical LLC, Wholly Owned Subsidiary Company (being the Transferor Company), a foreign Limited Liability Company incorporated in the Emirate of Dubai under Federal Law No. 8 of 1984, into The Transferee Company in the manner as set out in Part III of this Scheme and in accordance to the provisions of Section 234 read with Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder for the Transferee Company and provisions as may be applicable to Transferor Company for mergers or arrangements in United Arab Emirates ("UAE").

Further, the Board of Directors of the Company has decided to write off the accumulated losses in the Profit & Loss Account appearing as on the Appointed Date, being March 31, 2022, against the reduction in the paid up Compulsorily Convertible Preference Shares ("CCPS") and the face value of equity shares of the Transferee Company in accordance with section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions.

The Scheme broadly seeks to undertake the following:

1 Reorganization of reserves and reduction of share capital of The Transferee Company in the manner set out in this Scheme; whereby:

1.1 With effect from the Appointed Date, 1,80,25,000 number of CCPS (having face value of INR 1,000 each) of the Company shall stand extinguished and cancelled through capital reduction proportionate to percentage of such CCPS held by the holders of the CCPS as on the Effective Date, for a consideration of INR 11.68 per equity share (as determined on a fully diluted basis), amounting to a total payout of INR 87,71,68,000.

1.2 With effect from the Appointed Date, 1,46,84,667 number of Equity Shares (having face value of INR 10 each) of the Company (50% of the Equity Shares of the Company as on 28 February 2022) shall stand extinguished and cancelled through capital reduction proportionate to percentage of such Equity Shares held by the holders of the Equity Shares as on the Effective Date, for a consideration of INR 11.68 per equity share, amounting to a total payout of INR 17.15 crores.

2 Amalgamation and vesting of business of Transferor Company with and into Transferee Company, being 100% holding company of the Transferor Company.

51 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The company is not declared a willful defaulter by any bank or financial Institution or other lender.

(vii) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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(Currency : Indian rupees in crores)

52 Trade Receivables Ageing as on March 31, 2022

	Outstanding for following periods from the date of transaction						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good which have significant increase in credit risk	176.31	535.13	111.89	219.67	120.12	94.74	1,257.87
credit impaired	-	-	-	-	-	-	(9.26)
Disputed trade receivables							
considered good which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	176.31	535.13	111.89	219.67	120.12	94.74	1,248.61

Trade Receivables Ageing as on March 31, 2021

	Outstanding for following periods from the date of transaction						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good which have significant increase in credit risk	247.83	561.23	149.23	222.23	50.77	118.25	1,349.54
credit impaired	-	-	-	-	-	-	(24.19)
Disputed trade receivables							
considered good which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	247.83	561.23	149.23	222.23	50.77	118.25	1,325.35

53 Trade Payables Ageing as on March 31, 2022

	Outstanding for following periods from the date of transaction						
	Not due	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	8.34	11.43	2.57	0.95	-	0.06	23.34
Others	778.18	169.43	41.71	48.28	-	58.94	1,096.54
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	786.52	180.86	44.27	49.23	-	59.00	1,119.88

Trade Payables Ageing as on March 31, 2021

	Outstanding for following periods from the date of transaction						
	Not due	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	60.58	48.19	4.38	0.09	-	0.01	113.25
Others	932.42	222.35	97.98	51.35	-	78.48	1,382.58
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	993.00	270.54	102.36	51.44	-	78.49	1,495.83

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54 The Board of Directors of the Company have not recommended any dividend for the financial year ended March 31, 2022.

55 Exceptional items are those which are considered for separate disclosure in the financial statements considering their size ,nature or incidence. Items included in the statement of profit and loss are loan to subsidiaries Sterling and Wilson Co-Gen Solutions Private Limited Rs 25 crore (31 March 2021: Rs Nil) and Sterling and Wilson Middle East WLL Rs 15 crore (31 March 2021: Rs Nil) are impaired.

56 Delay in repayment of principal of term loan:

Name of lender	Nature of borrowing including debt securities	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Amount
ICICI bank	Term loan	7.50	Principal	30	0.01
ICICI bank	Term loan	7.50	Principal	31	0.01
ICICI bank	Term loan	7.49	Principal	31	0.01
ICICI bank	Term loan	7.49	Principal	8	0.00
ICICI bank	Term loan	7.76	Principal	31	0.01
ICICI bank	Term loan	7.50	Principal	10	0.00

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Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
Key managerial personnel	-	-
Related parties (without specifying any terms or period of repayment)	-	-
Related parties (Repayable on Demand)	2,891.38	99.78

58 **Name of intermidiary:** Sterling and Wilson International FZE

Name of Ultimate beneficiary: Sterling and Wilson Middle East Electromechanical LLC

Date of Transfer of funds	Amount
12-April-2021	8.99
18-May-2021	27.41
25-August-2021	50.11
27-September-2021	187.17
29-September-2021	326.86
12-October-2021	0.97
22-December-2021	10.58
12-January-2022	42.55
11-February-2022	4.14

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59 Comparison of returns submitted to bank vis-à-vis books of accounts

The Company has obtained borrowings from banks on the basis of security of Current Assets and the quarterly returns of drawing power filed by the Company with banks are in agreement with the books of accounts maintained by the Company.

60 The Company had entered into the development, supply, civil works, service and operation and maintenance agreements (hereinafter referred to as 'the EPC contracts'), for developing, constructing and commissioning of solar plants for seven Projects in two states namely Telangana and Madhya Pradesh which were under dispute with the Developers (seven Special Purpose Vehicle (SPV) Companies owned by Sky Power Group.) Out of the seven projects, pursuant to negotiations/discussion, disputes for four projects have been resolved and settled. As on the balance sheet date the value of trade receivables, unbilled receivables and advance related to the balance three projects aggregates Rs. 94.04 crores (previous year Rs 105.20 crores).

The Company's subsidiary, Sterling and Wilson International FZE which had supplied imported materials for these projects had filed case before Hon'ble High Court of Delhi in December 2018 for two out of three projects, restraining Skypower Group to alienate, transfer and/or sell the said assets, pending commencement of arbitration proceedings with the Seat of Arbitration in Singapore. The Delhi High Court has, vide its order dated June 22, 2020 interalia directed each respondents of Skypower Group Companies/SPVs in the Delhi High Court proceedings to, within 4 (four) weeks from the date of Delhi High Court Order, furnish bank guarantee equivalent to 50% of the total amounts sought to be secured by Company's Subsidiary with the Registrar General of the High Court. The Developers sought various extensions for furnishing the bank guarantees, the last extension being sought on 22 May 2021 for a period of 12 weeks which was granted by the High Court.

In case of the remaining one project the dispute is between the Developers and Madhya Pradesh Power Management Company Limited (MPPMCL). The subject matter of dispute is the validity of the Power Purchase Agreement (PPA) which was entered into between the Developer and MPPMCL and which MPPMCL had terminated citing delay in commisioning of project. The High Court has twice given verdict in favour of the Developer, however MPPMCL has preferred an appeal against the High Court decision and the matter has already been heard at Supreme Court & verdcit is awaited. Subsequent to Supreme Court decision, the Company expects settlement/recovery of its dues.

Based on above case status and discussions with the Developers, their legal Counsel and the favorable orders passed by various Courts in similar cases, the Management believes that no adjustments/impairments are required to be made in the standalone Ind AS financial statements of the Company towards the total outstanding receivables.

61 OTHER MATTERS

The Company (Sterling and Wilson Private Limited) has decided to harmonize, closely monitor and supervise its business operations in the Middle East. In this regard the Company has transferred its Mechanical, Electrical & Plumbing (MEP) business from its wholly owned subsidiary Sterling and Wilson International FZE (SW FZE) to another wholly owned subsidiary Sterling and Wilson Middle East Electromechanical LLC (SW ME). Both the subsidiaries entered into a business transfer agreement dated February 28, 2022 for the transfer of the Mechanical, Electrical & Plumbing (MEP) business.

The terms of the arrangement are as follows:

1) Basis the above-mentioned effect date, the MEP business of SW FZE shall stand vested with SW ME.

2) All the assets (including but not limited to fixed assets, inventories, receivables), liabilities including shareholder loans standing in the books of account SW FZE (rerating to the MEP business) and carry forward losses as at the appointed date, will stand transferred to SW ME. The assets or liabilities not pertaining to MEP business in the books of SW ME on the date would stand transferred to SW FZE.

3) The entities agree that all MEP business activities beyond March 1, 2022, will only be carried out by SW ME.

62 TRANSFER PRICING

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2021. Management believes that the Company's international transactions with related parties post 31 March 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision for taxation.

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(Currency : Indian rupees in crores)

63 Reclassification made during the year with respect to previous year

Nature of reclassification	Amount reclassffied (Rs. in Cr)	Reason for reclassification
To related parties Unbilled revenue recalssified from Other financial asset (Note no. 17 to Other current asset Note no. 18)	33.07	Reclassified for better presentation to bring it in confirmity with correct year classificaition
To parties other than related parties Unbilled revenue recalssified from Other financial asset (Note no. 17 to Other current asset note no. 18)	817.85	Reclassified for better presentation to bring it in confirmity with correct year classificaition

64 Previous period figures have been re-grouped / re-classified to conform to requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021.

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STERLING AND WILSON PRIVATE LIMITED

ANNEXURE E

PROVISIONAL STANDALONE BALANCE SHEET AS AT 31 OCTOBER 2022

(Currency : Indian rupees in crores)

	Note	31 Oct 2022	31 March 2022
Assets			
Non-current assets			
Property, Plant and Equipment	4	135.21	140.75
Capital Work-in-Progress	4	0.00	-
Right-of-use assets	4.1	24.29	28.29
Other intangible assets	5	1.13	1.60
Financial assets			
(i) Investments	6	94.79	94.79
(ii) Loans	7	11.38	11.68
(iii) Other financial assets	8	1.61	1.25
Deferred tax assets (net)	9	43.90	43.90
Non-current tax assets (net)	10	75.89	65.75
Other non-current assets	11	14.72	6.46
Total non-current assets		**402.93**	**394.47**
Current assets			
Inventories	12	36.99	34.40
Financial assets			
(i) Investments	13	0.79	0.77
(ii) Trade receivables	14	1,240.09	1,248.61
(iii) Cash and cash equivalents	15	9.63	48.72
(iv) Bank balances other than cash and cash equivalents	16	40.25	49.72
(v) Loans	17	2,647.12	2,868.69
(vi) Other financial assets	18	645.24	1,028.80
Other current assets	19	253.37	311.91
Asset held-for-sale		**-**	**9.39**
Total current assets		**4,873.48**	**5,601.03**
Total assets		**5,276.42**	**5,995.50**
Equity and liabilities			
Equity			
Equity share capital	20	29.37	29.37
Compulsorily convertible non-cumulative preference shares	20	1,802.50	1,802.50
		1,831.87	**1,831.87**
Other equity	**21**		
- Capital redemption reserve		50.00	50.00
- Securities premium account		560.04	560.04
- Retained earnings		(756.10)	(614.33)
- General Reserve		13.39	13.39
- Other comprehensive income		1.09	1.09
		(131.58)	**10.19**
Perpetual Loan		920.61	958.21
Total equity		**2,620.90**	**2,800.27**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	22	748.00	750.00
(ii) Lease liabilities			24.76
Provisions	23	13.08	17.29
Total non-current liabilities		761.08	792.05
Current liabilities			
Financial liabilities			
(i) Borrowings	24	644.11	622.29
(ii) Lease liabilities	51	26.82	5.46
(iii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises		**-**	**23.34**
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**805.94**	**1,096.53**
(iv) Other financial liabilities	26	116.56	124.86
Other current liabilities	27	270.87	479.00
Provisions	28	22.86	44.29
Current tax liabilities (net)	29	7.26	7.41
Total current liabilities		**1,894.43**	**2,403.18**
Total liabilities		**2,655.51**	**3,195.23**
Total equity and liabilities		**5,276.41**	**5,995.50**

STERLING AND WILSON PRIVATE LIMITED
PROVISIONAL STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 OCTOBER 2022

	Note	31 Oct 2022	31 March 2022
Income			
Revenue from operations	30	747.60	2,144.15
Other income	31	46.04	224.25
Total income		**793.64**	**2,368.40**
Expenses			
Cost of construction materials, stores and spare parts	32	455.08	1,262.20
Changes in inventories of stock-in-trade	33	1.93	2.76
Direct project costs	34	296.48	828.28
Employee benefits expense	35	75.45	180.03
Other expenses	38	30.68	105.96
Total expenses		**859.62**	**2,379.22**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**(65.98)**	**(10.82)**
Finance costs	36	64.81	97.30
Depreciation and amortisation expense	37	10.98	23.86
(Loss) / Profit before income tax		**(141.77)**	**(131.98)**
Exceptional items			
Provision for impairment of loans to subsidiaries			40.00
(Loss) before income tax		**(141.77)**	**(171.98)**
Tax expense:	**47**		
Current tax		-	1.87
Less:Mat credit		-	-
Provision for earlier years		-	-
Deferred tax (credit) / charge		-	31.10
		-	32.97
(Loss) / Profit for the year		**(141.77)**	**(204.95)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability		-	1.78
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		**-**	**1.78**
Total comprehensive (loss) / income for the year		**(141.77)**	**(203.17)**

STERLING AND WILSON PRIVATE LIMITED

PROVISIONAL STANDALONE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 OCTOBER 2022

(Currency : Indian rupees in crores)

			31 Oct 2022	31 March 2022
A)	**Cash flows from operating activities**			
	Profit / (Loss) before tax		**(141.77)**	(171.98)
	Adjustments for:			-
	Depreciation and amortisation expense		**10.98**	23.86
	Supplier balances written back		**(0.55)**	(11.41)
	Provision for gratuity		**(4.21)**	(2.24)
	Provision for leave encashment		**(7.47)**	(6.33)
	Bad debts written off		**1.92**	27.29
	(Write back)\Provision for bad and doubtful debts written back		**(1.00)**	(14.93)
	Loans and advances written off		**-**	1.04
	Loss on sale of property, plant and equipments (net)		**0.02**	(0.27)
	Property, plant and equipment written off		**-**	6.40
	(Write back) / provision for foreseeable losses (net)		**(15.07)**	8.60
	Provision for liquidated damages (net)		**(0.00)**	(11.46)
	Dividend income		**-**	(2.00)
	Guarantee commission		**-**	(1.20)
	Finance costs		**64.81**	97.30
	Interest income		**(43.90)**	(161.45)
	Financial assets measured at FVTPL - net change in fair value		**-**	(6.90)
	Provision for impairment of loan		**-**	40.00
	Gain on foreclosure of lease rental		**-**	(0.47)
	Unrealised foreign exchange loss (net)		**34.51**	34.65
	Operating profit before working capital changes		**(101.72)**	(151.50)
	Working capital adjustments			
	(Increase) in inventories		**(2.59)**	16.75
	(Increase) in trade receivables		**2.43**	59.21
	Decrease\(Increase) in loans and advances		**(0.81)**	(26.39)
	(Increase) in other financial assets		**383.56**	11.54
	(Increase) in other current and non-current assets		**32.49**	51.19
	Increase in trade payable, other current liabilities and provisions		**(536.15)**	(404.71)
	Net change in working capital		**(121.05)**	(292.40)
	Cash flows generated from operating activities		**(222.77)**	(443.90)
	Income tax (paid) (net)		**(10.29)**	(31.17)
	Effects of exchange differences on translation of assets and liabilities		**0.17**	0.17
	Net cash flows generated from operating activities	**(A)**	**(232.89)**	**(474.91)**
B)	**Cash flows from investing activities**			
	Investment in equity shares of a subsidiary		**(0.00)**	(4.88)
	(Purchase) of non-current investments		**(0.02)**	(0.02)
	(Purchase) of property, plant and equipment and intangible assets		**(0.20)**	(3.28)
	Proceeds from sale of property, plant and equipment		**8.60**	11.81
	(Purchase) of fixed deposits, net		**9.11**	1.32
	Loan given to subsidiaries(net)		**210.77**	(794.49)
	Interest received		**43.90**	161.45
	Net cash flows (used in) investing activities	**(B)**	**272.16**	**(628.10)**
C)	**Cash flows from financing activities**			
	Perpetual loan		**(37.60)**	-
	Buyers credit		**11.01**	-
	Unsecured loans obtained		**130.25**	1,709.94
	Unsecured loans repaid		**(82.19)**	-1,249.61

STERLING AND WILSON PRIVATE LIMITED
PROVISIONAL STANDALONE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 OCTOBER 2022

		31 Oct 2022	31 March 2022
Increase in cash credit from banks (net)		**(15.60)**	9.48
Secured loans obtained		**341.45**	1,338.59
Repayment of secured loans (net)		**(365.11)**	-587.56
Repayment of lease liabilities		**(5.28)**	-8.28
Finance costs paid		**(55.30)**	-125.18
Net cash flows (used in) financing activities	**(C)**	**(78.36)**	**1,087.39**
Net movement in currency translation	**(D)**	**-**	**-**
Net increase in cash and cash equivalents	**(A + B + C + D)**	**(39.09)**	**(15.62)**
Cash and cash equivalents at the beginning of the year		**48.72**	64.34
Cash and cash equivalents at the end of the year		**9.63**	48.72

Notes :

1 The standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 (‘Ind AS 7’) on Statement of Cash Flows.

2 Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

3 Components of cash and cash equivalents

	31 Oct 2022	31 March 2022
Balance with banks		
- in current accounts	9.49	47.93
Cheques in hand	-	0.08
Cash on hand	0.14	0.71
	9.63	**48.72**

4 **The movement of borrowings as per Ind AS 7 is as follows:**

Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes:

Reconciliation of liabilities arising from financing activities

Particulars	As at 1 April 2022	Changes considered in the standalone statement of cashflows	Non-cash changes (including foreign exchange adjustment)	As at 31 October 2022
Long-term borrowings	-	748.00	-	748.00
Short-term borrowings	637.26	6.84	-	644.11

Particulars	As at 1 April 2021	Changes considered in the standalone statement of cashflows	Non-cash changes (including foreign exchange adjustment)	As at 31 March 2022
Long-term borrowings	14.97	735.03	-	750.00
Short-term borrowings	1,063.46	485.80	0	637.26

(Currency : Indian rupees in crores)

STERLING AND WILSON PRIVATE LIMITED
PROVISIONAL STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

A. Share capital

	Note	Balance as at 1 April 2021	Changes in share capital during the year	Balance as at 31 March 2022
Equity share capital	20	29.37	-	29.37
		29.37	**-**	**29.37**
Previous year numbers are in italics				

B. Compulsorily convertible non-cumulative preference shares

	Note	Balance as at 1 April 2021	Changes in share capital during the year	Balance as at 31 March 2022
Compulsorily convertible non-cumulative preference shares	20	1,802.50	-	1,802.50
		1,502.50	**300.00**	**1,802.50**
Previous year numbers are in italics				

C. Other equity

						Sub-total	Items of other comprehensive income			Sub-total	Total
	Deemed equity contribution received from the holding company	**Retained earnings**	**Securities premium account**	**General reserve**	**Capital Redemption reserve**		**Foreign currency translation reserve**	**Effective portion of cash flow hedge**	**Other items of other comprehensive income**		
Balance as at 1 April 2020	-	-70.19	560.04	13.39	50.00	553.24	-	-	(1.41)	-	-
	-	-	-	-	-				-		
Total comprehensive income for the period	-		-	-	-				-		
	-	-	-	-	-				-		
Profit for the period	-	-339.20	-	-	-	(339.20)	-	-	-	-	(339.20)
Items of OCI for the period, net of tax:	-	-	-	-	-				0.72		
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-		-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	-		-	-
Loan towards Equity	(335.00)	-	-	-	-	-	-	-		-	-
Total comprehensive income for the period		(339.20)	-	-	-	(339.20)	-	-	(0.69)	-	(339.20)
Balance as at 31 March 2021		(409.39)	560.04	13.39	50.00	214.04	-	(33.12)		(33.12)	(372.32)
Balance as at 1 April 2022	-	(614.33)	560.04	13.39	50.00	9.10	-	-	1.09	1.09	10.19
Total comprehensive income for the year											
Profit for the year		(141.77)	-	-	-	(141.77)	-	-		-	(141.77)
Items of OCI for the period, net of tax:						-	-	-	-	-	-
Remeasurement of the net defined benefit liability, net of tax						-	-	-	-	-	-

STERLING AND WILSON PRIVATE LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

						Sub-total	Items of other comprehensive income			Sub-total	Total
	Deemed equity contribution received from the holding company	Retained earnings	Securities premium account	General reserve	Capital Redemption reserve		Foreign currency translation reserve	Effective portion of cash flow hedge	Other items of other comprehensive income		
Exchange differences in translating financial statements of foreign operations		-	-	-	-	-	-	-	-	-	-
Loan towards Equity	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	(141.77)	-			(141.77)	-	-	-	-	(141.77)
Balance as at 31 October 2022	-	(756.10)	560.04	13.39	50.00	(132.66)	-	-	1.09	1.09	(131.58)

1 Background

Sterling and Wilson Private Limited ("the Company") is one of India's leading Mechanical, Electricals and Plumbing and Fire-fighting services (collectively known as 'MEP services'). The Company has a pan India presence and international operations in Middle East, South East Asia, Africa, Europe and Australia.

The Company is specialised in complete turn-key solutions, offering a large spectrum of services like electrical contracting, heat ventilation and air-conditioning systems, public health and safety, LV systems, EPC contracting and data centre solutions with having experience of executing more than 3,500 projects.

The Company was established in 1927 as Wilson Electric Works. The Company was renamed as Sterling and Wilson Electricals Private Limited in 1974 and subsequently as Sterling and Wilson Private Limited in financial year 2007. The name has been changed to Sterling and Wilson Limited on 24 June 2009 and subsequently as Sterling and Wilson Private Limited on 7 November 2014.

Sterling and Wilson Private Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 17 April 2008.

2 Basis of preparation of the standalone Ind AS financial statements

a Statement of compliance

The accompanying standalone Ind AS financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereafter.

b Functional and presentation currency

These standalone Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in crores, unless otherwise stated.

c Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
(ii) it is expected to be realised within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;
(ii) it is due to be settled within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the engineering, procurement and construction services (EPC) segment of the Company, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 36 months for the purpose of current - non-current classification of assets and liabilities. For the other operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

d Basis of measurement

The standalone Ind AS financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

e Use of estimates and judgments

The preparation of the standalone Ind AS financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as follows:

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the period in which such changes are determined.

(ii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(v) Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future saleability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vi) Impairment losses on trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

In case of trade receivables, lease receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12-months from the reporting date.

(vii) Impairment losses on investment

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(viii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value meaasurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:-

- **Note 48 – Financial Instruments.**

(ix) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3 Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the standalone statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Company's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years	Schedule II useful lives
Office buildings	60 years	60 years
Plant and equipment	5 years to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years

Assets	Life in no. of years	Schedule II useful lives
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing INR 5,000 or less are fully depreciated in the year/period of purchase.

3.2 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to five years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit and loss in the period the asset is derecognised.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

Financial assets: Business model assessment (Continued)

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.

(ii) Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

(iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the standalone statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss. See Note 3.3 (e) for financial liabilities designated as hedging instruments.

(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement of profit and loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the standalone statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the standalone statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the standalone statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the standalone statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the standalone statement of profit and loss.

3.4 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

3.5 Inventories

Construction material, stores and spare parts at central stores comprises of modules, wires, cables, components and spares. Stock in trade comprises of land acquired for Solar EPC projects.

Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.6 Statement of cash flows

The Statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.

3.7 Impairment

Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.8 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post-employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Company has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the standalone statement of profit and loss in the periods during which the related services are rendered by employees. In respect of foreign branch, the Company's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the standalone foreign branch operates.

(ii) Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the standalone statement of other comprehensive income in the period in which they occur and not reclassified to the standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the standalone statement of profit and loss.

Other long-term employee benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit Method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurement gains or losses are recognised in the standalone statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

3.9 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.10 Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.
When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, and incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Revenue from sale of goods

The Company recognises revenue from sale of goods once the customer takes possession of the goods. Revenue respresents the invoice value of goods provided to third parties net of discounts and sales laxes/value added taxes

Operation and maintenance income:

The Company recognises revenue from Operations & Maintenance services using the time-elapsed measure of progress i.e input method on a straight-line basis.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

3.11 Unbilled Revenue, Advances from customers, progress payments and retention

Revenue from services performed on contracts from the end of the last billing to the balance sheet date is recognised as unbilled revenue.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.
Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

3.12 Leases

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company has the tight to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

3.13 Recognition of dividend income, interest income or expense

Dividend income is recognised in the standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.15 Foreign currency

(i) Foreign currency transactions

- **Initial Recognition**

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

- **Measurement of foreign currency items at the reporting date**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in the Statement of Profit and Loss and accumulated in Equity (as exchange differences on translating the financial statements of a foreign operation).

3.16 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.17 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

Profit or loss on sale of investments is determined on the basis of first in first out (FIFO) basis of carrying amount of investment disposed off.

3.18 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

3.19 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.20 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3.21 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its standalone financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

STERLING AND WILSON PRIVATE LIMITED
Notes to the provisional standalone financial statements as at 31 October 2022 (Continued)

4 Property, Plant and Equipment and Capital Work-in-Progress

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Particulars	Office buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :									
Balance as at 1 April 2020	**119.30**	**16.92**	**71.29**	**2.05**	**6.14**	**20.79**	**236.49**	**7.61**	**244.10**
Add: Exchange differences on translation of foreign operations	-	(0.00)	(0.15)	(0.00)	0.02	(0.02)	(0.16)	-	(0.16)
Add: Additions during the year	2.48	1.79	12.28	0.05	0.74	0.29	17.63	-	17.63
Less: Disposals during the year	-	-	3.25	-	0.59	0.47	4.30	7.29	11.59
Balance as at 31 March 2021	**121.78**	**18.70**	**80.17**	**2.10**	**6.31**	**20.59**	**249.66**	**0.33**	**249.99**
Balance as at 1 April 2021	**121.78**	**18.70**	**80.17**	**2.10**	**6.31**	**20.59**	**249.66**	**0.33**	**249.99**
Add: Transfer	-	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations		-	0.15	-0.00	-0.01	-0.08	0.06	-	0.06
Add: Additions during the year	-	0.00	2.69	0.00	0.19	0.14	3.03	-	3.03
Less: Disposals during the year	0.05	-	21.88	0.23	1.14	1.33	24.62	0.33	24.95
Balance as at 31 March 2022	**121.74**	**18.71**	**61.13**	**1.87**	**5.35**	**19.33**	**228.13**	**-**	**228.13**
Balance as at 1 April 2022	**121.74**	**18.71**	**61.13**	**1.87**	**5.35**	**19.33**	**228.13**	**-**	**228.13**
Add: Exchange differences on translation of foreign operations									
Add: Additions during the year	0.00		0.10			0.07	0.17	-	0.17
Less: Disposals during the year			11.47	0.10	0.14	0.12	11.83		11.83
Balance as at 31 October 2022	**121.74**	**18.71**	**49.76**	**1.78**	**5.21**	**19.27**	**216.47**	**-**	**216.47**
Accumulated depreciation:									
Balance as at 1 April 2020	6.01	8.09	20.16	0.84	2.48	12.96	50.54	-	50.54
Add: Exchange differences on translation of foreign operations	-	-0.00	-0.02	0.00	-0.00	-0.01	(0.04)	-	(0.04)
Add: Additions during the year	1.93	4.22	8.96	0.23	0.66	3.72	19.72	-	19.72
Less: Disposals during the year	-	-	0.36	-	0.39	0.38	1.13	-	1.13
Balance as at 31 March 2021	**7.94**	**12.31**	**28.74**	**1.07**	**2.75**	**16.29**	**69.09**	**-**	**69.09**
Balance as at 1 April 2021	**7.94**	**12.31**	**28.74**	**1.07**	**2.75**	**16.29**	**69.09**	**-**	**69.09**
Add: Exchange differences on translation of foreign operations	-	-0.00	-0.05	0.00	0.00	0.06	0.02	-	0.02
Add: Additions during the year	1.93	2.82	7.88	0.20	0.61	2.45	15.89	-	15.89
Less: Disposals during the year	0.02	-	4.56	0.14	1.00	1.29	7.01	-	7.01
Balance as at 31 March 2022	**9.85**	**15.13**	**32.01**	**1.13**	**2.36**	**17.51**	**77.99**	**-**	**77.99**
Balance as at 1 April 2022	**9.85**	**15.13**	**32.01**	**1.13**	**2.36**	**17.51**	**77.99**		**77.99**
Add: Exchange differences on translation of foreign operations									
Add: Additions during the year	1.13	1.47	3.03	0.09	0.28	0.47	6.47		6.47
Less: Disposals during the year			2.93	0.03	0.13	0.12	3.21		3.21
Balance as at 31 Oct 2022	**10.98**	**16.60**	**32.11**	**1.20**	**2.50**	**17.86**	**81.26**		**81.26**
	-	-	-	-	-	-	-	-	-
At 31 October 2022	**110.77**	**2.11**	**17.65**	**0.58**	**2.70**	**1.41**	**135.21**	**-**	**135.21**
At 31 March 2022	**111.89**	**3.58**	**29.12**	**0.74**	**2.99**	**1.82**	**150.14**	**-**	**150.13**

(Currency : Indian rupees in crores)

5 Intangible assets and intangible assets under development

Particulars	Computer software	Total
Gross carrying amount :		
Balance as at 1 April 2020	15.15	15.15
Add: Exchange differences on translation of foreign operations	-0.03	(0.03)
Add: Additions during the year	0.05	0.05
Less: Disposals during the year	2.75	2.75
Balance as at 31 March 2021	**12.42**	**12.42**
Balance as at 1 April 2021	12.42	12.42
Add: Exchange differences on translation of foreign operations	(0.11)	(0.11)
Add: Additions during the year	0.26	0.26
Less: Deleton during the year	-	-
Balance as at 31 March 2022	**12.57**	**12.56**
Balance as at 1 April 2022	12.57	12.57
Add: Additions during the year	0.04	0.04
Balance as at 31 Oct 2022	**12.61**	**12.61**
Accumulated amortisation and impairment losses:		
Balance as at 1 April 2020	8.45	8.45
Add: Exchange differences on translation of foreign operations	-0.02	(0.02)
Add: Amortisation for the year	2.05	2.05
Less: Disposals during the year	0.93	0.93
Balance as at 31 March 2021	9.56	9.56
Balance as at 1 April 2021	**9.56**	**9.56**
Add: Exchange differences on translation of foreign operations	0.10	0.10
Add: Amortisation for the year	1.31	1.31
Less: Deleton during the year	-	-
Balance as at 31 March 2022	**10.97**	**10.97**
Balance as at 1 April 2022	10.97	10.97
Add: Amortisation for the year	0.51	0.51
Less: Deleton during the year		
Balance as at 31 Oct 2022	**11.48**	**11.48**
At 31 Oct 2022	**1.13**	**1.13**
At 31 March 2022	1.61	1.60

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
6	**Non-current investments**		
	Investment in equity instruments (fully paid-up)		
	(a) Unquoted, in subsidiaries (at cost)		
	Sterling and Wilson International FZE	1.12	1.12
	1,000 [31 March 2022: 1,000] shares of AED 1,000 each, fully paid-up		-
	Range Consultants Private Limited #	4.96	4.96
	150,000 [31 March 2022: 150,000] shares of Rs. 10 each, fully paid-up		-
	Sterling and Wilson Security Systems Private Limited	0.01	0.01
	10,000 [31 March 2022: 10,000] shares of Rs. 10 each, fully paid-up		-
	Sterling and Wilson Nigeria Limited	0.17	0.17
	6,375,000 [31 March 2022 : 6,375,000] shares of Naira 1 each, each fully paid up		-
	Sterling and Wilson Co-Gen Solutions AG	0.35	0.35
	50,000 [31 March 2022 : 50,000] shares of CHF 1 each, fully paid up		-
	Sterling and Wilson Middle East W.L.L.	0.19	0.19
	98 [31 March 2022 : 98] shares of Qatari Riyals 1,000 each, fully paid up		-
	GCO Australia PTY Ltd	0.18	0.18
	38,000 [31 March 2022 : 38,000] shares of AUD 1 each, fully paid up		-
	Sterling & Wilson Nigeria FZE	0.73	0.73
	100,000 [31 March 2022: Nil] shares of USD 1 each, fully paid-up		-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	5.00	5.00
	5,000,000[31 March 2022: Nil] shares of Rs 10 each, fully paid-up		-
	Sterling & Wilson Middle East Electro Mechanical L.L.C.	0.62	0.62
	3,000[31 March 2022: Nil] shares of AED 1000 each, fully paid-up		
	# The Company has pledged 100% of equity shares held by it in the share capital of Range Consultants Private Limited as a collateral security to secure bank loans.		-
	(b) Unquoted, in others (at fair value through profit or loss)		**-**
	Enel X e-Mobility Pvt Ltd	4.27	4.27
	Transtel Utilities Ltd,UK*#	0.00	0.00
	10 [31 March 2022 : 10] shares of GBP 1 each, fully paid up		-
	SWB Power Ltd*#	0.00	0.00
	10 [31 March 2022 : 10] shares of GBP 1 each, fully paid up		-
	Monjin Interviews Private Limited (Refer note 48(b))	28.70	28.70
	237,037 [31 March 2022: 237,037] shares of Rs 10 each, fully paid-up		
	* The investments in Transtel Utilities Ltd, UK and SWB Power Ltd. are shown at Cost since the information about the fair value of those investments are not available. Management is of the view that the difference between Cost and Fair value is not material.		
	# The Investment value is less than Rs. 1,000		
	Investment in Preference Shares		
	(Measured at fair value through Profit and loss)		
	(a) Unquoted, in fellow subsidiaries		

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
	Sterling Generators Private Limited	48.49	48.49
	500,000 [31 March 2022: 500,000] 4% redeemable, non-convertible, non-cumulative preference shares of Rs 1,000 each, fully paid-up. The preference shares are redeemable after a period of 7 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report.		-
	Investment in Partnership Firm (at Cost)		**-**
	Enrich-SWPL JV	**0.01**	**0.01**
	Name of the Partners — **Share in Profits (%)**		
	Sterling and Wilson Private Limited — 49%		
	Enrich RD Infraprojects Private Limited — 51%		
	Total Capital of firm : Rs One lakh only.		
	Note: During the year 2019-20, the Company formed a Partnership Firm viz. Enrich-SWPL JV by entering into a partnership deed dated 01 November 2019 for the purpose of supply, design, erection, testing and commission of electrification works including electrical work for Indian Railways.		
		94.79	**94.80**
	The aggregate book value of unquoted non-current investments are as follows:		
	Aggregate carrying amount of non-current investments	94.79	94.80
	Aggregate amount of impairment in value of investments	-	-
7	**Loans**		
	(Unsecured, considered good)		
	Security deposits	11.38	11.68
		11.38	**11.68**
8	**Other non-current financial assets**		
	Bank deposits* (due to mature after 12 months from reporting date)	1.61	1.25
		1.61	**1.25**
9	**Deferred tax assets (net)**		
	Deferred tax assets		
	Employee benefits	20.04	20.04
	Provision for bad and doubtful debts	8.89	8.89
	Provision for unbilled receivables	-	-
	Provision for loans and advances	1.83	1.83
	Provision for foreseeable losses	3.22	3.22
	Carry forward business losses *	-	-
	Unabsorbed depreciation	19.24	19.24
	Provision for liquidated damages	-	-
	Mat credit entitlement	5.40	5.40
	Others	0.23	0.23
		58.85	**58.85**

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
	Deferred tax liabilities		
	Excess of depreciation as per Income tax Act, 1961 over book depreciation	12.57	12.57
	Fair valuation of investments	2.13	2.13
	Writeback of Provision for liquidated damages	0.26	0.26
		14.96	**14.96**
	Deferred tax assets, net	43.90	43.90
	Deferred tax assets recognised, net	43.90	43.90
10	**Non-current tax assets (net)**		
	Advance tax	75.89	65.75
	(includes fringe benefits tax and wealth tax)		
		75.89	**65.75**
11	**Other non-current assets**		
	(Unsecured, considered good)		
	To parties other than related parties		
	Capital advances	3.42	3.42
	Prepayments	11.30	3.04
		14.72	**6.46**
12	**Inventories**		
	(valued at lower of cost or net realisable value unless otherwise stated)		
	Construction materials, stores and spare parts	8.45	3.93
	Stock-in-trade	28.54	30.47
		36.99	**34.40**
13	**Current investments**		
	Investment in equity instruments		
	(Measured at fair value through profit and loss)		
	Quoted:		
	Crompton Greaves Consumer Electrical Limited*	0.00	0.00
	6 [31 March 2022 : 6] Equity shares of Rs. 10 each, fully paid-up		
	CG Power & Industrial Solution Limited*	0.00	0.00
	6 [31 March 2022 : 6] Equity shares of Rs. 10 each, fully paid-up		
	Ruchi Soya Limited*	0.00	0.00
	2 [31 March 2022 : 2] Equity shares of Rs. 2 each, fully paid-up (31 March 2019 : Equity shares of Rs. 10 each, fully paid-up)		
	Tata Consultancy Services Limited	0.46	0.46
	1,232 [31 March 2022 : 1232] Equity shares of Re. 1 each fully paid-up		
	Unquoted:		
	Western India Sugar & Chemical Industries Limited	0.00	0.00
	400 [31 March 2022 : 400] Equity shares of Rs. 10 each, fully paid-up	-	
	Mid East India Limited	0.00	0.00

(Currency : Indian rupees in crores)

	31 Oct 2022	31 March 2022
300 [31 March 2022 : 300] Equity shares of Rs. 10 each, fully paid-up	-	
Montari Leather Limited	0.00	0.00
1,000 [31 March 2022 : 1,000] Equity shares of Rs. 10 each fully paid-up	-	
Otoklin Plants and Equipment's Limited	0.00	0.00
500 [31 March 2022 : 500] Equity shares of Rs. 10 each, fully paid-up	-	
SIV Limited (South India Viscose Limited)	0.01	0.01
600 [31 March 2022 : 600] Equity shares of Rs. 10 each, fully paid-up	-	
Sudhiti Hosiery Limited	0.01	0.01
2,500 [31 March 2022 : 2,500] Equity shares of Rs. 10 each, fully paid-up	-	
	-	
Less: Provision for diminution in the value of unquoted current investments	0.03	0.03
Total (a)	**0.47**	**0.45**
* The Investment value is less than Rs. 1,000		
Investment in debentures		
(Measured at amortised cost)		
Western India Sugar & Chemical Industries Limited	0.00	0.00
300 [31 March 2022 : 300] 15% Debentures of Rs. 50 each, fully paid-up		
Total (b)	**0.00**	**0.00**
Investment in mutual funds		
(Measured at fair value through profit and loss)		
250,000 units [31 March 2022 : 250,000 units] Union Long Bond Fund Growth	0.31	0.31
Total (c)	**0.31**	**0.31**
Total (d)	**-**	**-**
Total (a + b + c)	**0.79**	**0.77**
Aggregate carrying amount of quoted investments	0.47	0.47
Aggregate market value of quoted investments	0.47	0.47
Aggregate carrying amount of unquoted investments	0.03	0.03
Aggregate amount of impairment in value of investments	0.03	0.03

14. Trade receivables

	31 Oct 2022	31 March 2022
(Unsecured)		
Trade Receivables (refer note below)		
- Considered good	**1,240.09**	**1,248.61**
- Considered doubtful	**8.26**	**9.26**
	1,248.35	**1,257.87**
Less: Doubtful debts	8.26	9.26
Net trade receivables	1,240.09	1,248.61

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
15	**Cash and cash equivalents**		
	Balances with Bank		
	- in current accounts	9.49	47.93
	Cheques, drafts on hand	-	0.08
	Cash on hand	0.14	0.71
		9.63	**48.72**
16	**Bank balances other than cash and cash equivalents**		
	Balances with banks		
	- in deposit accounts * (with original maturity more than 3 months but less than 12 months)	40.25	49.72
		40.25	**49.72**
17	**Loans**		
	(Unsecured, considered good)		
	To related parties (refer note 1 and 2 below)	2,636.35	2,841.83
	-Loans given to subsidiaries		
	- considered good	2,636.35	2,841.83
	- credit impaired	40.00	40.00
		2,676.35	**2,881.83**
	Less: credit impaired	40.00	40.00
		2,636.35	**2,841.83**
	- Other related parties	4.26	9.55
	To parties other than related parties		
	(i) Loan to others	(4.60)	6.24
	(ii) Security deposits		
	- considered good	9.80	9.44
	- considered doubtful	0.60	0.60
		10.40	10.04
	Less: Provision for doubtful deposit	0.60	0.60
		9.80	**9.44**
	(iii) Loan to employees	1.31	1.62
		2,647.12	**2,868.69**
	Dues from firms or private companies in which any director is a partner or a director or member :		
	Note 1: Loan given to subsidiaries		
	Sterling and Wilson International FZE	906.49	1,110.19
	Sterling and Wilson Middle East Electromechanical L.L.C	1,545.11	1,545.11
	Sterling and Wilson Middle East WLL	92.41	89.14
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	119.09	124.65
	GCO Australia PTY Ltd	12.51	12.03
	Sterling & Wilson Nigeria Ltd	0.75	0.71
		2,676.35	**2,881.83**

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
	Note 2: Loan to other related parties		
	Transtel Utilities Ltd UK.	4.26	9.55
		4.26	**9.55**
	(Loan given to subsidiaries and other related parties carry an interest rate ranging from 8% to 11.5% and is repayable on demand		
18	**Other financial assets**		
	(Unsecured, considered good)		
	To related parties		
	(i) Unbilled receivables	-	57.46
	(ii) Recoverable expenses	277.55	214.88
	(iii) Other receivables	2.80	1.46
	To parties other than related parties		
	(i) Interest accrued on receivables		
	(ii) Unbilled receivables		
	- considered good	361.05	750.32
	- considered doubtful	-	-
		361.05	**750.32**
	Less: Provision for doubtful unbilled receivables	-	-
		361.05	750.32
	(iii) Other receivables	3.84	4.68
		645.24	**1,028.80**
	Dues from firms or private companies in which any director is a partner or a director or member:		
	Recoverable expenses		-
	Sterling and Wilson International FZE	1.20	1.20
	Sterling and Wilson Middle East Electromechanical LLC	4.44	1.80
	Sterling and Wilson Middle East Electromechanical LLC	155.77	155.77
	Sterling and Wilson Security Systems Private Limited	1.94	1.94
	Sterling and Wilson Nigeria Limited	5.13	5.13
	Sterling and Wilson Co-Gen Solutions Private Limited	6.97	8.80
	Shashwat Energy Pvt Ltd	0.56	0.56
	Sterling & Wilson Solar FZCO	2.63	2.63
	Transtel Utilities Limited, UK	12.13	12.13
	Enrich-SWPL JV	17.94	16.57
	STC Power S.R.L	2.44	1.33
	SWPL-Jindun JV	9.70	7.00
	Other receivables		
	Sterling Generators Pvt Ltd	2.79	1.45
	Sterling & Wilson Nigeria Pvt Ltd	-	-
	Sterling & Wilson Solar Ltd		-
	Branch receivables	56.68	-

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
19	**Other current assets**		-
	(Unsecured, considered good)		-
	To related parties		-
	Advances for supply of goods	-	1.82
	To parties other than related parties		-
	Advances for supply of goods		**-**
	- considered good	82.53	87.29
	- considered doubtful	4.65	4.65
		87.18	**91.94**
	Less: Provision for doubtful advances	(4.65)	(4.65)
		82.53	87.29
	Unbilled receivables	-	-
	Advance to employees	10.53	5.81
	Advance for projects	-	-
	Other recoverables	-	-
	Balance with government authorities	159.58	206.36
	Prepayments	0.73	10.64
	Advances to employees		-
	Retention money		
		253.37	**311.92**
20	**Equity share capital**		
	Authorised		
	50,000,000 Equity shares (31 March 2022: 50,000,000 shares) of Rs 10 each	50.00	50.00
	"215,00,000 (31 March 2022 : 165,00,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each"	2,150.00	2,150.00
	Issued, subscribed and fully paid up:		-
	29,369,333 Equity shares (31 March 2022 : 29,369,333 shares) of Rs 10 each, fully paid-up	29.37	29.37
	18,025,000 (31 March 2022 : 15,025,000) 0% Compulsorily convertible non-cumulative preference shares of Rs. 1,000 each, fully paid-up	1,802.50	1,802.50

(A) Reconciliation of shares outstanding at the beginning and at the end of year :

	31 Oct 2022		31 March 2022	
	Number	Amount	Number	Amount
Equity shares				
Balance as at the beginning and end of the year	2,93,69,333	29.37	2,93,69,333	29.37
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	**2,93,69,333**	**29.37**	**2,93,69,333**	**29.37**
0% Compulsorily convertible non-cumulative preference shares				
Balance as at the beginning of the year *	**1,80,25,000**	**1,802.50**	**1,80,25,000**	**1,802.50**
Add: Issued during the year **	-	-	-	-
Less: Repayment during the year	-	-	-	-
Balance as at the end of the year	**1,80,25,000**	**1,802.50**	**1,80,25,000**	**1,802.50**

(Currency : Indian rupees in crores)

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

0% Compulsorily convertible non-cumulative preference shares:

* Compulsorily convertible non-cumulative preference shares were issued on 17 March 2018 and 10 March 2020 and each share is convertible into four equity shares of par value Rs. 10 each after 36 months from the date of issue.

** Compulsorily convertible non-cumulative preference shares were issued on 03 October 2020 and 07 January 2021 and each share is convertible into five equity shares of par value Rs. 10 each after 240 months from the date of issue.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend is not declared in respect of a financial year, the entitlement for that financial year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, the preference shareholders' will be entitled to receive from the proceeds of liquidity event, on par to the holders' of equity shares or securities convertible into equity shares, an amount equal to 100% of the amounts invested by it plus any declared but unpaid dividends, to be distributed pro-rata among the holders' of equity shares and preference shares of the Company on an as converted basis.

(C) Shares held by the Holding Company and its subsidiaries

	31 Oct 2022		31 March 2022	
	Number	**Amount**	**Number**	**Amount**
Equity shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	1,94,80,000	19.48	1,94,80,000	19.48
"0% Compulsorily convertible non-cumulative preference shares"				
Shapoorji Pallonji and Company Private Limited, the Holding Company	95,00,000	950.00	95,00,000.00	950.00
Sashwat Energy Private Limited, subsidiary of the Holding Company	25,00,000	250.00	25,00,000	250.00

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 Oct 2022		31 March 2022	
	Number	**Amount**	**Number**	**Amount**
Equity shares				
"Shapoorji Pallonji and Company Private Limited, the Holding Company"	1,94,80,000	66.33%	1,94,80,000	66.33%
Khurshed Daruvala, Director	97,45,293	33.17%	97,45,293	33.17%

(Currency : Indian rupees in crores)

	31 Oct 2022		31 March 2022	
	Number	Amount	Number	Amount
0% Compulsorily convertible non-cumulative preference shares				
"Shapoorji Pallonji and Company Private Limited, the Holding Company"	95,00,000	61.19%	95,00,000	61.19%
Khurshed Daruvala, Director	60,25,000	38.81%	60,25,000	38.81%
Sashwat Energy Private Limited, subsidiary of the Holding Company	25,00,000	100.00%	25,00,000	100.00%

(E) Shares reserved for issue under options and contracts / commitments

	31 Oct 2022		31 March 2022	
	Number	Amount	Number	Amount
Compulsorily convertible non-cumulative preference shares	1,00,00,000	100	1,00,00,000	100
10,000,000 equity shares of Rs 10 each				
Compulsorily convertible non-cumulative preference shares	5,01,00,000	100	5,01,00,000	50
50,100,000 equity shares of Rs 10 each				
Compulsorily convertible non-cumulative preference shares	1,50,00,000	100	1,50,00,000	15
15,000,000 equity shares of Rs 10 each				

21 Other equity

	Particulars	Note	31 Oct 2022	31 March 2022
	Securities premium account	(i)	560.04	560.04
	Loan towards Equity	(ii)	-	-
	Capital Redemption Reserve	(iii)	50.00	50.00
	General Reserve	(iv)	13.39	13.39
	Retained earnings	(v)	(756.12)	(614.34)
	Remeasurements of defined benefit liability	(vi)	1.09	1.09
			(131.59)	**10.18**
(i)	**Securities premium account**			
	Balance as at the beginning and end of the year		560.04	560.04
	Add : Addition during the year		-	-
	Balance at end of the year		**560.04**	**560.04**
(ii)	**Loan towards Equity**			
	Balance as at the beginning and end of the year		-	-
	Add : Addition during the year		-	-
	Less: Deletions during the year		-	

(Currency : Indian rupees in crores)

	Particulars	Note	31 Oct 2022	31 March 2022
	Balance at end of the year		**-**	**-**
(iii)	**Capital Redemption Reserve**			
	Balance as at the beginning and end of the year		50.00	50.00
	Add: Exchange difference on translation of foreign operations arisen during the year		-	-
	Balance at end of the year		**50.00**	**50.00**
(iv)	**General Reserve**			
	Balance as at the beginning and end of the year		13.39	13.39
	Balance at end of the year		**13.39**	**13.39**
(v)	**Retained earnings**			
	Balance as at the beginning and end of the year		(614.34)	(409.38)
	Add : Addition during the year		(141.77)	(204.95)
	Balance at end of the year		**(756.12)**	**(614.34)**
(vi)	**Remeasurements of defined benefit liability**			
	Balance as at the beginning and end of the year		1.09	(0.69)
	Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax		-	1.78
	Balance at end of the year		**1.09**	**1.09**
	Total		**(131.59)**	**10.19**

Notes:

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note on allotment against loan towards equity

The Company has issued and allotted 1,33,33,333 Equity Shares of face value of Rs. 10/-, at a price of Rs. 376/- each (inclusive of Premium of Rs. 366/- per share)on October 17, 2019, in lieu of and against the conversion of the aggregate value of unsecured loans taken by Company from Promoters and Promoter group. The issue price for conversion of loan into equity was determined on the basis of valuation report obtained by the Company.

(Currency : Indian rupees in crores)

	Particulars	Note	31 Oct 2022	31 March 2022
22	**Long-term Borrowings**			
	Term Loan			
	Secured (refer note 24)			
	From Others		748.00	750.00
	From banks		-	-
			748.00	**750.00**

Term Loan from ICICI Bank Limited of Rs. 60 crore is repayable over a period of three years carrying a moratorium of one year commencing from the date of drawdown. The loan has been fully availed is repayable in 8 quarterly instaments. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) 7.30% plus Spread 3.10% (adjustable annually). The loan is secured by exclusive charge on commercial office unit no. 1301-1312, 13th Floor along with 55 car parkings located in Universal Majestic, P L Lokhande Marg, Chembur, Mumbai.

	Particulars	Note	31 Oct 2022	31 March 2022
23	**Long-term provisions**			
	Provision for employee benefits			
	Gratuity (refer note 41)		13.08	17.29
			13.08	**17.29**
24	**Current borrowings**			
	Secured			
	(a) Loans repayable on demand			
	- Cash credit loan from banks (refer note (a) below)		61.01	76.61
	Working capital loan from others (refer note (b) below)			
	(b) Other loans			
	Working capital loan from banks (refer note (a))		116.46	138.12
	- Buyers credit (refer note (c) below)		19.07	8.06
			196.54	**222.79**
	Unsecured			
	Working capital loan from others (refer note (b) below)		-	-
	Loan and deposit from related parties (refer note (c), (d) and (e) below)		447.56	399.50
			447.56	**399.50**
			644.11	**622.29**
25	**Trade payables**			
	Total outstanding dues of micro enterprises and small enterprises (refer note 45.1)		-	23.34
	Total outstanding dues of creditors other than micro enterprises and small enterprises*		777.86	1,025.31
	Acceptances **		28.08	71.22
			805.94	**1,119.87**
26	**Other financial liabilities**			
	Current maturities of long term debt (refer note 22)		14.97	14.97
	To related parties			-
	Interest accrued and due:			**-**
	- to holding company		0.00	-
	- to director		5.53	5.53

(Currency : Indian rupees in crores)

	Particulars	Note	31 Oct 2022	31 March 2022
	- other related parties		0.95	1.12
	Other Payables		-	7.92
	To parties other than related parties			
	Interest accrued and due			
	- to banks		0.21	0.21
	- to others		25.21	16.31
	-to micro enterprises and small enterprises		6.44	7.55
	Other payables		44.61	35.00
	Employee benefits payable		**18.63**	**36.25**
			116.56	**124.86**
27	**Other current liabilities**			
	To related parties			
	Advances from customers (refer note 39 (C))		-	62.27
	Billing in advance of work completed		-	5.26
	To parties other than related parties			
	Employee payables		3.36	3.76
	Statutory dues payable :			
	- Tax deducted at source payable		4.25	10.35
	- Provident fund payable		5.10	2.38
	- Profession tax payable		0.23	0.10
	- Employees State Insurance payable		0.01	0.05
	Advances from customers (refer note 39 (C))		257.92	284.37
	Billing in advance of work completed		-	110.46
			270.87	**479.00**
28	**Short-term provisions**			
	Provision for employee benefits			
	Gratuity (refer note 41)		0.92	0.92
	Compensated absences		17.41	24.88
	Other provisions			
	Provision for liquidated damages or price discount		4.54	4.54
	Provision for foreseeable loss		-	13.95
			22.86	**44.29**

"Provision foreseeable loss:

In case of construction contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss (foreseeable loss) is recognised as an expense immediately in the statement of profit and loss. "

Provision for:	31 Oct 2022	31 March 2022
Opening balance	**15.07**	**5.35**
Add: during the year	-	13.95
Less: Utilised during the year	(15.07)	(5.35)
Closing balance	**-**	**13.95**

Provision liquidated damages:

Liquidated damages or Price discounts are contractual obligations affecting the contract revenue in case of the construction contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed

(Currency : Indian rupees in crores)

beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts"

Provision for:	31 Oct 2022	31 March 2022
Opening balance	**4.54**	**16.00**
Add: during the year	-	1.72
Less:Adjustments	(0.00)	(13.18)
Closing balance	**4.54**	**4.54**

29 Current tax liabilities (net)

Provision for current tax	7.26	7.41
(includes fringe benefit tax and wealth tax)		
	7.26	**7.41**

		31 Oct 2022	31 March 2022
30	**Revenue from operations**		
	Sale of services		
	Income from works contracts	679.53	1,940.81
	Revenue from operation and maintenance services	61.71	189.96
	Other operating income		-
	Sale of scrap	5.39	9.19
	Export incentives	0.97	4.19
		747.60	**2,144.15**
31	**Other income**		
	Interest income:		
	- deposits with banks	0.32	2.48
	- loan to subsidiaries and other related parties	43.54	153.73
	- loan to others	-	0.72
	- loan to employees	0.04	0.26
	- income tax refund	-	4.26
	Write back of provision for bad and doubtful debts (net)	1.00	14.93
	Dividend Income	-	2.00
	Supplier balances written back	0.55	11.41
	Provision for Liquidated damages utilised(net)	-	-
	Foreign exchange loss (net)	-	10.35
	Other miscellaneous income	0.61	15.27
	Profit on sale of Property, Plant & Equipments (net)	(0.02)	0.27
	Financial assets measured at fair value through profit & loss a/c - net change in fair value	-	6.90
	Guarantee commission	-	1.20
	Gain on foreclosure of lease rental	-	0.47
		46.04	**224.25**

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
32	**Cost of construction materials, stores and spare parts**		
	Inventory of materials at the beginning of the year	3.93	17.93
	Add: Purchase during the year	459.60	1,248.19
	Less : Inventory of materials at the end of the year	8.45	3.92
		455.08	**1,262.20**
33	**Change in inventory of stock-in-trade**		
	Inventory of stock-in-trade at the beginning of the year	30.47	33.23
	Less: Inventory of stock-in-trade at the end of the year	28.54	30.47
	Decrease/ (increase) in inventory	**1.93**	**2.76**
34	**Direct project costs**		
	Communication expenses	0.26	1.73
	Stores and spare parts consumed	4.16	9.41
	Commission expenses	0.54	4.62
	Legal and professional fees	5.13	15.03
	Printing and stationery expenses	0.32	0.98
	Insurance costs	4.71	18.16
	Repairs and maintenance - others	5.49	13.36
	Selling and marketing expenses	0.02	0.29
	Traveling and conveyance expenses	2.35	8.24
	Rent	7.44	16.15
	Rates and taxes	2.59	5.26
	Electricity, power and fuel	1.35	3.77
	Donation	0.02	-
	Bank charges	2.93	15.68
	Provision for foreseeable loss(net)	-	8.60
	Liquidated damages	-	1.04
	Provision for Liquidated Damages	-	-
	Miscellaneous expenses	18.39	43.33
		55.70	**165.65**
	Employee benefits expense		
	Salaries, wages and bonus	74.39	179.38
	Contribution to provident fund and other funds	5.38	13.27
	Staff welfare expenses	1.48	5.01
		81.25	**197.66**
	Sub-contractor expenses	**159.53**	**464.97**
		296.48	**828.28**
35	**Employee benefits expense**		
	Salaries, wages and bonus	69.57	155.56
	Contribution to provident fund and other funds	4.70	9.77
	Gratuity (refer note 41)	0.01	4.04
	Compensated absences	-	5.56
	Staff welfare expenses	1.17	5.10
		75.45	**180.03**

STERLING AND WILSON PRIVATE LIMITED

Notes to the provisional standalone financial statements for period ended 31 October 2022 (Continued)

(Currency : Indian rupees in crores)

		31 Oct 2022	31 March 2022
36	**Finance costs**		
	Interest expense		
	- on secured loans	13.04	31.60
	- on unsecured loans	46.52	45.93
	- on dues of micro enterprises and small enterprises	-	1.10
	- on lease liabilities	1.89	3.54
	- on others	3.30	9.70
	- on retention payable	-	0.21
	Other borrowing costs	0.06	5.22
		64.81	**97.30**
37	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	6.47	15.89
	Depreciation on Right-of-use assets	4.00	6.66
	Amortisation of intangible assets	0.51	1.31
		10.98	**23.86**
38	**Other expenses**		
	Communication expenses	0.94	2.37
	Stores and spare parts consumed	0.60	1.08
	Commission expenses	-	0.40
	Legal and professional fees	8.45	28.36
	Printing and stationery expenses	0.26	0.47
	Insurance costs	0.44	3.52
	Repairs and maintenance - others	2.74	7.51
	Selling and marketing expenses	0.16	0.46
	Traveling and conveyance expenses	5.89	9.82
	Rent	0.84	6.08
	Rates and taxes	1.14	2.15
	Electricity, power and fuel	1.11	2.38
	Payment to auditors (refer note (a) below)	-	0.34
	Property, plant and equipment written off	-	6.40
	Bank charges	1.97	4.67
	Loss on sale of land	-	1.04
	Bad debts written off	1.92	27.29
	Land development charges	0.11	1.75
	Miscellaneous expenses	1.33	13.35
	Foreign exchange loss (net)	0.28	-
	Allocated expenses		(13.49)
		30.68	**105.96**
	Payment to auditors		
	As auditor		
	Statutory audit	-	0.29
	Tax audit	-	0.03
	Other services	-	0.02
		-	**0.34**

Sterling and Wilson Middle East Electromechanical LLC and its Subsidiaries

Consolidated Financial Statements
31 March 2021

MANAGING DIRECTOR'S REPORT

The Managing Director has pleasure in submitting the report and accounts of Sterling and Wilson Middle East Electromechanical L.L.C. ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2021.

LEGAL STATUS

Sterling and Wilson Middle East Electromechanical LLC is a limited liability company incorporated on 19 May 2008 in the Emirate of Dubai under Federal Law No. (8) of 1984 and its subsequent amendments.

Federal Law No. (2) of 2015 issued on 1 April 2015 ("the Companies Law"), which is effective from 1 July 2015, has superseded the Federal Law No. (8) of 1984 and its subsequent amendments. According to Article 374 of the Companies Law, the Parent Company had a period of twelve months from 1 July 2015 to regularise its affairs in accordance with the Companies Law. Subsequently, the said deadline was extended to 30 June 2017. However, based on a Ministerial Resolution No. (694) of 2016 ("the Resolution") issued on 19 December 2016, the existing Memorandum and articles of association of the Parent Company shall remain in force and any statement, provision or clause included in the memorandum or articles of association which is in derogation to the Companies Law is deemed to have been amended and replaced with the provisions of the Companies Law from the effective date of Resolution.

The Parent Company is managed and controlled by Sterling and Wilson International FZE, Dubai.

The Parent Company has controlling interests in the following entities:

Sl. No.	Name of subsidiary	Percentage of shareholding		Share in profits/ (losses)		Country of registration
		2021	2020	**2021**	2020	
I	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC	**49%**	49%	**95%**	95%	Kuwait
II	Sterling and Wilson Middle East Electromechanical (Bahrain) W.L.L.	**49%**	49%	**49%**	49%	Bahrain

The Parent Company and its subsidiaries are collectively referred to as "the Group".

There has been no significant commercial activity in the Parent Company's subsidiary in Kuwait and Bahrain as of the reporting date.

Although the shareholding in subsidiaries in Bahrain and Kuwait above is 49% in each subsidiary, the Parent Company controls and has the power to direct the relevant activities of the subsidiaries, and thereby can significantly affect the returns of the subsidiaries.

The Parent Company operates a branch in Abu Dhabi under a separate trade license issued on 15 December 2008 by the Department of Planning and Economy, Abu Dhabi, and a branch in the Kingdom of Saudi Arabia under a commercial registration issued on 15 September 2015 by the Ministry of Commerce, Kingdom of Saudi Arabia. Under the taxation laws of the Kingdom, the activities of this branch are treated as a taxable entity. These consolidated financial statements combine the assets, liabilities and results of operations of this branch in Kingdom of Saudi Arabia.

The principal activities of the Group include import, export and trading of building materials, related accessories, installation and maintenance of air conditioning systems, electricity transmission and control apparatus and electromechanical equipment. The Group is also engaged in plumbing, sanitary and electrical fitting contracting and building construction.

The principal place of business of the Parent Company is at Business Village, Block B 6th floor, Deira, Dubai.

OPERATING RESULTS

During the year under review, the Group achieved a turnover of AED 71,422,461 and incurred a loss of AED 19,583,940 against a turnover of AED 170,091,741 and a loss of AED 39,575,159 in the previous year.

SHAREHOLDING

The shareholding pattern at the end of the year under review was as follows:

Name of shareholder	Shareholding % 31 March 2021
Mr. Ahmad Mohd. Jassim Mohammad	51%
M/s. Sterling and Wilson International FZE	49%
	100%

AUDITORS

Messrs Moore Stephens, the auditors of the Group, have indicated their willingness to continue in office.

Managing Director
25 November 2021

MOORE

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC AND ITS SUBSIDIARIES

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Sterling and Wilson Middle East Electromechanical LLC ("the Parent Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' funds and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including the significant accounting policies set out in pages 6 to 34.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

a) The Group's due from related party balance as at 31 March 2021 include an amount of AED 15,152,463, which does not agree with the confirmation received from the related party. Consequently, due from related party balance is overstated by up to AED 8,174,793 in the consolidated statement of financial position as at 31 March 2021. Had the Group recorded the amount due from related party correctly, its consolidated loss for the year would have been increased by AED 8,174,793 and its consolidated accumulated losses would have been decreased by AED 8,174,793.

b) The Group's other receivables as at 31 March 2021 include an amount of AED 12,136,624 which represents performance guarantee encashed by a customer on termination of the contract. We were not able to satisfy ourselves that the Group will be able to recover this amount from the customer. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

c) The Group's due to a related party balance as at 31 March 2021 is understated by AED 1,405,538 as a result of certain old outstanding reconciling items. We were unable to obtain sufficient appropriate audit evidence about the recording of reconciling items in the relevant financial year because we were not provided access to the financial information by the management. Consequently, we were unable to determine whether any adjustments of the reconciling items were necessary in the consolidated statement of comprehensive income, consolidated accumulated losses and the consolidated statement of financial position as at and for the year ended 31 March 2021.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Continued...

MOORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC AND ITS SUBSIDIARIES (Continued)

Other information

Management is responsible for the other information. The other information comprises the Managing Directors' report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable requirements of the UAE Commercial Companies Law of 2015 and the Articles of Association of the Company, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Continued...

MOORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC AND ITS SUBSIDIARIES (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Regulatory Requirements

In our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 2015 and the Articles of Association of the Parent Company. We have obtained all information and explanations which are necessary for the purpose of the audit and to the best of our knowledge and belief no violation of the UAE Commercial Companies Law of 2015 and the Articles of Association of the Parent Company came to our attention which would materially affect the Parent Company's financial position.

In our opinion, the Parent Company has maintained proper books of account and the accompanying consolidated financial statements are in agreement therewith.

Moore Stephens

Moore Stephens

Farad K. Lakdawala

Partner

Registration No. 341

25 November 2021

Dubai, United Arab Emirates

Consolidated statement of comprehensive income

(stated in AED)

	Note	2021	2020
Income			
Revenue from contracts with customers	4.4 a) and 5	**71,422,461**	170,091,741
Direct costs	6	**(80,230,822)**	(182,739,635)
Gross loss		**(8,808,361)**	(12,647,894)
Other income	7	**10,040,937**	12,045,138
		1,232,576	(602,756)
Expenses			
General and administration	8	**3,069,296**	11,830,787
Finance charges	9	**201,654**	237,560
Selling and marketing		**--**	57,991
Depreciation	11	**138,364**	199,476
Impairment of financial assets	24.1 b)	**17,407,202**	26,646,589
		20,816,516	38,972,403
Loss for the year before tax		**(19,583,940)**	(39,575,159)
Provision for tax	10	**--**	--
Loss for the year		**(19,583,940)**	(39,575,159)
Other comprehensive income			
Item that will be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**(354,454)**	308,202
Other comprehensive (loss)/ income for the year		**(354,454)**	308,202
Total comprehensive loss for the year		**(19,938,394)**	(39,266,957)
(Loss) for the year attributable to:			
Shareholder of the Parent Company		**(19,543,145)**	(38,494,451)
Non-controlling interest	20	**(40,795)**	(1,080,708)
(Loss) for the year		**(19,583,940)**	(39,575,159)
Total comprehensive (loss) for the year attributable to:			
Shareholder of the Parent Company		**(19,891,969)**	(38,200,642)
Non-controlling interest	20	**(46,425)**	(1,066,315)
Total comprehensive (loss) for the year		**(19,938,394)**	(39,266,957)

The attached notes 1 to 28 form part of these consolidated financial statements.

Consolidated statement of financial position

(stated in AED)

	Note	2021	2020
Assets			
Non-current assets			
Property and equipment	11	**598,651**	1,487,919
Loan receivable	12	**20,639,956**	19,148,530
Total non-current assets		**21,238,607**	20,636,449
Current assets			
Inventories	13	**--**	1,233,840
Contract assets	14	**21,831,941**	75,244,955
Accounts and other receivables	15	**231,869,014**	207,081,763
Bank and cash balances	16	**2,059,398**	2,696,268
Total current assets		**255,760,353**	286,256,826
Total assets		**276,998,960**	306,893,275
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital	17	**300,000**	300,000
Legal reserve	18	**547,636**	547,636
Amount due to shareholder	19	**157,152,732**	177,069,518
Foreign currency translation reserve		**(88,986)**	259,838
Accumulated losses		**(18,437,367)**	(19,214,895)
Total shareholders' funds attributable to shareholders of the Parent Company		**139,474,015**	158,962,097
Non-controlling interest	20	**(5,884,349)**	(5,837,924)
Total shareholders' funds		**133,589,666**	153,124,173
Liabilities			
Non-current liabilities			
Employees' terminal benefits	21	**2,581,857**	6,278,551
Total non-current liabilities		**2,581,857**	6,278,551
Current liabilities			
Income tax payable	10	**--**	--
Contract liabilities	14	**10,402,551**	60,739,503
Accounts and other payables	22	**130,424,886**	86,751,048
Total current liabilities		**140,827,437**	147,490,551
Total liabilities		**143,409,294**	153,769,102
Total shareholders' funds and liabilities		**276,998,960**	306,893,275

The attached notes 1 to 28 form part of these consolidated financial statements.

Managing Director
25 November 2021

Consolidated statement of changes in shareholders' funds

(stated in AED)

	Attributable to shareholders of Parent Company							
	Share capital	Legal reserve	Amount due to shareholder	Foreign currency translation reserve	Accumulated losses	Sub total	Non-controlling interest	Total
Balance at 1 April 2020	**300,000**	**547,636**	**177,069,518**	**259,838**	**(19,214,895)**	**158,962,097**	**(5,837,924)**	**153,124,173**
Loss for the year	--	--	--	--	(19,543,145)	(19,543,145)	(40,795)	(19,583,940)
Other comprehensive loss for the year	--	--	--	(348,824)	--	(348,824)	(5,630)	(354,454)
Total comprehensive loss for the year	--	--	--	(348,824)	(19,543,145)	(19,891,969)	(46,425)	(19,938,394)
Movements during the year	--	--	(19,916,786)	--	--	(19,916,786)	--	(19,916,786)
Transfer of losses to shareholder (Note 23)	--	--	--	--	20,320,673	20,320,673	--	20,320,673
Balance at 31 March 2021	**300,000**	**547,636**	**157,152,732**	**(88,986)**	**(18,437,367)**	**139,474,015**	**(5,884,349)**	**133,589,666**

	Attributable to shareholders of Parent Company							
	Share capital	Legal reserve	Amount due to shareholder	Foreign currency translation reserve	Accumulated losses	Sub total	Non-controlling interest	Total
Balance at 1 April 2019	300,000	547,636	226,418,025	(33,971)	(31,822,789)	195,408,901	(4,771,609)	190,637,292
Loss for the year	--	--	--	--	(38,494,451)	(38,494,451)	(1,080,708)	(39,575,159)
Other comprehensive income for the year	--	--	--	293,809	--	293,809	14,393	308,202
Total comprehensive loss for the year	--	--	--	293,809	(38,494,451)	(38,200,642)	(1,066,315)	(39,266,957)
Movements during the year	--	--	(49,348,507)	--	--	(49,348,507)	--	(49,348,507)
Transfer of losses to shareholder (Note 23)	--	--	--	--	51,102,345	51,102,345	--	51,102,345
Balance at 31 March 2020	300,000	547,636	177,069,518	259,838	(19,214,895)	158,962,097	(5,837,924)	153,124,173

The attached notes 1 to 28 form part of these consolidated financial statements.

Consolidated statement of cash flows

(stated in AED)

	Note	2021	2020
Cash flows from operating activities			
Loss for the year before tax		**(19,583,940)**	(39,575,159)
Adjustments for:			
Depreciation	11	**840,085**	941,456
Impairment of financial assets	24.1 b)	**17,407,202**	26,646,589
Interest income on related parties	7	**(8,832,064)**	(11,006,601)
Interest income on loan receivable	7	**(596,091)**	(377,690)
Interest expense on third party loan	9	**127,801**	124,111
Gain on sale of property and equipment		**(57,167)**	--
Release of provision for employees' terminal benefits	21	**(987,467)**	--
Provision for employees' terminal benefits	21	**--**	3,265,045
Cash flows (used in) operations before working capital changes		**(11,681,641)**	(19,982,249)
Decrease/ (increase) in inventories		**1,233,840**	(1,233,840)
(Increase)/ decrease in retention receivables		**(6,773,781)**	2,160,996
Decrease/ (increase) in contract assets		**46,413,626**	(11,954,262)
(Decrease)/ increase in accounts and other receivables		**(19,589,220)**	117,237,814
(Decrease)/ increase in contract liabilities		**(50,336,952)**	24,584,175
Increase/ (decrease) in accounts and other payables and dues to related parties		**63,927,602**	(47,520,166)
Employees' terminal benefits paid during the year	21	**(2,780,605)**	(681,010)
Income tax paid	10	**--**	(633,377)
Net cash from operating activities		**20,412,869**	61,978,081
Cash flows from investing activities			
Purchase of property and equipment	11	**(39,553)**	(758,480)
Proceeds from disposal of property and equipment		**150,759**	--
Net movement in loan receivable		**(895,335)**	(18,770,840)
Net cash (used in) investing activities		**(784,129)**	(19,529,320)
Cash flows from financing activity			
Net movement in amount due to shareholder		**(19,916,786)**	(49,348,507)
Net cash (used in) financing activity		**(19,916,786)**	(49,348,507)
Net movement in currency translation		**(348,824)**	293,809
(Decrease) in cash and cash equivalents during the year		**(636,870)**	(6,605,937)
Cash and cash equivalents at the beginning of the year		**2,630,268**	9,236,205
Cash and cash equivalents at the end of the year	16	**1,993,398**	2,630,268
Non-cash transactions during the year:			
Transfer of employees' terminal benefits from a related party	21	**49,504**	193,753
Netting off losses against due to related party	23	**20,320,673**	51,102,345
		20,370,177	51,296,098

The attached notes 1 to 28 form part of these consolidated financial statements.

Notes to the consolidated financial statements

(stated in AED)

1. Legal status and principal activities

Sterling and Wilson Middle East Electromechanical LLC ("the Parent Company") is a limited liability company incorporated on 19 May 2008 in the Emirate of Dubai under Federal Law No. (8) of 1984 and its subsequent amendments.

Federal Law No. (2) of 2015 issued on 1 April 2015 ("the Companies Law"), which is effective from 1 July 2015, has superseded the Federal Law No. (8) of 1984 and its subsequent amendments. According to Article 374 of the Companies Law, the Parent Company had a period of twelve months from 1 July 2015 to regularise its affairs in accordance with the Companies Law. Subsequently, the said deadline was extended to 30 June 2017. However, based on a Ministerial Resolution No. (694) of 2016 ("the Resolution") issued on 19 December 2016, the existing Memorandum and Articles of Association of the Parent Company shall remain in force and any statement, provision or clause included in the memorandum or articles of association which is in derogation to the Companies Law is deemed to have been amended and replaced with the provisions of the Companies Law from the effective date of Resolution.

The Parent Company is managed and controlled by Sterling and Wilson International FZE, Dubai ("the Intermediate Parent Company"). The Ultimate Parent Company is Sterling and Wilson Private Limited, Mumbai, India ("the Ultimate Parent Company").

The Parent Company has controlling interests in the following entities:

Sl. No.	Name of subsidiary	Percentage of shareholding		Share in profits/ (losses)		Country of registration
		2021	2020	**2021**	2020	
I	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC	49%	49%	95%	95%	Kuwait
II	Sterling and Wilson Middle East Electromechanical (Bahrain) W.L.L.	49%	49%	49%	49%	Bahrain

The Parent Company and its subsidiaries are collectively referred to as "the Group".

There has been no significant commercial activity in the Parent Company's subsidiaries in Kuwait and Bahrain as of the reporting date.

Although the shareholding in subsidiaries in Kuwait and Bahrain above is only 49% respectively, the Parent Company controls and has the power to direct the relevant activities of the subsidiaries, and thereby can significantly affect the returns of the subsidiaries.

The Parent Company operates a branch in Abu Dhabi under a separate trade license issued on 15 December 2008 by the Department of Planning and Economy, Abu Dhabi, and a branch in the Kingdom of Saudi Arabia under a commercial registration issued on 15 September 2015 by the Ministry of Commerce, Kingdom of Saudi Arabia. Under the taxation laws of the Kingdom, the activities of this branch are treated as a taxable entity. These consolidated financial statements combine the assets, liabilities and results of operations of the branches in Abu Dhabi and Kingdom of Saudi Arabia.

The principal activities of the Group include import, export and trading in building materials, related accessories, installation and maintenance of air conditioning systems, electricity transmission and control apparatus and electromechanical equipment. The Group is also engaged in plumbing, sanitary and electrical fitting contracting and building construction.

The principal place of business of the Parent Company is located at Business Village, Block B, 6th floor, Deira, Dubai.

2. Demerger and transfer of business

Sterling and Wilson Private Limited, India ("the Ultimate Parent Company") was engaged in the business of mechanical, electrical and plumbing "MEP" services and solar EPC power plants "S-EPC" business. To enable the S-EPC division and MEP business to capitalise on growth opportunities in an independent manner, it was proposed by the shareholders to demerge the S-EPC division into a separate company.

Accordingly, with retrospective effect from 1 April 2017, Sterling and Wilson Private Limited, India ("Demerged Company" or "Ultimate Parent Company") has demerged its S-EPC Division into Sterling and Wilson Solar Private Limited (formerly Rashmika Energy Private Limited) ("Resulting Company") pursuant to an order dated 28 March 2018 from the National Company Law Tribunal (NCLT) Mumbai, India and in accordance with the Scheme of Arrangement ("arrangement") between the Demerged Company and the Resulting Company.

Both the Demerged Company and the Resulting Company are under common ownership and control.

Under the arrangement, the Demerged Company shall vest/transfer into the Resulting Company the S-EPC Division including but not limited to its assets, liabilities, pre-qualifications, letters of intent, tenders, technical experience, contracts, interests/investments in subsidiaries, partnership firm in India, overseas subsidiaries, foreign branches and other assets and liabilities as described in the arrangement.

The Group's intermediate Parent Company (which is a subsidiary of the Demerged Company) was part of this restructuring arrangement and as a result, the Group has transferred its accumulated losses as of 1 April 2017 to Sterling and Wilson International Solar FZCO ("SWISFZCO") and one of its subsidiaries, Sterling and Wilson Middle East Solar Energy L.L.C ("SWMESELLC"). The transfer of accumulated losses was effected based on a resolution passed by the Board of the Ultimate Parent Company and Parent Company pursuant to a provision in the arrangement whereby it was necessary for the amount of the transfers to be approved by the board of the Demerged Company from their view of the appropriateness of the transfer.

The restructuring arrangement as discussed above was also ratified by the business transfer agreements and resolutions passed by the Board of the Intermediate Parent Company, Parent Company, SWISFZCO and SWMESELLC.

Further, legal titles to the certain assets and liabilities are still in the name of the Parent Company as of the reporting date. SWISFZCO and SWMESELLC shall at any time after the conditions stipulated in the arrangement have been fulfilled, perform all such formalities to transfer the legal titles of such assets and liabilities in favor of the SWISFZCO and SWMESELLC.

3. Adoption of new and revised International Financial Reporting Standards

3.1 Amended standards adopted by the Group

The Group has adopted the following applicable amended IFRSs as of 1 April 2020:

- Amendments to IAS 1, "Presentation of Financial Statements" and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" clarify the definition of 'material' across the standards. The new definition states that, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those consolidated financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the consolidated financial statements.

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the consolidated financial statements.

3.2 Amendments to existing standard that is not yet effective and has not been adopted early by the Group

The following amendment that is applicable to the Group has been published and is mandatory for accounting periods of the Group beginning after 1 April 2020, but which has not been adopted early by the Group:

3. Adoption of new and revised International Financial Reporting Standards (Continued)

3.2 Amendments to existing standard that is not yet effective and has not been adopted early by the Group (Continued)

a) Amendments to IAS 1, "Presentation of Financial Statements" clarify the requirements for presentation of liabilities in the consolidated statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. The amendments are effective for annual periods commencing on or after 1 January 2023.

The management believes that the adoption of the above amendment is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the consolidated financial statements for future periods.

4. Basis of preparation and significant accounting policies and estimates

4.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements have been prepared in Arab Emirates Dirham (AED).

4.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis. The principal accounting policies that have been applied consistently by the Group to all periods presented in these consolidated financial statements are set out below.

4.3 Basis of consolidation

The consolidated financial statements comprise those of the Parent Company and its subsidiaries listed in Note 1. Subsidiaries which are directly or indirectly controlled by the Group are consolidated. Control is achieved where the Parent Company has power over the investees, that expose or give rights to variable returns from its involvement with the investee, and the Parent Company is able to use its power to affect the amount of returns from the investee. Generally, control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Parent Company controls another entity.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Parent Company's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are based on the financial statements of the subsidiaries drawn up using the standard Group accounting policies. Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with Group policies for consolidation purposes. All companies in the Group have the same reporting date of 31 March.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Basis of consolidation (Continued)

All significant intra-group transactions and balances between Group entities are eliminated on consolidation. The Group applies a policy of treating transactions with a non-controlling interest as transactions with equity holders when control of the subsidiary is not lost of the subsidiary. This is therefore reflected in equity. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

4.4 Significant accounting policies

a) Revenue recognition

Sale of goods
Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The normal credit terms are 60 days upon delivery.

Revenue from contracts
Revenue from contracts is recognised over time based on the input method. Under the input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue, including estimated fees or profits, are recorded proportionally as costs are incurred. The related costs are recognised in consolidated statement of comprehensive income when they are incurred. The payment is generally due within 60 days from the invoice date.

In determining the transaction price for its revenue from contracts with customers, the Group considers the effects of variable consideration and existence of significant financing component.

(1) Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the inception of the contract and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. As of the reporting date, no variable consideration has been identified.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting policies (Continued)

a) Revenue recognition (Continued)

Revenue from contracts (Continued)

(2) Significant financing component
Advances from customers
When advances received are received before the transfer of goods/service to the customer, the customer may be providing the Group with financing. If so, and the financing is significant, the Group accrues interest expense over the financing period. Consequently, the revenue recognised will exceed the cash received. As of reporting date, the Group considers the financing component in its contracts not significant.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Contract balances

The timing of revenue recognition, billings and collections may result in contract assets, trade accounts receivable and contract liabilities.

Contract assets
The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned on work completed as receipt of consideration is conditional on completion of work done and acceptance by the customer, at which point the contract assets are reclassified to trade accounts receivables.

The contract assets are transferred to trade accounts receivable when the rights become unconditional (i.e. only the passage of time is required before payment of the consideration is due), which usually occurs when the Group issues an invoice to the customer.

Contract liabilities
The contract liabilities primarily relate to the advance consideration received from customers prior to meeting the revenue recognition criteria or when the amount of consideration received from customers exceed the amount of revenue recognised. Contract liabilities are recognised as revenue when the Group performs under the contract.

c) Property and equipment

Property and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

The residual values and useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on assets so as to write off the costs, over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

Office equipment	3 – 5 years
Furniture and fixtures	3 – 6.67 years
Motor vehicles	3 – 5 years
Tools and equipment	3 – 6.67 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

4. **Basis of preparation and significant accounting policies and estimates (Continued)**

4.4 **Significant accounting policies (Continued)**

d) **Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

e) **Financial instruments – recognition, classification, measurement, derecognition and offsetting**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) **Recognition and initial measurement**

Trade accounts receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) **Classification and subsequent measurement**

Financial assets: Classification
On initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

The Group has not classified and measured any financial asset at either FVOCI or FVPL. All recognised financial assets are classified and measured subsequently at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets include accounts and other receivables, due from related parties, loan receivable, retention receivables and bank and cash balances which are all classified and subsequently measured at amortised cost.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting policies (Continued)

e) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Subsequent measurement and gains and losses
Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated statement of comprehensive income. Any gain or loss on derecognition is recognised in the consolidated statement of comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVPL. The Group does not have any financial liabilities classified at FVPL. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of comprehensive income. Any gain or loss on derecognition is also recognised in the consolidated statement of comprehensive income.

The Group's financial liabilities include accounts and other payables and due to related parties are classified and measured at amortised cost.

(iii) Derecognition

Financial assets

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

(iii) the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting policies (Continued)

f) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable, retention receivable and contract assets; and
- Other financial assets measured at amortised cost.

In case of trade accounts receivable, retention receivable and contract assets, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an impairment gain or loss in the consolidated statement of comprehensive income.

g) Inventories

Inventories are stated at lower of cost or net realisable value, after making due allowance for any obsolete or slow moving items. Cost is determined on weighted average cost basis and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

h) Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the labour laws of the countries in which the Group operates and is based on employees' salaries and number of years of service. Terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Group has no expectation of settling its employees' terminal benefits obligation in the near future.

i) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Group.

j) Foreign currencies

Functional and presentation currency
The consolidated financial statements are presented in Arab Emirates Dirham (AED), which is the Group's presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting policies (Continued)

j) Foreign currencies (Continued)

Transactions and balances
Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising in these cases are dealt within the consolidated statement of comprehensive income.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Translation of the financial statements of foreign operations
The Group's presentation currency is AED. The financial statements of foreign operations are translated into AED using exchange rates in effect at period end for assets and liabilities and average exchange rates during the reporting period for results of operations. Adjustments resulting from translation of financial statements are reflected as a separate component of shareholder's equity in a foreign currency translation reserve.

k) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank and cash balances, less margin money deposits under lien, which are subject to an insignificant risk of changes in value.

l) Operating leases

At the inception of the contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this maybe specified explicitly or implicitly in the contract and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not an identified asset;

- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset, i.e., the Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used

As a Lessee
At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessee will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting policies (Continued)

l) Operating leases (Continued)

Short-term leases
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

m) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current income taxes are recognised for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in the consolidated statement of comprehensive income unless the item to which the tax relates was recognised outside the consolidated statement of comprehensive income being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws are recognised in consolidated statement of comprehensive income or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.5 Significant accounting estimates, judgements and assumptions

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The significant management judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

IFRS 15, 'Revenue from contracts with customers'

The application of revenue recognition policy in accordance with IFRS 15 has required management to make the following judgments:

Satisfaction of performance obligation
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine appropriate method of recognising revenue. For the Group's revenue from contracts with customers, the satisfaction of performance obligation is determined as follows:

a) *Sale of goods* – revenue is recognised at the point in time when control is transferred to the customer, normally upon delivery of the goods

b) *Revenue from contracts* – revenue is recognised over time as the Group creates/enhances an asset the customer controls

Determination of transaction prices
The Group is required to determine the transaction prices in respect of each of its contracts with customers. In making such judgment, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

Allocation of transaction price to performance obligation in contracts with customers
The Group has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Group considers that the use of input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the project in order to determine the amount of revenue to be recognised. The estimates include the job work charges, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

Determining whether financing component in contracts is significant
The Group is required to apply judgment in determining whether a financing component within a contract is significant. In making such judgment, the Group considers all relevant facts and circumstances, including:

a. The difference, if any, between the amount of promised consideration and the cash selling price of goods/services; and

b. The combined effect of both of the following:

    i. the expected length of time between when the Group will recognise the revenue from the sale of goods/services and when the customer pays; and

    ii. the prevailing interest rates in the relevant market

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.5 Significant accounting estimates, judgements and assumptions (Continued)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Trade accounts receivable, retentions receivable and contract assets
The Group reviews its trade accounts receivable, retentions receivable and contract assets to assess impairment at regular intervals. In determining whether impairment losses should be reported in the consolidated statement of comprehensive income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience and forward-looking estimates, is evidence of a reduction in the recoverability of the cash flows.

The contract assets relate to unbilled receivables and have substantially the same risk characteristics as the trade accounts receivable for the same types of contracts. The Group has therefore concluded that the provision rates for trade accounts receivable are a reasonable approximation of the loss rates for the contract assets.

Other financial assets at amortised cost
Expected credit loss (ECL) on other financial assets are measured at an allowance equal to 12-month ECL where the credit risk has not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Group takes into account quantitative and qualitative reasonable and supportable forward-looking information.

Cash and cash equivalents
Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. While bank balances are also subject to impairment, the identified impairment loss is considered immaterial.

Impairment of inventories

Inventories are held at the lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made on their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Estimated cost on uncompleted contracts

Revenue from contracts is measured by reference to the ratio of costs incurred to the estimated total costs for each contract applied to the estimated contract revenue, and reduced by the proportion of revenue previously recognised. This requires the Group to use judgement in the estimation of the total cost expected to complete each contract.

Profit on uncompleted contracts

Profit on uncompleted contracts is only recognised when the contract reaches a point where the ultimate profit can be estimated with reasonable certainty. This requires the Group's management to determine the level at which reasonable estimates can be reached.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.5 Significant accounting estimates, judgements and assumptions (Continued)

Impairment of property and equipment

A decline in the value property and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

Deferred tax asset

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary difference, to the extent that it is possible that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no revision in the lease terms.

5. Revenue from contracts with customers

The following sets out the disaggregation of the Group's revenue from contracts with customers:

a) *Type of goods or services*

	2021	2020
Revenue from contracts	**66,570,031**	167,360,766
Revenue from sale of goods	**4,852,430**	2,730,975
	71,422,461	170,091,741

b) *Timing of satisfaction of performance obligations*

	2021	2020
Services transferred over time	**66,570,031**	167,360,766
Goods transferred at point in time	**4,852,430**	2,730,975
	71,422,461	170,091,741

5. **Revenue from contracts with customers (Continued)**

b) Timing of satisfaction of performance obligations (Continued)

At the reporting date, the aggregate amount of the transaction price allocated to the remaining performance obligations that are unsatisfied or partially satisfied which includes the expected revenue to be recognised in the future is as follows:

	2021	2020
Within one year	**71,422,461**	97,374,029
	71,422,461	97,374,029

c) Customer relationship

	2021	2020
Related party customers (Note 23)	**407,216**	254,349
Third party customers	**71,015,245**	169,837,392
	71,422,461	170,091,741

6. **Direct costs**

	2021	2020
Salaries and employee related costs	**21,278,757**	45,811,600
Material purchases	**29,878,119**	104,563,025
Subcontract costs	**24,129,781**	24,894,337
Depreciation (Note 11)	**701,721**	741,980
Others	**4,242,444**	6,728,693
	80,230,822	182,739,635

7. **Other income**

	2021	2020
Interest income - related parties (Note 23)	**8,832,064**	11,006,601
Interest income on loan receivable	**596,091**	377,690
Unrepresented liabilities written back	**2,500**	295,123
Rental income (Note 23)	**75,000**	135,000
Others	**535,282**	230,724
	10,040,937	12,045,138

8. **General and administration expenses**

	2021	2020
Salaries and employee related costs	**804,870**	6,997,347
Legal and professional fees	**610,127**	2,398,911
Short term lease (IFRS 16)	**732,547**	1,099,260
Travelling and conveyance	**3,290**	285,529
Communication	**96,573**	135,899
Utilities	**35,878**	68,713
Loss on foreign currency exchange	**--**	31,678
Vehicle expenses	**3,020**	11,794
Printing and stationery	**716**	3,927
Insurance	**4,859**	8,008
Others	**777,416**	789,721
	3,069,296	11,830,787

9. **Finance charges**

	2021	2020
Bank charges	**73,853**	113,449
Interest on third party loan	**127,801**	124,111
	201,654	237,560

10. Provision for tax

Details of provision for tax are as follows:

	2021	2020
Current tax expense	--	--
	--	--

The current tax expense relates to operations of the branch in the Kingdom of Saudi Arabia.

The computation of the branch's income tax expense is detailed below:

	2021	2020
(Loss) for the year before tax	**(29,843,614)**	(41,166,986)
Add: Non-deductible depreciation	**338,607**	305,176
Non-deductible provisions and adjustments	**17,597,728**	3,074,525
Non-deductible expenses	--	27,108,469
Less: Non-Taxable provision	**(759,180)**	(615,207)
Taxable (loss) for the year	**(12,666,459)**	(11,294,023)

Tax on income has been computed as per the Kingdom of Saudi Arabia Income Tax Law and is arrived at as follows:

	2021	2020
- Taxable income	--	--
- Tax due at 20%	--	--
Current tax expense	--	-

Income tax payable at the reporting date relating to operations of the branch in Kingdom of Saudi Arabia is as follows:

	2021	2020
Balance at the beginning of the year	--	633,377
Provision for tax from operations during the year	--	--
Payments made during the year	--	(633,377)
Translation adjustment	--	--
Balance at the end of the year	--	--

The subsidiaries in Kuwait and Bahrain and the branch in Kingdom of Saudi Arabia are subject to income tax in accordance with the countries' respective income tax laws. Since the subsidiaries have incurred losses for the year, no tax liabilities arise as at the reporting date. The management has decided not to consider the potential deferred tax benefit arising from carry forward losses until future profitability is consistently demonstrated.

11. Property and equipment

2021	Office equipment	Furniture and fixtures	Motor vehicles	Tools and equipment	Total
Cost					
At 1 April 2020	**2,257,481**	**2,582,338**	**195,278**	**1,667,507**	**6,702,604**
Additions during the year	**12,889**	--	--	**26,664**	**39,553**
Disposals during the year	**(286,253)**	**(75,821)**	**(132,158)**	**(125,770)**	**(620,001)**
Translation adjustment	**5,546**	**6,564**	--	**6,551**	**18,661**
At 31 March 2021	**1,989,663**	**2,513,081**	**63,120**	**1,574,953**	**6,140,817**

11. Property and equipment (Continued)

2021	Office equipment	Furniture and fixtures	Motor vehicles	Tools and equipment	Total
Accumulated depreciation					
At 1 April 2020	**1,960,014**	**2,190,200**	**175,365**	**889,106**	**5,214,685**
Charge for the year	**208,658**	**270,314**	**19,913**	**341,200**	**840,085**
Relating to disposal during the year	**(255,766)**	**(63,106)**	**(132,158)**	**(74,718)**	**(525,748)**
Translation adjustment	**4,512**	**5,459**	--	**3,173**	**13,144**
At 31 March 2021	**1,917,418**	**2,402,867**	**63,120**	**1,158,761**	**5,542,166**
Net book value					
At 31 March 2021	**72,245**	**110,214**	--	**416,192**	**598,651**

2020	Office equipment	Furniture and fixtures	Motor vehicles	Tools and equipment	Total
Cost					
At 1 April 2019	2,209,722	2,510,073	195,278	1,041,616	5,956,689
Additions during the year	52,108	77,239	--	629,133	758,480
Translation adjustment	(4,349)	(4,974)	--	(3,242)	(12,565)
At 31 March 2020	2,257,481	2,582,338	195,278	1,667,507	6,702,604
At 1 April 2019	1,688,242	1,836,881	131,113	628,477	4,284,713
Charge for the year	275,754	357,732	44,252	263,718	941,456
Translation adjustment	(3,982)	(4,413)	--	(3,089)	(11,484)
At 31 March 2020	1,960,014	2,190,200	175,365	889,106	5,214,685
Net book value					
At 31 March 2020	297,467	392,138	19,913	778,401	1,487,919

The depreciation charge is allocated as follows:

	2021	2020
Direct costs (Note 6)	**701,721**	741,980
General and administration expenses	**138,364**	199,476
	840,085	941,456

12. Loan receivable

The loan to third party is denominated in United States Dollars (USD) is unsecured, carries interest at 3% per annum (2020: 3% per annum) and is receivable on or before 30 September 2022. Accordingly, the loan receivable has been disclosed as a part of non-current assets as at the reporting date.

13. Inventories

	2021	2020
Spare and consumables	**--**	1,233,840
	--	1,233,840

14. Contract balances

The Group has recognised the following assets and liabilities relating to contracts with customers:

	2021	2020
Contract assets (see a) below)	**21,831,941**	75,244,955
Contract liabilities (see b) below)	**10,402,551**	60,739,503

14. Contract balances (Continued)

a) Contract assets

Contract assets represents Group's right to consideration for work performed but not invoiced at the reporting date, which upon invoicing will be transferred to trade accounts receivable.

	2021	2020
Contract revenue	**404,244,170**	335,625,142
Less: Progress billings	**(370,500,208)**	(255,500,447)
	33,743,962	80,124,695
Less: Impairment loss on contract assets (Note 24.1 b))	**(11,912,021)**	(4,879,740)
Contract assets (unbilled revenue)	**21,831,941**	75,244,955

The Group's contract assets are subject to the expected credit loss model and is disclosed in Note 24.1 b).

b) Contract liabilities

Contract liabilities primarily relate to the advance consideration from customers. Significant change in the contract liabilities during the year are as follows:

	2021	2020
Balance at the beginning of the year	**60,739,503**	36,155,328
Advances from customers received during the year	--	42,110,473
Amount recognised as revenue:		
- relating to current year advances received	**(33,604,253)**	(11,438,970)
- relating to prior year advances received	**(16,732,699)**	(5,976,701)
Translation adjustment	--	(110,627)
Balance at the end of the year	**10,402,551**	60,739,503

The significant decrease in contract liabilities during the year is the result of completion of major portion of construction contracts entered into by the Group in previous year.

15. Accounts and other receivables

	2021	2020
Trade accounts receivable		
- Third parties	**86,109,743**	47,762,286
- Related party	**15,689,923**	26,939,320
Retention receivables	**24,485,728**	17,711,947
Due from related parties	**134,949,465**	141,821,342
Advances to suppliers/contractors	**1,300,117**	887,163
Deposits and prepayments	**1,185,978**	4,965,246
Staff loans and advances	**39,231**	16,228
Other receivables (see c) below)	**12,672,531**	1,004,279
	276,432,716	238,623,805
Allowance for impaired receivables (Note 24.1 b))	**(44,563,702)**	(34,026,048)
	231,869,014	207,081,763

a) The Group's trade accounts receivable, retention receivables, due from related parties, other receivables, staff loans and advances and deposits are subject to the expected credit loss model and are disclosed in Note 24.1 b).

b) Unimpaired receivables and amounts due from related parties are considered collectible based on historic experience. It is not the practice of the Group to obtain collateral over receivables. The recovery of due from related parties amounting to AED 133,699,930 (2020: AED 123,567,572) has been guaranteed by the shareholder with no charge and are secured against the amount due to shareholder (Notes 19, 23 and 24.1 b)).

15. Accounts and other receivables (Continued)

c) Other receivables includes AED 12,136,624 (2020: Nil), which represents performance guarantee encashed by a customer on termination of the contract. The Group management believes that this amount will be recovered from the customer.

16. Cash and cash equivalents

	2021	2020
Cash on hand	**88,115**	212,364
Bank current accounts	**1,905,283**	2,417,904
Margin money deposits	**66,000**	66,000
Bank and cash balances	**2,059,398**	2,696,268
Less: Margin money deposits under lien	**(66,000)**	(66,000)
Cash and cash equivalents in the consolidated statement of cash flows	**1,993,398**	2,630,268

Margin money deposits are under lien for the letter of guarantees issued by banks on behalf of the Group (Note 25).

17. Share capital

	2021	2020
Authorised, issued and fully paid (300 shares of AED 1,000 each)	**300,000**	300,000
	300,000	300,000

18. Legal reserve

Legal reserve is created out of net profits of the Parent Company, Branch in Kingdom of Saudi Arabia and subsidiary companies, in accordance with Company Law No. 2 of 2015 of United Arab Emirates and Law 1437H of Kingdom of Saudi Arabia. 10% of net income for the year is to be transferred to legal reserve. Further, in accordance with the provisions of the said laws, the Group has resolved to discontinue such annual transfers once the balance in the reserve account for subsidiary in United Arab Emirates is 50% and for the branch in Kingdom of Saudi Arabia is 30% of their respective share capital, which is the minimum prescribed by the said laws. The reserve is not available for distribution except in circumstances as stipulated in the said laws.

19. Amount due to shareholder

Amount due to shareholder is unsecured and interest free (Note 23). The principal amount and the related interest is repayable only on adequacy of sufficient profits and available cash flows at the option of the Group and has accordingly been classified as a part of shareholders' funds. The amount due to shareholder is subordinated against the recoverability of certain amounts due from related parties (Notes 15, 23 and 24.1b)).

20. Non-controlling interest

Name of the subsidiary	Proportion of ownership interest held by the Non-controlling interests	
	2021	2020
Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC, Kuwait	**5%**	5%
Sterling and Wilson Middle East Electro Mechanical (Bahrain) W.L.L.	**51%**	51%

20. Non-controlling interest (Continued)

The aforesaid entities' summarised aggregate financial information is as follows:

31 March 2021	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC, Kuwait	Sterling and Wilson Middle East Electro Mechanical (Bahrain) W.L.L.	Total
Loss for the year	--	**(79,990)**	**(79,990)**
Balance at the beginning of the year	**152,653**	**(5,990,577)**	**(5,837,924)**
Share of loss for the year	--	**(40,795)**	**(40,795)**
Exchange difference from translation	**(208)**	**(5,422)**	**(5,630)**
Balance at the end of the year	**152,445**	**(6,036,794)**	**(5,884,349)**
Non-controlling interest's share on statement of financial position:			
Current assets	**300,579**	**25,180**	**325,759**
Current liabilities	**(411,234)**	**(11,862,030)**	**(12,273,264)**
Net assets	**(110,655)**	**(11,836,850)**	**(11,947,505)**
Total share of non-controlling interest	**152,445**	**(6,036,794)**	**(5,884,349)**

31 March 2020	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC, Kuwait	Sterling and Wilson Middle East Electro Mechanical (Bahrain) W.L.L.	Total
Loss for the year	(39,303)	(2,115,183)	(2,154,486)
Balance at the beginning of the year	154,443	(4,926,052)	(4,771,609)
Share of loss for the year	(1,965)	(1,078,743)	(1,080,708)
Exchange difference from translation	175	14,218	14,393
Balance at the end of the year	152,653	(5,990,577)	(5,837,924)
Non-controlling interest's share on statement of financial position:			
Current assets	289,266	105,112	394,378
Current liabilities	(395,755)	(11,851,341)	(12,247,096)
Net assets	(106,489)	(11,746,229)	(11,852,718)
Total share of non-controlling interest	152,653	(5,990,577)	(5,837,924)

21. Employees' terminal benefits

The provision for end of service benefits for employees is made in accordance with the requirements of the labour laws of the respective countries in which the Group operates. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment. The cost of providing these benefits is charged as an expense on an annual basis.

21. **Employees' terminal benefits (Continued)**

The movements in the provision recognised in the consolidated statement of financial position are as follows:

	2021	2020
Balance at the beginning of the year	**6,278,551**	3,620,193
(Reversed)/ provided during the year	**(987,467)**	3,265,045
Paid during the year	**(2,780,605)**	(681,010)
Amount recharged by a related party (Note 23)	**49,504**	193,753
Transfer to accrued and other payables (current liability)	**--**	(99,176)
Translation adjustment	**21,874**	(20,254)
Balance at the end of the year	**2,581,857**	6,278,551

Certain employees of the Group's Parent Company are under the visas of its related parties. However, the employees' terminal benefits are accounted and reported in the books of the Group.

22. **Accounts and other payables**

	2021	2020
Trade accounts payable	**33,390,792**	36,309,493
Due to related parties	**11,686,385**	13,972,206
Due to shareholder (see a) below)	**68,255,542**	15,175,677
Third party loan (see b) below)	**4,387,822**	4,260,021
Accrued expenses and other payables	**12,704,345**	17,033,651
	130,424,886	86,751,048

a) Based on an agreement between the Parent Company which operates a Branch in Kingdom of Saudi Arabia and a shareholder, the shareholder has agreed to absorb the losses for the years ended 31 March 2020 and 31 March 2021 of the Branch. Accordingly, accumulated losses for the years ended 31 March 2021 amounting to AED 20,370,177 and 31 March 2020 amounting to AED 51,102,345 (including losses for the year ended 31 March 2019 amounting to AED 9,983,329) have been set off against the balance due to shareholder (Note 23).

b) Third party loan is unsecured, denominated in United States Dollars (USD) and carries interest at 3% (2020: 3%) per annum. The loan is repayable within 12 months from the reporting date.

23. **Related party transactions**

The Group has entered into both funding and other transactions with related parties during the year. Related parties represent shareholders and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these largely funding transactions were approved by the management. The significant related party transactions during the year are as follows:

	Relationship	2021	2020
Revenue from contracts with customers from continuing operations (Note 5)	Other related parties	**407,216**	254,349
Interest income – related parties (Note 7)	Other related parties	**8,832,064**	11,006,601
Rental income (Note 7)	Other related parties	**75,000**	135,000
Recharge of medical insurance (included in salaries and employee related costs)	Other related parties	**--**	105,494
Personnel cost (under salaries and employee related cost)	Other related party	**1,130,501**	2,699,121
Employee terminal benefits recharged by a related party (Note 21)	Other related parties	**49,504**	193,753
Bank charges	Other related parties	**15,756**	--
Expenses paid on behalf of Group	Other related parties	**543,406**	712,904
Expenses incurred on behalf of Group	Intermediate Parent Company	**74,920,721**	21,400,428

The amounts due from/to related parties do not attract interest and are receivable/payable on demand, except for amounts due from related parties of AED 127,220,512 (2020: AED 143,341,292) which carry interest at the rate of 7.5% per annum (2020: 7 to 7.5% to 8% per annum).

23. Related party transactions (Continued)

During the year, a shareholder has absorbed the losses amounting to AED 20,370,177 (2020: AED 51,102,345) of the Branch of the Parent Company (Note 22 a)).

Amount due to shareholder of AED 157,152,732 (2020: AED 177,069,518) is interest free at the reporting date (Note 19).

The recovery of due from related parties amounting to AED 133,699,930 (2020: AED 123,567,572) has been guaranteed by the shareholder with no charge and are secured against the amount due to shareholder (Notes 15, 19 and 24.1 b)).

24. Financial risk and capital management

24.1 Financial risk factors

The Group's financial instruments consist mainly of retention receivables, loan receivable, contract assets, accounts and other receivables, amounts due from related parties, bank and cash balances, accounts and other payables, amounts due to related parties and income tax payable. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Group's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance. Under the Group's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the years ended 31 March 2021 and 31 March 2020. The identified key risks are:

a) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures such as USD, Saudi Riyal (SAR), Bahraini Dinar (BHD) and Kuwaiti Dinar (KD). Foreign exchange risk arises from future commercial transactions and assets and liabilities denominated in foreign currencies. The exchange differences are reported as part of the result for the year.

The Group manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Group does not hedge foreign currency exposures.
The table below indicates the Group's foreign currency exposure, as a result of its monetary assets and liabilities:

	2021 AED	2020 AED
Financial assets- SAR	**103,299,283**	63,951,999
Financial liabilities- SAR	**(214,280,262)**	(148,858,433)
Net exposure	**(110,980,979)**	(84,906,434)

The following table demonstrates the sensitivity to a reasonably possible change in the following foreign currency, with all other variables held constant.

	2021 Effect on loss (+/-)	2020 Effect on loss (+/-)
Change in currency rate by 5% (+/-)		
Currency		
SAR	**(5,549,049)**	(4,245,322)

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

b) Credit risk

The Group is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, retention receivables, contract assets, loan receivable, trade and other receivables and amounts due from related parties.

Bank balances
Credit risk from banks and financial institutions is managed in accordance with the Group's policy. The Group's bank accounts are placed only with high credit quality financial institutions.

Trade accounts receivables, retention receivables, due from related parties, loan receivable and contract assets
The credit risk on trade accounts receivables, retention receivables, due from related parties, loan receivable and contract assets is subjected to credit evaluations. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are defined and are set based on internal and external ratings in accordance with the Group's policies. Outstanding customer receivables, contract assets, loan receivable and amounts due from related parties are regularly monitored and an allowance has been made for expected credit losses. The amounts presented in the consolidated statement of financial position are net of allowances for expected credit losses.

The Group is exposed to significant concentration of credit risk. At the reporting date, 79% of the trade accounts receivable are due from 5 customers (2020: 98% from 5 customers). At the reporting date, 99% of the amounts due from related parties are due from 2 parties (2020: 95% from 3 parties). At the reporting date, 37% of the retention receivable is due from a single party (2020: 39% is due from single party).

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Impairment of financial assets

The Group has the following financial assets that are subject to the expected credit loss model:

a) Trade accounts receivables, retention receivables and contract assets
b) Due from related parties
c) Cash and cash equivalents
d) Other financial assets at amortised cost

The impairment losses on financial assets recognised in the consolidated statement of comprehensive income were as follows:

	2021	2020
Impairment loss on trade accounts receivables (net)	**10,407,814**	21,766,849
Impairment loss on contract assets	**6,999,388**	4,879,740
Impairment loss on financial assets	**17,407,202**	26,646,589

Trade accounts receivable, retention receivables and contract assets
The Group applies the simplified approach to measuring expected credit losses for all trade accounts receivable and contract assets (see Note 4.4 f)). At the reporting date, the expected credit losses on retention receivable is considered immaterial.

For trade accounts receivable from third parties and related parties and contract assets, an impairment is made, depending on the expected recovery of the contractual cash flows. In addition, trade accounts receivable and contract assets more than one year past due are assessed for impairment individually.

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

b) Credit risk (Continued)

Trade accounts receivable, retention receivables and contract assets (Continued)

	2021		2020	
	Trade accounts receivable and contract assets	Of which impaired	Trade accounts receivable and contract assets	Of which impaired
0-3 months past due	**7,590,081**	**7,535,321**	91,496,666	4,879,740
3-6 months past due	**21,130**	--	2,327,830	--
6 months to 1 year past due	**47,145,978**	**6,088,548**	3,505,017	--
More than 1 year past due	**80,786,440**	**42,851,854**	55,012,782	34,026,048
	135,543,628	**56,475,723**	152,342,295	38,905,788

Reconciliation of the closing loss allowances for trade accounts receivable and contract assets at 31 March 2021 to the opening loss allowances are as follows:

	Trade accounts receivables and contract assets	
	2021	2020
1 April	**38,905,788**	12,385,363
Allowance during the year	**26,867,052**	26,646,589
Amounts written back during the year	**(9,459,850)**	--
Translation adjustment	**162,733**	(126,164)
At 31 March	**56,475,723**	38,905,788

Trade accounts receivable, retention receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, failure to agree in a repayment plan with the Group and a failure to make contractual payments. Impairment loses on trade accounts receivable, retention receivables and contract assets are presented as net impairment losses in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same account.

Other financial assets at amortised cost
Other financial assets at amortised cost include due from related parties, other receivables, loan receivable and deposits and advances. The recovery of due from related parties amounting to AED 133,699,930 (2020: AED 123,567,572) has been guaranteed by the shareholder with no charge and are secured against the amount due to shareholder (Notes 15, 19 and 23). The identified impairment loss on other financial assets is considered immaterial.

Cash and cash equivalents
While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

c) Liquidity risk

The Group manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 March, based on contractual payment dates:

2021	On demand	0 to 3 months	3 to 12 months	Total
Accounts and other payables	**13,242,780**	**27,250,201**	**89,931,905**	**130,424,886**
Total	**13,242,780**	**27,250,201**	**89,931,905**	**130,424,886**

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

c) Liquidity risk (Continued)

2020	On demand	0 to 3 months	3 to 12 months	Total
Accounts and other payables	29,147,883	17,033,651	40,569,514	86,751,048
Total	29,147,883	17,033,651	40,569,514	86,751,048

24.2 Capital management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for its shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Group manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Group may adjust the amount of dividends paid to the shareholders, return funds to the shareholders, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 31 March 2020. Capital comprises share capital, legal reserve, amount due to shareholder, foreign currency translation reserve and accumulated losses, and is measured at AED 139,474,015 as at 31 March 2021 (2020: AED 158,962,097).

25. Contingent liabilities

	2021	2020
Bank guarantees	**66,000**	66,000
	66,000	66,000

Bank guarantees issued by banks on behalf of the Group are secured by margin money deposits (Note 16).

26. Subsequent event

Pursuant to an agreement signed with the Intermediate Parent Company (Sterling and Wilson International FZE) on 1 April 2021, Parent Company has acquired assets, liabilities and accumulated losses as of 1 April 2021 amounting to AED 269,712,176, AED 793,942,230 and AED 544,870,011 respectively from the Intermediate Parent Company. The aforesaid agreement was ratified by resolutions passed by the Board of the Parent Company and Intermediate Parent Company.

Further, pursuant to a business transfer cum acquisition agreement entered into between Oman Shapoorji Company LLC ("OSCO"), a related party and the Parent Company on 1 April 2021, the Parent Company has transferred its mechanical, electrical and plumbing (MEP) business along with assets, liabilities and accumulated losses as of 1 April 2021 (relating to MEP business) amounting to AED 298,539,933, AED 868,219,492 and AED 569,679,560 respectively to OSCO. The aforesaid agreement was ratified by resolutions passed by the Board of the Intermediate Parent Company and the Parent Company.

27. Comparative figures

Certain of the prior year amounts have been reclassified to conform to the presentation in the current year.

28. Impact of Covid-19

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures, that include the implementation of travel bans, self-imposed quarantine periods, self-isolation, physical and social distancing and the closure of non-essential businesses, which have caused only marginal disruption to the Group's operations.

28. Impact of Covid-19 (Continued)

The situation including government and public response to the challenges continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage. Notwithstanding, these developments are not expected to have a significant impact on the Group's future financial results, cash flows and financial position, and the management will continue to monitor and adopt the required mitigating actions during the next financial period.

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC
PROVISIONAL STATEMENT OF INCOME
31 MARCH 2022

	Mar-22 AED	Mar-21 AED
Income		
Revenue from contracts with customers	(10,634,365)	71,422,461
Direct costs	(5,344,549)	(80,230,822)
Gross (loss)/profit	(15,978,914)	(8,808,361)
Other income	265,356,174	10,040,937
	249,377,260	**1,232,576**
Expenses		
General and administration	5,719,838	3,069,296
Finance charges	38,119,050	201,654
Depreciation	429,357	138,364
Provisions/ Impairment of financial assets	33,248,162	17,366,407
	77,516,407	**20,775,721**
Profit for the year before tax from continuing operations	**171,860,853**	**(19,543,145)**
Provision for tax	-	-
Profit /(Loss) for the year from continuing operations	**171,860,853**	**(19,543,145)**
TOTAL COMPREHENSIVE PROFIT/ (LOSS) FOR THE YEAR	**171,860,853**	**(19,543,145)**

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC
PROVISIONAL STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Mar-22 AED	Mar-21 AED
ASSETS		
Non-current assets		
Property and equipment	171,801	598,651
Loan receivable	-	20,639,956
	171,801	**21,238,607**
Current assets		
Contract assets	8,087,360	21,831,941
Accounts and other receivables	220,535,013	231,869,014
Bank and cash balances	1,730,008	2,059,398
	230,352,381	**255,760,353**
Total assets	**230,524,182**	**276,998,960**
SHAREHOLDERS' FUNDS AND LIABILITIES		
Shareholders' funds		
Share capital	300,000	300,000
Legal reserve	547,636	547,636
Foreign currency translation reserve	(88,986)	(88,986)
Accumulated losses	**(638,529,722)**	**(18,437,367)**
- Beginning balance	*(18,437,367)*	(19,214,895)
- Acquisition Reserve	*(791,953,208)*	-
-Transfer of Loss		20,320,673
- Profit or loss	*171,860,853*	*(19,543,145)*
Shareholder Current Account	823,337,513	157,152,732
Total shareholders' funds attributable to shareholder of the Parent Company	**185,566,441**	**139,474,015**
Non-controlling interest	(5,884,349)	(5,884,349)
	179,682,092	**133,589,666**
Liabilities		
Non-current liabilities		
Employees' terminal benefits	1,772,969	2,581,857
	1,772,969	**2,581,857**
Current liabilities & Provision		
Contract liabilities	11,232,080	10,402,551
Due to related party	10,677,873	79,941,927
Provisions and Accounts and other payables	27,159,168	50,482,959
	49,069,121	**140,827,437**
	50,842,090	**143,409,294**
Total shareholder's fund and liabilities	**230,524,182**	**276,998,960**

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC
PROVISIONAL SCHEDULES TO STATEMENT OF INCOME
31 MARCH 2022

	Mar-22 AED	Mar-21 AED
DIRECT COSTS		
Salaries and employee related costs (COS)	1,956,195	21,278,757
Material purchases	401,494	29,878,119
Subcontract costs	2,019,447	24,129,781
Depreciation (COS)	-	701,721
Others (COS)	967,415	4,242,444
	5,344,551	**80,230,822**
OTHER INCOME		
Interest income - related parties	9,541,538	8,832,064
Interest income on loan receivable	-	596,091
Unrepresented liabilities written back	917,820	2,500
Net gain on foreign currency exchange	23,340,959	-
Rental income	-	75,000
Others (Income)	231,555,858	535,282
	265,356,175	**10,040,937**
GENERAL AND ADMINISTRATION EXPENSES		
Salaries and employee related costs	4,250,539	804,870
Legal and professional fees	225,785	610,127
Short-term lease	292,298	732,547
Travelling and conveyance	70,563	3,290
Communication	85,675	96,573
Utilities	-	35,878
Vehicle expenses	4,338	3,020
Printing and stationery	-	716
Insurance	164,319	4,859
Others (G&A)	626,319	777,416
	5,719,836	**3,069,296**
FINANCE CHARGES		
Bank charges	51,356	73,853
Interest on third party loan	-	127,801
Interest expense - shareholder	38,067,694	-
	38,119,050	**201,654**

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC
PROVISIONAL SCHEDULES TO STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Mar-22 AED	Mar-21 AED
ACCOUNTS AND OTHER RECEIVABLES		
Trade accounts receivable - third parties	62,845,556	86,109,743
Trade accounts receivable - related parties	14,581,292	15,689,923
Retention receivables	23,834,687	24,485,728
Due from related parties	175,838,479	134,949,465
Advances to suppliers/contractors	-	1,300,117
Deposits and prepayments	13,293,867	1,185,978
Staff loans and advances	3,848	39,231
Other receivables	1,174,255	12,672,531
	291,571,984	276,432,716
Allowance for impaired receivables	(71,036,971)	(44,563,702)
	220,535,013	**231,869,014**
CASH AND CASH EQUIVALENTS		
Cash on hand	408,715	88,115
Bank current accounts	1,255,293	1,905,283
Margin money deposits	66,000	66,000
Bank and cash balances	**1,730,008**	**2,059,398**
EMPLOYEES TERMINAL BENEFITS		
Balance at the beginning of the year	2,523,688	6,278,551
Provided during the year	93,281	(987,467)
Paid during the year	(844,000)	(2,780,605)
Amount recharged by a related party	-	49,504
Transfer to accrued and other payables (current liability)	-	-
Translation adjustment	-	21,874
	1,772,969	**2,581,857**
PROVISIONS AND ACCOUNTS AND OTHER PAYABLES		
Trade accounts payable	15,327,705	33,390,792
Third party loan	-	4,387,822
Provisions	5,800,000	-
Accrued expenses and other payables	6,031,467	12,704,345
	27,159,172	**50,482,959**

KALYANIWALLA
& MISTRY LLP
CHARTERED ACCOUNTANTS

Independent Auditor's Certificate

The Board of Directors,
Sterling and Wilson Private Limited,
9th Floor, Universal Majestic,
P.L Lokhande Marg,
Chembur West Mumbai – 400043.

1. This certificate is issued in accordance with the terms of our engagement letter dated July 01, 2022.

2. We, Kalyaniwalla & Mistry LLP, Chartered Accountants, the statutory auditors of the Company have been requested by the Company's Management to provide a certificate that the accounting treatment proposed for the reduction of share capital, reorganisation of reserves in the books of Sterling and Wilson Private Limited and with respect to the merger of Sterling and Wilson Middle East Electromechanical LLP ("SW ME" or "Transferor Company") with and into Sterling and Wilson Private Limited ("Transferee Company" or "the Company") and their respective shareholders ("Scheme" or "this Scheme") in the Scheme of Arrangement of the Transferor Company with the Company ('Scheme of Arrangement'), proposed to be filed by the Company in this regard with the National Company Law Tribunal, Mumbai Bench ('NCLT'), is in conformity with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013("Act"), read with rules thereof, and other generally accepted accounting principles in India.

3. We have examined Clauses 4.1 to 4.5 of Part II and Clause 12 of Part III of the Proposed Scheme of Arrangement (furnished hereto in 'Annexure 1', attached herewith and initialled by us for identification) with regards to the proposed accounting treatment for the reduction of share capital, reorganisation of reserves in the books of Sterling and Wilson Private Limited and with respect to the merger of Sterling and Wilson Middle East Electromechanical LLP ("SW ME" or "Transferor Company") with and into Sterling and Wilson Private Limited ("Transferee Company" or "the Company") and their respective shareholders ("Scheme" or "this Scheme") under Section 66 of the Act, Section 234 read with Section 230 to 232 of the Act and other applicable provisions of the Act and the rules made thereunder, as approved by the Board of Directors of the Transferee Company at its meeting held on June 06, 2022.

Management's Responsibility

4. The Management of the Company is responsible for ensuring that the proposed accounting treatment pursuant to the Proposed Scheme of Arrangement is in conformity with Indian Accounting Standards specified under Section 133 of the Act, read with rules thereof, other generally accepted accounting principles in India, Act and rules made thereunder, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and making estimates that are reasonable in the circumstances.

KALYANIWALLA & MISTRY LLP MUMBAI

LLP IN : AAH - 3437
REGISTERED OFFICE : ESPLANADE HOUSE, 29, HAZARIMAL SOMANI MARG, FORT, MUMBAI 400 001
TEL.: (91) (22) 6158 6200, 6158 7200 FAX : (91) (22) 6158 6275

5. The Management is also responsible for ensuring that the Company complies with all other requirements to the Proposed Scheme of Arrangement and the application proposed to be filed by the Company in this regard with the NCLT.

6. The responsibility for giving effect to the Proposed Scheme of Arrangement and the accounting treatment in the books of the Transferee Company is that of the Board of Directors of the Transferee Company.

Auditor's Responsibility

7. Pursuant to the requirements of the Act, our responsibility is only to examine and report whether the proposed accounting treatment in the books of the Transferee Company referred to Clause 12 under Part III and Clauses 4.1 to 4.5 under Part II of the Scheme referred to above comply with the applicable Indian Accounting Standards as specified under section 133 of the Act and other Generally Accepted Accounting Principles and the Act and the rules made thereunder.

8. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

9. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

10. We have complied with relevant applicable requirements of the Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

11. As per the Companies Act, 2013, the Scheme has to provide for an Appointed Date from which the Scheme shall be deemed to be effective. The Company has accordingly proposed the closing hours of 31st day of March 2022 as per the Proposed Scheme of Arrangement as the Appointed Date. However, the Effective date as per the Proposed Scheme of Arrangement is the last of the date on which the conditions specified in Clause 19 of the Proposed Scheme of Arrangement are complied with, which may be different from Appointed Date.

Based on our aforesaid examination and read with our comment above and according to the information and explanations and representations given to us by the Company's management, we are of the opinion that the resultant accounting treatment with regards to Clauses 4.1 to 4.5 of Part II and Clause 12 of Part III of the Proposed Scheme of Arrangement, for the reduction of share capital, reorganisation of reserves of the Company and merger of Sterling and Wilson Middle East Electromechanical LLP ("SW ME" or "Transferor Company") with and into Sterling and Wilson Private Limited ("Transferee Company" or "the Company") in the books of the Transferee Company, if approved by the National Company Law Tribunal, will be in compliance with the

KALYANIWALLA & MISTRY LLP

applicable Ind AS, specified under Section 133 of the Companies Act, 2013, other generally accepted accounting principles, Act and rules made thereunder.

12. For ease of reference, the Clauses 4.1 to 4.5 of Part II and Clause 12 of Part III of the Proposed Scheme of Arrangement, duly authenticated on behalf of the Company, is attached as an Annexure to this certificate, and is initialled by us only for the purposes of identification.

Restriction on use

13. This certificate has been issued for the sole use of the Board of Directors, to whom it is addressed, for onward submission by the Company to the National Company Law Tribunal, Mumbai Bench. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or responsibility or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W/ W100166

KALYANIWALLA & MISTRY LLP
MUMBAI

Jamshed K. Udwadia
PARTNER
M. No.: 124658
UDIN: 22124658AMLYIG9189
Mumbai, July 08, 2022

Annexure I:

Extract of Part II of Draft Scheme of Arrangement

REORGANISATION OF RESERVES AND REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

4. EXTRACT OF REORGANISATON OF RESERVES AND REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

4.1 With effect from the Appointed Date, 1,80,25,000 number of CCPS (having face value of INR 1,000 each) of the Transferee Company shall stand extinguished and cancelled through capital reduction proportionate to percentage of such CCPS held by the holders of the CCPS as on the Effective Date, for a consideration of INR 11.68 per equity share (as determined on a fully diluted basis), as determined vide Valuation Report dated 2 June, 2022, issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106, amounting to a total payout of INR 87,71,68,000.

4.2 With effect from the Appointed Date, 1,46,84,667 number of Equity Shares (having face value of INR 10 each) of the Transferee Company (50% of the Equity Shares of the Company as on 28 February 2022) shall stand extinguished and cancelled through capital reduction proportionate to percentage of such Equity Shares held by the holders of the Equity Shares as on the Effective Date, for a consideration of INR 11.68 per equity share, as determined vide Valuation Report dated 2 June, 2022, issued by an Independent Registered Valuer, bearing registration number IBBI/RV/05/2019/11106, amounting to a total payout of INR 17,15,16,905.

4.3 With effect from the Appointed Date, the difference between the aggregate of face value of CCPS and Equity Shares so extinguished and cancelled through capital reduction as per Clause 4.2 and 4.3 above, on the one hand, and the amount of consideration payable on such extinguishment and cancellation, shall stand transferred to and be recorded as credit to the Capital Reduction Reserve.

4.4 With effect from the Appointed Date, such Capital Reduction Reserve shall be utilised for set-off of the debit balance in the Profit & Loss Account of the Transferee Company.

4.5 The extinguishment and cancellation of CCPS and Equity Shares in the manner stated above shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under section 66 and other applicable provisions of the Act and no separate sanction under section 66 and other applicable provisions of the Act will be necessary.

KALYANIWALLA & MISTRY LLP MUMBAI

STERLING AND WILSON PVT. LTD. MUMBAI

Sterling and Wilson Private Limited
Associates of: Shapoorji Pallonji and Company Private Limited
Registered Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: U31200MH1974PTC017538
Email: mumbai@sterlingwilson.com | www.sterlingandwilson.com

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Extract of Part III of Draft Scheme of Arrangement

AMALGAMATION OF THE TRANSFEROR COMPANY WITH AND INTO THE TRANSFEREE COMPANY

12. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY

12.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations under common control) notified under Section 133 of the Act and under any other relevant Indian Accounting Standard prescribed under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.

12.2 All the assets and liabilities of Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Company as on the Appointed Date after giving effect to Part II of this Scheme.

12.3 The identity of the reserves pertaining to the Transferor Companies, shall be preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Transferee Company, as on the Appointed Date after giving effect to Part II of this Scheme.

12.4 The investments in shares of the Transferor Company, as appearing, inter alia, in the books of the Transferee Company shall stand cancelled.

12.5 To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

12.6 The surplus / deficit of the value of the assets over the value of liabilities and reserves of the Transferor Company, pursuant to Amalgamation of Transferor Company with and into the Transferee Company, and as recorded in the books of account of the Transferee Company shall, after adjusting for cancellation of inter-company investments in Clause 12.4 and other adjustments as above in Clause 12.5, be recorded as "Capital Reduction Reserve" in the books of the Transferee Company.

KALYANIWALLA & MISTRY LLP MUMBAI

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Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: U31200MH1974PTC017538
Email: mumbai@sterlingwilson.com | www.sterlingandwilson.com

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12.7 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies and the difference till the Appointed Date will be quantified and adjusted in the Capital Reduction Reserve mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

12.8 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

12.9 Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and generally accepted accounting principles.

For **Sterling and Wilson Private Limited**

Mr. Parmeshwar Hegde
Chief Financial Officer
Date: 07.07.2022

STERLING AND WILSON PVT. LTD. MUMBAI

MUMBAI

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Email: mumbai@sterlingwilson.com | www.sterlingandwilson.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – V
COMPANY SCHEME APPLICATION NO. C.A. (CAA) 224/MB/2022

In the matter of the Companies Act, 2013;

AND

In the matter of Section 234 read with Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and Rule 11 and other applicable rules of the NCLT Rules, 2016

AND

In the matter of Scheme of Arrangement of Sterling and Wilson Middle East Electromechanical LLC (**'SW ME'** or 'the **Transferor Company'**) WITH Sterling and Wilson Private Limited (**'SWPL'** or 'the **Transferee Company'**) and their respective Shareholders ('the Scheme' or 'this Scheme')

STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC

...the Non-Applicant Company / Transferor Company

STERLING AND WILSON PRIVATE LIMITED

...the Applicant Company / Transferee Company

Sterling and Wilson Private Limited }
9th Floor, Universal Majestic, P. L. Lokhande Marg, }
Chembur (West), Mumbai – 400043, Maharashtra }
CIN: U31200MH1974PTC017538 }

… Applicant Company / Transferee Company

PROXY FORM FOR MEETING OF UNSECURED CREDITORS

I/ We (*) the undersigned Unsecured Creditors of Sterling and Wilson Private Limited (CIN U31200MH1974PTC017538) do hereby
nominate and appoint

1. Name: ______________________________

   Address: ______________________________

   ____

   Email ID: ______________________________

   Signature: ______________________________, or failing him/her

2. Name: ______________________________

   Address: ______________________________

   ____

   Email ID: ______________________________

   Signature: ______________________________, or failing him/her

3. Name: ______________________________

   Address: ______________________________

   ____

   Email ID: ______________________________

   Signature: ______________________________, or failing him/her

as my/our PROXY to act for me/us at the meeting of the Unsecured Creditors of Sterling and Wilson Private Limited to be held on Thursday, 16th February 2023 at 2:30 P.M. at the registered office of the Applicant / Transferor Company at Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043, Maharashtra, for the purpose of considering and if thought fit, approving with or without modification, the proposed Scheme of Arrangement of Sterling and Wilson Middle East Electromechanical LLC with Sterling and Wilson Private Limited and at such meeting or any adjournment thereof to vote for me/us and in my/our name ______________ [here, 'if for', insert 'for'; 'if against', insert 'against' and in the latter case, strike out the words below after 'Scheme of Arrangement'] the said Scheme of Arrangement either with or without modification as my/our proxy may approve.

Name of Unsecured Creditor: ______________________________

Address: ______________________________

Email Id: ______________________________

Signed this ..……….. day of ……………………………2023

Signature of Unsecured Creditor ………………………………………………………………………………

Signature of Proxy holder(s)…………………………………………………………………………….

Affix Revenue Stamp

NOTES:

1. Please affix appropriate Revenue Stamp before putting Signature
2. The proxy duly stamped, signed and completed must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting
3. A proxy need not be an Unsecured Creditor of the Company
4. Alterations, if any made in the form of proxy must be initialled by the Unsecured Creditor
5. In case of multiple proxies, the Proxy later in the time shall be accepted.

   (*) Strike out whichever not applicable.

STERLING AND WILSON PRIVATE LIMITED

CIN: U31200MH1974PTC017538
Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai – 400043, Maharashtra

ATTENDANCE SLIP
(To be handed over at the entrance of the Meeting Venue)

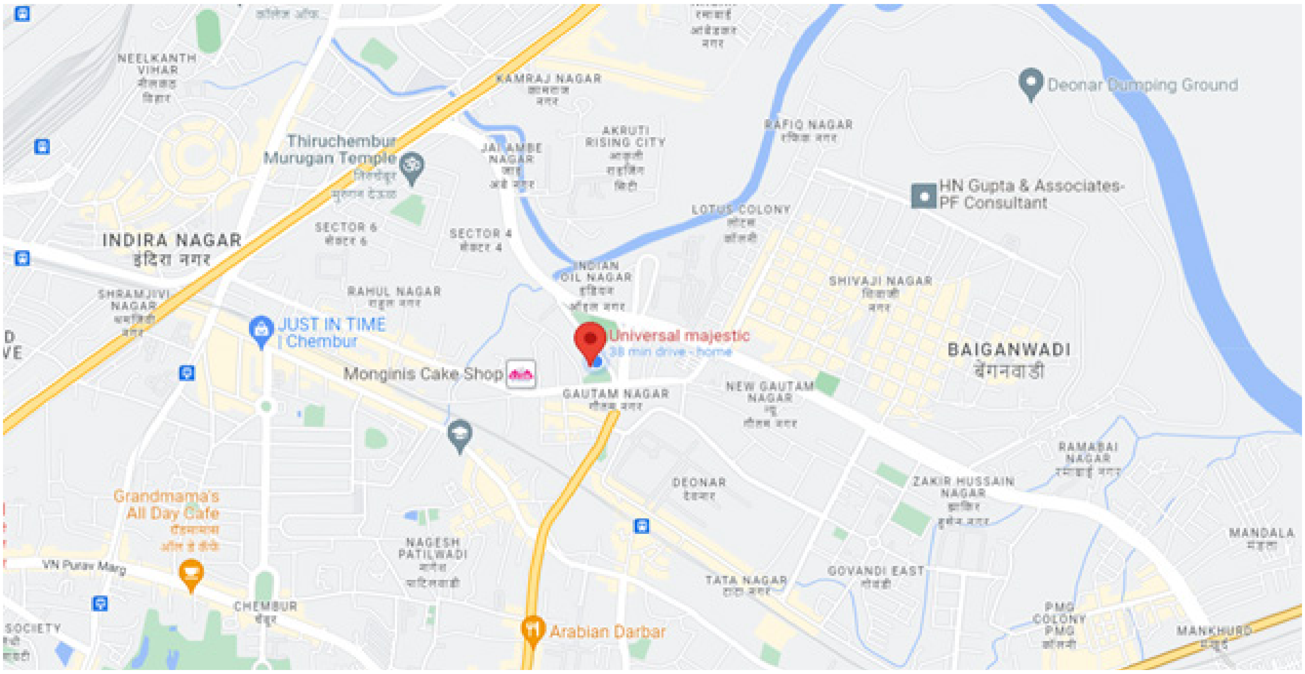
Name of Unsecured Creditor	
Address of Unsecured Creditor	
Name of Authorised Representative/ Proxyholder, attending if any*	

I hereby record my presence at the Meeting of Unsecured Creditors of Sterling and Wilson Private Limited, convened pursuant to order of the Hon'ble National Company Law Tribunal, Mumbai Bench, on Thursday, 16th February 2023 at 2:30 P.M. IST at the registered office of the Applicant / Transferor Company, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai – 400043, Maharashtra

____

Signature of the Unsecured Creditor/Authorised Representative/Proxyholder*
* Strike out whichever is not applicable

ROUTE MAP


NEELKANTH VIHAR
KAMRAJ NAGAR
Deonar Dumping Ground
Thiruchembur Murugan Temple
AKRUTI RISING CITY
JAI AMBE NAGAR
RAFIQ NAGAR
HN Gupta & Associates-PF Consultant
INDIRA NAGAR
इंदिरा नगर
SECTOR 6
SECTOR 4
LOTUS COLONY
INDIAN OIL NAGAR
SHIVAJI NAGAR
SHRAMJIVI NAGAR
RAHUL NAGAR
JUST IN TIME | Chembur
Universal majestic
BAIGANWADI
बैंगनवाडी
Monginis Cake Shop
GAUTAM NAGAR
NEW GAUTAM NAGAR
RAMABAI NAGAR
DEONAR
ZAKIR HUSSAIN NAGAR
Grandmama's All Day Cafe
MANDALA
NAGESH PATILWADI
VN Purav Marg
TATA NAGAR
GOVANDI EAST
CHEMBUR
PMG COLONY
SOCIETY
Arabian Darbar
MANKHURD