

KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STERLING AND WILSON PRIVATE LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **STERLING AND WILSON PRIVATE LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries and partnership firm (Holding Company, its subsidiaries and partnership firm together referred to as "the Group") and its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate/consolidated financial statements of the subsidiaries and joint ventures referred to in the "Other Matters" paragraph below, the aforesaid consolidated 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 Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2020, of its consolidated loss and consolidated other comprehensive loss, consolidated cash flows and consolidated statement of changes in equity for the year ended.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act 2013 and the Rules made 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 and the audit evidence obtained by the other auditors in terms of their reports and unaudited financial information provided by Management of Holding Company referred to in the sub-paragraphs (b), (c) and (d) respectively of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 58 of the consolidated Ind AS financial statements regarding uncertainties relating to recoverability of trade receivables, unbilled receivables and advance for projects aggregating to Rs. 13,837.82 million along with interest receivable on delayed payments amounting to Rs. 1,391.48 million as at March 31, 2020, which represents contractual dues in respect of 7 contracts for developing, supply, civil works and installation service projects. The Group had filed case before Hon'ble High Court of Delhi for 2 out of its 7 projects, restraining its customer, Skypower Group and its Special Purpose Vehicles (SPVs) to alienate, transfer and/or sell the said assets, pending commencement of arbitration proceedings with the Seat of Arbitration in Singapore.



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In addition to the above facts, the Group has entered into commercial negotiations with Skypower/SPVs to achieve a settlement of the above outstanding dues. This settlement has progressed and is in four phases, involving recovery of the dues partly through payment and partly through acquisition of the projects, unutilised inventory and excess land in these projects. Two phases of the settlement agreement have been completed, between the Company and Skypower Group /SPVs. In these two settlements, the Group has acquired two projects and received payment of approximately 20% of the total outstanding amount as indicated above and are in the process of finalising the settlement agreements and recovering the balance outstanding dues. Based on above case status and the settlement discussions with the Developers, opinion of their Legal Counsel & the favourable order from the Delhi high court, the Group Management believes that no adjustments/impairments are required to be made in the consolidated Ind AS financial statements of the Group towards the total outstanding receivables.

Our opinion and our Report on Other Legal and Regulatory Requirements are not modified in respect of the above matter.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprise the information included in the Director's report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 consolidated Ind AS 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.

Management's/Designated Partners Responsibilities for the consolidated Ind AS financial statements

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind-AS and other accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and the Designated Partners of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.



In preparing the consolidated Ind AS financial statements, the respective Board of Directors/Designated Partners of the companies/ joint ventures are responsible for assessing the ability of the Group and of its joint ventures 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 cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Designated Partners of the companies/joint ventures are also responsible for overseeing the financial reporting process of the Group/ joint ventures.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated Ind AS 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 financial 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 the internal financial controls with reference to consolidated Ind AS financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Directors. 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 ability of the Group and its joint ventures 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 and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and its joint ventures to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the consolidated Ind AS financial statements of which we are the independent auditors. For the other subsidiaries and joint ventures included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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

- a) In respect of the Holding Company, the inventory is verified by us on a rotational basis at the various depot locations at the year end, however, due to the COVID-19 related lockdown we were unable to travel to the planned locations at the year end and reliance has been placed on inventory counts conducted by management for the physical verification of inventory as at March 31, 2020. We have also performed alternate procedures to audit the existence of inventory which includes inspection of supporting documentation relating to receipts and issues of materials as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone Ind AS financial statements.
- b) We did not audit the financial statements of ten subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect the total assets of Rs. 24,717.37 million as at March 31, 2020, total revenues of Rs. 9,146.29 million and net cash outflows amounting to Rs. 627.65 million for the year ended on that date. The consolidated Ind AS financial statements also include the group's share of net loss of Rs. 8.35 million for the year ended March 31, 2020 in respect of two joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management for consolidation and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and joint ventures, and our report in terms of subsections (3) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the report of the other auditors.

These ten subsidiaries and two joint ventures are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries 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 referred to in para (b) above, made by the Holding Company's management. Our opinion in so far as it related to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- c) The financial information of 7 branches included in the consolidated Ind AS financial statements of the Group whose financial information reflect total assets of Rs. 264.14 million as at March 31, 2020 and the total revenue of Rs. 211.86 million for the year ended on the date, has not been audited. These branches are located outside India whose financial and other information have been prepared in accordance accounting principles generally accepted in their respective countries. The Holding Company's management 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 referred to in para (c) above, made by the Holding Company's management. Our opinion in so far as it related to the balances and affairs of such branches located outside India is based on the conversion adjustments prepared by the management of the Holding Company and audited by us.



Annexure 'A' to the Independent Auditors' Report

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

Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated Ind AS financial statements of the Sterling and Wilson Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and such companies incorporated in India under the Act, which are its subsidiary companies (the Holding Company and its subsidiary companies incorporated in India together referred to as the Group), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the criteria established by the respective companies 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 (the "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 the company's business, including adherence to the respective company's policies, the safeguarding of the company's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries which are companies incorporated in India, as aforesaid 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") issued by the Institute of Chartered Accountants of India 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 issued by the ICAI. 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 consolidated 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 system with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.



- d) The financial statements of a subsidiary whose financial statements reflect the total assets of Rs. 4.15 million as at March 31, 2020, total revenues of Rs. Nil and net cash outflows amounting to Rs. 1.07 million for the year ended on that date and the financial statements of a joint venture whose group's share of net loss of Rs. 246.42 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the management of the Holding Company and our opinion on the consolidated Ind AS financial statements, in respect of the subsidiary and joint venture is solely based on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management of the Holding Company, this financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act based on our audit and on the consideration of the reports of other auditors on the separate financial statements and the other financial information of the subsidiaries and joint ventures, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

- (a) 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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards as specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and reports of the subsidiaries incorporated in India none of them is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the 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 Holding Company and its subsidiaries incorporated in India, being private limited companies, section 197 of the Act relating to managerial remuneration is not applicable.

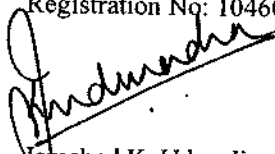


- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the auditors on the separate financial statements, as also the other financial information of the subsidiaries and joint ventures as noted in the "Other Matters" paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer note 43 of the consolidated Ind AS financial statements.
 - ii. The Group and its joint ventures have made provisions, as required under applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long term contracts – refer note 30 to the consolidated Ind AS financial statements. The Group and its joint ventures 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 Holding Company and its subsidiaries incorporated in India.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Registration No: 104607W / W100166



Vanshed K. Udawadia

Partner

Membership No: 124658

UDIN: 20124658AAAAIA2195

Mumbai, November 09, 2020



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiaries, incorporated in India as aforesaid.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements.

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Consolidated Ind AS Financial Statements.

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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.

Opinion

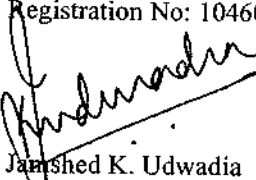
According to the information and explanations given to us and based on our audit procedures, we are of the opinion that the Group's overall documentation over intercompany transactions, process of obtaining confirmations and the Financial Closing Reporting Process needs improvement. We are informed the Group is taking steps to improve these processes and strengthening the monitoring controls.

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, 2020 consolidated Ind AS financial statements of the Group and these material weaknesses does not affect our opinion on the consolidated Ind AS financial statements of the Group.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Registration No: 104607W / W100166


Janshed K. Udawadia

Partner

Membership No: 124658

UDIN: 20124658AAAALA2195

Mumbai, November 09, 2020



Sterling and Wilson Private Limited

Consolidated Balance sheet

as at 31 March 2020

(Currency : Indian rupees in millions)

	Note	31 March 2020	31 March 2019
Assets			
1 Non-current assets			
(a) Property, plant and equipment	4	1,951.04	1,756.29
(b) Capital work-in-progress	4	76.14	1,101.12
(c) Right-of-use assets	4.1	212.92	-
(d) Goodwill on consolidation	5	113.34	161.00
(e) Other intangible assets	5	67.96	97.83
(f) Investments accounted for using equity method	6	163.94	8.91
(g) Financial assets			
(i) Investments	7	734.47	784.97
(ii) Loans	8	1,712.98	75.23
(iii) Other financial assets	9	46.09	44.08
(h) Deferred tax assets (net)	10	1,268.37	542.39
(i) Non-current tax assets (net)	11	1,283.11	771.42
(j) Other non-current assets	12	61.47	26.25
Total non-current assets		7,691.83	5,369.47
2 Current assets			
(a) Inventories	13	680.98	845.81
(b) Financial assets			
(i) Investments	14	6.96	5.15
(ii) Trade receivables	15	32,251.03	31,582.19
(iii) Cash and cash equivalents	16	1,441.28	2,310.23
(iv) Bank balances other than cash and cash equivalents	17	638.68	415.12
(v) Loans	18	1,775.61	2,148.97
(vi) Other financial assets	19	12,430.50	9,462.68
(c) Income tax assets (net)	20	142.60	94.79
(d) Other current assets	21	6,268.10	6,245.98
Total current assets		55,635.74	53,110.92
Total assets		63,327.57	58,480.39
Equity and liabilities			
Equity			
(a) Equity share capital	22	293.69	160.36
(b) Compulsorily convertible non-cumulative preference shares	22	15,025.00	2,500.00
		15,318.69	2,660.36
(c) Reserves and surplus			
- Capital redemption reserve	23	(2,569.84)	1,522.01
- Securities premium account		500.00	500.00
- General reserve		5,614.50	747.85
- Legal reserve		133.90	133.90
- Retained earnings		11.07	11.07
- Others (including items of other comprehensive income)		(8,091.63)	(3,053.09)
- Advance against equity & Loan towards Equity		(737.69)	(332.93)
Total equity attributable to owners of the Company		(0.00)	3,515.22
		12,748.85	4,182.38
Non-controlling interest			
	23	40.45	(153.38)
Total equity		12,789.30	4,029.00



Sterling and Wilson Private Limited

Consolidated Balance sheet (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	Note	31 March 2020	31 March 2019
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	446.83	463.22
(ii) Lease liabilities		72.52	-
(b) Provisions	25	401.73	357.01
(c) Deferred tax liabilities (net)	10.1	1.10	7.09
Total non-current liabilities		922.18	827.32
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	21,199.78	17,174.09
(ii) Lease liabilities		151.89	-
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		1,129.58	1,472.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,809.40	15,137.76
(iv) Other financial liabilities	28	2,490.80	1,357.35
(b) Other current liabilities	29	9,189.94	17,936.68
(c) Provisions	30	610.52	521.24
(d) Income tax liabilities (net)	31	34.18	24.57
Total current liabilities		49,616.09	53,624.11
Total liabilities		50,538.27	54,451.43
Total equity and liabilities		63,327.57	58,480.39

Significant accounting policies

Notes to the consolidated financial statements

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

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166

Jayshree K. Udawadia

Partner

Membership No: 124658

Mumbai

09 November 2020

For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U1200MH1974PLC017538

Khurshed Daruvala

Director

DIN:002169057

Mumbai

Zarine Daruvala

Managing Director

DIN:00190585

Mumbai

Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

09 November 2020

K. P. Hariharan

Company Secretary

Membership No: A 5165

Mumbai

Sterling and Wilson Private Limited

Consolidated statement of profit and loss

for the Year ended 31 March 2020

(Currency : Indian rupees in millions)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Continuing operations			
Revenue from operations	32	37,871.00	37,016.44
Other income	33	2,375.67	1,389.20
Total income		<u>40,246.67</u>	<u>38,405.64</u>
Expenses			
Cost of construction materials, stores and spare parts	34	23,143.28	20,356.30
Purchase of traded goods	35	57.52	804.07
Changes in inventories of stock-in-trade	36	(148.49)	(30.62)
Direct project costs	37	12,963.93	9,991.27
Employee benefits expense	38	3,221.77	3,229.76
Finance costs	39	3,151.54	2,630.06
Depreciation and amortisation expense	40	439.76	164.77
Other expenses	41	2,902.15	4,330.26
Total expenses		<u>45,731.46</u>	<u>41,475.87</u>
Consolidated (loss) before share in (loss) of joint ventures and income tax from continuing operations		<u>(5,484.81)</u>	<u>(3,070.25)</u>
Share in (loss) of joint ventures (net of income tax)		(268.76)	(53.99)
Consolidated (loss) before income tax for the year from continuing operations		<u>(5,753.57)</u>	<u>(3,124.24)</u>
Tax expense:			
Current tax	52	13.51	67.50
Provision for earlier years		0.18	0.04
Deferred tax charge / (credit)		(735.39)	32.02
MAT credit entitlement		-	(53.96)
		<u>(721.70)</u>	<u>45.60</u>
Consolidated (loss) for the year		<u>(5,031.87)</u>	<u>(3,169.84)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability		15.05	(15.17)
(ii) Share of other comprehensive income in joint venture, to the extent not to be reclassified to profit or loss		0.59	(0.62)
(iii) Income tax relating to items that will not be reclassified to profit or loss		(5.26)	-
Items that will be reclassified to profit or loss			
(i) Exchange differences in translating financial statements of foreign operations		(435.52)	(190.53)
(ii) Effective portion of (losses) on hedging instruments in cash flow hedges		-	-
(iii) Share of other comprehensive income in joint venture, to the extent to be reclassified to profit or loss		13.40	(39.85)
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		<u>(411.74)</u>	<u>(246.17)</u>
Total comprehensive income for the year		<u>(5,443.62)</u>	<u>(3,416.01)</u>
Consolidated (loss) attributable to:			
Owners of the Company		(5,008.74)	(3,054.29)
Non-controlling interests		(23.14)	(115.56)
Consolidated (loss) for the year		<u>(5,031.88)</u>	<u>(3,169.85)</u>
Other comprehensive income attributable to:			
Owners of the Company		(403.90)	(257.11)
Non-controlling interests		(7.84)	10.97
Other comprehensive income for the year		<u>(411.74)</u>	<u>(246.17)</u>
Total comprehensive income attributable to:			
Owners of the Company		(5,412.64)	(3,311.43)
Non-controlling interests		(30.99)	(104.59)
Total comprehensive income for the year		<u>(5,443.62)</u>	<u>(3,416.02)</u>



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Sterling and Wilson Private Limited

Consolidated statement of profit and loss (Continued)

for the Year ended 31 March 2020

(Currency : Indian rupees in millions)

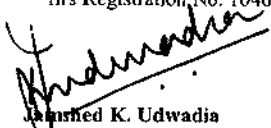
	Note	Year ended 31 March 2020	Year ended 31 March 2019
Earnings per equity share for continuing operations attributable to equity holders of the parent (nominal value of Rs 10 each)			
Basic and diluted earnings per share (Rs)	47	<u>(142.62)</u>	<u>(117.31)</u>
Earnings per equity share for continuing operations attributable to equity holders of the parent (nominal value of Rs 10 each)			
Basic and diluted earnings per share (Rs)	47	<u>(142.62)</u>	<u>(117.31)</u>
Significant accounting policies			
Notes to the consolidated financial statements	3		
The attached notes are an integral part of these consolidated financial statements.	1-60		

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

CA's Registration No: 104607W/W100166



Jashod K. Udwadia

Partner

Membership No: 124658

Mumbai

09 November 2020

For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PLC017538

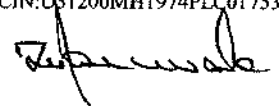


Khurshed Daruvala

Director

DIN:00216905

Mumbai



Zarine Daruvala

Managing Director

DIN:00190585

Mumbai



Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

09 November 2020



K. P. Hariharan

Company Secretary

Membership No: A 5165

Mumbai

Sterling and Wilson Private Limited

Consolidated Statement of cash flows

as at 31 March 2020

(Currency : Indian rupees in Millions)

A. CASH FLOW FROM OPERATING ACTIVITIES	31 March 2020	31 March 2019
Profit/(loss) before tax	(5,753.57)	(3,124.24)
<i>Adjustments for :</i>		
Depreciation and amortisation expense	439.76	164.77
Property, plant and equipment written off	8.62	-
Finance cost	3,151.54	2,630.06
Share in loss of joint ventures	268.76	53.99
Gain on sale of subsidiary (net)	(22.08)	-
Supplier balances written back	(102.15)	(75.02)
Financial assets measured at fair value through profit & loss a/c - net change in fair value	56.88	(12.89)
Unrealised foreign exchange loss (net)	13.46	(8.56)
Provision for bad and doubtful debts (net)	515.00	108.67
Bad debts written off	274.44	52.30
Provision for foreseeable losses (net)	67.57	25.21
Provision for Liquidated damages (net)	27.81	8.47
Gain on absorption of losses in joint ventures (refer note 3 to cash flow below and note 50)	(312.53)	-
Write back of provision for bad and doubtful debts (net)	(175.77)	(40.64)
Write back of provision no longer required	(15.76)	(2.30)
Interest income from bank deposits, related parties, third parties	(169.47)	(1,077.01)
Dividend income	(0.11)	(15.80)
Loss on disposal of Investment	-	31.29
(Profit) / Loss on sale of Property, Plant & Equipments (net)	(0.93)	0.30
Operating profit / (loss) before working capital changes	(1,728.53)	(1,281.40)
<i>Working capital adjustments</i>		
Decrease / (Increase) in Inventories	164.83	(343.30)
(Increase) / Decrease in Trade receivables	(1,353.13)	(4,311.79)
(Increase) / Decrease in loans and other assets	(3,034.08)	(6,264.28)
(Decrease) / Increase in trade payable, other current liabilities and provisions	(7,041.74)	5,301.10
Net change in working capital	(11,264.12)	(5,618.27)
Cash flows (used in) operating activities	(12,992.65)	(6,899.67)
Income tax paid (net)	(563.57)	(335.28)
Effects of exchange differences on translation of assets and liabilities	(502.08)	169.72
Net cash flows (used in) operating activities (A)	(14,058.30)	(7,065.23)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, plant and equipment (including capital work in progress, capital creditors and capital advances)	(455.45)	(1,481.61)
Proceeds from sale of Property, plant and equipment and intangible assets	7.18	131.37
Interest income from bank deposits, related parties, third parties	143.89	634.57
Investment in equity instruments	(9.01)	(1.27)
Investment in equity accounted investees	-	(6.50)
Acquisition of subsidiaries	-	(45.45)
(Purchase) of fixed deposits, net	(225.57)	(22.27)
Proceeds from liquidation of Subsidiary	1.75	-
Loans to equity accounted investees repaid	-	81.20
Loan (given to) / repaid by related parties and third parties (net)	(1,281.26)	109.69
Dividend income	0.11	15.80
Net cash flows (used in) investing activities (B)	(1,818.36)	(584.47)



C. CASH FLOW FROM FINANCING ACTIVITIES :

Equity Capital Issued	1,649.99	-
Proceeds from issue of compulsorily convertible preference shares	12,525.00	-
Advance received against equity	38.35	3,515.22
Interest expense paid	(3,099.58)	(1,701.70)
Secured term loans obtained from bank	591.52	-
Repayment of secured term loans to bank	(439.69)	(1,630.01)
(Repayment of) / Proceeds from Cash credit loan from banks (net)	(458.16)	595.95
Repayment of trust receipts	(26.58)	(391.36)
Proceeds from / (Repayment of) working capital loan from banks (net)	1,199.78	(1,978.66)
Payment of Lease liabilities (including interest expense)	(210.53)	-
Non convertible Debentures obtained	1,600.00	-
Proceeds of bank overdraft	10.89	-
Unsecured Loans Repaid	(28,477.23)	(21,355.54)
Unsecured Loans obtained	30,165.78	28,856.80
Net cash flows generated from financing activities (C)	15,069.54	5,910.70
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(807.12)	(1,739.00)
Cash and cash equivalents at the beginning of the year	2,310.23	4,182.01
Effect of movement in exchange rates on cash held	61.40	(132.78)
Cash and cash equivalents held on sale of subsidiary	(123.29)	-
Cash and cash equivalents at the end of the year	1,441.22	2,310.23

Notes to Consolidated Statement of cash flows

1 The 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 and cash equivalents comprises

Balances with Bank		
- in current accounts	1,433.27	2,283.11
Cheques, drafts on hand	-	11.72
Cash on hand	8.01	15.39
	1,441.28	2,310.23

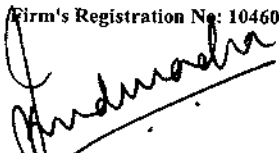
3 Non cash consideration

Pursuant to share purchase agreement between the Group and shareholders of joint venture entities, the Group is entitled to receive additional shares / cash from erstwhile shareholder for the shortfall in case actual net worth as of 31 December 2017 is lower than the target net worth. agreement. As a result, a settlement agreement was entered into on 17 February 2020 between the Group and the erstwhile majority shareholders. whereby the Group received shares in joint venture without cash consideration. Refer note 50.

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

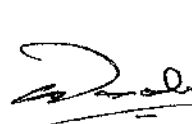
	31 March 2020	31 March 2019
A. Long term borrowings		
Long term borrowings as at beginning of the year	926.44	2,438.70
Net cash flows	151.83	(1630.01)
Foreign currency translation	18.85	117.75
Long term borrowings as at end of the year	1,097.11	926.44
A. Short term borrowings		
Short term borrowings as at beginning of the year	17,174.09	11,315.22
Net cash flows	4,014.48	5,727.19
Foreign currency translation	11.21	131.68
Short term borrowings as at end of the year	21,199.78	17,174.09

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

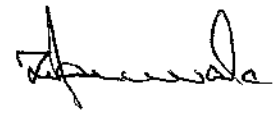


Jamshed K. Udawadia
Partner
Membership No: 124658
Mumbai
09 November 2020

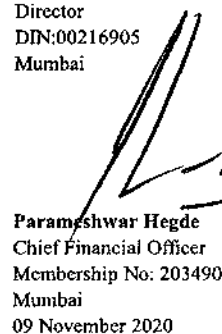
For and on behalf of the Board of Directors of
Sterling and Wilson Private Limited
CIN: U31200MH1974PLC017538



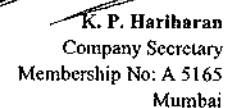
Khurshed Daruvala
Director
DIN:00216905
Mumbai



Zarine Daruvala
Managing Director
DIN:00190585
Mumbai



Parameshwar Hegde
Chief Financial Officer
Membership No: 203490
Mumbai
09 November 2020



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

Sterling and Wilson Private Limited

Consolidated statement of changes in equity

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

A. Equity share capital

	Balance as at 1 April 2019	Changes in share capital during the year	Balance as at 31 March 2020
Equity share capital	160.36	133.33	293.69
Previous year numbers are in italics	160.36	-	160.36

B. Compulsorily convertible non-cumulative preference shares

Note	Balance as at 1 April 2019	Changes in share capital during the year	Balance as at 31 March 2020
22	2,500.00	11,525.00	15,025.00
Compulsorily convertible non-cumulative preference shares	2,500.00	-	2,500.00
Previous year numbers are in italics	-	-	-

C. Other equity

	Attributable to owners of the Company										Total			
	Reserves and surpluses					Items of other comprehensive income								
	Deemed equity contribution received from parent and shareholders	Capital reserve for purchase of business combinations	Capital redemption premium reserve	Legal reserve	Retained earnings	Sub-total	Re-measurement of defined benefit liability	Foreign currency translation reserve	Other Reserve	Sub-total				
Balance as at 1 April 2019	-	63.12	500.00	733.75	133.90	10.49	1,513.81	(9.93)	(62.68)	-	(72.61)	1,441.20	(48.79)	1,392.41
Adjustments:														
Aid : Group's share in the share premium of Joint Venture STC Power S.r.l.	-	-	-	14.10	-	-	14.10	-	-	-	-	14.10	-	14.10
Other Movements	-	-	-	-	(133.90)	-	(133.90)	-	-	-	-	(133.90)	-	(133.90)
Arising on transfer of business	-	-	-	-	63.12	(0.80)	63.12	-	(3.20)	-	(3.20)	(3.20)	-	(3.20)
Transferred pursuant to scheme of arrangement	-	(63.12)	-	-	-	-	(63.12)	-	-	-	(63.12)	(63.12)	-	(63.12)
Advance against equity & Loan towards Equity	3,515.22	-	-	-	-	-	3,515.22	-	-	-	3,515.22	3,515.22	-	3,515.22
	3,515.22	-	560.00	747.85	133.90	10.49	5,909.22	(9.93)	(65.88)	-	(78.81)	4,831.41	(48.79)	4,782.62
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated (loss) for the year	-	-	-	(3,054.30)	-	-	(3,054.30)	-	-	-	-	(3,054.30)	(115.56)	(3,169.86)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(15.79)	-	-	(15.79)	(15.79)	-	(15.79)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	(241.32)	-	(241.32)	(241.32)	(10.97)	(252.29)
Transfer from retained earnings to legal reserve	-	-	-	(0.57)	-	0.58	(0.57)	-	-	-	-	-	0.01	0.01
Total comprehensive income for the year	-	-	-	(3,054.87)	-	0.58	(3,054.29)	(15.79)	(241.32)	-	(257.11)	(3,311.40)	(104.56)	(3,415.96)
Balance as at 31 March 2019	500.00	747.85	1,017.85	1,854.84	133.90	11.07	3,653.09	(25.72)	(307.21)	-	(331.93)	1,522.81	(153.38)	1,369.43



Sterling and Wilson Private Limited
 Consolidated statement of changes in equity (Continued)
 for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

	Attributable to owners of the Company										Items of other comprehensive income		Total		
	Reserves and surplus					Retained earnings					Sub-total	Sub-total		Attributable to owners of the parent	Attributable to non-controlling interests
	Deemed equity contributions received from parent and shareholders	Capital reserve for bargain purchase business combinations	Securities premium reserve	Legal reserve	Dividend redemption reserve	General reserve	Retained earnings	Sub-total	Re-measurement of defined benefit liability	Foreign currency translation reserve					
Balance as at 1 April 2019	3,515.22	500.00	747.85	11.07	-	333.96	(3,853.09)	1,854.94	(25.72)	(307.21)	-	(332.93)	1,522.01	(153.38)	1,368.63
Adjustments:															
On issue of equity shares	-	-	4,866.66	-	-	-	-	4,866.66	-	-	-	-	4,866.66	-	4,866.66
Add: Addition during the year	38.35	-	-	-	-	-	38.35	-	-	-	-	-	38.35	0.63	38.98
Less: Deletions during the year	(3,250.00)	-	-	-	-	-	(3,350.00)	-	-	-	-	-	(3,350.00)	-	(3,350.00)
Less: Reclassification during the year	(23.90)	-	-	-	-	-	(23.90)	-	-	-	-	-	(23.90)	-	(23.90)
	174.67	500.00	5,614.51	11.07	-	333.96	(3,953.09)	3,391.06	(25.72)	(307.21)	-	(332.93)	3,048.13	(152.75)	2,895.38
Total comprehensive income for the year															
Consolidated (loss) for the year	-	-	-	-	-	-	(5,006.74)	(5,006.74)	-	-	-	-	(5,006.74)	(23.14)	(5,031.88)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	10.36	-	-	10.36	-	30.10	-	40.46	-	40.46
Exchange differences in remeasuring the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	(444.38)	-	-	(444.38)	(7.84)	(452.22)
Transferred to Profit and Loss (Exchange Differences Realised on Liquidation of Subsidiary)	-	-	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)	-	(0.50)
Arising from sale of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Movements	(174.67)	-	-	-	-	(29.86)	(204.47)	-	-	(0.35)	-	(0.35)	(204.82)	202.36	(2.46)
	(174.67)	-	-	-	-	(29.86)	(204.47)	-	-	(0.35)	-	(0.35)	(204.82)	202.36	(2.46)
Total comprehensive income for the year															
Balance as at 31 March 2020	-	500.00	5,614.51	11.07	-	333.96	(8,991.65)	(3,332.16)	(15.34)	(782.44)	30.10	(484.75)	(5,617.87)	(93.20)	(5,711.07)
	-	500.00	5,614.51	11.07	-	333.96	(8,991.65)	(3,332.16)	(15.34)	(782.44)	30.10	(484.75)	(5,617.87)	(93.20)	(5,711.07)

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

As per our report of even date attached.

For Kalyanwala & Mistry LLP

Chartered Accountants

Firm's Registration No. 124638

Mumbai

09 November 2020

Partner

Udwadia

Membership No: 124638

Mumbai

09 November 2020

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

CIN: U31200MH1974PLC017638

Zarine Daruvala

Managing Director

DIN: 00190585

Mumbai

K. P. Haribaran

Company Secretary

Membership No: A. 5165

Mumbai

09 November 2020

Sterling and Wilson Private Limited

Notes to the consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

1. Background

Sterling and Wilson Private Limited (“the Company”, “the Parent Company”) is one of India's leading Mechanical, Electricals and Plumbing and Fire-fighting services (collectively known as 'MEP services') company with a pan India presence and international operations in Middle East, South East Asia, Africa, Europe and Australia. These consolidated financial statements comprise the Company and its subsidiaries (hereinafter collectively referred to as “the Group”) and the Group's interest in joint ventures.

The Group is specialized 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, Solar EPC and Data Centre solutions 3,500 projects. The principal activity of the Group also includes import, export and trading of building materials, related accessories, installation and maintenance of air conditioning systems, electricity transmission and control apparatus and electromechanical equipment. Further, the Group is also engaged in plumbing, sanitary and electrical fitting contracting, and designing, engineering, procurement, fabrication, construction, installation of solar generating facilities and other related activities.

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 consolidated financial statements

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Board of Directors of the Company at their meeting held on 09 November 2020.

b. Functional and presentation currency

These consolidated 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 millions, unless otherwise stated.

c. Basis of measurement

The consolidated 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



Sterling and Wilson Private Limited

Notes to the consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

- employee's defined benefit plan as per actuarial valuation.

d. *Use of estimates and judgments*

The preparation of the consolidated 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 date of these financial statements and the reported amounts of revenues and expenses for the years presented. The actual results may differ from these estimates.

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(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 recognized in the consolidated financial statements for the period in which such changes are determined.

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

The Group 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.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from the prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized. The estimation of residual value of assets is based on management's judgement about the condition of such asset at the point of sale of asset.



Notes to the consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilize any recorded tax assets. The Group 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 Group'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 recognized 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 recognizes 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 Group 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 consolidated statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is any future salability 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 financial assets and contract assets

The Group reviews its financial assets and contract assets to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its financial assets and contract assets. In determining whether impairment losses should be reported in the consolidated statement of profit and loss, 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, is evidence of a reduction in the recoverability of the cash flows.

In case of trade receivables, unbilled receivables and contract assets, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For



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Notes to the consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

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) Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. 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 categorized 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 Group 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 categorized 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



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Further information about the assumptions made in measuring fair values is included in the following note:-

Note 54 – Financial Instruments.

(viii) *Estimation of provisions and contingencies*

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

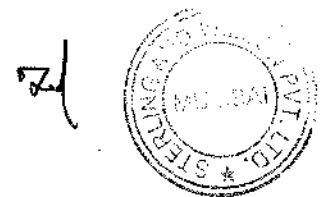
(ix) *Business combinations and intangible assets*

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(x) *Impairment of Goodwill*

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



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(xi) Determination of lease term and Discount rate

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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.

(xii) Estimation of uncertainties relating to the global health pandemic from COVID – 19:

The Group has considered the possible effects that may result from the pandemic relating to COVID – 19 on the carrying amount of receivables, unbilled revenues, investments, contract assets, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID – 19 on the Group's financial statements may differ from the estimated as at the date of approval of these Consolidated financial statements.

3. Significant accounting policies

3.1 Principles of consolidation and equity accounting

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.



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Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., 31 March 2020. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% Holding as on 31.3.2020	% Holding as on 31.3.2019
1	Range Consultants Private Limited	Subsidiary	India	99.99%	99.99%
2	Sterling and Wilson Security Systems Private Limited	Subsidiary	India	99.90%	99.90%
3	Sterling and Wilson International FZE	Subsidiary	United Arab Emirates	100%	100%
4	Sterling and Wilson Cogen Solutions AG	Subsidiary	Switzerland	100%	100%
5	Sterling and Wilson Middle East WLL	Subsidiary	Qatar	49%	49%
6	Sterling and Wilson Nigeria Limited	Subsidiary	Nigeria	51%	51%
7	GCO Pty. Ltd.	Subsidiary	Australia	76%	Nil
8	Sterling and Wilson Middle East Electromechanical LLC	Step-Down Subsidiary	United Arab Emirates	49%	49%
9	Sterling and Wilson Power Systems Inc.	Step-Down Subsidiary	United States of America	100%	100%
10	Sterling and Wilson HES UK Limited (formerly Sterling & Wilson UK Holdings Limited)	Step-Down Subsidiary	United Kingdom	100%	100%
11	Sterling and Wilson Middle East Electromechanical (Bahrain) WLL	Step-Down Subsidiary	Bahrain	49%	49%



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12	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC	Step-Down Subsidiary	Kuwait	49%	49%
13	Sterling and Wilson Cogen Solutions LLC	Step-Down Subsidiary	United States of America	100%	100%

The financial statements of subsidiaries at serial number 4 are unaudited and are consolidated based on management certified financial information.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains the accounting of goodwill generated on consolidation.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

b. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

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.

c. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.



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Interests in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% Holding as on 31.3.2020	% Holding as on 31.3.2019
1	STC Power S.r.l.	Joint Venture	Italy	60%	60%
2	Co.Stell S.r.l.	Joint Venture	Italy	85%	85%
3	P.T.C. S.a.s. di Barzanti Massimo	Joint Venture	Italy	50%	50%

d. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

3.2 Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015:

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred after the transition date i.e. 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination



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as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

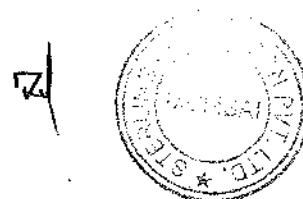
Common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.
- (v) The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to reserve.

3.3 Current/ non-current classification

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



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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 Group'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 Group'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 Group does not have an unconditional right to defer settlement of the liability for at least 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 Group'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 Group, 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 Group 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.

3.4 Foreign currency

(i) Foreign currency transactions

Initial Recognition

The functional currency of the Company and its Indian subsidiaries is Indian Rupees whereas the functional currency of foreign operations (Subsidiaries, Joint venture and Branches) is the currency of primary economic environment in which the entity operates. Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Exchange differences



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arising on foreign exchange transactions settled during the year are recognised in the consolidated 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 consolidated 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.

(i) Foreign operations

For the purpose of presenting these consolidated financial statements, the assets and liabilities of foreign operations (subsidiaries, joint ventures, branches) including 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.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the consolidated statement profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated statement of profit and loss.

3.5 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

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



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Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(b) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL).

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 asset.

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 Group 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. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic

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 Group 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.



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Financial assets: Business model assessment

The Group 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;
- how the performance of the portfolio is evaluated and reported to the Group'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 Group'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 Group 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 Group 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 Group'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



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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 consolidated 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 consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in the consolidated statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(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 consolidated 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 consolidated 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 consolidated 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 consolidated statement of profit and loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.



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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

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 consolidated 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 consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss.

(c) *Derecognition*

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group 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 consolidated 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 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.



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3.6 Fair Value

The Group 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 consolidated 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 consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

3.7 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 Group 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 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 Group.



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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 consolidated 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 over the estimated useful lives 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 Group'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:

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

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.

Derecognition

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



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3.8 Goodwill and other intangible assets

(i) Goodwill

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

(ii) 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.

Intangible assets under development

The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Intangible assets acquired under business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually.

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 are 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



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measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss in the period the asset is derecognised.

3.9 Inventories

Inventories comprise cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Material at central stores comprises wiring, cabling and air-conditioning material, components, stores and spares. Stock in trade comprises of land acquired for land development 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.

3.10 Impairment

Impairment of non-derivative financial assets and contract 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 receivables unbilled receivables; and contract assets
- Financial assets measured at amortised cost (other than trade receivables, unbilled receivables and contract assets).

In case of trade receivables and contract revenue receivables, the Group 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 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 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.



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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 profit and loss.

Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



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3.11 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 Group 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*

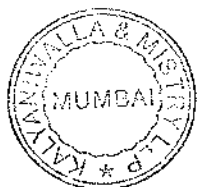
A defined contribution plan is a plan for the post employment benefit of an employee under which the Group pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Group has no further legal or constructive obligation to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

(ii) *Defined benefit plans*

The Group's gratuity benefit scheme is a defined benefit plan. The Group'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 consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the consolidated statement of profit and loss in the subsequent period. The Group 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 consolidated statement of profit and loss.



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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 consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the consolidated statement of profit and loss.

In respect of the overseas subsidiaries, provision is made for employees' terminal benefits on the basis prescribed under the labour laws of the respective countries in which the overseas subsidiaries operates and is determined based on arithmetic calculation.

Other long-term employee benefits

The Group'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. Remeasurements gains or losses are recognised in the consolidated 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.

3.12 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group 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.



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Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group 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 Group recognises any impairment loss on the assets associated with that contract.

3.13 Revenue recognition

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

Revenue from contracts with customers:

The Group 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 Group 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 Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group'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.



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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 Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts

Contract prices are either fixed or subject to price escalation clauses. Revenue from works contracts is recognised on the basis of percentage completion method, and the level of completion depends on the nature and type of each contract including:

- a) Unbilled work-in-progress valued at net realisable value upto the stage of completion; and
- b) amounts due in respect of the price and other escalation, bonus claims and/or variation in contract work approved by the customer/third parties etc. where the contract allows for such claims or variations and there is evidence that the customer/third party has accepted it.

Revenue from works contracts, where performance obligation is satisfied over time, 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 Group, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the management and the effect of changes in estimates is recognised in the period such changes are identified.

Revenue from services performed on contracts from the end of the last billing to the balance sheet date is recognised as unbilled receivables (financial asset). A receivables represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due

A contract asset is the right to consideration in exchange for goods or services transferred to the customers. If the Group performs its obligation by transferring goods or services to a customer before customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration which is conditional. The contract assets are transferred to receivables when the rights become unconditional

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. Contract liabilities are recognized as revenue when the Group performs under the contract.

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

Any variations in contract work, claims, 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.



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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.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in the consolidated statement of profit and loss. Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group.

Revenue from sale of goods

Revenue is recognised at point in time when the control of asset is transferred to the customer on contractual terms. Revenue represents the invoice value of goods provided to third parties net of discounts and sales taxes/value added taxes/goods and service tax.

Operation and maintenance income:

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

Income from consultancy services

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services transferred.

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.

3.14 Advances from customers and progress payments

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.



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3.15 Leases

The Group adopted IND AS 116 - Leases using the modified retrospective approach with effect from initially applying this standard from 1st April, 2019. Accordingly, the information presented for previous year ended 31st March, 2019 is reported as per Ind AS 17 and are not retrospectively adjusted.

The Group has adopted modified retrospective approach where lease liability is measured at a present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application. The Group has adopted a policy of measuring the Right of-use Asset at an amount equal to lease liability with the result of no net impact on retained earnings and no restatement of prior period comparatives.

Accounting policy applicable before 1st April 2019

Determining whether an arrange contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

Lease payments

Payments made under operating leases are generally recognised in the consolidated statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.



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Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting policy applicable from April 1, 2019

From the date of initial application Ind AS 116, the classification of expenses has changed from lease rent (included in other expenses) in previous year to amortisation expense of right-of-use asset, and finance cost for interest unwound on lease liability.

At inception of a 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 of time 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 may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group as a lessee has the right to direct the use of the asset. The Group 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. 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:
 - o the Group as a lessee has the right to operate the asset; or
 - o the Group as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

For effect of applying Ind AS 116 - Leases on transition period refer Note 4.1.

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.



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It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

3.16 Recognition of dividend income, interest income or expense

Dividend income is recognised in the consolidated statement of profit and loss on the date on which the Group'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



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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.

3.17 Income tax

Income tax comprises current and deferred tax. It is recognised in the consolidated 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 consolidated 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 Group 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 and joint arrangements to the extent that the Group 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.



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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 Group 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.

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.

3.18 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.

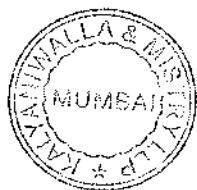
3.19 Investments

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 consolidated 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.



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Notes to the consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

3.20 Consolidated statement of cash flows

The Group's consolidated 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 Group 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.

3.21 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

3.22 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

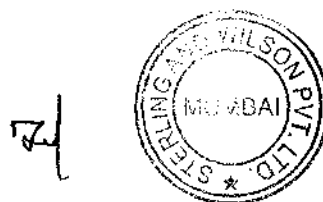
3.23 Events after reporting date

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 consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

24 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new Indian Accounting Standards and/or amendments to existing Indian Accounting Standards.

There is no such notification which would be applicable from 01 April 2020.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)
as at 31 March 2020

(Currency : Indian rupees in millions)

4 Property, plant and equipment and capital work-in-progress

A Reconciliation of carrying amount

Particulars	Owned Assets					Asset given on lease**				Total (A+B)	
	Leasehold Land	Office buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Computer hardware	Building		Total (A)
Gross carrying amount :											
Balance as at 1 April 2018	4.66	1,198.21	65.81	273.50	46.65	75.50	-	113.70	8.34	1,786.38	1,984.32
Add: Additions during the year	-	-	113.91	185.92	15.95	17.39	-	68.00	-	401.18	1,452.83
Add: Reclassifications during the year	-	-	-	-	(0.52)	-	-	-	-	(0.00)	(0.00)
Less: Disposals during the year	-	(5.20)	(5.25)	(0.36)	-	(6.87)	-	(0.66)	-	(18.35)	(18.35)
Less: Capitalized during the year	-	-	-	-	-	-	-	-	-	-	(106.39)
Add: Exchange translation difference during the year	-	-	0.18	5.31	5.26	2.38	-	0.86	-	13.99	7.91
Balance as at 31 March 2019	4.66	1,193.01	174.66	464.89	67.35	88.40	-	181.90	8.34	2,183.20	1,101.12
Balance as at 1 April 2019	4.66	1,193.01	174.66	464.89	67.35	88.40	-	181.90	8.34	2,183.20	1,101.12
Add: Additions during the year	-	-	-	325.30	2.83	29.53	-	52.55	-	410.21	121.37
Less: Disposals during the year	-	-	-	(1.20)	(7.65)	(13.71)	-	(1.11)	-	(19.66)	(19.66)
Less: Capitalized during the year	-	-	-	-	-	-	-	-	-	-	(118.90)
Less: On sale of subsidiary during the year	-	-	-	-	-	-	-	0.00	-	0.00	(1,048.50)
Add: Exchange translation difference during the year	-	-	0.59	9.67	5.23	1.54	-	1.60	-	18.94	29.84
Balance as at 31 March 2020	4.66	1,193.01	175.26	798.66	71.76	106.06	-	234.95	8.34	2,892.69	76.14
Accumulated Depreciation :											
Balance as at 1 April 2018	(0.14)	(22.42)	(46.09)	(114.61)	(15.12)	(29.97)	-	(56.24)	(0.45)	(385.04)	(285.04)
Add: Depreciation for the year	(0.09)	(18.91)	(11.12)	(45.82)	(9.73)	(7.37)	-	(45.34)	(0.15)	(138.54)	(138.54)
Add: Reclassifications during the year	-	-	-	(0.47)	0.47	-	-	-	-	0.00	0.00
Less: Disposals during the year	-	-	-	0.34	-	5.50	-	0.59	-	8.98	8.98
Add: Exchange translation difference during the year	-	0.16	(0.44)	(5.25)	(3.86)	(2.28)	-	(0.48)	-	(12.31)	(12.31)
Balance as at 31 March 2019	(0.23)	(41.16)	(55.26)	(165.81)	(28.25)	(34.12)	-	(101.47)	(0.60)	(426.91)	(426.91)
Balance as at 1 April 2019	(0.23)	(41.16)	(55.26)	(165.81)	(28.25)	(34.12)	-	(101.47)	(0.60)	(426.91)	(426.91)
Add: Depreciation for the year	(0.09)	(18.90)	(8.81)	(32.38)	(4.83)	(21.36)	-	(47.73)	(0.15)	(214.25)	(214.25)
Less: Disposals during the year	-	-	-	(1.07)	-	(11.54)	-	(0.86)	-	(13.47)	(13.47)
Add: Exchange translation difference during the year	-	-	(0.26)	(6.50)	(4.30)	(1.61)	-	(1.18)	-	(13.95)	(13.95)
Balance as at 31 March 2020	(0.33)	(60.06)	(64.43)	(255.62)	(47.39)	(45.55)	-	(149.53)	(0.74)	(641.65)	(641.65)
Carrying amounts (net)											
At 31 March 2019	4.43	1,151.85	119.40	299.07	39.11	54.27	-	80.43	7.74	1,566.29	1,101.12
At 31 March 2020	4.34	1,132.95	90.83	545.04	24.37	60.51	-	85.42	7.58	1,951.04	76.14

* Value less than 0.01 million

** The subsidiary has given office building on lease to related parties for the periods ranging from 12 months to 36 months.

Notes :

- a) As at 31 March 2020, movable fixed assets with carrying amount of Rs 638.26 million (31 March 2019: Rs 396.40 million) are subject to first charge to secure bank loans.
- b) Nil amount of borrowing cost is capitalised during the current and comparative periods.
- c) Nil amount of impairment loss is recognised during the current and comparative periods.

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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

4.1 Right-of-use assets

Disclosure under Ind AS 116, Leases

A) Group as a Lessee

	Land and Buildings *	Total
Gross carrying amount :		
Balance as at 1 April 2019	-	-
Effect of change in accounting policy (refer note E below)	381.58	381.58
Add: Additions during the year	20.36	20.36
Add: Exchange translation difference during the year	9.78	9.78
Balance as at 31 March 2020	411.72	411.72
Accumulated depreciation		
Balance as at 1 April 2019	-	-
Add: Depreciation for the year	193.92	193.92
Add: Exchange translation difference during the year	4.88	4.88
Balance as at 31 March 2020	198.80	198.80
Carrying amounts		
Balance as at 31 March 2020	212.92	212.92

* 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 under "Property, plant and equipment and capital work-in-progress".

B) Breakdown of lease expenses

	For the year ended 31 March 2020
Short-term lease expense	254.78
Total lease expense	254.78

C) Cash outflow on leases

	For the year ended 31 March 2020
Repayment of lease liabilities (Including Interest on lease liabilities)	210.53
Short-term lease expense	254.78
Total cash outflow on leases	465.31

D) Maturity analysis of lease liabilities

31 March 2020	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities	221.53	83.71	27.89	12.60	345.73	5.50% - 11.5%
	221.53	83.71	27.89	12.60	345.73	

Disclosures under IND AS 17 (for the year 2018-19)

The Group has taken office premises on cancellable and non-cancellable operating leases and has taken vehicles on cancellable operating leases. The future minimum lease payments in respect of office premises and vehicles is as follows:

Lease obligations	31 March 2019
Lease expense recognised in the consolidated statement of profit and loss	522.61
Future minimum lease payments under non-cancellable operating leases	
Due not later than one year	306.35
Due later than one year but not later than five years	98.19
Later than five years	12.60
Total	417.15



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

4.1 Disclosure under Ind AS 116, Leases (Continued)

E) Impact of changes in accounting policies

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

On transition to Ind AS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

The Group adopted Ind AS 116 - Leases using the modified retrospective approach with effect from initially applying this standard from 1 April 2019. Accordingly, the information presented for previous year ended 31 March 2019 is reported as per Ind AS 17 and are not retrospectively adjusted.

The Group has adopted modified retrospective approach where lease liability is measured at a present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application. The Group has adopted a policy of measuring the Right-of-use Asset at an amount equal to lease liability with the result of no net impact on retained earnings and no restatement of prior period comparatives.

F) Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the balance sheet

Particulars	Rs. in millions
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	417.15
Less: Discounting impact	56.70
Lease liabilities recognised in the balance sheet as at 1 April 2019**	381.58

**The Group has adopted a policy of measuring the Right of use Asset at an amount equal to lease liability on initial application of Ind AS 116.

G) Group as a Lessor

The Indian subsidiary company has given office building on lease to related parties for the periods ranging from 12 months to 36 months. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The accounting policies applicable to the group as a lessor, in the comparative period, were not different from Ind AS 116.

a) Amounts recognized in statement of profit and loss

	Year ended 31 March 2020 (in millions)
Rental income from related party (refer note 49.2)	0.89

b) Undiscounted lease payments to be received after 31 March 2020

	Year ended 31 March 2020 (in millions)
Less than one year	-
Between 1 and 2 years	-
2 and 5 years	-
Over 5 years	-
Total undiscounted lease payments to be received [#]	-

[#]Rental income to be received post 31 March 2020 will be eliminated while preparing consolidated financial statements. Accordingly, the group will not have any lease payment receivable from related party post 31 March 2020.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

5 Intangible assets and intangible assets under development

Particulars	Goodwill	Computer software	Intangible assets under development	Total
Gross carrying amount :				
Balance as at 1 April 2018	127.64	114.75	9.60	251.99
Add: Acquisitions through business combinations	47.07	-	-	47.07
Add: Additions during the year	-	55.98	-	55.98
Less: Capitalized during the year	-	-	(9.60)	(9.60)
Add: Exchange translation difference during the year	-	0.20	-	0.20
Balance as at 31 March 2019	174.71	170.93	-	345.64
Balance as at 1 April 2019	174.71	170.93	-	345.64
Add: Additions during the year	-	10.29	-	10.29
Less: Disposals during the year	(47.66)	(23.36)	-	(71.02)
Add: Exchange translation difference during the year	-	0.66	-	0.66
Balance as at 31 March 2020	127.05	158.52	-	285.57
Accumulated amortisation and impairment losses:				
Balance as at 1 April 2018 (including impairment)	13.71	46.83	-	60.54
Add: Amortisation for the year	-	26.22	-	26.22
Add: Exchange translation difference during the year	-	0.05	-	0.05
Balance as at 31 March 2019	13.71	73.09	-	86.81
Balance as at 1 April 2019	13.71	73.09	-	86.81
Add: Amortisation for the year	-	31.59	-	31.59
Less: Disposals during the year	-	(14.70)	-	(14.70)
Add: Exchange translation difference during the year	-	0.57	-	0.57
Balance as at 31 March 2020	13.71	90.56	-	104.27
At 31 March 2019	161.00	97.83	-	258.83
At 31 March 2020	113.34	67.96	-	181.30

Notes:

- Nil amount of borrowing cost is capitalised during the current and comparative periods.
- Nil amount of impairment loss is recognised during the current and comparative periods.

5.1 Goodwill

The Group tests goodwill on an annual basis and whenever there is an indication that the CGU to which the goodwill has been allocated may be impaired. The goodwill impairment test is performed at the level of the CGU or group of CGUs that benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is determined based on higher of value-in-use and fair value less cost of disposal. Where there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions, the recoverable amount is determined by value-in-use. In determining the value-in-use, cash flow projections approved by appropriate level of management are considered. In circumstances where a reliable value-in-use estimate is difficult to make whereas market value of the asset or the CGU or group of CGUs is readily available, the latter is used for the determination of recoverable amount with appropriate adjustments, where applicable.

Apart from the observable market information, significant management estimates and judgments are used to determine the recoverable amounts based on value-in-use. Key assumptions on which management has based its determination of recoverable amount includes estimated growth rates (including terminal growth rates), margins and discount rates. Cash flow projections are usually considered for next 3-5 years and represent management's best estimate about future developments with due consideration for past performance. Cash flows beyond the five-year period are extrapolated using terminal growth rates.

Goodwill acquired through business combinations with indefinite lives has been allocated to following CGU's

Entity name	31 March 2020	31 March 2019
Range consultants private limited	47.56	47.56
Sterling and Wilson Security Systems Private Limited	10.92	10.92
Sterling & Wilson Nigeria Limited	54.86	54.86
Sterling and Wilson Royal Power Solutions Limited**	-	0.59
SWB Power Limited*	-	47.07
Total	113.34	161.00

* Investment sold during the current year

** Sterling and Wilson Royal Power Solutions Limited was liquidated w.e.f. 4 June 2019

The goodwill is tested for impairment and accordingly no impairment charges was identified for FY 2019-20 (Nil for FY 2018-19).



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
6 Investments accounted for using equity method		
(a) Unquoted, in joint ventures		
EUR 16,68,346 share quota [31 March 2019: EUR 700,000] Co. Stelli S.r.l.	158.41	5.39
EUR 5,000 share quota [31 March 2019: EUR 5,000] P.T.C S.A.S Di Barzanti Massimo	5.53	3.52
EUR 72,21,968 share quota [31 March 2019: EUR 4,200,000] STC Power S.r.l.	-	-
	<u>163.94</u>	<u>8.91</u>
Aggregate amount of unquoted investments;	163.94	8.91
Aggregate amount of impairment in value of investments	-	-
7 Other Investments		
(a) Investment in equity instruments (at fair value through profit or loss)		
Sterling and Wilson Saudi Arabia Limited*	0.91	0.91
500 [31 March 2019 : 500] shares of SAR 1.00 each, fully paid up		
Monjin Interviews Private Limited	199.12	225.20
237,037 [31 March 2019: 237,037] shares of Rs 10 each, fully paid-up		
Transtel Utilities Ltd,UK***	0.00	-
10 [31 March 2019 : Nil] shares of GBP 1 each, fully paid up		
SWB Power Ltd***	0.00	-
10 [31 March 2019 : Nil] shares of GBP 1 each, fully paid up		
Less: Provision for impairment	<u>(0.91)</u>	<u>-</u>
	<u>199.12</u>	<u>226.11</u>
* The Group has a share of 5% in share capital of the Sterling and Wilson Saudi Arabia Limited, a company incorporated in Kingdom of Saudi Arabia who is engaged in construction of electrical and mechanical works. During the year 2019-20, management has provided for the impairment on its investment.		
** 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 0.01 million.		
Investment in preference shares		
(a) Unquoted, in fellow subsidiaries (at fair value through profit or loss)		
Sterling Generators Private Limited	535.35	558.85
500,000 [31 March 2019: 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 6 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report.		
	<u>734.47</u>	<u>784.97</u>
Aggregate amount of unquoted investments	734.47	784.97
Aggregate amount of impairment in value of investments	0.91	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
8 Loans		
<i>(Unsecured considered good unless otherwise stated)</i>		
<i>To parties other than related parties</i>		
Security deposits		
Considered good	114.34	75.23
Considered doubtful	0.03	-
	<u>114.37</u>	<u>75.23</u>
Less: Provision for Security Deposits	(0.03)	-
	<u>114.34</u>	<u>75.23</u>
Loan to third party*	1,217.43	-
<i>To related parties</i>		
Loan**	381.21	-
	<u><u>1,712.98</u></u>	<u><u>75.23</u></u>
* The loan given by subsidiary company is denominated in United States Dollars (USD). Loan to third party includes Rs. 499.47 millions carrying interest rate at 3% per annum and is receivable not later than 5 May 2022, Rs. 74.82 millions does not attract interest and is receivable not later than 5 April 2022, Rs. 176.89 millions carrying interest rate at 3% per annum and is receivable not later than 19 June 2022, Rs. 76.23 millions carrying interest rate at 3% per annum and is receivable not later than 23 July 2021 and Rs. 390.01 millions carrying interest rate at 3% per annum and is receivable not later than 4 April 2022.		
** The loan to a related party includes Rs. 22.84 millions denominated in Arab Emirates Dirham (AED), is interest free and is receivable not later than 31 March 2023 or such later date as shall be agreed by the parties, Rs. 358.37 millions was originally loan advanced to SWB Power Limited. During the year, by virtue of an assignment agreement, the loan has been assigned to a related party. The loan is denominated in Great Britain Pound (GBP), is unsecured, interest free and is payable not later than 29 August 2022 or such later date as shall be agreed by the parties.		
The Group calculated the fair value of the loans to related party by discounting the contractual cash flows to its present value using the discount rate of 5.5% per annum. As a result of discounting, the imputed interest expense of Rs. 50.59 millions is recognized in the consolidated statement of comprehensive income during the year.		
Dues from firms or private companies in which any director is a partner or a director or member:		
Transtel Utilities Ltd,UK	381.21	-
9 Other non-current financial assets		
Bank deposits* (due to mature after 12 months from reporting date)	46.09	44.08
	<u><u>46.09</u></u>	<u><u>44.08</u></u>

* Bank deposit to the extent of Rs 46.01 million (31 March 2019: Rs 43.48 millions is held as margin money or security against the borrowings, guarantees, other commitments.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
10 Deferred tax assets (net)		
<i>Deferred tax assets</i>		
Employee benefits	200.40	192.34
Provision for bad and doubtful debts and loans and advances	111.34	122.42
Provision for foreseeable losses	32.24	3.26
Provision for unbilled receivables	-	46.87
Carry forward business losses *	786.23	125.30
Impairment allowances	13.29	12.49
Provision for liquidated damages	-	2.96
Property, plant and equipment	2.00	1.48
Unabsorbed depreciation	192.39	69.57
MAT credit	53.96	53.96
Others	-	0.14
On consolidation adjustments	-	10.61
Unrealised Exchange Difference	37.14	-
	<u>1,428.99</u>	<u>641.39</u>
<i>Deferred tax liabilities</i>		
Property, plant and equipment	126.70	61.17
Fair valuation of investments	19.01	32.06
Fair valuation of financial liabilities	-	0.01
On undistributed profits of a subsidiary	12.35	5.76
Writeback of Provision for liquidated damages	2.56	-
	<u>160.62</u>	<u>99.00</u>
Deferred tax assets recognised, net	<u>1,268.37</u>	<u>542.39</u>
10.1 Deferred tax liabilities (net)		
<i>Deferred tax assets</i>		
Property, plant and equipment	-	-
<i>Deferred tax liabilities</i>		
Property, plant and equipment	1.10	7.09
	<u>1.10</u>	<u>7.09</u>
Deferred tax liabilities recognised, net	<u>1.10</u>	<u>7.09</u>
* Represents deferred tax asset recognised on carried forward business loss of Rs 333.25 million and current year business loss of Rs 2,909.30 million (31 March 2019: Rs 464.38 millions)		
11 Non-current tax assets (net)		
Advance tax (net of provision for tax of Rs 743.83 millions [31 March 2019: Rs 1,401.59 millions]) (includes fringe benefits tax and wealth tax)	1,283.11	771.42
	<u>1,283.11</u>	<u>771.42</u>
12 Other non-current assets (Unsecured, considered good)		
<i>To parties other than related parties</i>		
Prepayments	25.74	23.04
Capital advances	35.73	3.21
	<u>61.47</u>	<u>26.25</u>



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
13 Inventories (valued at lower of cost and net realisable value unless otherwise stated)		
Construction materials, stores and spare parts (includes inventory in transit Rs Nil [31 March 2019: Rs 183.97 millions]; and net of Rs 27.50 millions [31 March 2019: Rs 62.00 millions] provided towards inventory obsolescence)	287.51	600.83
Stock-in-trade	393.47	244.98
	680.98	845.81
Carrying amount of inventories (included above) pledged as securities for borrowings The write-down of inventories to net realisable value during the year amounted to Rs Nil [31 March 2019: Rs Nil millions].	248.07	591.26
14 Current investments		
Investment in equity instruments (Measured at fair value through profit and loss)		
Quoted:		
Crompton Greaves Consumer Electrical Limited 6 [31 March 2019 : 6] Equity shares of Rs 10 each, fully paid-up	0.00*	0.00*
CG Power & Industrial Solution Limited 6 [31 March 2019 : 6] Equity shares of Rs 10 each, fully paid-up	0.00*	0.00*
Ruchi Soya Limited 2 [31 March 2019 : 200] Equity shares of Rs 10 each, fully paid-up	0.00*	0.00*
Arshiya Limited 281,250 [31 March 2019 : Nil] Equity shares of Rs 2 each, fully paid up	9.00	-
Tata Consultancy Services Limited 1,232 [31 March 2019 : 1,232] Equity shares of Rs 10 each fully paid-up	2.25	2.46
Unquoted:		
Western India Sugar & Chemical Industries Limited 400 [31 March 2019 : 400] Equity shares of Rs 10 each, fully paid-up	0.02	0.02
Mid East India Limited 300 [31 March 2019 : 300] Equity shares of Rs 10 each, fully paid-up	0.03	0.03
Montari Leather Limited 1,000 [31 March 2019 : 1,000] Equity shares of Rs 10 each fully paid-up	0.03	0.03
Otoklin Plants and Equipment's Limited 500 [31 March 2019 : 500] Equity shares of Rs 10 each, fully paid-up	0.03	0.03
SIV Limited (South India Viscose Limited) 600 [31 March 2019 : 600] Equity shares of Rs 10 each, fully paid-up	0.08	0.08
Sudhiti Hosiery Limited 2,500 [31 March 2019 : 2,500] Equity shares of Rs 10 each, fully paid-up	0.09	0.09
Less: Provision for diminution in the value of quoted and unquoted current investments	(7.37)	(0.27)
Total (a)	4.16	2.46



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
14 Current investments (Continued)		
Investment in debentures (Measured at amortised cost)		
Western India Sugar & Chem. Industries Limited 300 [31 March 2019 : 300] 15% Debentures of Rs 50 each, fully paid-up	0.01	0.01
Total (b)	<u>0.01</u>	<u>0.01</u>
* Value less than 0.01 million		
Investment in Mutual Funds (Measured at fair value through profit and loss)		
250,000 units [31 March 2019 : 250,000 units] Union Long Bond Fund Growth	2.79	2.67
Total (c)	<u>2.79</u>	<u>2.67</u>
Total (a + b + c)	<u><u>6.96</u></u>	<u><u>5.15</u></u>

The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:

Aggregate amount of quoted investments	4.16	2.46
Aggregate market value of quoted investments	4.16	2.46
Aggregate amount of unquoted investments	2.79	2.68
Aggregate amount of impairment in value of investments	7.37	0.27

15 Trade receivables

(Unsecured)

Trade Receivable		
- Considered good*	32,251.03	31,582.19
- Doubtful	1,036.82	613.22
	<u>33,287.85</u>	<u>32,195.41</u>
Loss allowance **		
- Doubtful	1,036.82	613.22
	<u>1,036.82</u>	<u>613.22</u>
Net trade receivables	<u><u>32,251.03</u></u>	<u><u>31,582.19</u></u>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	<u>2,331.79</u>	2,759.60
	<u><u>2,331.79</u></u>	<u><u>2,759.60</u></u>

As at 31 March 2020, trade receivables includes retention of Rs 3,767.65 millions [31 March 2019 : Rs 3,306.17 millions] relating to construction contracts in progress.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency: Indian rupees in millions)

31 March 2020

31 March 2019

15 Trade receivables (Continued)

Note:

Certain customer balances under Trade Receivable are subject to balance confirmations and reconciliations, if any. The Group 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.

* The trade accounts receivable balance at 31 March 2020 includes an amount of Rs 13,837.40 millions which represent contractual dues in respect of two states namely Telangana and Madhya Pradesh which are under dispute with developers namely (Skypower group companies/Special Purpose Vehicles (SPVs) which is overdue in respect of supply of goods for power projects in India as per Offshore Supply Agreement with various (SPVs). The outstanding balances are due from various SPVs established by a customer in India. The customer through its SPVs had entered into Power Purchase Agreement (PPA) with number of Government entities in India for developing, constructing and commissioning of photo voltaic solar plants.

** The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low. The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 54.

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.

Dues from firms or private companies in which any director is a partner or a director or

Shapoorji Pallonji and Company Private Limited	478.37	892.14
Sterling Generators Private Limited	91.79	-
Sterling and Wilson Powergen Private Limited	0.40	0.32
	<u>570.56</u>	<u>892.46</u>

Dues from other related parties

Global Infra FZCO	37.07	13.30
Shapoorji Pallonji Mid East LLC	561.61	823.06
Relationship Properties Private Limited	25.77	42.64
Shapoorji Pallonji Nigeria Ltd	40.84	47.14
Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	62.81	-
Shapoorji Pallonji Nigeria FZE	0.69	-
Shapoorji Pallonji Qatar W.L.L., Qatar	1,016.13	858.17
GCO Solar Pty Ltd	14.15	-
Sterling and Wilson Australia Pty Ltd	2.18	-



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

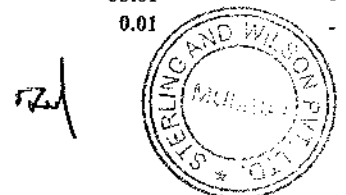
(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
16 Cash and cash equivalents		
Balances with Bank		
- in current accounts	1,433.27	2,283.11
Cheques, drafts on hand	-	11.72
Cash on hand	8.01	15.39
Cash and cash equivalents in the consolidated balance sheet	<u>1,441.28</u>	<u>2,310.23</u>
17 Bank balances other than cash and cash equivalents		
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months) *	581.85	368.75
(Includes interest receivable of Rs. 0.46 million (31 March 2019 : Rs. 6.18 million)		
Margin money deposits **	56.83	46.37
	<u>638.68</u>	<u>415.12</u>
<p>* Fixed deposit with banks to the extent of Rs 581.42 millions [31 March 2019: Rs 352.67 millions] is held as margin money or security against the borrowings, guarantees, other commitments.</p> <p>** Margin money deposits Rs 56.83 millions [31 March 2019: Rs 46.37 millions] are under lien for the credit facilities and letter of guarantees issued by banks on behalf of the Group.</p>		
18 Loans		
<i>(Unsecured)</i>		
<i>To related parties</i>		
Other related parties	1,251.09	1,929.79
(Includes interest receivable of Rs. 25.58 million [31 March 2019: Rs Nil])		
<i>To parties other than related parties</i>		
Security deposits		
- considered good	183.23	178.17
- considered doubtful	6.20	6.00
Less: Provision for doubtful deposit *	189.43	184.17
	<u>(6.20)</u>	<u>(6.00)</u>
	183.23	178.17
Loan to employees	37.08	41.01
Loan to others		
(Includes interest receivable of Rs. 42.08 million (31 March 2019: Rs. Nil))	304.21	-
	<u>1,775.61</u>	<u>2,148.97</u>

* The loss allowance on loans has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans considered good on the basis that credit risk exists even though it may be very low. The Group's exposure to credit and currency risk, and loss allowances related to loans are disclosed in note 60.

Dues from firms or private companies in which any director is a partner or a director or member:

Transtel Utilities Ltd	75.63	-
Sterling & Wilson Co Gen Solutions Private Limited	427.89	24.30
Sterling Generators Pvt Ltd	-	42.31
Co.Stell S.r.l.	108.97	81.20
STC Power S.r.l.	33.01	-
SWB Power	0.01	-



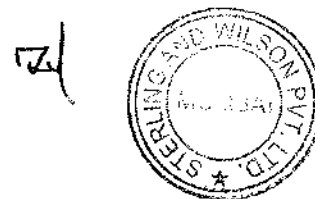
Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
19 Other financial assets		
<i>(Unsecured)</i>		
<i>To related parties</i>		
Unbilled receivables	307.05	308.64
Other receivables	424.78	23.15
<i>To parties other than related parties</i>		
Unbilled receivables		
- considered good	11,117.74	8,457.44
- considered doubtful	-	134.13
	<u>11,117.74</u>	<u>8,591.57</u>
Less: Provision for doubtful unbilled receivables *	-	(134.13)
	<u>11,117.74</u>	<u>8,457.44</u>
Other receivables		
(includes interest accrued on receivables of Rs. 437 millions (31 March 2019: Rs 437 millions))	580.93	673.45
	<u>12,430.50</u>	<u>9,462.68</u>
* The loss allowance on unbilled receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for unbilled receivables considered good on the basis that credit risk exists even though it may be very low. The Group's exposure to credit and currency risk, and loss allowances related to unbilled receivables are disclosed in note 54.		
<i>Unbilled receivables</i>		
Dues from firms or private companies in which any director is a partner or a director or member:		
Shapoorji Pallonji and Company Private Limited	268.78	272.43
Sterling & Wilson Co-Gen Solutions Private Limited	0.44	-
<i>Other receivables</i>		
Dues from firms or private companies in which any director is a partner or a director or member:		
Sashwat Energy Private Limited	5.65	3.17
Sterling Generators Private Limited	1.50	-
Sterling and Wilson Co-Gen Solutions Private Limited	41.82	10.89
STC Power S.r.l.	18.37	-
Sterling and Wilson Waaree Private Limited	0.02	7.45
Transtel Utilities Limited, UK	135.26	-
Sterling and Wilson Powergen Private Limited	9.69	1.66
Sterling & Wilson Solar Limited	141.79	-
20 Income tax assets (net)		
Advance tax (net of provision for tax of Rs 0.01 millions [31 March 2019 : Rs Nil])	142.60	94.79
	<u>142.60</u>	<u>94.79</u>



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
21 Other current assets		
<i>(Unsecured)</i>		
<i>To related parties</i>		
Advances for supply of goods	480.07	431.31
<i>To parties other than related parties</i>		
Advances for supply of goods		
- considered good	884.01	454.17
- considered doubtful	46.50	46.50
	<u>930.51</u>	<u>500.67</u>
Less: Provision for doubtful advances	(46.50)	(46.50)
	<u>884.01</u>	<u>454.17</u>
Advance for projects	55.52	243.12
Contract Assets		
- considered good	2,178.21	2,949.48
- considered doubtful	99.39	-
	<u>2,277.60</u>	<u>2,949.48</u>
Less: Provision for doubtful contract assets *	(99.39)	-
	<u>2,178.21</u>	<u>2,949.48</u>
Balance with government authorities	2,293.24	1,858.71
Prepayments	247.56	225.93
Advances to employees	129.49	83.26
	<u><u>6,268.10</u></u>	<u><u>6,245.98</u></u>

* The loss allowance on contract assets has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for contract assets considered good on the basis that credit risk exists even though it may be very low. The Group's exposure to credit and currency risk, and loss allowances related to contract assets are disclosed in note 54.

Dues from firms or private companies in which any director is a partner or a director or member:

Other Advances

Sterling Generators Private Limited	-	42.31
Sterling & Wilson Power Solutions LLC	480.07	431.31



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
22 Share capital		
Authorised		
50,000,000 (31 March 2019 : 18,000,000) Equity shares of Rs 10 each	500.00	180.00
16,500,000 (31 March 2019: 2,520,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each	16,500.00	2,520.00
	<u>17,000.00</u>	<u>2,700.00</u>
Issued, subscribed and fully paid up:		
29,369,333 (31 March 2019 : 16,036,000) Equity shares of Rs 10 each, fully paid-up	293.69	160.36
15,025,000 (31 March 2019: 2,500,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each, fully paid-up	15,025.00	2,500.00
	<u>15,318.69</u>	<u>2,660.36</u>

(A) Reconciliation of shares outstanding at the beginning and at the end of year:

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Balance as at the beginning of the year	16,036,000	160.36	16,036,000	160.36
Add : Issued during the year	13,333,333	133.33	-	-
Balance as at the end of the year	<u>29,369,333</u>	<u>293.69</u>	<u>16,036,000</u>	<u>160.36</u>
0% Compulsorily convertible non-cumulative preference shares				
Balance as at the beginning of the year*	2,500,000	2,500	2,500,000	2,500
Add: Issued during the year**	12,525,000	12,525	-	-
Less: Repayment during the year	-	-	-	-
Balance as at the end of the year	<u>15,025,000</u>	<u>15,025.00</u>	<u>2,500,000</u>	<u>2,500</u>

(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 preference shares were issued on 15 March 2018 and each share is convertible by its holder into four equity shares of par value Rs 10 each after 36 months from the date of issue.

** Compulsorily convertible 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.

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.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

22 Share capital (Continued)

(C) Shares held by the Holding Company and its subsidiaries

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the Holding company	19,480,000	1,948.00	10,546,667	1,054.67
0% Compulsorily convertible non-cumulative preference shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	7,500,000	7,500.00		
Sashwat Energy Private Limited, subsidiary of the Holding Company	2,500,000	2,500.00	2,500,000	2,500.00

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2020		31 March 2019	
	Number	% holding	Number	% holding
Equity shares				
Shapoorji Pallonji and Company Private Limited, the Holding company	19,480,000	66.33%	10,546,667	65.77%
Khurshed Danuvala, Director	9,745,293	33.18%	5,345,293	33.33%
0% Compulsorily convertible non-cumulative preference shares				
Shapoorji Pallonji and Company Private Limited, the Holding Company	7,500,000	49.92%		
Khurshed Danuvala, Director	5,025,000	33.44%		
Sashwat Energy Private Limited, subsidiary of the Holding Company	2,500,000	16.64%	2,500,000	100%

(E) Shares reserved for issue under options and contracts / commitments

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Compulsorily convertible non-cumulative preference shares	10,000,000	100.00	10,000,000	100.00
10,000,000 equity shares of Rs 10 each				
Compulsorily convertible non-cumulative preference shares	50,100,000	501.00		
50,100,000 equity shares of Rs 10 each				

23 Other equity

	Note	31 March 2020	31 March 2019
Capital reserve for bargain purchase on business combinations	(i)	-	-
Capital redemption reserve	(ii)	500.00	500.00
Securities premium account	(iii)	5,614.50	747.85
General reserve	(iv)	133.90	133.90
Legal reserve	(v)	11.07	11.07
Retained Earnings	(vi)	(8,091.63)	(3,053.08)
Foreign currency translation reserve	(vii)	(752.44)	(307.17)
Remeasurements of defined benefit liability	(viii)	(15.34)	(25.72)
Loan towards Equity	(ix)	(0.00)	3,515.22
Other Reserve	(x)	30.10	-
		(2,569.83)	1,522.07



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

23 Other equity (Continued)

Particulars	31 March 2020	31 March 2019
Capital reserve for bargain purchase business combinations		
Balance as at the beginning of the year	-	631.22
Transferred pursuant to scheme of arrangement	-	(631.22)
Balance as at the end of the year	-	-
Capital redemption reserve		
Balance as at the beginning and at the end of the year	500.00	500.00
Securities premium reserve		
Balance as at the beginning of the year	747.85	733.75
Add: Additional during year	4,866.66	-
Add : Group's share in the share premium of Joint Venture STC Power S.r.l.	-	14.10
Balance as at the end of the year	5,614.50	747.85
General reserve		
Balance as at the beginning and at the end of the year	133.90	133.90
Legal reserve		
Balance as at the beginning of the year	11.07	10.49
Add: Arising on account of acquisition of entities	-	0.00*
Less: Arising on account of transfer of business	-	0.00*
Add: Transferred from retained earnings	-	0.58
Balance as at the end of the year	11.07	11.07
Retained Earnings		
At the beginning of the year	(3,053.08)	72.57
Transfer from Capital reserve	-	63.12
Less: Other movements	(29.80)	(133.90)
Less: Transferred to legal reserve	-	(0.58)
Add: Addition during the year (including Exchange Differences Realised on sale of Subsidiary)	(5,008.74)	(3,054.28)
Balance as at end of the year	(8,091.63)	(3,053.09)
Others:		
Foreign currency translation reserve		
Balance as at the beginning of the year	(307.26)	(62.68)
Less: Arising on account of transfer of business	-	(3.20)
Add: Exchange differences in translating the financial statements of foreign operations	(444.37)	(241.39)
Less: Other movements	(0.35)	-
Transferred to Profit and Loss (Exchange Differences Realised on sale of Subsidiary)	(0.50)	-
Balance as at the end of the year	(752.44)	(307.21)
Remeasurements of defined benefit liability		
Balance as at the beginning of the year	(25.72)	(9.93)
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	10.38	(15.17)
Add: Share of other comprehensive income in joint venture, to the extent not to be reclassified to profit or loss from re-measurement of defined benefit obligation, net of tax	-	(0.62)
Balance as at the end of the year	(15.34)	(25.72)
Loan towards Equity		
Balance as at the beginning of the year	3,515.22	-
Add: Addition during the year	38.35	3,515.22
Less: Deletions during the year**	(3,350.00)	-
Less: Reclassifications during the year	(28.90)	-
Other movements	(174.67)	-
Balance as at the end of the year	(0.00)	3,515.22



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

23 Other equity (Continued)

Particulars	31 March 2020	31 March 2019
Non Controlling Interest		
Opening Balance	(153.38)	(48.79)
Add: Addition during the year (Including OCI)	(30.36)	(104.59)
Less: Arising on account of transfer of business	21.82	-
Other movements	202.36	0.00*
Balance as at the end of the year	40.45	(153.38)
Other Reserve		
Opening Balance	-	-
Add: Addition during the year **	30.10	-
Balance as at the end of the year	30.10	-

*Value less than 0.01 million

(i) **Capital reserve for bargain purchase on business combinations**

The Group's capital reserve is mainly on account of acquisition of ownership interest in three joint ventures registered in Italy viz. P.T.C S.A.S. Di Barzanti Massimo, STC Power S.r.l. and Co. Stell S.r.l.. The investment has been written off in the previous year and balance in capital reserve is transferred to Retained Earnings.

(ii) **Capital redemption reserve**

Capital Redemption Reserve is created out of profit available for distribution towards redemption of preference shares. This reserve can be used for the purpose of issue of bonus shares.

(iii) **Securities premium account**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013 ('the Act'). It includes Rs. 14.10 million [31 March 2019: Rs. 14.10 million] that represents the Group's share in the securities premium reserve of a joint venture, STC Power S.r.l.

(iv) **General reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(v) **Legal Reserve**

Legal reserve is created out of net profits of subsidiary companies, in accordance with article 255 of the Federal Law No 8 of 1984 and its amendments relating to Commercial Companies Law of United Arab Emirates and in accordance with the Law No.5 of 2002 relating to Commercial Companies Law of Qatar.

In both cases, 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 subsidiary companies have resolved to discontinue such annual transfers since the balance in the reserve account is 50% of the share capital. The reserve is not available for distribution except in circumstances as stipulated in the said laws.

(vi) **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.

(vii) **Foreign currency translation reserve**

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

(viii) **Remeasurements of defined benefit liability**

Remeasurements of defined benefit plans comprises actuarial gains and losses on gratuity and other overseas defined benefit plan.

(ix) **Loan towards Equity**

Loan towards equity was an advance given by Ultimate Holding Company towards equity shares to be issued. 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 17 October 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.

x) **Other Reserve ****

Other Reserves pertains to Share of other comprehensive income in joint venture, to the extent to be reclassified to profit or loss.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
24 Non-current borrowings		
Term Loan from Banks		
Loan 1 (refer note 1 below)	-	463.22
Loan 2 (refer note 2 below)	446.83	-
	<u>446.83</u>	<u>463.22</u>
Total non-current borrowings	<u>446.83</u>	<u>463.22</u>

Note: 1

Loan 1: The loan taken by an overseas subsidiary is denominated in US Dollars, carries interest at LIBOR plus 440 bps per annum (2019: LIBOR plus 440 bps per annum) and, is repayable in three equal annual payments commencing after one year of moratorium period. The loan is secured by the specific assignment of receivables and corporate guarantee by a subsidiary (Sterling and Wilson Middle East LLC) and the Parent Company.

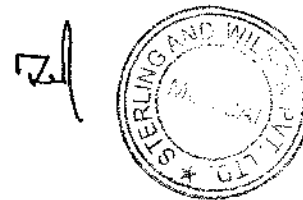
Note: 2

Loan 2: Term Loan from ICICI Bank Limited of Rs. 600 million 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 instalments. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) 8.65% plus Spread 2.35% (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.

25 Long-term provisions

Provision for employee benefits

Gratuity	209.28	199.40
Terminal benefits	192.45	157.61
	<u>401.73</u>	<u>357.01</u>



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
26 Current borrowings		
<i>Secured</i>		
(a) Loans repayable on demand		
- Cash credit loan from banks [refer note (a) below]	567.39	1,025.55
(b) Other Loans		
- Working capital loan from banks [refer note (a) below]	1,199.78	-
- Trust receipts [refer note (i) below]	-	26.58
	<u>1,767.17</u>	<u>1,052.13</u>
<i>Unsecured</i>		
(a) Loans from related parties		
- From Related parties [refer note (b), (c), (d) and (e) and (f) below]	17,731.79	13,645.05
(b) Loans from other than related parties		
- Working capital loan from Banks [refer note (a) below]	-	2,300.00
- Working capital loan from others [refer note (g) and (h) below]	1,689.93	176.91
- Bank Overdraft [refer note (j) below]	10.89	-
	<u>19,432.61</u>	<u>16,121.96</u>
	<u>21,199.78</u>	<u>17,174.09</u>

Details of the security and repayment terms:

- Cash credit/Working Capital demand loan facility from State Bank of India, Union Bank of India, Yes Bank Limited, Axis Bank Limited, DBS Bank Limited, ICICI Bank Limited, Corporation Bank, IDBI Bank, IDFC Bank Limited, RBL Bank Limited and Indusind Bank Limited having an outstanding amount of Rs.1,767.17 millions (31 March 2019: Rs. 3,325.55 millions) is secured by a first charge by way of hypothecation of all current assets, movable plant and machinery, computers, vehicles and furniture and fixtures upto a value of Rs 638.26 millions (31 March 2019: Rs 396.40 millions) as a collateral security, term deposit of Rs 135 millions and pledge of 100% paid up equity shares held in the share capital of Range Consultants Private Limited, a subsidiary of the Group, ranking pari passu. Cash credit facility from the banks carries interest rate ranging from 8.00% to 11.50% p.a., on monthly basis on actual amount utilised, and are repayable on demand.
- Unsecured loans from directors and their relatives having outstanding balance of Rs. 985.70 millions (31 March 2019: Rs. 42.55 millions) carried an interest rate of 12% p.a and are repayable on demand.
- The loan taken by an overseas subsidiary from a fellow subsidiary carried an interest rate of 2.28% p.a and are repayable on demand.
- Loan from parent company Shapoorji Pallonji & Co Pvt Ltd having an outstanding balance of Rs. 3,718.72 millions (31 March 2019: Rs.400 millions) carry an interest rate of 11.5% and are repayable on demand.
- Loans from Related parties include Rs. 5,653.34 million as payable to Sterling and Wilson Solar Limited as at 31 March 2020 with Interest expense of Rs. 1,649.63 million and average interest rate of 12%, Sterling and Wilson Waaree Pvt. Ltd. with loan of Rs. 107.50 million, interest expense of Rs. 37.91 million, rate of interest of 12% and Sterling and Wilson Energy Systems Pvt. Ltd. with loan of Rs. 199.50 million, interest expense of Rs. 0.10 million and interest rate of 19%.
- Effective 1 April 2019 till 14 November 2019, this loan taken by overseas subsidiary.the loan from a related party having an outstanding amount of Rs. 6,626.59 millions (31 March 2019: Rs. Nil) carries interest rate at 7.5% per annum and from 15 November 2019 to 31 March 2020 at 8% (2019: 7%) per annum. The loan is unsecured and is repayable on demand. Subsequent to the reporting date on 4 June 2020, the related party has demanded the loan to be repaid together with all interest accrued and unpaid (upto date of repayment) latest by 30 September 2020. However, the Promoters have requested the Board of Directors of the related party to grant time upto 30 September 2021 to facilitate repayment of loan by the Company.
- During the year, the company had issued Unsecured Rated Unlisted Non-Convertible Debentures of Rs. 1,603.61 millions (including interest of Rs.3.61 millions) for a period of 91 days at interest rate of 11% p.a.
- Working capital demand loan taken by an overseas subsidiary from a third party having an outstanding amount of Rs. 86.67 millions (31 March 2019: Rs. Nil) is unsecured carrying an interest rate of 3% (2019: 3%) p.a and is repayable on demand.
- Trust receipts were availed by the Group from a commercial bank having an outstanding amount of Rs. Nil (31 March 2019: Rs. 26.58 millions) which carries interest at the prevailing commercial rates, and is secured by the assignment of receivables of Saudi branch and corporate guarantee by the Parent Company.
- Bank overdraft having an outstanding balance of Rs.10.89 millions (31 March 2019: Rs. Nil) in case of an overseas subsidiary is unsecured and attract commercial interest rates.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
27 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,129.58	1,472.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 48)* Acceptances**	12,624.24	11,065.04
	2,185.16	4,072.72
	<u>15,938.98</u>	<u>16,610.18</u>
<p>* Certain vendor balances under Trade Payables are subject to balance confirmations and reconciliations, if any. The Company has also received balance confirmation replies from certain vendors 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 the Statement of Profit and Loss will not be material.</p> <p>** 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. 2,185.16 millions (31 March 2019: Rs. 4,072.72 millions).</p> <p>As at 31 March 2020, trade payables includes retention of Rs 116.79 millions [31 March 2019 : Rs 4.38 millions] relating to construction contracts in progress.</p>		
28 Other financial liabilities		
Current maturities of long-term debt		
- term loans (refer note 24)	650.29	463.22
Interest accrued and due:		
- to micro enterprises and small enterprises (refer note 48)	28.24	1.01
Interest accrued and not due:		
- to banks	-	11.84
Employee benefits payable	469.16	219.58
Other payables	958.30	638.54
<i>To related parties</i>		
- Interest accrued and not due to director	0.64	0.23
Other payables	384.17	22.93
	<u>2,490.80</u>	<u>1,357.35</u>
29 Other current liabilities		
<i>To related parties</i>		
Advances from customers	1,129.14	9,857.37
Billing in advance of work completed	111.00	25.81
<i>To other than related parties</i>		
Advances from customers	7,218.51	6,810.09
Billing in advance of work completed	471.72	1,051.79
Advance to employees	37.37	41.42
Statutory dues payable :		
- TDS payable	178.71	103.10
- Provident fund payable	36.99	40.98
- Profession tax payable	2.39	1.08
- Employees State Insurance payable	-	4.92
- GST payable	4.11	0.12
	<u>9,189.94</u>	<u>17,936.68</u>



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
29 Other current liabilities (Continued)		
Dues to related parties		
Shapoorji Pallonji Qatar WLL	37.69	-
Shapoorji Pallonji and Company Private Limited	1,018.79	377.08
Shapoorji Pallonji Nigeria Private Limited	6.79	105.93
Relationship Properties Private Limited	11.03	21.42
Sterling Generators Private Limited	-	200.00
Global Infra FZCO	-	12.18
Shapoorji Pallonji Mid East LLC	54.83	-
Billing in advance of work completed		
Shapoorji Pallonji and Company Private Limited	92.54	25.63
Shapoorji Pallonji Mid East LLC	4.98	-
Shapoorji Pallonji Nigeria Ltd	13.48	-
Relationship Properties Private Limited	-	0.18
Short-term provisions		
Provision for employee benefits		
Gratuity	8.45	11.38
Compensated absences	371.64	339.61
Other provisions		
Provision for loss incurred by joint venture	-	0.19
Provision for liquidated damages or price discount	135.69	143.02
Provision for foreseeable loss	94.74	27.04
	610.52	521.24

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 consolidated statement of profit and loss.

Liquidated damages or Price discounts

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 product warranty

The warranty provision represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

Provision for:	As at 1 April 2019	Additions	(Utilisation) / (Reversal)	As at 31 March 2020
Liquidated damages / price discounts	143.02	25.46	(32.79)	135.69
	<i>134.55</i>	<i>14.88</i>	<i>(6.41)</i>	<i>143.02</i>
Foreseeable loss	27.04	94.74	(27.04)	94.74
	<i>75.34</i>	<i>27.04</i>	<i>(75.34)</i>	<i>27.04</i>
Provision for loss incurred by joint venture	0.19	-	(0.19)	-
	<i>-</i>	<i>0.19</i>	<i>-</i>	<i>0.19</i>

Previous year numbers are in italics

31 Income tax liabilities (net)

Provision for current tax (net of advance tax of Rs Nil millions [31 March 2019 : Rs Nil millions])
(includes fringe benefits tax and wealth tax)

34.18 24.57

34.18 24.57



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	Year ended 31 March 2020	Year ended 31 March 2019
32 Revenue from operations		
Sale of services		
Income from works contracts	34,499.68	34,010.59
Revenue from operation and maintenance services	3,236.87	2,198.19
Income from consultancy services	-	23.49
Sale of products		
Sale of traded goods	125.00	294.96
Other operating income		
Sale of scrap	-	6.23
Export incentives	8.56	38.88
Rental income	0.89	7.08
Miscellaneous income*	-	437.02
	37,871.00	37,016.44

* Other Operating income in the previous year represents interest on overdue / delayed receivables from Skypower in terms of agreement entered into between the Company and Skypower.

As per the terms of payment, 90% of the price was due and payable on achievement of commercial operation date (COD).

Management is of the view that although this matter is under litigation, the Company is entitled to this interest with reasonable certainty. This matter is supported by legal opinion sought by the Company.

33 Other income

Interest income under the effective interest method on:

- deposits with banks	47.49	45.51
- from others	21.90	-
- loan to related parties	88.14	129.61
- loan to employees	2.57	2.35
- security deposits	2.67	39.56
- retention payable / retention receivable	6.70	3.43
- deferred payment terms given to customer	-	856.55
Dividend income	0.11	15.80
Guarantee commission income	40.38	-
Recovery of bad debts	-	5.16
Gain on absorption of losses in joint ventures (refer note 50)	428.16	-
Supplier balances written back	102.15	75.02
Foreign exchange gain (net)	1,254.57	27.81
Insurance claim received	0.53	0.06
Profit on sale of Property, Plant & Equipments (net)	0.93	-
Gain on sale of subsidiary (net)	22.08	-
Write back of provision for bad and doubtful debts (net)	175.77	35.48
Financial assets measured at FVTPL - net change in fair value	-	12.89
Gain on forward cover cancellation	0.30	-
Write back of provision no longer required	15.76	2.30
Provision for Liquidated damages utilised(net)	7.33	-
Miscellaneous income	158.13	137.67
	2,375.67	1,389.20



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	Year ended 31 March 2020	Year ended 31 March 2019
34 Cost of construction materials, stores and spare parts		
Inventory of materials at the beginning of the year	600.83	288.15
Add: Purchases during the year	22,829.96	20,668.98
Less: Inventory of materials at the end of the year	287.51	600.83
	<u>23,143.28</u>	<u>20,356.30</u>
35 Purchase of traded goods		
Cost of traded goods purchased during the year	57.52	804.07
	<u>57.52</u>	<u>804.07</u>
36 Change in inventory of stock-in-trade		
Inventory of stock-in-trade at the beginning of the year	244.98	214.36
Less: Inventory of stock-in-trade at the end of the year	393.47	244.98
Increase in inventory	<u>(148.49)</u>	<u>(30.62)</u>
37 Direct project costs		
Communication expenses	12.83	12.13
Stores and spare parts consumed	95.51	66.81
Commission expenses	135.09	15.62
Legal and professional fees	365.61	63.92
Printing and stationery expenses	12.84	9.39
Insurance costs	146.03	121.92
Repairs and maintenance - others	139.11	112.13
Selling and marketing expenses	1.51	1.60
Traveling and conveyance expenses	136.49	106.59
Rent (refer note 4.1)	155.29	112.53
Rates and taxes	40.79	34.39
Electricity, power and fuel	49.02	38.25
Donation	0.40	1.13
Bank charges	172.03	122.35
Provision for foreseeable losses (net)	65.22	25.21
Other project overheads	15.58	75.67
Provision for Liquidated damages	35.14	8.47
Miscellaneous expenses	967.64	1,136.07
	<u>2,546.13</u>	<u>2,064.18</u>
Employee benefits expense		
Salaries, wages and bonus	3,582.40	2,468.39
Contribution to provident fund and other funds	240.12	162.24
Staff welfare expenses	157.44	63.79
	<u>3,979.96</u>	<u>2,694.42</u>
Sub-contractor expenses	<u>6,437.84</u>	<u>5,232.67</u>
	<u>12,963.93</u>	<u>9,991.27</u>



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	Year ended 31 March 2020	Year ended 31 March 2019
38 Employee benefits expense		
Salaries, wages and bonus	2,768.01	2,624.08
Contribution to provident fund and other funds	155.03	119.16
Gratuity and terminal benefits (refer note 44)	52.89	63.73
Compensated absences	72.73	98.49
Staff welfare expenses	173.11	324.30
	<u>3,221.77</u>	<u>3,229.76</u>
39 Finance costs		
Interest expense		
- on secured loans	407.16	606.87
- on unsecured loans	1,768.22	1,181.17
- on dues of micro enterprises and small enterprises	27.30	0.86
- on income tax	0.16	0.46
- on lease liabilities	33.00	-
- on amount due to related parties	557.01	634.83
- on others	54.59	103.36
- on retention receivable	12.77	1.01
Letter of Credit - Guarantee Charges	120.83	69.84
Other borrowing costs	170.50	31.66
	<u>3,151.54</u>	<u>2,630.06</u>
40 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	214.25	138.54
Depreciation on Right-of-use assets	193.92	-
Amortisation of intangible assets	31.59	26.22
	<u>439.76</u>	<u>164.76</u>

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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	Year ended 31 March 2020	Year ended 31 March 2019
41 Other expenses		
Communication expenses	50.49	58.45
Stores and spare parts consumed	7.80	1.48
Commission expenses	1.68	4.66
Legal and professional fees	422.83	155.31
Printing and stationery expenses	19.31	18.07
Insurance costs	40.05	41.17
Repairs and maintenance - others	100.79	94.76
Selling and marketing expenses	31.89	38.60
Traveling and conveyance expenses	334.45	359.29
Rent (refer note 4.1)	99.49	410.08
Rates and taxes	23.48	31.70
Electricity, power and fuel	35.71	30.16
Payment to auditors	3.38	2.60
Foreign exchange loss (net)	-	237.19
Loss on sale of property, plant and equipment (net)	-	0.30
Donation	3.69	1.15
Property, plant and equipment written off	8.62	-
Bank charges	97.39	34.08
Bad debts written off	274.44	52.30
Provision for bad and doubtful debts (net)	515.00	108.67
Financial assets measured at fair value through profit & loss a/c - net change in fair value	56.88	-
Forward cover cancellation charges	-	25.37
Provision for foreseeable loss	2.35	-
Management support fees	135.40	2,407.58
Consultancy fees	479.61	-
Recruitment expense	0.77	-
Land Development charges	0.08	0.32
Business development expense	0.52	11.40
Loss on disposal of investments	-	31.29
Corporate social responsibility expenses (refer note 45)	15.49	-
Miscellaneous expenses	140.57	174.28
	2,902.15	4,330.26



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

42 Disclosure under Ind AS 115, Revenue from Contracts with Customers

A) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the timing of revenue recognition. Disaggregated revenue with the Group's reportable geographical segments is given in the note 46.

The following sets out the disaggregation of the Group's revenue from contracts with customers based on timing of satisfaction of performance obligation:

Timing of satisfaction of performance obligations	For the year ended 31 March 2020	For the year ended 31 March 2019
At a Point in time		
Sales revenue	125.00	294.96
Contract revenue	2,786.43	2,982.08
Over time		
Contract revenue	31,713.25	31,028.51
Service revenue	3,236.87	2,221.68

B) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade receivables	15	32,251.03	31,582.19
Unbilled revenue - Other financial assets	19	11,424.79	8,766.08
Contract assets - Other current assets	21	2,178.21	2,949.48
Contract liabilities - Advances from customer	29	8,930.38	17,745.06

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract assets*		
Contract assets at the beginning of the year	2,949.48	8,386.83
Add: Addition during the year	8,688.08	23,383.50
Less: Revenue recognised during the year	(9,540.28)	(28,901.26)
Add: Exchange translation difference during the year	180.32	80.41
Less: Provision for doubtful contract assets	(99.39)	-
Contract assets as at end of the year	2,178.21	2,949.48
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	17,745.06	5,422.28
Add: Addition during the year	3,052.86	12,486.16
Less: Applied during the year	(11,750.46)	(209.09)
Add: Exchange translation difference during the year	(117.09)	45.71
Contract liabilities as at end of the year	8,930.38	17,745.06

*The contract assets primarily relate to the Group'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.

**The contract liabilities primarily relates to the advances from customer towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

42 Disclosure under Ind AS 115, Revenue from Contracts with Customers (Continued)

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from works contracts	34,499.68	34,010.59
<i>Adjustment on account of:</i>		
Provision for liquidated damages	-	-
Reversal of provision for liquidated damages	-	-
Total	34,499.68	34,010.59
Revenue from operation and maintenance services	3,236.87	2,198.19
Total	3,236.87	2,198.19
Revenue from Consultancy Fees	-	23.49
<i>Adjustment on account of:</i>		
Adjustment during the year	-	-
Total	-	23.49

E) Performance obligation

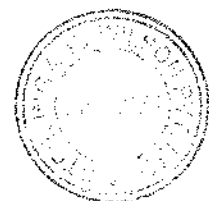
The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Industrial Engineering Procurement and Construction (EPC). The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group 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 Group enters into multiple contracts with the same customer, the Group 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 Group 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.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in millions)

42 Disclosure under Ind AS 115, Revenue from Contracts with Customers (Continued)

E) Performance obligation (Continued)

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group'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 Group recognizes the entire estimated loss in the 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 Group recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

F) Remaining performance obligations

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligation (Except for one foreign subsidiary) where the Group has a right to consideration from customer in an amount that corresponds directly with value to the customer of the Group's performance completed to date. Accordingly, the Group recognises revenue by an amount to which the Group has a right to invoice.

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially satisfied) of one foreign subsidiary:

For the year ended 31 March 2020

Particulars	1 year	2 year
EPC business	487.12	-
Total	487.12	-

For the year ended 31 March 2019

Particulars	1 year	2 year
EPC business	5,816.38	5,907.03
Total	5,816.38	5,907.03



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

43 Contingent liabilities and commitments

Contingent liabilities	31 March 2020	31 March 2019
(a) Claims against the Group not acknowledged as debts		
(i) Demands raised by Income tax authorities	-	16.21
(ii) Demands raised by Sales tax authorities	579.03	389.24
(iii) Demands raised by Service tax authorities	1,087.32	660.89
(b) Bank guarantees outstanding	3,773.15	4,730.19
(c) Letter of credit	-	240.99
(d) Corporate guarantees outstanding	9,337.21	1,045.03
	14,776.71	7,082.54
Capital commitments	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs 28.40 millions [31 March 2019: Rs 3.21 millions])	35.73	25.38
	35.73	25.38

Letters of credit and bank guarantees issued by banks on behalf of the Group are secured by margin money deposits (Note 17). In addition, the letters of credit and bank guarantees are secured by a corporate guarantee from the Parent Company and assignment of receivables for the amounts guaranteed.

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Group's results of operations or financial condition.

44 Employee Benefits

Defined contribution plan:

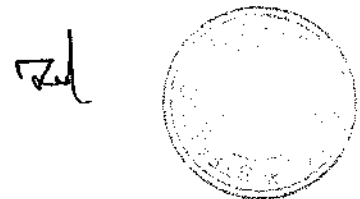
Contribution to provident fund and other fund aggregating to Rs 395.15 millions [31 March 2019: 281.40 millions] is recognised as an expense and included in 'Personnel costs'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company and its subsidiaries in India 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 20 millions.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

44 Employee Benefits (Continued)

Defined benefit plan and long-term employee benefits: (Continued)

Change in the present value of the defined benefit obligation

Terminal benefits (Defined benefit plan)

In respect of the overseas subsidiaries, during the year, the Group has made provision of Rs 3.90 millions [31 March 2019: Rs 24.47 millions] for employees' terminal benefits on the basis prescribed under the labour laws of the respective countries in which the overseas subsidiaries operates and the same is determined based on arithmetic calculation. Accordingly, the Group has not disclosed information related to defined benefits for overseas subsidiaries in the table below.

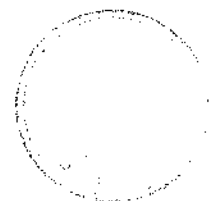
Compensated absences (Short-term employee benefits)

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:-

	Gratuity	
	31 March 2020	31 March 2019
I Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year	210.78	175.72
Benefits paid	(28.31)	(16.24)
Current service cost	32.57	25.51
Interest cost	16.42	13.76
Liability transferred in / acquisitions	3.72	6.19
Liability transferred out	(2.40)	(9.31)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(24.47)	1.11
- experience adjustments	9.42	14.06
Balance at the end of the year	<u>217.73</u>	<u>210.78</u>
II Amount recognised in the consolidated statement of profit and loss under employee benefits expense		
Current service cost	32.57	25.51
Net interest cost	16.42	13.76
	<u>48.99</u>	<u>39.26</u>
III Remeasurement recognised in other comprehensive income		
Actuarial gains / losses on obligation for the year	(15.05)	15.17
	<u>(15.05)</u>	<u>15.17</u>
IV Maturity profile of defined benefit obligation		
Within next 12 months	8.45	11.38
Between 1 and 5 years	39.44	33.26
Above 5 years	604.04	748.72



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

44 Employee Benefits (Continued)

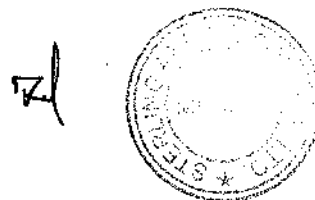
Defined benefit plan and long-term employee benefits: (Continued)

Change in the present value of the defined benefit obligation (Continued)

V Actuarial assumptions:		
Discount rate	6.86%	7.79%
Salary escalation	5.00%	7.00%
Employee turnover	Service < 5 : 14%	Service < 5 : 14%
	Service >=5 : 2%	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
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	
	31 March 2020	31 March 2019
Defined Benefit Obligation - Discount rate + 100 basis points	(25.43)	(25.25)
Defined Benefit Obligation - Discount rate - 100 basis points	30.85	30.81
Defined Benefit Obligation - Salary escalation rate + 100 basis points	26.92	24.77
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(23.61)	(22.30)
Defined Benefit Obligation - Employee turnover + 100 basis points	5.88	3.48
Defined Benefit Obligation - Employee turnover - 100 basis points	(6.96)	(4.21)
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		

Compensated absences

Compensated absences for employee benefits of Rs 72.73 millions [31 March 2019: Rs 98.49 millions] expected to be paid in exchange for the services recognised as an expense during the year.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

45 Corporate social responsibility

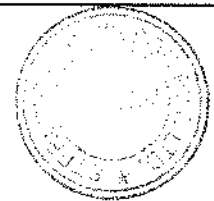
The Group has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The funds are utilised during the year 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 parent company. None of the Indian subsidiaries qualify for CSR contribution, based on threshold prescribed in the Act.

Particulars	31 March 2020		
	In cash	Yet to be paid in cash	Total
A. Gross amount required to be spent by the Company during the year			
B. Amount spent during the year ended 31 March 2020			
	15.49	-	15.49
Activities on which expenses made are as below:			
Funds for Covid -19 - supply of groceries and hygiene kits to	0.10		
1 100 needy beneficiary families in Karjat Taluka Raigad District.			
2 Donation to schools under i-care	0.23		
3 Donation to schools under i-care	0.23		
4 Contribution for mentlly disabled persons	0.30		
5 Educational material to students of zilla parishad schools of Palg	0.34		
6 Donation to Victory Arts Foundation conducting dance classes fc	0.40		
7 Contribution towards awareness of personal hygeine and mental	0.49		
8 Contribution for technical education to disabled soldiers	0.50		
9 Contribution towards school empowermnt programme	0.98		
10 Contribution toward Maharashtra Flood Relief Fund through PM	1.50		
11 Contribution towards widow welfare programme	10.00		
12 Contribution for community drinking water plant	0.44		
13 Others	0.00*		
	15.49		
Particulars	31 March 2019		
A. Gross amount required to be spent by the Company during the year		9.41	
B. Amount spent during the year ended 31 March 2019	In cash	Yet to be paid in cash	Total
	-	9.41	-

*Value less than 0.01 million



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

46 Segment reporting

A. Basis for segmentation

The Group is engaged in the business of Mechanical, Electricals and Plumbing and Fire-fighting. In accordance with Ind AS 108 "Operating Segments", the Group has determined its business segments as "Mechanical, Electricals and Plumbing and Fire-fighting". The Group'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 Group's business activity falls within a single business segment viz. 'Mechanical, Electricals and Plumbing and Fire-fighting', the consolidated financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

B. Geographical information

The geographic information analyses the Group'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) Revenue from external customers

Particulars	31 March 2020	31 March 2019
India	27,454.43	29,630.14
Outside India	10,416.56	7,386.30
	<u>37,871.00</u>	<u>37,016.44</u>

b) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	31 March 2020	31 March 2019
India	3,500.06	2,730.10
Outside India	429.87	1,192.70
	<u>3,929.93</u>	<u>3,922.80</u>

c) Information about major customers

Revenue from one customer of the Group is Rs Nil millions (31 March 2019: Rs Nil) which is more than 10% of the Group's total revenue.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

47 Earnings per share

Particulars	31 March 2020	31 March 2019
Basic earnings per share		
Numerator:		
(Loss) after tax attributable to equity shareholders	(5,008.74)	(3,054.29)
Denominator:		
Weighted average number of equity shares outstanding during the year		
Number of equity shares at the beginning of the year	16,036,000	16,036,000
Effect of fresh issue of shares	6,063,927	-
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	(A) 22,099,927	16,036,000
Effect of compulsory convertible preference shares*	(B) 13,019,726	10,000,000
Adjusted weighted average number of equity shares outstanding during the year (based on date of issue of shares and compulsory convertible preference shares)	[(A) + (B)] 35,119,653	26,036,000
Basic and diluted earnings per share (Rs)	(142.62)	(117.31)
Face value per share	10.00	10.00

*Adjusted weighted average number of equity shares include effect of compulsory convertible preference shares that will be converted by its holder into four equity shares of par value Rs 10 each. Accordingly, the compulsory convertible preference shares have been considered for basic EPS computation based on Ind AS 33 guidance.

48 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 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal (refer note 27)	1,129.58	1,472.47
- Interest (refer note 28)	28.24	1.01
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) MSMED	-	0.20
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
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	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	28.24	0.86
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	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

49 Related Party disclosures

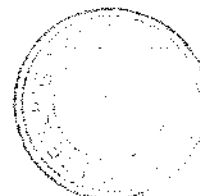
49.1 Related party and their relationships

Category of related party

1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Subsidiaries, direct and indirect holding	<p>Sterling and Wilson International FZE Sterling and Wilson Cogen Solutions AG Sterling and Wilson Middle East WLL Sterling & Wilson Nigeria Ltd. Sterling & Wilson Cogen Solution Ltd. (liquidated w.e.f. 4 June 2019) Range Consultants Pvt. Ltd. Sterling and Wilson Security Systems Pvt. Ltd. GCO Pty. Ltd. (w.e.f. 10 June 2019) Sterling and Wilson Middle East Electromechanical LLC, Dubai Sterling and Wilson Power Systems Inc. Sterling and Wilson HES UK Ltd. Sterling and Wilson Middle East Electromechanical (Bahrain) WLL Sterling and Wilson Middle East Sanitation, Electrical, Cooling & Conditioning Contracting LLC, Kuwait Sterling and Wilson Cogen Solutions LLC Sterling and Wilson Saudi Arabia Ltd. SWB Power Ltd. (upto 1 April 2019) SWB Skelmesdale Ltd. (upto 1 April 2019) SWB St. Helen Ltd. (upto 1 April 2019) Enrich-SWPL JV (w.e.f. 1 November 2019)</p>
3) Fellow subsidiaries	<p>Abhipreet Trading Pvt. Ltd. Acreage Farms Pvt. Ltd. Afcons (Mideast) Constructions and Investments Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Hydrocarbons Engineering Private Limited (formally known as Afcons Offshore and Marine Services Private Limited) Afcons Infra Projects Kazakhstan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Overseas Project Gabon SARL Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC (Under Liquidation) Aquaignis Technologies Pvt. Ltd. Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Arina Solar Pvt. Ltd. Arme Investment Company Ltd Aspire Properties Holdings Limited Ativa Real Estate Developers Pvt. Ltd. Atnu Solar Pvt. Ltd. Aurinko Energy Pvt. Ltd. Awesome Space Creations LLP Balgad Power Company Pvt. Ltd. Bangalore streetlighting Pvt. Ltd. Behold Space Developers Private Limited (w.e.f. 5 February 2019) Belva Farms Pvt. Ltd. Bengal Shapoorji Infrastructure Development Pvt. Ltd Bhavnagar Desafination Private Limited Bisho infra projects ltd Blue Riband Properties Pvt. Ltd Callidora Farms Pvt. Ltd Campbell Properties and Hospitality Services Ltd. Cyrus Engineers Pvt. Ltd</p>



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

49 Related Party disclosures

49.1 Related party and their relationships

Category of related party

3) Fellow subsidiaries (Continued)	
	Dahej Standby Jetty Project Undertaking
	Delna Finance & Investments Pvt. Ltd.
	Delphi Properties Pvt. Ltd.
	Devine Realty and Construction Pvt. Ltd.
	Dhan Gaming Solution (India) Pvt. Ltd.
	Dwarka Sea Water Desalination Private Limited
	Dynamic sun energy private limited
	EFL Mauritius Ltd.
	Egni Generation Pvt. Ltd.
	Elaine Renewable Energy Pvt. Ltd.
	Eloise Energy Pvt. Ltd.
	Eluru Smart Infrastructures Private Limited (w.c.f. 8 April 2019)
	Empower Builder Pvt. Ltd.
	Esem Stables Pvt. Ltd.
	ESPI Farms Pvt. Ltd.
	ESPI Holding Mauritius Ltd.
	ESPI Homestead Pvt. Ltd.
	ESPI Stables and farms Pvt. Ltd.
	Eureka Forbes Ltd.
	Euro Forbes Financial Services Ltd.
	Euro Forbes Ltd.
	Fayland Estates Pvt. Ltd.
	Filippa Farms Pvt. Ltd.
	Fine Energy Solar Pvt. Ltd.
	Flamboyant Developers Pvt. Ltd.
	Flooraise Developers Pvt. Ltd.
	Floral Finance Pvt. Ltd.
	Floreast Investments Ltd.
	Flotilla Finance Pvt. Ltd.
	Forbes & Company Ltd.
	Forbes Campbell Finance Ltd.
	Forbes Campbell Services Ltd.
	Forbes Edumetry Ltd.
	Forbes Enviro Solutions Ltd.
	Forbes Facility Services Pvt. Ltd.
	Forbes Lux FZCO
	Forbes Lux International AG Baar
	Forbes Technosys Ltd.
	Forvol International Services Ltd.
	Gallops Developers Pvt. Ltd.
	Gir Somnath Desalination Private Limited
	Global Bulk Minerals FZE
	Global Energy projects holding
	Global Energy Ventures Mauritius
	Global Infra FZCO
	Global Resources and Logistics Pte. Ltd.
	Global solar energy holding
	Gokak Power & Energy Ltd.
	Gokak Textiles Ltd.
	Gossip Properties Pvt. Ltd.
	Haul Power Pvt. Ltd.
	Hazrat and Co Pvt. Ltd.
	High Point Properties Pvt. Ltd.
	Honcho Properties Limited
	Instant Karma Properties Pvt. Ltd.
	Jaykali Developers Pvt. Ltd.
	Kanpur River Management Pvt. Ltd.
	Kavinam Property Development Pvt. Ltd.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

49 Related Party disclosures

49.I Related party and their relationships

Category of related party

3) Fellow subsidiaries (Continued)	
	Khvafar Property Developers Pvt. Ltd.
	Kutch Sea Water Desalination Private Limited
	LIAG Trading and Investments Ltd.
	Lux (Deutschland) GmbH
	Lux Aqua Paraguay SA .
	Lux del Paraguay S.A.
	Lux Hungária Kereskedelmi Kft.
	Lux Interantional AG
	Lux International Services and Logistics GmbH (Formerly: Lux Service GmbH)
	Lux Italia srl
	Lux Norge A/S
	Lux Oesterreich GmbH
	Lux Schweiz AG
	Lux Welity Polska sp. z o.o.
	Magpie Finance Pvt. Ltd
	Make Home Realty & Construction Pvt. Ltd
	Manjri Farmsted Pvt. Ltd.
	Manjri Horse Breeders' Farm Pvt Ltd
	Manor Stud Farm Pvt. Ltd.
	Mazson Builders & Developers Pvt. Ltd
	Meridian Enterprises (Joint Venture)
	Meriland Estates Pvt. Ltd
	Mileage Properties Pvt. Ltd
	Minaean (Ghana) Ltd
	Minaean Building Solutions Inc.
	Minaean Habitat India Pvt Ltd.
	Minaean SP SL Ltd
	Minean SP Construction Corporation
	Mrunmai Properties Ltd
	Musandam Rock LLC
	Neil Properties Pvt. Ltd
	Next Gen Publishing Ltd.
	Nuevo Consultancy Services Ltd.
	Nursery Projects and Agri Development Pvt. Ltd. (Applied for strike off)
	Nutan Bidyut (Bangladesh) Ltd.
	OSCO SP Facilities Management LLC
	Paikar Real Estate Pvt. Ltd.
	Paichin Real Estates Pvt. Ltd
	Pebbleworks Real Estate Pvt Ltd (Formerly Shapoorji Pallonji Consulting Services Pvt. Ltd.)
	Precaution Properties Pvt. Ltd
	PT. Nusantara Global Resources
	Radiance Solar Pvt. Ltd.
	Relationship Properties Pvt. Ltd.
	Renaissance Commerce Pvt. Ltd.
	Ricardo Constructions Pvt. Ltd
	Rihand Floating Solar Pvt. Ltd.
	S C Motors Pvt. Ltd
	S P Architectural Coatings Pvt. Ltd
	S P Global Operations Ltd.
	S P International
	S. C. Impex Pvt. Ltd
	Sagar Premi Builders and Developers Pvt. Ltd
	Samalpatti Power Company Pvt. Ltd.
	Sarl SP Algeria
	Saswat Energy Private Limited
	Shachin Real Estates Pvt. Ltd
	Shapoorji AECOS Construction Pvt Ltd.
	Shapoorji Data Processing Pvt. Ltd



Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

49 Related Party disclosures

49.1 Related party and their relationships

Category of related party

3) Fellow subsidiaries (Continued)	
	Shapoorji Holding Ltd.
	Shapoorji Hotels Pvt. Ltd
	Shapoorji Pallonji 98/2 Company Pte Ltd
	Shapoorji Pallonji and Co KIPL JV (Partnership Firm)
	Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)
	Shapoorji pallonji and co private ltd & shapoorji pallonji Qatar WLL(UJV)
	Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.
	Shapoorji Pallonji Construction Private Limited
	Shapoorji Pallonji Consulting Services DMCC UAE
	Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.
	Shapoorji Pallonji Development Managers Pvt. Ltd.
	Shapoorji Pallonji Egypt LLC.
	Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
	Shapoorji Pallonji Energy Company INC
	Shapoorji Pallonji Europe Ltd.
	Shapoorji Pallonji Forbes Shipping Ltd.
	Shapoorji Pallonji General Trading For Construction Company WLL
	Shapoorji Pallonji Ghana Ltd
	Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.
	Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.
	Shapoorji Pallonji International LLC
	Shapoorji Pallonji International, FZC
	Shapoorji Pallonji International, FZE
	Shapoorji Pallonji Investments Advisors Pvt. Ltd.
	Shapoorji Pallonji Kazakhstan LLC
	Shapoorji Pallonji Lanka (Pvt) Ltd.
	Shapoorji Pallonji Libya Company for General Construction
	Shapoorji Pallonji Logispace & Investment Advisors Pvt. Ltd.
	Shapoorji Pallonji Malta Ltd
	Shapoorji Pallonji Marine Frontiers Private Limited
	Shapoorji Pallonji Mideast L.L.C.
	Shapoorji Pallonji Nigeria FZE
	Shapoorji Pallonji Nigeria Ltd.
	Shapoorji Pallonji Oil and Gas Godavari Pvt Ltd
	Shapoorji Pallonji Oil and Gas Pvt Ltd
	Shapoorji Pallonji Ports Pvt. Ltd
	Shapoorji Pallonji Projects Pvt. Ltd
	Shapoorji Pallonji Properties LLC
	Shapoorji Pallonji Qatar WLL
	Shapoorji Pallonji Renewables Pvt. Ltd.
	Shapoorji Pallonji Roads Pvt. Ltd.
	Shapoorji Pallonji Rural Solutions Pvt Ltd
	Shapoorji Pallonji Saurpower Pvt. Ltd.
	Shapoorji Pallonji Solar Holdings Pvt Ltd
	Shapoorji Pallonji Solar PV Pvt. Ltd.
	Shapoorji Pallonji Suryaprakash Pvt. Ltd.
	Shapoorji Pallonji Technologies FZE
	Shapoorji Pallonji UK Ltd.(w.e.f. 23 January 2020)
	Shapoorji Pallonji Pandoh Takoli highways private limited
	Sharus Steel Products Pvt. Ltd
	Simar Port Pvt. Ltd
	Solar Edge Power and Energy Pvt. Ltd.
	SP Advanced Engineering Materials Pvt Ltd
	SP Aluminium Systems Pvt. Ltd
	SP Energy (Egypt) S.A.E.
	SP Energy Venture AG, Baar
	SP Engineering Services Pte Ltd
	SP Fabricators Pvt. Ltd



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

49 Related Party disclosures

49.1 Related party and their relationships

Category of related party

3) Fellow subsidiaries (Continued)	Vakratunda Buildcon Pvt Ltd Vizion Business Parks Private Limited Volkart Fleming Shipping and Services Ltd Poineer Advanced for Construction W.L.L Qatar
4) Joint Ventures	Co.Stell S.r.l P.T.C. S.a.s. di Barzanti Massimo STC Power S.r.l
5) Key Management Personnel	Mrs. Zarine Y. Daruvala, Director Mr. Khurshed Y. Daruvala, Director Mr. Pallon Shapoor Mistry, Director Mr. Ravi Ananthkrishnan, Director (w.e.f. 10 February 2020) Mr. Parameshwar Hegde, Chief Financial Officer Mr. K. P. Hariharan, Company Secretary
6) Relatives of Key Management Personnel	Mrs. Kainaz Khurshed Daruvala Ms. Delna Khurshed Daruvala Mr. Jehan Khurshed Daruvala Mr. Jehangir Yazdi Daruvala Mrs. Nawaz Jehangir Daruvala Mrs. Zenobia Farhad Unwalla Mr. Farhad Homi Unwalla Mrs Parvin Zarine Madan Mrs. Meher Bommy Batiwala Mr. Shapoor Pallonji Mistry Mrs. Behroze Shapoor Mistry Ms. Tanya Shapoor Mistry Mrs. Tanuja Ravi Mr. Aarangottukara Subramaniam Ananthkrishnan Mrs. Meenakshy Ananthkrishnan Mr. Tanmay Ravi Mrs. Priya Trivedi Ms. Tanvi Ravi Mrs. Usha Padmanabhan
7) Entities over which key managerial person or their relatives exercise control	Delsys Infotech Private Limited, Daric Consultancy FZC Iris Energy Private Limited M/S. Fahudco Sterling and Wilson Energy Systems Private Limited Sterling and Wilson Services Private Limited Sterling Viking Power Private Limited The Design Artifacts Haven LLP Transtel Utilities Private Limited (formerly Transtel Systems Private Limited)
8) Entities over which Holding Company exercise significant influence	Afcons Jal Joint Venture Afcons KPTL Joint Venture (Dhaka Tongi) Afcons Pauling Joint Venture Afcons Sener LNG Construction Projects Pvt. Ltd. Afcons SMC Joint Venture Afcons Vijeta Joint Venture Afcons-Sibmost Joint Venture Afcons-Vijeta PES Joint Venture Always Remember Properties Pvt. Ltd. AMC Cookware Pty. Ltd. Armada 98/2 Pte. Ltd. Armada C7 Pte Ltd



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

49 Related Party disclosures

49.1 Related party and their relationships

Category of related party

8) Entities over which Holding Company exercise significant influence (Continued)	<p>Armada DI Pte Ltd Armada Madura EPC Ltd Awesome Properties Pvt. Ltd Bengal Shapoorji Housing Development Pvt. Ltd. Bigsearch Properties Pvt. Ltd. Blue Stone Middle East Ltd. BNV Gujarat Rail Pvt. Ltd. Cebarco Shapoorji Pallonji Co W.L.L. Coventry Properties Pvt. Ltd. ESP Dredging Solutions Pvt. Ltd. Euro P2P Direct (Thailand) Co Ltd. Forbes Aquatech Ltd. Forbes Bumi Armada Ltd. Forbes Concept Hospitality Services Pvt. Ltd. G.S. Enterprises (Partnership Firm) Grand View Estates Pvt. Ltd. Heart Beat Properties Pvt. Ltd. HPCL Shapoorji Energy Ltd. Image Realty LLP Infinite Water Solutions Pvt. Ltd. Insight Properties Pvt. Ltd. Ircan Afcons Joint venture Joyville Shapoorji Housing Pvt. Ltd. JV Hochtief – Nahdat AL Emaar-Shapoorji Kamal Power Ltd. (Tanzania) Karapan Armada Madura Pte. Ltd. Larsen & Toubro Limited – Shapoorji Pallonji and Company Ltd. Joint Venture Mirth Property Developers Pvt. Ltd. Nandadevi Infrastructure Private Limited Natural Oil Ventures Ltd. Newtech Planners & Consultancy Services Pvt. Ltd. P T Gokak Indonesia S D Corporation Pvt. Ltd. S D Powai Redevelopment Pvt. Ltd. S D Recreational Services Pvt. Ltd. S D Service Management Pvt. Ltd. S. D. New Samata Nagar Development Pvt. Ltd. S. D. SVP Nagar Redevelopment Pvt. Ltd. S. D. Town Development Pvt. Ltd. S.D. Property Maintenance Private Limited (formerly known as S.D. Samata Nagar Property Maintenance Private Limited) S.D. Samata Samantha Realty Pvt Ltd (w.e.f. 24 February 2020) Saipem Afcons Joint Venture Satori Property Developers Pvt. Ltd. SDC Mines Pvt. Ltd. SDC Township Pvt. Ltd. Seaward Realty Pvt. Ltd. Shapoorji Pallonji and OEG Services Pvt. Ltd. (Applied for strike off) Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd. Shapoorji Pallonji Bumi Armada Offshore Ltd. Shapoorji Pallonji Finance Pvt. Ltd. Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture Solar Capital De Aar 3 (RF) Proprietary Ltd. SP Armada Oil Exploration Pvt. Ltd. SP Imperial Star Pvt. Ltd. Space Square Developers Pvt. Ltd. SPML-RLC Joint Venture Sterling Motors (Partnership Firm) Strabag AG Afcons Joint Venture Sunny Recreational Property Developers Pvt. Ltd. West Coast Liquid Terminal Pvt. Ltd.</p>
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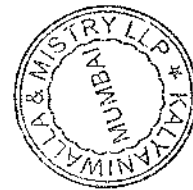
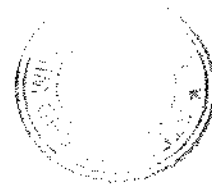
Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
I	Remuneration	-	-	-	-	-	-	34.85	36.44	-	-	34.85	36.44
II	Employee benefits	-	-	4.76	-	-	-	0.33	4.37	-	-	5.09	4.37
III	Purchases of construction materials	-	-	701.60	-	-	-	3.67	0.51	-	-	705.27	2,192.36
IV	Receiving of services	2.99	26.35	161.95	174.01	-	-	6.76	15.13	-	-	171.70	215.49
V	Income from works contracts	974.03	1,595.63	-361.73	1,672.25	-	-	-	-	-	-	612.30	3,267.88
VI	Revenue from operation and maintenance services	-	-	-	-	-	-	-	1.42	-	-	-	1.42
VII	Consultancy charges	2.35	-	-	-	-	-	5.79	-	-	-	8.14	-
VIII	Gain on absorption of losses in joint ventures	-	-	-	-	428.16	-	-	-	-	-	428.16	-
IX	Rental income	-	-	0.89	1.20	-	-	-	-	-	-	0.89	1.20
X	Interest income	-	-	83.84	126.98	-	-	1.57	-	-	-	88.14	129.61
XI	Rental expenses	-	-	-	-	2.74	2.64	71.77	68.25	-	-	77.77	68.25
XII	Interest expenses	67.46	50.04	2,213.43	1,502.84	-	-	13.22	27.00	-	0.22	2,294.11	1,580.89
XIII	Management support fees	108.40	23.83	26.93	36.43	-	-	-	-	-	-	135.33	60.25
XIV	Reimbursement of expenses	2.48	-	134.52	1.81	-	-	-	-	-	-	137.00	1.81
XV	Interim dividend (on preference shares and equity shares)	-	-	-	15.80	-	-	-	-	-	-	-	15.80
XVI	Short-term borrowings obtained	5,848.72	4,050.00	16,727.48	17,827.86	-	-	1,312.97	297.40	-	-	23,889.17	22,175.26
XVII	Short-term borrowings repaid	2,530.00	4,150.00	23,390.74	8,631.49	-	-	169.82	685.70	-	-	26,090.56	13,467.19
XVIII	Advance received from customers	1,159.29	222.58	18.73	17.14	-	-	-	-	-	-	1,178.02	239.72
XIX	Guarantee Commission	-	-	40.38	-	-	-	-	-	-	-	40.38	-
XX	Loans given during the year	-	-	1,078.33	-	-	-	74.06	-	-	-	1,152.39	-
XXI	Loan Repaid during the year	-	-	178.00	-	-	-	-	-	-	-	178.00	-
XXII	Income from Consultancy Services	-	-	-	36.29	-	-	-	-	-	-	-	36.29
XXIII	Other income	-	-	51.80	-	-	-	63.22	-	-	-	115.02	-
XXIV	Recovery towards expenses and others	-	-	391.90	-	-	-	-	-	-	-	391.90	-
XXV	Other expenses	-	-	161.87	-	-	-	-	-	-	-	161.87	-

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sl. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercises significant influence		Total
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
XXXVI	Corporate guarantee issued (including foreign exchange adjustments)	-	-	-	1,700.00	-	-	-	-	-	-	1,700.00
XXXVII	Letter of credits issued	-	-	495.36	-	-	-	-	-	-	-	495.36
XXXVIII	Letter of credits cancelled during the year (including Corporate guarantees cancelled (including foreign exchange adjustments)	-	-	495.36	-	-	-	-	-	-	-	495.36
XXXIX	Corporate guarantees cancelled (including foreign exchange adjustments)	-	-	900.00	-	-	18.60	-	-	-	-	900.00
XXX	Advance from customers	1,018.79	377.50	110.34	9,456.22	-	6.35	-	-	-	17.29	9,857.37
XXXI	Trade receivables	478.37	892.14	1,790.61	1,784.64	-	-	-	-	62.81	82.82	2,331.79
XXXII	Advances to supplier	-	-	480.07	431.31	-	-	-	-	-	-	431.31
XXXIII	Gross amount due from customer	268.77	272.43	38.28	36.21	-	-	-	-	-	-	308.64
XXXIV	Gross amount due to customer	92.53	25.63	18.46	0.18	-	-	-	-	-	-	25.81
XXXV	Interest accrued but not due	-	-	-	-	-	-	0.64	0.23	-	-	0.23
XXXVI	Trade payables	410.39	291.78	837.51	1,766.68	-	-	8.52	0.46	-	-	1,256.42
XXXVII	Short-term borrowings	3,813.47	431.70	12,722.73	13,165.20	-	-	1,195.59	48.15	-	-	17,731.79
XXXVIII	Other receivables	-	-	249.71	23.16	-	39.78	335.26	-	-	-	424.78
XXXIX	Corporate guarantee outstanding (including foreign exchange adjustments)	-	-	800.00	1,700.00	781.81	740.13	-	-	-	-	1,581.81
XXXX	Investments accounted for using equity method	-	-	-	-	155.03	8.91	-	-	-	-	155.03
XXXXI	Loans given outstanding	-	-	1,031.35	1,844.75	141.98	81.20	456.84	-	2.13	3.84	1,632.30
XXXXII	Loan towards Equity	-	3,350.00	174.66	-	-	-	-	-	-	-	3,350.00
XXXXIII	Other payables	-	-	353.91	22.93	6.84	-	-	-	23.42	-	384.17
XXXXIV	Equity Capital Issued	89.33	-	-	-	-	-	44.00	-	-	-	133.33
XXXXV	Preference share capital issued	7,500.00	-	-	-	-	-	5,025.00	-	-	-	12,525.00



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Sterling and Wilson Private Limited

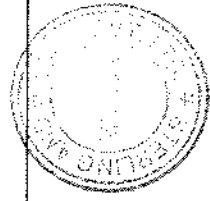
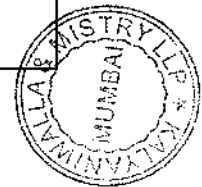
Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
I	Remuneration										
	Mr. Parameshwar Hegde	-	-	-	-	-	-	10.53	8.76	-	-
	Mr. Neville Madan	-	-	-	-	-	-	-	8.55	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	18.67	16.77	-	-
	Mr. K. P. Haritharan	-	-	-	-	-	-	3.02	2.36	-	-
	Mr. Ravi Ananthakrishnan (wef 10 February, 2020)	-	-	-	-	-	-	2.63	-	-	-
II	Employee Benefits*										
	Mr. Neville Madan	-	-	-	-	-	-	-	0.45	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	0.33	3.92	-	-
	Sterling and Wilson Power Solutions LLC	-	-	2.94	-	-	-	-	-	-	-
	Sterling and Wilson Powergen FZE	-	-	1.82	-	-	-	-	-	-	-
III	Purchases of construction material										
	Sterling Generators Private Limited	-	-	557.45	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	90.79	-	1,263.58	-	-	-	-	-
	Sterling and Wilson Solar Limited	-	-	43.80	-	48.00	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	142.59	-	-	-	-	-
	Sterling and Wilson Powergen FZE	-	-	-	-	-	-	3.67	0.51	-	-
	Esterlina Solar Engineer Private Limited	-	-	9.06	-	2.76	-	-	-	-	-
	Eureka Forbes Limited	-	-	0.49	-	0.45	-	-	-	-	-
	Sterling and Wilson Cogen Solutions Private Limited	-	-	-	-	734.47	-	-	-	-	-
IV	Receiving of services										
	Shapoorji Pallonji and Company Private Limited	2.99	26.35	-	-	-	-	-	-	-	-
	GCO Solar Pvt Ltd	-	-	31.91	-	-	-	-	-	-	-
	Sterling Wilson Solar Limited	-	-	9.26	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	3.08	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	39.60	-	3.59	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	0.40	0.70	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	6.36	14.43	-	-
	Forvol International Services Limited	-	-	65.53	-	77.14	-	-	-	-	-
	SP Fabricators Private Limited	-	-	12.55	-	93.27	-	-	-	-	-
	Bureka Forbes Limited	-	-	0.03	-	0.00	-	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

- 49 Related party disclosures (Continued)
49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
V	Income from works contracts										
	Shapoorji Pallonji and Company Private Limited	974.03	1,595.63	-	-	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	0.44	-	-	-	-	-	-	-
	GCO Solar Pty Ltd	-	-	80.06	-	-	-	-	-	-	-
	Sterling & Wilson SPCPL Chint Moroccan Venture Pvt Ltd	-	-	-	11.88	-	-	-	-	-	-
	GLOBAL INFRA FZCO	-	-	88.64	19.81	-	-	-	-	-	-
	Shapoorji Pallonji Mid East - KSA	-	-	-	178.86	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	55.93	18.11	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	16.46	60.22	-	-	-	-	-	-
	Sterling and Wilson Australia Pty Ltd	-	-	2.86	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	88.01	-	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd	-	-	212.07	23.85	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria FZE	-	-	0.68	-	-	-	-	-	-	-
	Forbes Facility Services Pvt. Ltd	-	-	0.36	1.16	-	-	-	-	-	-
	Shapoorji Pallonji Qatar WLL	-	-	-907.24	1,358.35	-	-	-	-	-	-
VI	Revenue from operation and maintenance services										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	-	1.30	-
	Zenobia Farhad Unwala	-	-	-	-	-	-	-	-	0.12	-
VII	Consultancy charges										
	Shapoorji Pallonji India	2.35	-	-	-	-	-	-	-	-	-
	K. Daruvala (July - Sept 2019)	-	-	-	-	-	-	5.79	-	-	-
VIII	Gain on absorption of losses in joint ventures										
	Co. Stell S.r.l.	-	-	-	-	75.84	-	-	-	-	-
	STC Power SH	-	-	-	-	352.32	-	-	-	-	-
IX	Rental Income										
	Sterling Generators Private Limited	-	-	-	0.31	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	0.89	0.89	-	-	-	-	-	-
X	Interest income										
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	13.44	-	-	-	-	-	-	-
	Sterling and Wilson Middle East Solar Energy LLC	-	-	49.29	126.98	-	-	-	-	-	-
	Co.Stell S.r.l.	-	-	-	-	2.74	2.64	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	21.11	-	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	1.57	-	-	-

*Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

St. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
XI	Rental expenses										
	Transel Systems Private Limited	-	-	-	-	-	-	75.37	65.85	-	-
	Delsys Infotech Private Limited	-	-	-	-	-	-	2.40	2.40	-	-
XII	Interest expenses										
	Shapoorji Pallonji and Company Private Limited	67.46	50.04	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	12.24	7.59	-	-
	Ms.Deina Daruvala	-	-	-	-	-	-	0.87	1.28	-	-
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	-	8.62	-	-
	Sterling & Wilson Power Solutions LLC	-	-	3.94	-	-	-	-	-	-	-
	Sterling & Wilson Power-Gen FZE	-	-	15.54	-	-	-	-	-	-	-
	Afcon	-	-	-	-	-	-	-	-	-	-
	Sterling Wilson Co-gen Uk	-	-	-	11.57	-	-	-	-	-	0.22
	Sterling and Wilson International Solar FZCO	-	-	506.41	638.00	-	-	-	-	-	-
	S.D.Corporation	-	-	-	0.41	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	0.10	9.50	-	-
	Sterling and Wilson Cogen Solutions Private Limited	-	-	-	0.50	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	37.91	9.48	-	-	-	-	-	-
	Sterling and Wilson Solar Limited	-	-	1,649.63	842.87	-	-	-	-	-	-
XIII	Management support fees										
	Shapoorji Pallonji and Company Private Limited	108.40	23.83	-	-	-	-	-	-	-	-
	Sterling and Wilson Cogen Solutions Private Limited	-	-	24.98	-	-	-	-	-	-	-
	Sterling and Wilson Powergen FZE	-	-	-	34.58	-	-	-	-	-	-
	Pioneer Advanced	-	-	1.95	1.85	-	-	-	-	-	-
XIV	Reimbursement of expenses										
	Shapoorji Pallonji and Company Private Limited	2.48	-	-	-	-	-	-	-	-	-
	Sterling & Wilson Co-gen Solutions Pvt Ltd	-	-	6.13	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	6.77	-	-	-	-	-	-	-
	Sterling and Wilson Middle East Solar Energy LLC	-	-	-	-0.88	-	-	-	-	-	-
	Sterling and Wilson Powergen FZE	-	-	-	1.12	-	-	-	-	-	-
	Sterling and Wilson Power Solutions LLC	-	-	8.61	1.58	-	-	-	-	-	-
	Sterling and Wilson Solar Limited	-	-	113.00	-	-	-	-	-	-	-
	Sterling & Wilson Power Solutions LLC	-	-	-	-	-	-	-	-	-	-
XV	Interim dividend (on preference shares and equity shares)										
	Sterling Generators Pvt Ltd	-	-	-	15.80	-	-	-	-	-	-



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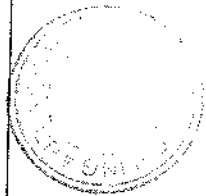
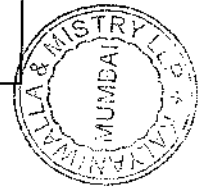
Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
XVI	Short-term borrowings obtained										
	Shapoorji Pallonji and Company Private Limited	5,848.72	4,050.00	-	-	-	-	-	-	-	-
	Sterling & Wilson Powergen Pvt Ltd	-	-	-	130.01	-	-	-	-	-	-
	S.D Corporation	-	-	16,620.00	16,100.00	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	500.00	-	-	-	-	-	-
	Ms.Delina Daruvala	-	-	-	-	-	-	1,009.70	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	1.40	2.40	-	-
	Sterling and Wilson Waaree Private Limited	-	-	-	-	-	-	301.87	295.00	-	-
	Sterling and Wilson Powergen FZE	-	-	107.48	750.12	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	-	67.73	-	-	-	-	-	-
		-	-	-	280.00	-	-	-	-	-	-
XVII	Short term borrowings repaid										
	Shapoorji Pallonji and Company Private Limited	2,530.00	4,150.00	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	58.50	216.50	-	-
	Delina Daruvala	-	-	-	-	-	-	9.45	13.70	-	-
	Sterling and Wilson Waaree Private Limited	-	-	256.41	486.72	-	-	-	-	-	-
	Kainaz Daruvala	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	101.87	160.00	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	-	-	-	-	-	295.50	-	-
	Sterling and Wilson Powergen FZE	-	-	36.06	280.00	-	-	-	-	-	-
	Sterling & Wilson Powergen Pvt Ltd	-	-	-	47.06	-	-	-	-	-	-
	Sterling & Wilson Solar Ltd	-	-	-	107.07	-	-	-	-	-	-
	S.D Corporation	-	-	23,098.28	7,210.64	-	-	-	-	-	-
		-	-	-	500.00	-	-	-	-	-	-
XVIII	Advance received from customers										
	Shapoorji Pallonji and Company Private Limited	1,159.29	222.58	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	17.11	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	-	4.97	-	-	-	-	-	-
	Global Infra FZCO	-	-	1.62	12.18	-	-	-	-	-	-
XIX	Guarantee Commission										
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	14.32	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	26.06	-	-	-	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
XX	Loans given during the year										
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	543.50	-	-	-	-	-	-	-
	Transiel Utilities UK	-	-	-	-	-	-	74.06	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	534.83	-	-	-	-	-	-	-
XXI	Loan Repaid during the year										
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	178.00	-	-	-	-	-	-	-
XXII	Income from Consultancy Services										
	Sterling and Wilson Cogen Solutions, Inc.	-	-	-	23.50	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	-	12.79	-	-	-	-	-	-
XXIII	Other income										
	Sterling Wilson Solar Limited	-	-	51.80	-	-	-	-	-	-	-
	Transiel Utilities UK	-	-	-	-	-	-	63.22	-	-	-
XXIV	Recovery towards expenses and others										
	Sterling & Wilson Co-Gen Solutions Private Ltd	-	-	13.45	-	-	-	-	-	-	-
	Sterling Wilson Solar Limited	-	-	370.22	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	8.23	-	-	-	-	-	-	-
XXV	Other expenses										
	Sterling and Wilson Powergen FZE	-	-	43.26	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	92.29	-	-	-	-	-	-	-
	Sterling and Wilson Power Solutions LLC	-	-	26.32	-	-	-	-	-	-	-
XXVI	Corporate guarantees issued (including foreign exchange adjustments)										
	Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	-	1,700.00	-	-	-	-	-	-
XXVII	Letter of credits issued										
	Sterling and Wilson International Solar FZCO	-	-	495.36	-	-	-	-	-	-	-
XXVIII	Letter of credits cancelled during the year (including foreign exchange adjustments)										
	Sterling and Wilson International Solar FZCO	-	-	495.36	-	-	-	-	-	-	-
XXIX	Corporate guarantees cancelled										
	STC Power S.r.l.	-	-	-	-	-	-	18.60	-	-	-
	Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	900.00	-	-	-	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Follow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
XXX	Advance from customers										
	Shapoorji Pallonji and Company Private Limited	1,018.79	377.50	-	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	11.03	21.43	-	-	-	-	-	-
	Global Infra FZCO	-	-	-	12.18	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd - (Mecure Project)	-	-	6.79	6.63	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	54.83	18.19	-	-	-	-	-	-
	Balance Power	-	-	-	110.75	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	324.34	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	-	8,663.36	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	-	-	-	-	-	-	-	-
	Sterling General Trading Co LLC	-	-	-	62.48	-	-	-	-	-	-
	Sterling and Wilson Powergen FZE	-	-	-	22.58	-	-	-	-	-	-
	Darc Consultancy	-	-	-	-	-	-	-	-	-	-
	STC	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Limited	-	-	-	105.93	-	-	-	-	-	-
	Shapoorji Pallonji Qatar WLL	-	-	37.69	108.36	-	-	-	-	-	-
	6.35	-	-	-	-	-	-	-	-	-	17.29
XXXI	Trade Receivables										
	Shapoorji Pallonji and Company Private Limited	478.37	892.14	-	-	-	-	-	-	-	-
	GCO Solar Pty Ltd	-	-	14.15	-	-	-	-	-	-	-
	Sterling and Wilson Australia Pty Ltd	-	-	2.18	-	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	561.61	823.06	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	91.79	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	0.40	0.32	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	25.77	42.64	-	-	-	-	-	-
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Limited Joint Venture	-	-	-	-	-	-	-	-	-	-
	62.81	-	-	-	-	-	-	-	-	-	82.82
	Global Infra FZCO	-	-	37.07	13.30	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria FZE	-	-	0.69	-	-	-	-	-	-	-
	Shapoorji Pallonji Qatar WLL	-	-	1,016.13	858.17	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Limited	-	-	40.84	47.14	-	-	-	-	-	-
XXXII	Advances to supplier										
	Sterling Generators Private Limited	-	-	-	42.31	-	-	-	-	-	-
	Sterling & Wilson Power Solutions LLC	-	-	480.07	389.00	-	-	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Follow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence
		2020	2019	2020	2019	2020	2019		
XXXIII	Gross amount due from customer								
	Shapooji Pallonji and Company Private Limited	268.77	272.43	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	30.50	22.79	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Private Limited	-	-	0.44	-	-	-	-	-
	Shapooji Pallonji Mid East LLC	-	-	-	6.91	-	-	-	-
	Global Infra FZCO	-	-	7.34	6.51	-	-	-	-
XXXIV	Gross amount due to customer								
	Shapooji Pallonji and Company Private Limited	92.53	25.63	-	-	-	-	-	-
	Shapooji Pallonji Nigeria Ltd	-	-	13.48	-	-	-	-	-
	Relationship Properties Private Limited	-	-	-	0.18	-	-	-	-
	Shapooji Pallonji Mid East LLC	-	-	4.98	-	-	-	-	-
XXXV	Interest accrued but not due								
	Khurshed Daruvala	-	-	-	-	-	-	0.64	0.23
XXXVI	Trade payable								
	Shapooji Pallonji and Company Private Limited	410.39	291.78	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	563.56	730.30	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	141.81	27.69	-	-	-	-
	Sterling Wilson Solar Limited	-	-	-	149.74	-	-	-	-
	GCO Solar Pty Ltd	-	-	43.83	-	-	-	-	-
	Forvol International Services Limited	-	-	1.48	8.56	-	-	-	-
	Estertina Solar Engineer Private Limited	-	-	22.11	-	-	-	-	-
	Eureka Forbes Limited	-	-	0.39	0.06	-	-	-	-
	Sterling and Wilson Co-Gen Solutions Private Limited	-	-	26.98	847.76	-	-	-	-
	SP Fabricators	-	-	13.64	2.57	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	23.70	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	0.81	0.43
	Transtel Systems Private Limited	-	-	-	-	-	-	7.71	0.03
XXXVII	Short Term Borrowing								
	Shapooji Pallonji and Company Private Limited	3,813.47	431.70	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	6,626.59	-	-	-	-	-
	Sterling and Wilson Powergen FZE	-	-	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	117.12	272.39	-	-	-	-
	Sterling Wilson Solar Limited	-	-	5,979.01	12,892.81	-	-	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	199.50	8.05
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	996.10	40.10



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence
		2020	2019	2020	2019	2020	2019		
XXXXVIII	Other receivables								
	Sterling and Wilson International Solar FZCO	-	-	26.06	-	-	-	-	-
	Sterling and Wilson Co-Gen Solutions Private Limited	-	-	41.82	10.89	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	0.02	7.45	-	-	-	-
	Shashwat Energy Pvt Ltd	-	-	5.65	3.17	-	-	-	-
	Transnet Utilities UK	-	-	-	-	-	-	-	-
	SPC-SWPL JV	-	-	-	-	21.41	-	135.26	-
	Sterling and Wilson Powergen FZE, U.A.E	-	-	23.19	-	-	-	-	-
	STC Power S.R.L	-	-	-	-	18.37	-	-	-
	Sterling Generators Pvt Ltd	-	-	1.50	-	-	-	-	-
	Sterling & Wilson Solar Ltd	-	-	141.79	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	9.69	1.66	-	-	-	-
XXXXIX	Corporate guarantees outstanding (including foreign exchange adjustments)								
	Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	890.00	1,700.00	-	-	-	-
	STC Power S.R.L	-	-	-	-	781.81	740.13	-	-
XXXXX	Investments accounted for using equity method								
	Co. Stelli S.R.L	-	-	-	-	153.01	5.39	-	-
	P.T.C.S.A.S Di Barzanti Massimo	-	-	-	-	2.02	3.52	-	-
XXXXXI	Loans given outstanding								
	Sterling and Wilson Middle East Solar Energy LLC	-	-	-	1,694.23	-	-	-	-
	Sterling and Wilson Power Solution L.L.C.	-	-	16.51	70.34	108.97	81.20	-	-
	Co. Stelli	-	-	-	-	-	-	-	-
	Sterling and Wilson Cogen Private Limited	-	-	-	24.30	-	-	-	-
	Ebrahim Sonde Bahrain Sponsor	-	-	-	-	-	-	-	-
	Ahmed Jassira (51% Qatar)	-	-	-	-	-	-	-	-
	Sterling and Wilson Saudi Arabia Limited	-	-	23.82	13.57	-	-	-	2.12
	STC Power S.r.L	-	-	-	-	33.01	-	-	-
	Sterling Generators Pvt Ltd	-	-	-	42.31	-	-	-	-
	SWB Power	-	-	-	-	-	-	-	-
	Scientific Joint Company	-	-	3.57	-	-	-	-	0.01
	Sterling and Wilson Powergen FZE, UAE	-	-	3.63	-	-	-	-	-
	Transnet Utilities UK	-	-	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	427.89	-	-	-	456.84	-
	Sterling and Wilson International Solar FZCO	-	-	555.94	-	-	-	-	-
XXXXXII	Loan Towards Equity								
	Shaporji Fillionji and Company Private Limited	-	3,350.00	-	-	-	-	-	-
	Sterling & Wilson Power-Gen FZE	-	-	174.66	-	-	-	-	-



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

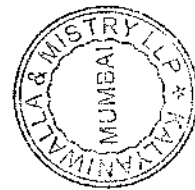
49 Related party disclosures (Continued)

49.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow subsidiaries		Joint Ventures		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence	2019	2020	2019	2020	2019	2020
		2020	2019	2020	2019	2020	2019								
XXXXIII	Other payables														
	Sterling & Wilson Power Solutions LLC	-	-	53.76	-	-	-	-	-	-	-	-	-	-	-
	Ebrahim Soudi (Bahrain, NCI)	-	-	-	-	-	-	-	-	-	-	-	-	-	4.79
	Sterling Trading Company	-	-	67.31	-	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Pvt. Ltd.	-	-	2.34	-	-	-	-	-	-	-	-	-	-	-
	Loan to STC Power S.r.l.	-	-	-	-	-	6.84	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Mideast LLC	-	-	19.59	-	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Powergen FZE Ltd.	-	-	114.56	-	-	-	-	-	-	-	-	-	-	-
	Deric Consultancy	-	-	22.93	-	-	-	-	-	-	-	-	-	-	-
	Sterling Generator Pvt. Ltd.	-	-	90.16	-	-	-	-	-	-	-	-	-	-	18.63
	Sterling & Wilson Co-Gen Solutions Pvt Limited	-	-	6.19	-	-	-	-	-	-	-	-	-	-	-
XXXXIV	Equity Capital issued														
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	89.33	-	-	-	-	-	-	-	-	44.00	-	-	-	-
XXXXV	Preference share capital issued														
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	7,500.00	-	-	-	-	-	-	-	-	5,025.00	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

50 Interest in joint ventures

	Carrying amount	
	31 March 2020	31 March 2019
Interest in joint ventures		
1 STC Power S.r.l.	-	-
2 Co. Stell S.r.l	158.41	5.39
3 P.T.C S.A.S Di Barzanti Massimo	5.53	3.52
	<u>163.94</u>	<u>8.91</u>

(a) List of joint ventures

Sr No	Name of the entity	Place of business	% ownership interest		Relationship	Accounting method
			31 March 2020	31 March 2019		
1	STC Power S.r.l.	Forli, Italy	60%	51%	Joint Venture	Equity Method
2	Co. Stell S.r.L	Forli, Italy	85%	55%	Joint Venture	Equity Method
3	P.T.C S.A.S Di Barzanti Massimo	Milan	50%	50%	Joint Venture	Equity Method

The principal activities of the above joint ventures include business development, installation and marketing of technological products, system and equipment as well as the supply of services with particular reference to the energy industry. Additionally, their activities include the development of civil and industrial works, the coordination of the organizational activities for feasibility studies, sales promotion and technical consultancy related to the aforementioned works and setting up of all related activities.

In 2017, the Group acquired ownership interest in three joint ventures registered in Italy. Acquisition of the joint ventures was accounted for using the acquisition method of accounting. As a result of purchase price allocation exercise, the Group has identified intangible assets from customer contracts which is being amortised over the expected time of completion of contracts.

Particulars	STC Power S.r.l.	Co. Stell S.r.l.	P.T.C S.A.S Di Barzanti Massimo	Total
Increase in value of net assets as a result of final purchase price allocation:				
- Intangible assets	(428.30)	46.99	-	475.28
Less : Amortisation during the year 2017	(127.76)	(44.89)	-	(172.64)
Amortisation during the year 2018	(210.26)	-	-	(210.26)
Amortisation during the year 2019	(86.23)	-	-	(86.23)
Amortisation during the year 2020	(1.24)	(2.10)	-	(3.34)
Translation Adjustment	4.05	-	-	4.05
Intangible assets (net of amortisation)	6.86	0.00	-	6.86



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

50 Interest in joint ventures (Continued)

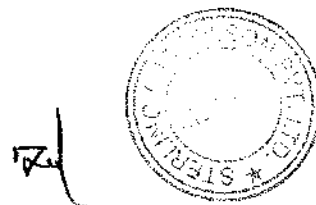
(a) List of joint ventures (Continued)

Under the share purchase agreements ("the agreement") originally entered into between the Group and the erstwhile majority shareholders (certain erstwhile shareholders are also the current joint venture partners) for acquisition of the joint ventures, STC Power Sri and Co Stell S.r.l. The erstwhile majority shareholders had represented that the joint ventures would achieve certain amount of target net worth as of 31 December 2017. In the event that actual net worth as of 31 December 2017 is lower than the target net worth as represented in the agreement, the erstwhile majority shareholders shall pay the short fall either in cash or by way of transfer of shares (the value of which is equivalent of the shortfall) in the joint ventures or combination of both. The actual net worth as of 31 December 2017 for both the joint ventures was lower than the target net worth as per the agreement. As a result, a settlement agreement was entered into on 17 February 2020 between the Group and the erstwhile majority shareholders, whereby the erstwhile majority shareholders agreed to settle the shortfall both in cash and transfer of shares (the value of which is equivalent of the short fall) as follows:

Joint Venture	Agreed Shortfall	Settled by cash	Transfer of shares in lieu of cash
Co. Stell S.r.l.	75.84	-	75.84
STC Power S.r.l.	352.32	115.63	236.69
Total	428.16	115.63	312.53

The agreed shortfall which was received in cash and through transfer of shares has been recognized under other income as "Gain on indemnification by joint ventures partners" (Note 33 and 49). The additional shares received based on the above settlement agreement is accounted as step acquisition of the joint ventures. The effective date of the acquisition is 31 March 2020 and as that date the fair value of net liabilities is equal to its carrying value.

2020	STC Power S.r.l.	Co. Stell S.r.l.	Total
Net liabilities acquired	(865.62)	(7.25)	(872.87)
Share of net liabilities	(77.91)	(2.17)	(80.08)
Purchase consideration (transfer of shares in lieu of cash)	249.89	80.07	329.96
Goodwill	327.79	82.25	410.04



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

50 Interest in joint ventures (Continued)

(b) Summarised financial information for joint ventures

Sr No	Particulars	STC Power S.r.l.	Co. Stell S.r.l.	P.T.C S.A.S Di Barzanti Massimo
I	Non-current assets (net off goodwill)	663.26	217.80	0.00
		<i>254.20</i>	<i>69.41</i>	<i>0.00</i>
II	Current assets	2143.39	480.86	49.26
		<i>3176.12</i>	<i>675.88</i>	<i>43.28</i>
III	Non-current liabilities	(221.46)	(120.06)	0.00
		<i>(198.43)</i>	<i>(97.32)</i>	<i>0.00</i>
IV	Current liabilities	(3450.80)	(585.84)	(38.18)
		<i>(3275.85)</i>	<i>(640.84)</i>	<i>(36.23)</i>
V	Net assets	(865.62)	(7.25)	11.08
		<i>(43.97)</i>	<i>7.14</i>	<i>7.05</i>
VI	Group's share of net assets	(352.85)	(6.16)	5.54
		<i>(17.69)</i>	<i>3.92</i>	<i>3.52</i>
VII	Intangible assets* (net of amortisation and translation adjustment)	6.86	0.00	0.00
		<i>7.59</i>	<i>2.25</i>	<i>0.00</i>
VIII	Translation adjustment	18.20	(0.37)	(0.01)
		<i>10.11</i>	<i>(0.78)</i>	<i>(0.01)</i>
IX	Carrying amount of interest in joint ventures	0.00	158.41	5.53
		<i>0.00</i>	<i>5.39</i>	<i>3.52</i>

Previous year numbers are in italics

* Intangible assets represent fair value of "Customer contracts" identified as a result of final purchase price allocation and is being amortised over the expected time completion of the contracts.

Reconciliation of carrying amounts of Group's interest in the joint ventures in these consolidated financial statements is as follows:

Sr No	Particulars	31 March 2020		
		STC Power S.r.l.	Co. Stell S.r.L.	P.T.C S.A.S Di Barzanti Massimo
I	Proportion of Group's ownership interest in Joint Venture	(352.85)	(6.16)	5.54
II	Goodwill on investment in joint ventures	327.79	82.25	0.00
III	Intangible assets (net of amortisation)	6.86	0.00	0.00
IV	Translation Adjustment	18.20	(0.37)	(0.01)
V	Amounts contributed to equity	0.00	82.69	0.00
VI	Carrying amount	0.00	158.41	5.53



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

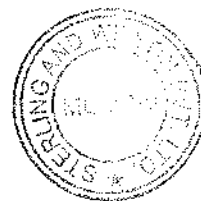
50 Interest in joint ventures (Continued)

(b) Summarised financial information for joint ventures (Continued)

Sr No	Particulars	31 March 2019		
		STC Power S.r.l.	Co. Stell S.r.L	P.T.C S.A.S Di Barzanti Massimo
I	Proportion of Group's ownership interest in Joint Venture	(17.69)	3.92	3.52
II	Intangible assets (net of amortisation)	7.59	2.25	0.00
III	Translation adjustment	10.11	(0.78)	0.00
IV	Carrying amount	0.00	5.39	3.52

Sr No	Particulars	31 March 2020		
		STC Power S.r.l.	Co. Stell S.r.L	P.T.C S.A.S Di Barzanti Massimo
I	Revenue	2523.38	712.52	9.55
II	Profit / (loss) for the year	(808.19)	(13.92)	3.43
III	Other comprehensive income (net of income tax)	27.64	(0.20)	0.00
IV	Total comprehensive income	(780.55)	(14.12)	3.43
V	Group's share of profit / (loss)	(260.52)	(9.95)	1.71
VI	Group's share of other comprehensive income	14.09	(0.11)	0.00
VII	Group share of total comprehensive income	(246.42)	(10.06)	1.71

Sr No	Particulars	31 March 2019		
		STC Power S.r.l.	Co. Stell S.r.L	P.T.C S.A.S Di Barzanti Massimo
I	Revenue	2770.77	766.91	40.44
II	Profit / (loss) for the year	(138.69)	0.07	33.38
III	Other comprehensive income (net of income tax)	(86.98)	(0.49)	0.00
IV	Total comprehensive income	(225.67)	(0.41)	33.38
V	Group's share of profit / (loss)	(70.72)	0.04	16.69
VI	Group's share of other comprehensive income	(40.20)	(0.27)	0.00
VII	Group share of total comprehensive income	(110.93)	(0.23)	16.69



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

51 Non-controlling interests (NCI)

Set out below is summarised financial statements for each subsidiary that has non-controlling interests. The amounts disclosed for each subsidiary are before inter-company eliminations

31 March 2020	Sterling and Wilson Security Systems Private Limited	Sterling & Wilson Nigeria Limited	Sterling and Wilson Middle East W.L.L., Bahrain	SWB Power Limited	GCO Pty. Ltd.	Enrich
Percentage of non-controlling interests	0.10%	49.00%	51.00%	0.00%	24.00%	51.00%
Non-current assets	1.05	74.85	-	-	34.72	1.52
Current assets	22.88	2,594.18	2.14	-	81.54	147.14
Non-current liabilities	-	(3.81)	-	-	(13.40)	-
Current liabilities	(34.09)	(2,660.87)	(241.38)	-	(173.17)	(148.16)
Net assets	(10.17)	4.35	(239.24)	-	(70.32)	0.50
Assets attributable to NCI	(0.01)	2.13	(122.01)	-	(16.88)	0.25
Consolidation adjustments	-	174.68	2.28	-	-	-
Net assets attributable to NCI as per consolidated financial statements	(0.01)	176.81	(119.73)	-	(16.88)	0.25

*Value less than 0.01 Million

31 March 2020	Sterling and Wilson Security Systems Private Limited	Sterling & Wilson Nigeria Limited	Sterling and Wilson Middle East W.L.L., Bahrain	SWB Power Limited	GCO Pty. Ltd.	Enrich
Percentage of non-controlling interests	0.10%	49.00%	51.00%	0.00%	24.00%	51.00%
Profit after income tax	(1.07)	32.38	(40.81)	-	(76.68)	0.40
Other comprehensive income	-	(2.14)	0.54	-	3.94	-
Total comprehensive income	(1.07)	30.23	(40.27)	-	(72.74)	0.40
Profit/(Loss) attributable to NCI	0.00*	15.86	(20.81)	-	(18.40)	0.20
Total profit attributable to NCI	0.00*	15.86	(20.81)	-	(18.40)	0.20
Other comprehensive income attributable to NCI	-	(1.05)	0.27	-	0.95	-
Consolidation adjustments	-	-	(8.01)	-	-	-
Total Other comprehensive income attributable to NCI	-	(1.05)	(7.74)	-	0.95	-
Total comprehensive income attributable to NCI	0.00*	14.81	(28.55)	-	(17.46)	0.20

*Value less than 0.01 Million

31 March 2019	Sterling and Wilson Security Systems Private Limited	Sterling & Wilson Nigeria Limited	Sterling and Wilson Middle East W.L.L., Bahrain	SWB Power Limited
Percentage of non-controlling interests	0.10%	49.00%	51.00%	49.00%
Non-current assets	1.07	17.63	-	1,009.31
Current assets	22.93	1,729.84	3.31	159.26
Non-current liabilities	-	(1.18)	-	-
Current liabilities	(33.10)	(1,705.15)	(173.66)	(1209.29)
Net assets	(9.10)	41.15	(170.35)	(40.72)
Assets attributable to NCI	(0.01)	20.16	(86.88)	19.96
Consolidation adjustments	0.04	(106.69)	0.03	-
Net assets attributable to NCI as per consolidated financial statements	0.03	(86.52)	(86.85)	19.96

31 March 2019	Sterling and Wilson Security Systems Private Limited	Sterling & Wilson Nigeria Limited	Sterling and Wilson Middle East W.L.L., Bahrain	SWB Power Limited
Percentage of non-controlling interests	0.10%	49.00%	51.00%	49.00%
Profit after income tax	(4.39)	(94.45)	(176.72)	42.55
Other comprehensive income	-	-	(0.12)	(0.34)
Total comprehensive income	(4.39)	(94.45)	(176.84)	42.21
Profit/(Loss) attributable to NCI	(0.00)*	(46.28)	(90.13)	20.85
Total profit attributable to NCI	(0.00)*	(46.28)	(90.13)	20.85
Other comprehensive income attributable to NCI	0.00	0.00	(0.06)	(0.17)
Consolidation adjustments	-	8.73	1.25	1.21
Total Other comprehensive income attributable to NCI	-	8.73	1.19	1.04
Total comprehensive income attributable to NCI	(0.00)*	(37.55)	(88.94)	21.89

*Value less than 0.01 Million



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2020

(Currency: Indian rupees in Millions)

52 Income taxes

a) Amount recognised in the Consolidated statement of profit and loss

Particulars	31 March 2020	31 March 2019
Current tax expense:		
Current year	13.51	67.50
Changes in estimate related to prior years	0.18	0.04
	13.69	67.54
Deferred tax:		
Origination and reversal of temporary differences	(735.39)	-21.94
	(735.39)	(21.94)
Tax	(721.69)	45.60

b) Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Before tax	Tax (expense) benefit	Before tax	Tax (expense) benefit
Items that will not be reclassified to profit or loss				
Remeasurement gain / (losses) on post employment defined benefit plan	15.05	(5.26)	(15.17)	-
Share of other comprehensive income in joint ventures, to the extent not to be reclassified to profit or loss	0.59	-	(0.62)	-
Items that will be reclassified to profit or loss				
Exchange differences in translating financial statements of foreign operations	(435.52)	-	(190.53)	-
Share of other comprehensive income in joint venture, to the extent to be reclassified to profit or	13.40	-	(39.85)	-
			9.79	(15.17)
			0.59	(0.62)
			(435.52)	(190.53)
			13.40	(39.85)
			Net of tax	Net of tax



c) Reconciliation of effective tax rate

Particulars	31 March 2020	31 March 2019
Profit before tax	(5753.58)	(3124.24)
Tax using the Company's domestic tax rate (current year 34.944% and previous year 34.944%)	(2010.53)	(1091.73)
Tax effect of:		
Non-deductible expenses	108.84	247.60
Income not subject to tax	842.20	1,086.09
Recognition of deferred tax on tax losses of earlier years	(21.81)	51.21
Changes in estimates related to prior years	0.18	0.04
On account of consolidation adjustments	(28.48)	(12.99)
Effect of consolidation of loss making subsidiaries	-	(11.22)
Utilisation of previously unrecognised tax loss	(32.81)	-
Items taxed at differential rates	26.99	-
Effect of tax rates in foreign jurisdictions	389.66	(3.69)
Deductible expenses	(1.55)	(298.52)
Deferred tax assets not recognised on tax losses of current year	18.75	79.09
Others	(13.13)	(0.27)
Effective tax rate	(721.69)	45.61



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d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Particulars	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Foreign currency translation	Balance as at 31 March 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Sale of subsidiary	Foreign currency translation	Balance as at 31 March 2020
Employee benefits	160.24	32.10	-	-	192.34	13.33	(5.26)	-	-	200.40
Provision for bad and doubtful debts and advances	180.44	(58.02)	-	-	122.42	(11.32)	-	-	0.23	111.33
Provision for foreseeable losses	11.78	(8.92)	-	0.41	3.26	28.98	-	-	-	32.24
Provision for unbilled receivables	(15.27)	62.14	-	-	46.87	(46.87)	-	-	-	-
Carry forward business losses	145.78	(21.40)	-	0.92	125.30	660.80	-	(7.55)	-	786.30
Provision for liquidated damages	5.39	(2.43)	-	-	2.96	(5.52)	-	-	-	(2.56)
Property, plant and equipment	(33.06)	(33.78)	-	-0.01	(66.85)	(59.15)	-	-	0.12	(125.87)
Unabsorbed depreciation	69.57	-0.00	-	-	69.57	122.82	-	-	-	192.39
MAT credit	-	53.96	-	-	53.96	-	-	-	-	53.96
Retention receivable	19.96	(19.96)	-	-	-	-	-	-	-	-
Other adjustments	-	0.14	-	-	0.14	(0.14)	-	-	-	0.01
On consolidation adjustments	10.60	0.01	-	-	10.61	(10.60)	-	-	-	0.01
Unrealised Foreign Exchange	-	0.00	-	-	-	36.74	-	-	0.39	37.14
Fair valuation of investments	(28.81)	(3.20)	-	-	(32.01)	13.04	-	-	-	(18.96)
Foreign currency translation difference	(0.57)	0.44	-	0.13	-	-	-	-	-	-
Retention payable	(11.00)	11.00	-	-	-	-	-	-	-	-
Security deposits	2.18	(2.18)	-	-	-	-	-	-	-	-
On undistributed profits of subsidiaries	(7.24)	1.48	-	-	(5.76)	(6.59)	-	-	-	(12.35)
Deductible temporary difference on prepayments	1.42	(1.42)	-	-	-	-	-	-	-	-
Impairment allowances on trade receivables	-	12.49	-	-	12.49	(0.16)	-	-	0.92	13.25
Provision for bonus	0.51	(0.51)	-	-	-	-	-	-	-	-
Fair valuation of financial liabilities	(0.02)	0.01	-	-	(0.01)	0.01	-	-	-	-
Disallowances under Section 40 (a) (ia)	0.01	(0.01)	-	-	-	-	-	-	-	-
Net deferred tax asset	511.90	21.96	-	1.44	535.30	735.39	(5.26)	(7.55)	9.41	1,267.27

e) Tax losses carried forward

Particulars	31 March 2020	Expiry date 2025-26	31 March 2019	Expiry date 2025-26
Expire	333.25		257.67	
	<u>333.25</u>		<u>257.67</u>	
Never expire	199.14		199.09	

The Group has recognised deferred tax asset to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Group. The Group is expected to generate taxable income from the financial year ended 31 March 2021.



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in Millions)

53 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries and Joint Ventures

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Private Limited	163.44%	20,836.93	26.27%	(1,315.61)	(2.42%)	9.79	24.13%	(1,305.82)
	191%	7,967.76	(4.83%)	147.50	5.90%	(15.17)	(4.00%)	132.33
Subsidiaries								
Indian								
Range Consultants Private Limited	0.38%	49.00	(0.12%)	6.23	0.00%	-	(0.12%)	6.23
	1%	42.77	0%	5.69	0%	-	0%	5.69
Sterling and Wilson Security Systems Private Limited	(0.08%)	(10.17)	0.02%	(1.07)	0.00%	-	0.02%	(1.07)
	0%	(9.10)	0%	(4.39)	0%	-	0%	(4.39)
Enrich-SWPL JV (w.e.f. November 1 2019)	0.00%	0.50	(0.01%)	0.40	0.00%	-	(0.01%)	0.40
	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Sterling and Wilson Co-Gen Solutions Limited (upto June 4 2019)	0.00%	-	0.00%	-	(0.01%)	0.05	0.00%	0.05
	0.05%	1.93	0.00%	-	(0.15%)	0.40	(0.01%)	0.40
Sterling and Wilson Nigeria Limited	0.03%	4.35	(0.65%)	32.38	0.53%	(2.14)	(0.56%)	30.23
	0.98%	41.15	3.09%	(94.45)	4.56%	(11.73)	3.21%	(106.18)
Sterling and Wilson International FZE (Consolidated)	3.98%	507.62	48.12%	(2,410.02)	(24.79%)	100.11	42.68%	(2,309.92)
	51.18%	2,140.56	102.42%	(3,128.11)	81.63%	(209.89)	101%	(3,338.01)
Sterling and Wilson Middle East W.L.L.	(10.23%)	(1,303.85)	27.84%	(1,394.60)	15.89%	(64.18)	26.95%	(1,458.78)
	3.70%	154.92	(0.73%)	22.15	(31.18%)	80.18	(3.09%)	102.33
Gco Pty Limited (w.e.f. June 10 2019)	(0.55%)	(70.32)	1.53%	(76.68)	(0.98%)	3.94	1%	(72.74)
	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson Co-Gen Solutions AG	0.02%	2.08	0.03%	(1.45)	(0.06%)	0.25	0.02%	(1.20)
	0.08%	3.28	0.04%	(1.28)	(1.35%)	3.48	(0.07%)	2.21
Non controlling interest in all subsidiaries	0.00	40.45	0.00	(23.14)	1.94%	(7.84)	0.57%	(30.99)
	(3.67%)	(153.38)	0.04	(115.56)	(4.26%)	10.96	0.03	(104.59)
Total Eliminations on Consolidation	(56.69%)	(7,226.87)	(2.57%)	128.54	114%	(459.56)	6.12%	(331.02)
	(150.98%)	(6,314.31)	3.83%	(116.96)	36.33%	(93.42)	6.35%	(210.37)
Total	101%	12,748.85	100%	(5,008.74)	100%	(403.90)	100%	(5,412.64)
	93%	4,182.35	108%	(3,054.29)	91%	(257.11)	106%	(3,311.40)



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Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

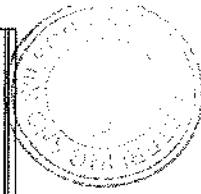
(Currency : Indian rupees in Millions)

54 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 2020	Carrying amount			Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets							
Non-Current							
(i) Investments	734.47	-	-	-	734.47	-	734.47
(ii) Loans	-	-	1,712.98	-	-	-	-
(iii) Other financial assets	-	-	46.09	-	-	-	-
Current							
(i) Investments	6.95	-	0.01	6.95	-	-	6.95
(ii) Trade receivables	-	-	32,251.03	-	-	-	-
(iii) Cash and cash equivalents	-	-	1,441.28	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	638.68	-	-	-	-
(v) Loans	-	-	1,775.61	-	-	-	-
(vi) Other financial assets	-	-	12,430.50	-	-	-	-
Total	741.42	-	50,296.17	6.95	51,037.59	734.47	741.42
Financial liabilities							
Non-Current							
(i) Borrowings	-	-	446.83	-	446.83	-	-
(ii) Lease Liabilities	-	-	72.52	-	72.52	-	-
Current							
(i) Borrowings	-	-	21,199.78	-	21,199.78	-	-
(ii) Lease Liabilities	-	-	151.89	-	151.89	-	-
(iii) Trade payables	-	-	15,938.98	-	15,938.98	-	-
(iv) Other financial liabilities	-	-	2,490.80	-	2,490.80	-	-
Total	-	-	46,308.79	-	40,308.79	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 Financial instruments – Fair values and risk management (Continued)

(a) Accounting classification and fair values (Continued)

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 2019	FVTPL	Carrying amount		Total	Fair value			Total
		FVTOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Non-Current								
(i) Investments	784.97	-	-	784.97	-	-	784.97	784.97
(ii) Loans	-	-	75.23	75.23	-	-	-	-
(iii) Other financial assets	-	-	44.08	44.08	-	-	-	-
Current								
(i) Investments	5.14	-	0.01	5.15	5.14	-	-	5.14
(ii) Trade receivables	-	-	31,582.19	31,582.19	-	-	-	-
(iii) Cash and cash equivalents	-	-	2,310.23	2,310.23	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	415.12	415.12	-	-	-	-
(v) Loans	-	-	2,148.97	2,148.97	-	-	-	-
(vi) Other financial assets	-	-	9,462.68	9,462.68	-	-	-	-
Total	790.11	-	46,038.51	46,828.62	5.14	-	784.97	790.11
Financial liabilities								
Non-Current								
(i) Borrowings	-	-	463.22	463.22	-	-	-	-
Current								
(i) Borrowings	-	-	17,174.09	17,174.09	-	-	-	-
(ii) Trade payables	-	-	16,610.18	16,610.18	-	-	-	-
(iii) Other financial liabilities	-	-	1,357.35	1,357.35	-	-	-	-
Total	-	-	35,604.84	35,604.84	-	-	-	-



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Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 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 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 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	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



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Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 Financial instruments — Fair values and risk management (Continued)

(b) Measurement of fair values (Continued)

Level 3 fair values

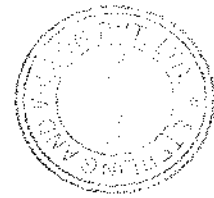
The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2020 and 31 March 2019 are as shown below:

Description of significant unobservable inputs to valuation:

Type	Valuation technique	Significant unobservable inputs	Discounting rate	Sensitivity of the input to the fair value
Investments in unquoted preference 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 2020: 9.50% 31 March 2019: 10.54%	1% (March 2020: 1% increase / (decrease) would result in (decrease)/increase in fair value by (Rs 94.83 million) / Rs 94.48 million (March 2019: Rs 14.96 million) / Rs 13.30 million)
Investments in unquoted equity instruments accounted for as fair value through profit or loss	Price of Recent Investment Method 31 March 2019 : Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Price of Recent Investment Method 31 March 2020: Price of Recent Investment Method 31 March 2019: Weighted Average cost of capital (WACC) and terminal growth rate (TGR)	Not Applicable 31 March 2020: 35.00% (WACC) and 5.00% (TGR)	The valuation has been done on the basis of the "Price of Recent Investment Method". This method is used in the event there is a recent investment that is made in the Company/announced with respect to the Company or there is a recent transfer of shares of the Company that has been placed/announced and the valuation at which such transaction has taken place or is expected to take place provides a basis for arriving at the fair value.

Reconciliation of Level 3 Fair Value Measurements:

Particulars	Equity Preference Instruments	
	Instruments	Instruments
Balance as at 1 April 2018	225.20	546.84
Add: Purchased during the year	0.91	-
Add: Change in value of investment in preference shares measured at FVTPL	-	12.01
Balance as at 31 March 2019	226.11	558.85
Add: Purchased during the year	-	-
Add: Change in value of investment in equity shares / preference shares measured at FVTPL	(26.08)	(23.50)
Less: Provision for impairment	(0.91)	-
Balance as at 31 March 2020	199.12	535.35



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Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 Financial Instruments – Fair values and risk management (Continued)

(c) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- i) Credit risk ;
- ii) Liquidity risk ; and
- iii) Market risk

Risk management framework

The Respective Company's Board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors are responsible for developing and monitoring the Company's risk management policies.

The Group'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 Group's activities. The Group, 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 Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. 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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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables (including contract assets)

The Group'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 Group grants credit terms in the normal course of business.

Total trade receivable as on 31 March 2020 is Rs 32,251.03 millions (31 March 2019: Rs 31,582.19 millions), unbilled receivables as on 31 March 2020 is Rs 11,424.79 millions (31 March 2019: Rs 8,766.08 millions) and contract assets as on 31 March 2020 is Rs 2,178.21 millions (31 March 2019: Rs 2,949.48 millions)

The Group does not have higher concentration of credit risks to a single customer.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables, unbilled receivables and contract assets 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 allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Trade receivables	Unbilled receivables	Loans	Contract assets	Total
Balance as at 1 April 2018	437.39	134.13	6.00	-	577.52
Add: Impairment loss / (gain) recognised (net)	175.83	-	-	-	175.83
Balance as at 31 March 2019	613.22	134.13	6.00	-	753.35
Add: Impairment loss recognised (net)	423.60	-	0.23	99.39	423.83
Provision (reversed) (net)	-	(134.13)	-	-	(134.13)
Balance as at 31 March 2020	1,036.82	-	6.23	99.39	1,043.05

The ageing for the trade receivables, unbilled receivables and contract assets that were not impaired are mentioned below:

Particulars	As at 31 March	As at 31 March
	2020	2019
Neither past due nor impaired	39.22	14.38
0 to 3 months	23,329.60	22,042.98
3 to 6 months	2,013.32	2,237.20
6 months to 1 year	3,009.76	2,245.33
more than 1 year	17,462.14	16,757.86
Total	45,854.03	43,297.75

Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 1,433.27 millions and Rs 2,294.84 millions as at 31 March 2020 and 31 March 2019 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 Group held other bank balances of Rs 684.77 millions and Rs 459.20 millions as at 31 March 2020 and 31 March 2019 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.

Guarantees

The Parent Company's policy is to provide the financial guarantees only for its subsidiaries and joint ventures. As at 31 March 2020 and 31 March 2019, 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. 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 Group has given security deposit to lessors for premises leased by the Group as at 31 March 2020 and 31 March 2019. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

Loans, investments in group companies

The Group has given unsecured loans to its joint ventures. The Group does not perceive any credit risk pertaining to loans provided to joint ventures or the investment in such joint ventures.

Other than the trade receivables and other receivables, the Group has no other financial assets that are past due but not impaired.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 Financial instruments – Fair values and risk management (Continued)

(e) Financial risk management (Continued)

ii Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group 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 Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has obtained the long-term loans from the banks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The management monitors the net liquidity position of the Group through rolling forecasts on the basis of expected cash flow.

As at 31 March 2020, the Group had term loans of Rs 446.83 millions, working capital demand loan of Rs 2,889.70 millions, current maturities of long-term debt of Rs 650.29 millions, cash credit loan of Rs 567.39 millions, loan from related parties of Rs 17,731.30 millions, bank overdraft of Rs 10.89 millions including cash and cash equivalents of Rs 1,441.28 millions and other bank balances of Rs 684.77 millions.

As at 31 March 2019, the Group had term loans of Rs 463.22 millions, working capital demand loan of Rs 2,476.91 millions, current maturities of long-term debt of Rs 463.22 millions, cash credit loan of Rs 1,025.55 millions, loan from related parties of Rs 13,645.05 millions and trust receipts of Rs 26.58 millions including cash and cash equivalents of Rs 2,310.23 millions and other bank balances of Rs 459.20 millions.

Exposure to liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for non derivative financial liabilities. Further, the table represents contractual discounted cash flow relating to non derivative financial liabilities:

31 March 2020	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans (including interest cost)	1,125.36	1,270.05	823.22	297.13	149.70	-
Cash credit loans from banks	567.39	567.39	567.39	-	-	-
Working capital demand loan	2,889.70	2,889.70	2,889.70	-	-	-
Loan from related parties	17,731.79	17,731.79	17,731.79	-	-	-
Trade payables	15,938.98	15,938.98	15,938.98	-	-	-
Lease liabilities	224.40	179.83	109.92	36.80	22.39	10.72
Bank overdraft	10.89	10.89	10.89	-	-	-
Other current financial liabilities	1,812.27	1,812.27	1,812.27	-	-	-

1 March 2019	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans (including interest cost)	939.30	972.33	476.08	496.25	-	-
Cash credit loans from banks	1,025.55	1,025.55	1,025.55	-	-	-
Working capital demand loan	2,476.91	2,476.91	2,476.91	-	-	-
Trust Receipts	26.58	26.58	26.58	-	-	-
Loan from related parties	13,645.05	13,645.05	13,645.05	-	-	-
Trade payables	16,610.18	16,610.18	16,610.18	-	-	-
Other current financial liabilities	881.28	881.28	881.28	-	-	-



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 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 Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group'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 Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Parent Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

Amounts in INR million	31 March 2020					
	USD	EUR	GBP	AED	INR	Others*
Financial assets						
Trade and other receivables	4,498.90	162.00	569.26	-	-	69.41
Cash and Cash Equivalents	10.59	0.09	0.03	-	-	-
Exposure to foreign currency assets	4,509.49	162.09	569.29	-	-	69.41
Financial liabilities						
Trade and other payables	211.37	76.10	1.36	1.28	14,009.52	2.55
Exposure to foreign currency liabilities	211.37	76.10	1.36	3.23	14,009.52	2.55
Net Exposure	4,298.13	85.99	567.94	(3.23)	(14,009.52)	66.85

*others include AUD

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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

54 Financial instruments – Fair values and risk management (Continued)

iii Market risk (Continued)

(a) Currency Risk (Continued)

Amounts in INR million	31 March 2019					
	USD	EUR	GBP	AED	INR	Others*
Financial assets						
Trade and other receivables	2,063.21	71.44	293.05	-	-	-
Cash and Cash Equivalents	5.61	0.23	0.30	0.00	0.00	-
Exposure to foreign currency assets	2,068.82	71.67	293.35	0.00	0.00	-
Financial liabilities						
Trade payables and other payable	179.22	21.13	1.72	1.25	11,051.11	0.74
Exposure to foreign currency liabilities	179.22	21.13	1.72	3.22	11,051.11	0.74
Net Exposure	1,889.61	50.54	291.63	(3.22)	(11,051.11)	(0.74)

*others include CHF, AUD

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to Indian rupees would result in increase or decrease in profit or loss 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.

Effect in INR Millions	31 March 2020		31 March 2019	
	Profit or loss (Pre-tax impact)		Profit or loss (Pre-tax impact)	
	Strengthening	Weakening	Strengthening	Weakening
USD	(214.91)	214.91	(94.48)	94.48
EUR	(4.30)	4.30	(2.53)	2.53
GBP	(28.40)	28.40	(14.58)	14.58
AED	0.16	(0.16)	0.16	(0.16)
INR	700.48	(700.48)	552.56	(552.56)
Others	(3.34)	3.34	0.04	(0.04)

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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 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 Group's exposure to market risk for changes in interest rates relates to loans given, deposits and borrowings from financial institutions. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 24 and 26 of these consolidated financial statements.

Particulars	31 March 2020	31 March 2019
Fixed rate instruments		
Financial assets	4,708.70	3,242.25
Financial liabilities	(18,523.59)	(14,697.18)
	(13,814.88)	(11,454.93)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(3,997.71)	(3,403.35)
	(3,997.71)	(3,403.35)

Interest rate sensitivity - fixed rate instruments

The Group'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 instruments

INR	Profit or (loss) - Before tax	
	100 bp increase	100 bp decrease
31 March 2020		
Variable-rate instruments	39.98	(39.98)
Cash flow sensitivity (net)	39.98	(39.98)

INR	Profit or (loss) - Before tax	
	100 bp increase	100 bp decrease
31 March 2019		
Variable-rate instruments	34.03	(34.03)
Cash flow sensitivity (net)	34.03	(34.03)



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in Millions)

54 Financial instruments – Fair values and risk management (Continued)

(c) Capital Management

The Group'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. The management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined total debt less cash and bank balances.

The Group's adjusted net debt to equity ratio is as follows:

Particulars	31 March 2020	31 March 2019
Non-current borrowings	446.83	463.22
Short-term borrowings	21,199.78	17,174.09
Current maturities of long-term debt	650.29	463.22
Gross debt	22,296.90	18,100.53
Less : Cash and cash equivalents	1,441.28	2,310.23
Adjusted net debt	20,855.62	15,790.30
Total equity attributable to owners of the Company	12,748.85	4,182.38
Adjusted net debt to adjusted equity ratio	1.64	3.78



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

55 Sale of investment in subsidiaries

On 19 August 2019, but effective 1 April 2019, foreign subsidiary sold 51% of its shares in SWB Power Limited. Out of 51%, 10% was sold to parent company. This investment is recorded as other investments (Refer note 7)

Further on 4 June 2019, Sterling and Wilson Co-Gen Solutions Limited was voluntarily liquidated.

The details of consideration received, assets and liabilities over which control was lost and gain on disposals (recorded in statement of profit and loss) is as follows:

No.	Particulars	As at 1 April 2019 SWB Power Limited	As at 4 June 2019 Sterling and Wilson Co-Gen Solutions Limited
A.	Consideration received		
	Fair value of consideration received *	0.00	1.75
	* Value below INR 5,000		
B.	Net assets disposed off		
	Non-current assets		
	Capital work-in-progress	1,027.56	-
	Deferred tax asset	7.55	-
	Goodwill	47.07	0.59
	Current assets		
	Trade and other receivables	49.46	1.21
	Cash and cash equivalents	121.30	1.99
	Total assets (a)	1,252.95	3.79
	Current liabilities		
	Trade and other payables	1,296.61	1.22
	Total liabilities (b)	1,296.61	1.22
	Net assets/ (liabilities) disposed off (a-b)	(43.66)	2.57
C.	Reclassification of foreign currency translation reserve*	0.63	-
D.	Share of net liabilities by non-controlling interest	(21.39)	-
E.	Gain / (Loss) on disposal (A - B + C + D)	22.90	(0.82)
F.	Net cash outflow on disposal		
	Cash proceed from disposal	-	1.75
	Less: cash and cash equivalents in subsidiary disposed of	121.30	1.99
	Net cash flow on disposal	(121.30)	(0.24)

* Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss



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Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

56 Business Combination

Acquisition of subsidiaries in the previous year

Name of subsidiary	Country of registration and principal place of business	Proportion of ownership interest held by the Group
SWB St. Helens Ltd.	England and Wales	51%
SWB Skelmersdale Ltd.	England and Wales	51%

Acquisition of SWB St. Helens. Ltd

In the previous year, Foreign subsidiary (SWB Power Limited) acquired 100% ownership interest in SWB St. Helens Ltd., England and Wales upon its incorporation for a total consideration of GBP 100 (equivalent to Rs. INR 0.01 million).

Acquisition of SWB Skelmersdale Ltd.

In the previous year, SWB Power Limited acquired 100% ownership interest in SWB Skelmersdale Ltd, England and Wales from a third party. Acquisition of the subsidiary was accounted for using the acquisition method of accounting. The Group did not perform a purchase price allocation exercise as of the date of acquisition, applying the exemption under the standards which gives the Group 12 months from the acquisition date to complete the exercise and record the resulting adjustments. However, during the year, effective 1 April 2019, but before the completion of the purchase price allocation exercise, the subsidiary was sold at its carrying value.

Capital work in progress	(43.24)
Accounts and other receivables	(8.47)
Accounts and other payables	53.33
Share of net assets-at carrying value (as at date of acquisition)	1.62
Less: Purchase consideration paid in cash	45.45
Provisional goodwill as at 31 March 2019	47.07
Sale of subsidiary (Note 55)	(47.07)
Goodwill as at 31 March 2020	-



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

For the year ended 31 March 2020

(Currency: Indian rupees in Millions)

57 Transfer Pricing

The Group's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2019. Management believes that the Company's international transactions with related parties post 31 March 2019 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.

- 58 The Group had entered into the development, supply, civil works, and installation service (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. These have been under disputes with the Developers (namely Sky Power Group Companies/Special Purpose Vehicles (SPVs)) in relation to which negotiations/discussion are currently under progress. As on the balance sheet date, the value of trade receivables, unbilled receivables and advance related to these projects aggregated Rs. 13,837.82 million along with interest receivable on delayed payments amounting to Rs. 1,391.48 million. The subsidiary had filed case before Hon'ble High Court of Delhi in December 2018 for 2 out of 7 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 22 June 2020, and released on 27 June 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. Skypower entities have sought time extension to provide the same.

In addition to the above facts, the Company has entered into commercial negotiations with Skypower to achieve a settlement of the above outstanding dues. This settlement has progressed and is in four phases, involving recovery of the dues partly through payment and partly through acquisition of the projects, unutilised inventory and excess land in these projects. Two phases of the settlement have been completed, first settlement agreement signed on 17 July 2020 and the second on 28th August 2020, between the Company and Skypower Group entities/SPVs. In these two settlements, the Company has acquired two projects and received payment of approximately 20% of the total outstanding amount as indicated above, and are in the process of finalising the final settlement agreements and recovering the balance outstanding dues.

Following the norms of prudence, the Group has not charged interest to Skypower Group for the FY 2019-20 on the outstanding receivables. Based on above case status and the settlement discussions with the Developers, opinion of their Legal Counsel & the favourable order from the Delhi high court, the Management believes that no adjustments/impairments are required to be made in the consolidated Ind AS financial statements of the Group towards the total outstanding receivables.

59 Subsequent events

- a) The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID - 19 on the carrying amount of trade receivables including contract assets, unbilled revenue, other financial assets and inventories. In developing the assumptions and estimates relating to uncertainties as at the Balance Sheet date in relation to the recoverable amount of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of these assets. However, the management will continue to closely monitor any material changes to future economic conditions. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.
- b) The Group at its Board meeting held on 24 April 2020, has approved the acquisition of 5,000,000 (Five Million) equity shares of face value of Rs. 10 (Rupees Ten Only) each, in the equity share capital of Sterling and Wilson Cogen Solutions Private Limited ("SW Cogen") for an aggregate consideration of Rs. 55 million (Rupees Fifty Five Million Only) from the existing shareholders of SW Cogen. As a result of this acquisition, SW Cogen will become a wholly owned subsidiary of the Company.

60 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Group for the year.

Previous year's figures have been regrouped / reclassified where necessary to confirm with financial statements prepared under Ind AS



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