

# 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

#### Qualified 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 firms (Holding Company, its subsidiaries and partnership firms together referred to as "the "Group"), its associate and its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2021, 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 branch auditors and other auditors on separate/consolidated financial statements of such branches, subsidiaries, associate and joint ventures referred to in the "Other Matters" paragraph below, except for the possible effects of the matters described in the Basis for Qualified Opinion 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 (Ind AS) 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, its associate and its joint ventures as at March 31, 2021, of its consolidated loss and consolidated other comprehensive loss, consolidated cash flows and consolidated changes in equity for the year then ended.

#### Basis for Qualified Opinion

- i. We draw attention to the qualification to the audit opinion on the consolidated financial statements of Sterling and Wilson International FZE, a wholly owned subsidiary of the Holding Company, issued by the independent auditors vide their report dated November 25, 2021, which is as under:
  - a) The consolidated financial statements of the overseas wholly owned subsidiary includes trade accounts receivables balance of AED 371,254,428 (equivalent to Rs. 740.84 crores), as on March 31, 2021, which is overdue in respect of supply of goods for power projects in India. The Group did not carry out an impairment assessment of the aforesaid trade accounts receivable that are subject to the expected credit loss model in accordance with the relevant applicable accounting standards. In the absence of such impairment assessment, we are unable to determine the carrying value of these trade accounts receivables as at the reporting date and the corresponding effect on the consolidated statement of comprehensive income for the amount of expected credit losses that should have been recognised for the year ended March 31, 2021.
  - b) The Group's due from related party balance as at March 31, 2021 include an amount of AED 15,152,463 (equivalent to Rs. 30.24 crores), which does not agree with the confirmation received from the related party. Consequently, due from related party balance is overstated by up to AED 8,174,793 (equivalent to Rs. 16.31 crores) in the consolidated Ind AS financial statements for the year ended March 31, 2021. Had the Group recorded the amount due from related party correctly, its consolidated loss for the year would have been higher by Rs. 16.31 crores and its consolidated total comprehensive loss would have been higher by Rs. 16.31 crores.
  - c) The Group's other receivables as at March 31, 2021 include an amount of AED 12,136,624 (equivalent to Rs. 24.22 crores) which represents performance guarantee encashed by a customer on termination of the contract. We were not able to satisfy ourselves that the Group will be able to recover this amount from the customer. Consequently, we were unable to determine whether any adjustments to this amount were necessary.



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- ii. We also draw attention to the qualification to the audit opinion on the financial statements of Sterling and Wilson Middle East W.L.L a subsidiary of the Holding Company, issued by the independent auditors vide its report dated July 29, 2021, which is as under:

Related party balances included in trade receivable amounting to QAR 18,440,743 (equivalent to Rs. 37.13 crores) has not been confirmed as at the end of the reporting period. Moreover, the Group has not produced any evidence for conducting assessment of expected credit loss on the trade receivables in accordance with the relevant applicable accounting standards. There were no practicable alternative auditing procedures that could be used to confirm the recoverability of this amount.

- iii. We also draw attention to the qualification to the audit opinion on the consolidated financial statements of Sterling and Wilson Co-Gen Solutions Private Limited a wholly owned subsidiary of the Holding Company, issued by us vide report dated November 26, 2021, which is as under:

As on March 31, 2021, the Group's total exposure towards Sterling and Wilson Powersolution LLC, an associate of the Group, aggregates Rs. 11.32 crores, which comprises of loans given including interest. The auditors of Sterling and Wilson Powersolution LLC, have interalia, without modifying their audit opinion, have stated that there is material uncertainty related to going concern, since the aforesaid associate has incurred a net loss during the year ended March 31, 2021 and the networth is completely eroded. These conditions or events indicate that a material uncertainty exists that may cast significant doubt on the associate's ability to continue as a going concern. The Group did not carry out an impairment assessment in accordance with applicable accounting standards for the aforesaid exposures that are subject to expected credit loss model and impairment review. In the absence of such impairment assessment, we are unable to determine the carrying value of such loans given including interest as at the reporting date and the corresponding effect on the total comprehensive loss for the year ended March 31, 2021.

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 Ind AS Financial Statements* section of our report. We are independent of the Group, its associate and its joint ventures 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 subparagraphs (a), (b) and (c) respectively of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated Ind AS financial statements.

#### Emphasis of Matter

We draw attention to note 61 of the consolidated Ind AS financial statements regarding recoverability of trade receivables, unbilled receivables and advance for projects aggregating to Rs. 848.95 crores as at March 31, 2021 which includes contractual dues in the books of the Holding Company aggregating to Rs. 105.20 crores from Sky Power Group (Developers) in respect of two states namely Telangana and Madhya Pradesh which were under disputes with the Developers (seven Special Purpose Vehicle (SPV) owned by Sky Power Group). Out of the seven projects, pursuant to negotiations/discussion, disputes for four projects have been resolved and settled prior to March 2021. For two projects the Delhi High Court had directed Sky Power Group (Developers) to furnish Bank Guarantees equivalent to 50% of the total receivables towards the aforesaid two projects. The Developers have sought extensions which Delhi High Court has granted. With regard to one project, the dispute is between Sky Power Group and Madhya Pradesh Power Management Company Limited which is subjudice and currently pending before Supreme Court for disposal.

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



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 Management and Board of Directors are responsible for 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. The other information as specified above is expected to be made available to us after the date of this report.

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 as identified above when it becomes available 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.

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

#### **Management's and Board of Directors'/ Partners Responsibilities for the consolidated Ind AS financial statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act 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 associate and its joint ventures in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies/Partners of Partnership Firms included in the Group, its associate and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/partnership firm 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Management and Board of Directors of the companies/Partners of Partnership Firms included in the Group, of its associate and its joint ventures are responsible for assessing the ability of each company/partnership firm to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Partners either intends to liquidate the Company/ Partnership Firm or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/Partners of Partnership Firms included in the Group, of its associate and its joint ventures are also responsible for overseeing the financial reporting process of each company/partnership firm.

#### **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, its associate 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 Ind AS 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, its associate and its joint ventures 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, its associate 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, associate 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 believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraphs (a) and (b) 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.

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) We did not audit the financial statements of thirteen subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect the total assets (before consolidation adjustments) of Rs. 1,886.84 crores as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. 328.97 crores and net cash outflows (before consolidation adjustments) amounting to Rs. 27.42 crores for the year ended on that date. The consolidated Ind AS financial statements also include the Group's share of loss of Rs. 15.50 crores in respect of an associate whose financials have not been audited by us. The consolidated Ind AS financial statements also include the group's share of net loss of Rs. 1 crore for the year ended March 31, 2021 in respect of three joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors 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, associate 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, associate and joint ventures is based solely on the audit reports of the other auditors.

Out of these thirteen subsidiaries, twelve subsidiaries, one associate and three 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, associate and its joint ventures 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 (a) above, made by the Holding Company's Management. Our opinion in so far as it related to the balances and affairs of such subsidiaries, associate 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.

- b) We did not audit the financial information of 5 branches included in the consolidated Ind AS financial statements of the Group whose financial information reflect total assets of Rs. 270.49 crores as at March 31, 2021 and the total revenue of Rs. 161.15 crores for the year ended on the date. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

These branches are located outside India whose financial and other information have been prepared in accordance accounting principles generally accepted in their respective countries which have been audited by branch auditors under generally accepted auditing standards applicable 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 (b) above, made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is solely based on the report of branch auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

- c) The financial statements of a subsidiary whose financial statements reflect the total assets (before consolidation adjustments) of Rs. 0.42 crores as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. Nil and net cash outflows (before consolidation adjustments) amounting to Rs. Nil for the year ended on that date, 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 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/consolidated financial statements and the other financial information of the subsidiaries, associate and joint ventures, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

- (a) Except for the matters described in the Basis for Qualified Opinion section, 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) Except for the matters described in the Basis for Qualified Opinion section and except for the pending update of detailed records of inventories of stock in trade aggregating Rs. 33.22 crores as on March 31, 2021, 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 reports on the accounts of the branch office of the Group audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- (d) 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.
- (e) In our opinion, except for the matters described in the Basis for Qualified Opinion section, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards as specified under section 133 of the Act, read with relevant rules issued thereunder.
- (f) the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (g) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) With respect to the adequacy of internal financial controls with reference to financial statements of the Group entities incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (i) 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.
- (j) 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, as amended, 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/consolidated financial statements, as also the other financial information of the subsidiaries, associate 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, its associate and its joint ventures – Refer note 43 of the consolidated Ind AS financial statements.

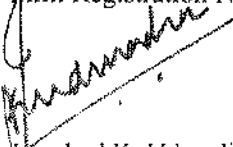
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& MISTRY LLP

- ii. The Group, its associate 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, its associate 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

Firm Registration No: 104607W / W100166



Anshud K. Udawadia

**Partner**

Membership No: 124658

UDIN: 21124658 AAAALZ 3331

Mumbai, November 27, 2021



**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 (h) 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 Sterling and Wilson Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, 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.

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 authorisation 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.

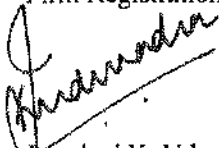
**Opinion**

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 on intercompany transactions, process of obtaining confirmations and the Financial Closing Reporting Process needs substantial improvement.

We have considered the deficiencies identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2021 consolidated Ind AS financial statements of the Group and these deficiencies does not affect our opinion on the consolidated Ind AS financial statements of the Group.

In our opinion, the Group has, in all material respects, other than the deficiencies identified and reported above, an adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated Ind AS financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note.

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

  
Anshud K. Udawadia  
Partner

Membership No: 124658  
UDIN: 21124658 AAAALZ 3331  
Mumbai, November 27, 2021



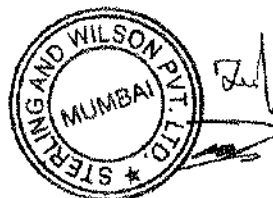
# Sterling and Wilson Private Limited

## Consolidated Balance sheet

as at 31 March 2021

(Currency : Indian rupees in crores)

	Note	31 March 2021	31 March 2020
<b>Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4	185.74	195.29
(b) Capital work-in-progress	4	0.32	7.61
(c) Right-of-use assets	4.1	5.74	21.38
(d) Goodwill on consolidation	5	11.33	11.33
(e) Other intangible assets	5	2.86	6.83
(f) Investments accounted for using equity method	6	15.05	16.39
(g) Financial assets			
(i) Investments	7	70.37	73.45
(ii) Loans	8	114.28	178.43
(iii) Other financial assets	9	5.69	4.61
(h) Deferred tax assets (net)	10	78.88	128.47
(i) Non-current tax assets (net)	11	37.15	128.95
(j) Other non-current assets	12	6.30	6.14
<b>Total non-current assets</b>		<b>533.71</b>	<b>778.88</b>
<b>2 Current assets</b>			
(a) Inventories	13	78.92	68.10
(b) Financial assets			
(i) Investments	14	0.68	0.71
(ii) Trade receivables	15	2,634.46	3,398.35
(iii) Cash and cash equivalents	16	85.70	145.60
(iv) Bank balances other than cash and cash equivalents	17	48.03	63.86
(v) Loans	18	193.37	134.97
(vi) Other financial assets	19	953.62	1,240.46
(c) Income tax assets (net)	20	14.93	14.26
(d) Other current assets	21	497.85	632.28
<b>Total current assets</b>		<b>4,507.56</b>	<b>5,698.59</b>
<b>Total assets</b>		<b>5,041.27</b>	<b>6,477.47</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	22	29.37	29.37
(b) Compulsorily convertible non-cumulative preference shares	22	1,802.50	1,502.50
		<b>1,831.87</b>	<b>1,531.87</b>
(c) Other equity	23	(1,283.68)	(294.57)
- Capital redemption reserve		50.00	50.00
- Securities premium account		561.46	561.46
- General reserve		13.39	13.39
- Legal reserve		1.11	1.11
- Retained earnings		(1,876.85)	(846.08)
- Others (including items of other comprehensive income)		(35.16)	(74.45)
- Advance against equity & Loan towards Equity		2.37	0.00
<b>Total equity attributable to owners of the Company</b>		<b>548.19</b>	<b>1,237.30</b>
<b>Non-controlling interest</b>	23	<b>0.08</b>	<b>4.05</b>
<b>Total equity</b>		<b>548.27</b>	<b>1,241.35</b>



# Sterling and Wilson Private Limited

## Consolidated Balance sheet (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	Note	31 March 2021	31 March 2020
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	14.97	44.68
(ii) Lease liabilities	4.1	3.47	7.29
(b) Provisions	25	29.63	40.77
(c) Deferred tax liabilities (net)	10.1	0.13	0.11
<b>Total non-current liabilities</b>		<b>48.20</b>	<b>92.85</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	26	1,724.91	2,236.04
(ii) Lease liabilities	4.1	2.83	15.24
(iii) Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		115.47	114.39
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,519.05	1,498.87
(iv) Other financial liabilities	28	257.74	276.87
(b) Other current liabilities	29	757.77	932.67
(c) Provisions	30	59.75	65.75
(d) Income tax liabilities (net)	31	7.28	3.44
<b>Total current liabilities</b>		<b>4,444.80</b>	<b>5,143.27</b>
<b>Total liabilities</b>		<b>4,493.00</b>	<b>5,236.12</b>
<b>Total equity and liabilities</b>		<b>5,041.27</b>	<b>6,477.47</b>

### 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.

For Kalyanivalla & Mistry LLP

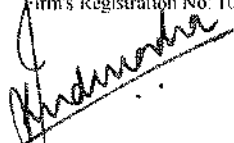
Chartered Accountants

Firm's Registration No: 104607W/W100166

For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PLC017538



Khurshed K. Udawadia

Partner

Membership No: 124658

Mumbai

27 November 2021

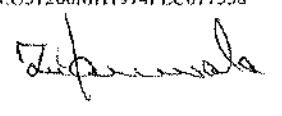



Khurshed Daravala

Director

DIN:00216905

Mumbai

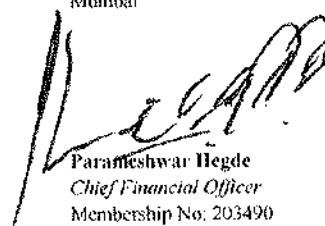


Zarine Daravala

Managing Director

DIN:00190585

Mumbai



Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

27 November 2021



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 2021

(Currency : Indian rupees in crores)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Continuing operations</b>			
Revenue from operations	32	2,667.18	3,853.23
Other income	33	72.43	240.71
<b>Total income</b>		<b>2,739.61</b>	<b>4,093.94</b>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	34	1,665.97	2,314.33
Purchase of traded goods	35	0.23	17.95
Changes in inventories of stock-in-trade	36	(20.60)	(14.35)
Direct project costs	37	1,033.10	1,336.51
Employee benefits expense	38	248.24	336.78
Finance costs	39	262.28	325.26
Depreciation and amortisation expense	40	40.85	44.15
Other expenses	41	476.25	307.75
<b>Total expenses</b>		<b>3,706.32</b>	<b>4,668.18</b>
<b>Consolidated (loss) before share in (loss) of joint ventures and associates and income tax from continuing operations</b>		<b>(966.71)</b>	<b>(574.24)</b>
Share in (loss) of joint ventures and associates (net of income tax)		(16.51)	(37.65)
<b>Consolidated (loss) before income tax for the year from continuing operations</b>		<b>(983.22)</b>	<b>(611.89)</b>
<b>Tax expense:</b>			
Current tax	54	1.86	1.35
Provision for earlier years		(0.02)	0.02
Deferred tax charge / (credit)		49.26	(73.96)
		51.10	(72.59)
<b>Consolidated (loss) for the year</b>		<b>(1,034.32)</b>	<b>(539.30)</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(i) Remeasurements of defined benefit liability		0.82	1.39
(ii) Share of other comprehensive income in joint venture, to the extent not to be reclassified to profit or loss		(0.19)	0.06
(iii) Income tax relating to items that will not be reclassified to profit or loss		(0.03)	(0.49)
<b>Items that will be reclassified to profit or loss</b>			
(i) Exchange differences in translating financial statements of foreign operations		38.12	(44.31)
(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		0.18	1.34
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income / (loss) for the year, net of income tax</b>		<b>38.90</b>	<b>(42.01)</b>
<b>Total comprehensive (loss) for the year</b>		<b>(995.42)</b>	<b>(581.31)</b>
<b>Consolidated (loss) attributable to:</b>			
Owners of the Company		(1,030.67)	(536.99)
Non-controlling interests		(3.65)	(2.31)
<b>Consolidated (loss) for the year</b>		<b>(1,034.32)</b>	<b>(539.30)</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		39.21	(41.23)
Non-controlling interests		(0.32)	(0.78)
<b>Other comprehensive income for the year</b>		<b>38.90</b>	<b>(42.01)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Owners of the Company		(991.46)	(578.21)
Non-controlling interests		(3.97)	(3.10)
<b>Total comprehensive (loss) for the year</b>		<b>(995.42)</b>	<b>(581.31)</b>



# Sterling and Wilson Private Limited

## Consolidated statement of profit and loss (Continued)

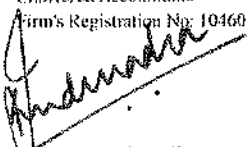
for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

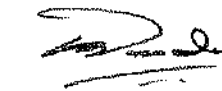
Note	Year ended 31 March 2021	Year ended 31 March 2020
Earnings per equity share for continuing operations attributable to equity holders of the parent (nominal value of Rs. 10 each)		
Basic and diluted earnings per share (Rs.)	48 <u>(107.87)</u>	<u>(152.90)</u>
Earnings per equity share for continuing operations attributable to equity holders of the parent (nominal value of Rs. 10 each)		
Basic and diluted earnings per share (Rs.)	48 <u>(107.87)</u>	<u>(152.90)</u>
Significant accounting policies		
Notes to the consolidated financial statements	3	
The attached notes are an integral part of these consolidated financial statements.	1-61	

As per our report of even date.

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



Vinod K. Udawadia  
Partner  
Membership No: 124658  
Mumbai  
27 November 2021

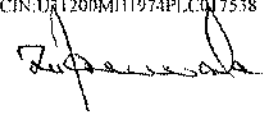



Khurshed Daruvala  
Director  
DIN:00216905  
Mumbai



Parameshwar Hodge  
Chief Financial Officer  
Membership No: 203490  
Mumbai  
27 November 2021

For and on behalf of the Board of Directors of  
Sterling and Wilson Private Limited  
CIN:U31200MH11974PLC017538



Zarine Daruvala  
Managing Director  
DIN:00190585  
Mumbai



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

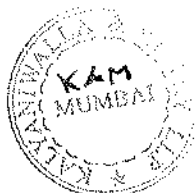
# Sterling and Wilson Private Limited

## Consolidated Statement of cash flows

for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before tax	(983.22)	(611.89)
<i>Adjustments for :</i>		
Depreciation and amortisation expense	40.85	44.14
Property, plant and equipment written off	-	0.86
Finance cost	262.28	325.25
Share in loss of joint ventures and associate	16.51	37.65
Gain on sale of subsidiary (net)	-	(2.21)
Supplier balances written back	(16.45)	(10.22)
Financial assets measured at fair value through profit & loss a/c - net change in fair value	2.18	5.69
Unrealised foreign exchange loss (net)	-	(5.06)
Provision for bad and doubtful debts, loans and advances (net)	155.32	53.04
Bad debts written off	19.07	27.45
Provision for foreseeable losses (net)	(5.50)	7.55
Provision for Liquidated damages (net)	7.06	2.78
Gain on absorption of losses in joint ventures (refer note 3 to cash flow below and note 50)	-	(31.25)
Write back of provision for bad and doubtful debts (net)	(1.26)	(17.58)
Write back of provision no longer required	(1.52)	(1.92)
Interest income from bank deposits, related parties, third parties	(27.94)	(16.68)
Dividend income	-	(0.01)
Gain on disposal of Investment (net)	(1.66)	-
Gain on modification	(0.34)	-
Allowance for expected credit loss on loan given to related party	-	(0.09)
Interest accrued on receivables written off	133.22	-
Writedown of contract assets	18.40	-
(Profit) / Loss on sale of Property, Plant & Equipments (net)	(0.78)	-
<b>Operating profit / (loss) before working capital changes</b>	<b>(383.78)</b>	<b>(192.50)</b>
<i>Working capital adjustments</i>		
Decrease / (increase) in Inventories	(10.82)	16.78
(Increase) / Decrease in Trade receivables	590.76	(187.17)
(Increase) / Decrease in loans and other assets	270.99	(276.53)
(Decrease) / Increase in trade payable, other current liabilities and provisions	(156.15)	(727.53)
<b>Net change in working capital</b>	<b>694.78</b>	<b>(1,174.45)</b>
<b>Cash flows generated from / (used in) operating activities</b>	<b>311.00</b>	<b>(1,366.95)</b>
Income tax refund / (paid) (net)	93.14	(58.49)
Effects of exchange differences on translation of assets and liabilities	38.34	(50.96)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>442.48</b>	<b>(1,476.40)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, plant and equipment (including capital work in progress, capital creditors and capital advances)	(18.90)	(45.67)
Proceeds from sale of Property, plant and equipment and intangible assets	15.69	0.72
Interest income from bank deposits, related parties, third parties	27.94	13.31
Investment in equity instruments	2.58	(0.91)
(Purchase) of fixed deposits, net	14.75	(1.06)
Proceeds from liquidation of Subsidiary	-	0.17
Loan (given to) / repaid by related parties and third parties (net)	3.96	(85.48)
Dividend income	-	0.01
<b>Net cash flows generated from / (used in) investing activities (B)</b>	<b>46.02</b>	<b>(118.91)</b>



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# Sterling and Wilson Private Limited

Consolidated Statement of cash flows (continued)

for the Year ended 31 March 2021

(Currency - Indian rupees in crores)

	31 March 2021	31 March 2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Equity Capital issued	-	165.01
Proceeds from issue of compulsorily convertible preference shares	<b>300.00</b>	1,252.50
Advance received against equity	<b>2.37</b>	3.83
Interest expense paid	<b>(257.70)</b>	(317.64)
Secured term loans obtained from bank	-	59.15
Repayment of secured term loans to bank	<b>(65.03)</b>	(43.97)
(Repayment of) / Proceeds from Cash credit loan from banks (net)	<b>10.84</b>	(42.52)
Repayment of bill discounting	<b>(10.94)</b>	(2.66)
Proceeds from / (Repayment of ) working capital loan from banks (net)	<b>(3.99)</b>	118.98
Payment of Lease liabilities (including interest expense)	<b>(17.27)</b>	(21.13)
Non convertible Debentures (repaid) / proceeds	<b>(160.00)</b>	160.00
Proceeds of bank overdraft	<b>1.66</b>	1.09
Unsecured Loans (Repaid) / proceeds	<b>(348.34)</b>	181.57
<b>Net cash flows (used in) / generated from financing activities (C )</b>	<b>(548.40)</b>	1,514.21
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(59.90)</b>	(81.10)
Cash and cash equivalents at the beginning of the year	<b>145.60</b>	232.88
Effect of movement in exchange rates on cash held	-	6.15
Cash and cash equivalents held on sale of subsidiary	-	(12.33)
<b>Cash and cash equivalents at the end of the year</b>	<b>85.70</b>	145.60

## 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	85.06	144.77
Cheques, drafts on hand	0.14	0.00
Cash on hand	0.50	0.83
	<b>85.70</b>	145.60

### 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 51.



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# Sterling and Wilson Private Limited

Consolidated Statement of cash flows (continued)

for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

## Notes to Consolidated Statement of cash flows (continued)

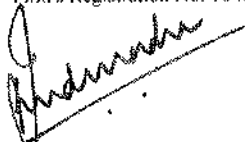
4 Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes:

	31 March 2021	31 March 2020
<b>A. Long term borrowings</b>		
Long term borrowings as at beginning of the year	109.71	92.64
Net cash flows	(65.03)	15.18
Foreign currency translation	0.00	1.89
Long term borrowings as at end of the year	<u>44.68</u>	<u>109.71</u>
<b>B. Short term borrowings</b>		
Short term borrowings as at beginning of the year	2,236.05	1,816.24
Net cash flows	(510.78)	416.46
Foreign currency translation	(0.36)	3.35
Short term borrowings as at end of the year	<u>1,724.91</u>	<u>2,236.05</u>

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166



Janshed K. Udawadia

Partner

Membership No: 124658

Mumbai

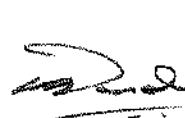
27 November 2021



For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PLC017538

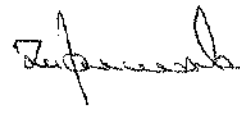


Khurshed Daruvala

Director

DIN:00216905

Mumbai

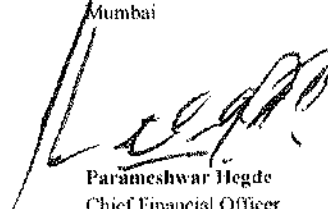


Zarine Daruvala

Managing Director

DIN:00190585

Mumbai



Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

27 November 2021



K. P. Harilalan

Company Secretary

Membership No: A 5165

Mumbai



**Sterling and Wilson Private Limited**

**Consolidated statement of changes in equity for the year ended 31 March 2021**

(Currency - Indian rupees in crores)

**A. Equity share capital**

	Balance as at 1 April 2020	Changes in share capital during the year	Balance as at 31 March 2021
Equity share capital	20.37	0.32	20.69
Reserves and surplus	1,502.50	300.06	1,802.56
	236.00	2,232.50	2,502.50

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

Note	Balance as at 1 April 2020	Changes in share capital during the year	Balance as at 31 March 2021
21	1,502.50	300.06	1,802.56
	236.00	2,232.50	2,502.50

**C. Other equity**

	Attributable to owners of the Company				Items of other comprehensive income				Total
	Dividend equity contribution received from parent and a shareholder	Capital redemption reserve	Securities premium reserve	Legal reserve	Reserves and surplus	Reserves and surplus	Reserves and surplus	Reserves and surplus	
Balance as at 1 April 2019	351.62	50.00	74.79	1.33	(308.31)	(3.75)	185.50	(5.27)	152.21
Balance due to Acquisition of Sterling and Wilson Co-ops solution Private Limited	-	-	-	-	(3.75)	0.28	0.28	(1.12)	(0.62)
Revised Balance as at 1st April 2019	351.62	50.00	74.79	1.33	(306.00)	184.72	184.72	(2.59)	151.50
Adjustments:									
On issue of equity shares	-	-	450.67	-	-	486.47	-	-	486.47
Add: Addition during the year	3.83	-	-	-	-	3.83	-	-	3.83
Less: Dividends during the year	(335.00)	-	-	-	(335.00)	(335.00)	-	-	(335.00)
Less: Revaluation during the year	(2.89)	-	-	-	(2.89)	(2.89)	-	-	(2.89)
Advance against equity & Loan towards equity:									
	17.46	50.00	561.46	1.11	(306.00)	317.33	(306.00)	(36.53)	314.20
<b>Total comprehensive income for the year</b>	-	-	-	-	177.01	(537.01)	(537.01)	1.93	(157.01)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	3.04	3.04
Exchange differences on translating the financial statements of foreign operations transferred to Profit and Loss (Exchange Differences Reversed on Liquidation of Subsidiary)	-	-	-	-	-	-	-	(46.20)	(46.20)
Arising from sale of Subsidiary (Other Movements)	-	-	-	-	-	-	-	(0.05)	(0.05)
<b>Total comprehensive income for the year</b>	-	-	-	-	177.01	(20.49)	(20.49)	(43.15)	(20.49)
Balance as at 31 March 2020	177.01	50.00	561.46	1.11	(306.00)	(537.01)	(537.01)	1.93	(157.01)
<b>Balance as at 31 March 2021</b>	177.01	50.00	561.46	1.11	(306.00)	(537.01)	(537.01)	1.93	(157.01)



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**Sterling and Wilson Private Limited**

**Consolidated statement of changes in equity (Continued)**  
for the year ended 31 March 2021

(Currency - Indian rupees in crores)

	Attributable to owners of the Company														
	Reserves and surplus				Items of other comprehensive income										
	Dividend contribution received from parent and subsidiary	Capital redemption reserve	Schedule premium reserve	Legal reserve	Debit reserve	Retained earnings	Subtotal	Re- measurement of defined benefit liabilities	Foreign currency translation reserve	Other Reserve	Subtotal	Total attributable to owners of the company	Attributable to non- controlling interests	Total	
Balance as on 1 April 2020	8.09	58.00	564.46	1.11	-	14.19	8,46,091	12,96.11	(1.64)	(75.92)	3.01	(74.45)	(294.57)	4.05	(298.52)
Adjustments:															
Add: Additions during the year	2.27	-	-	-	-	-	-	2.37	-	-	-	-	-	2.37	-
Less: Excesses during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2.27	59.00	564.46	1.11	-	14.19	8,46,091	12,97.55	(1.64)	(75.92)	3.01	(74.45)	(292.20)	4.05	(296.15)
Total comprehensive income for the year	-	-	-	-	-	-	(1,02,867)	(1,02,867)	6.60	-	0.70	1.30	(1,00,677)	(5.65)	(1,01,182)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	6.60	-	0.70	1.30	(1,00,677)	(5.65)	(1,01,182)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	37.91	-	37.91	37.91	(0.52)	37.39
Reversal of gain of subsidiary	-	-	-	-	-	-	(0.02)	(0.02)	-	-	-	-	-	-	(0.02)
Other Movements	-	-	-	-	-	-	(0.08)	(0.08)	0.08	-	-	0.08	(0.02)	-	(0.02)
Total comprehensive income for the year	-	-	-	-	-	-	(1,02,877)	(1,02,877)	6.68	37.91	0.70	39.49	(991.45)	(2.37)	(993.82)
Balance as on 31 March 2021	2.27	59.00	564.46	1.11	-	14.19	8,46,091	12,98.22	(0.04)	(37.91)	3.71	(35.19)	(1,224.65)	0.68	(1,223.97)

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

As per our report of even date.  
For Kalyanwalia & Mistry LLP  
Chartered Accountants  
Firm's Registration No. 106070WV100166



Arvind K. Udwalia  
Partner  
Membership No. 124658  
Mumbai

27 November 2021

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

Zameer Barucha  
Managing Director  
DIN: 00109585  
Mumbai

P. V. Hariharan  
Company Secretary  
Membership No. A 5165  
Mumbai

# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 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"), its associate 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. 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 Ind AS financial statements

#### a. Statement of compliance

The accompanying consolidated Ind AS 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 Ind AS financial statements were authorized for issue by the Board of Directors of the Company at their meeting held on 27 November 2021.

#### b. Functional and presentation currency

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



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### c. Basis of measurement

The consolidated Ind AS financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

### d. Use of estimates and judgments

The preparation of the consolidated Ind AS financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses the 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 Ind AS 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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

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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.

### (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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### (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 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.



# Sterling and Wilson Private Limited

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(Currency: Indian rupees in crores)

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.

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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### (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.

### (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 Ind AS financial statements.





# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 3. Significant accounting policies

#### 3.1 Principles of consolidation and equity accounting

##### a. Subsidiaries

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. 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 Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS 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 Ind AS 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 Ind AS 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 2021. 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 Entity	Relationship for the purpose of consolidation	Country of Incorporation	% Holding as on 31.3.2021	% Holding as on 31.3.2020
1	Range Consultants Private Limited	Subsidiary	India	100%	100%
2	Sterling and Wilson Security Systems Private Limited	Subsidiary	India	100%	100%
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%



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements for the year ended 31 March 2021

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6	Sterling and Wilson Nigeria Limited	Subsidiary	Nigeria	51%	51%
7	Sterling and Wilson Nigeria FZE	Subsidiary	Nigeria	100%	-
8	GCO Australia Pty. Ltd.	Subsidiary	Australia	76%	76%
9	Sterling and Wilson Cogen Solutions Pvt Ltd #	Subsidiary	India	100%	-
10	Sterling and Wilson Australia Pty #	Step-Down Subsidiary	Australia	100%	-
11	Sterling and Wilson Middle East Electromechanical LLC	Step-Down Subsidiary	United Arab Emirates	49%	49%
12	Sterling and Wilson Power Systems Inc.	Step-Down Subsidiary	United States of America	100%	100%
13	Sterling and Wilson HES UK Limited (formerly Sterling & Wilson UK Holdings Limited) *	Step-Down Subsidiary	United Kingdom	-	100%
14	Sterling and Wilson Middle East Electromechanical (Bahrain) WLL	Step-Down Subsidiary	Bahrain	49%	49%
15	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC	Step-Down Subsidiary	Kuwait	49%	49%
16	Sterling and Wilson Cogen Solutions LLC	Step-Down Subsidiary	United States of America	100%	100%
17	Enrich-SWPL JV	Subsidiary	India	49%	49%
18	Sterling and Wilson Jindun Consortium	Subsidiary	India	100%	-

# Acquired during the year

\* Sold during the year

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



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### *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 Ind AS 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 Ind AS 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 associate and joint ventures. An associate is an entity over which the Group has significant influence. 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.

Interests in associate/joint ventures are accounted for using the equity method. Under the equity method, the investment in associate/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 associate/joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the associate/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 associate/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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements for the year ended 31 March 2021

(Currency: Indian rupees in crores)

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% Holding as on 31.3.2021	% Holding as on 31.3.2020
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%
4	Sterling and Wilson Power Solutions LLC	Associate	United Arab Emirates	49%	-

### 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 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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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.

As per para 9(iii) of Ind AS 103 (Appendix C), The financial information in the financial statements in respect of prior periods should be 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, if business combination had occurred after that date, the prior period information shall be restated only from that date.

Accordingly, the comparative consolidated Ind AS financial statements as at and for the year ended 31<sup>st</sup> March 2020 have been restated to include the financial information of Sterling and Wilson Cogen Solutions Private Limited.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 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.

#### *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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

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### 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 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.

#### (ii) Foreign operations

For the purpose of presenting these consolidated Ind AS 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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

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(Currency: Indian rupees in crores)

### (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. 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





# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

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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.

### *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;



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- 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 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



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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.

### *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



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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.

### 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 Ind AS 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 Ind AS 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.



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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.

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.



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### *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.

### 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.



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

- (i) Trade receivables unbilled receivables; and contract assets
- (ii) 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.



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ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the consolidated statement of 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





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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.

### 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



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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.

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.



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

### ***Onerous contracts***

A contract is considered to be onerous when the expected economic benefits to be derived by the 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



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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.

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.



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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.

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-elapsd 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.



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

### 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.

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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## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

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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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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.

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.





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

### 3.17 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 a 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;



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements

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(Currency: Indian rupees in crores)

- 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.

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.



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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

### 3.20 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 Ind AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### 3.24 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 2021.

### 3.25 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III



# Sterling and Wilson Private Limited

## Notes to the consolidated Ind AS financial statements for the year ended 31 March 2021

(Currency: Indian rupees in crores)

and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

as on 31 March 2021

(Currency : Indian rupees in crores)

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

A Reconciliation of carrying amount

Particulars	Owned Assets							Assets 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)	
<b>Gross carrying amount</b>											
Balance as at 1 April 2011	0.47	119.50	37.47	46.49	0.74	8.87	0.07	18.54	0.83	218.78	104.11
Add: Additions during the year	-	-	-	34.03	0.28	2.88	-	5.15	-	44.34	14.13
Less: Disposals during the year	-	-	-	(0.12)	(0.37)	(1.71)	-	(0.15)	-	(2.35)	(2.04)
Less: Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(11.80)
Less: On sale of subsidiary during the year	-	-	-	-	-	-	-	(0.07)	-	(0.07)	(10.85)
Add: Exchange translation differences during the year	-	-	0.06	0.97	0.52	0.18	-	0.16	-	1.89	2.09
Balance as at 31 March 2020	0.47	119.50	37.53	79.87	2.17	10.66	0.07	23.90	0.83	250.39	76.64
Balance as at 1 April 2021	0.47	119.50	37.53	79.87	2.17	10.66	0.07	23.90	0.83	250.39	76.64
Add: Additions during the year	-	4.38	1.79	13.57	0.06	0.78	0.10	0.93	-	38.45	18.85
Less: Disposals during the year	-	-	-	(0.02)	(1.62)	(2.47)	-	(1.29)	-	(3.79)	(3.09)
Add: Exchange translation differences during the year	-	-	(0.02)	(0.19)	(0.16)	0.22	0.03	0.02	-	(0.14)	-
Balance as at 31 March 2021	0.47	121.79	39.30	87.23	0.45	9.18	0.27	25.58	0.83	267.59	92.40
<b>Accumulated Depreciation:</b>											
Balance as at 1 April 2011	(0.02)	(4.12)	(5.33)	(16.58)	(2.85)	(3.56)	(0.02)	(30.14)	(0.02)	(42.32)	-
Add: Depreciation for the year	(0.03)	(1.99)	(2.85)	(8.24)	(1.89)	(2.15)	(0.03)	(10.86)	(0.02)	(21.21)	-
Less: Disposals during the year	-	-	-	(0.11)	-	(1.15)	-	(0.12)	-	(1.38)	-
Add: Exchange translation differences during the year	-	-	(0.04)	(0.48)	(0.43)	(0.16)	-	(0.12)	-	(1.29)	-
Balance as at 31 March 2020	(0.05)	(6.11)	(8.22)	(25.41)	(5.23)	(7.06)	(0.05)	(41.30)	(0.04)	(54.40)	-
Balance as at 1 April 2021	(0.03)	(6.01)	(8.15)	(25.50)	(5.24)	(7.17)	(0.05)	(41.30)	(0.04)	(54.40)	-
Add: Depreciation for the year	(0.01)	(1.02)	(1.20)	(3.02)	(1.09)	(1.71)	(0.08)	(4.64)	(0.02)	(10.79)	-
Less: Disposals during the year	-	-	-	(1.24)	(1.50)	(2.01)	-	(1.44)	-	(6.20)	-
Add: Exchange translation differences during the year	-	-	0.01	0.15	0.14	-	-	0.02	-	0.32	-
Less: Other adjustments	-	-	-	-	-	-	-	(0.01)	-	(0.01)	-
Balance as at 31 March 2021	(0.04)	(7.04)	(9.36)	(34.23)	(7.69)	(10.95)	(0.13)	(46.32)	(0.10)	(62.65)	-
<b>Carrying amounts (net)</b>											
As at 31 March 2020	0.42	113.29	36.80	54.46	2.44	6.09	0.04	17.20	0.79	196.09	76.64
As at 31 March 2021	0.43	114.79	38.14	53.00	2.46	8.47	0.14	19.26	0.73	194.94	85.49

\*Write down 0.01 crore

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



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees in crores)

### 4 Property, plant and equipment and capital work-in-progress (continued)

Notes:

a) As at 31 March 2021, movable fixed assets with carrying amount of Rs. 60.32 crore (31 March 2020: Rs. 63.83 crore) are subject to first charge in secure bank loans.

Name of Asset	As at March 31, 2021	As at March 31, 2020
Plant and equipment	51.44	51.13
Furniture and fixtures	1.02	1.20
Vehicles	3.56	3.67
Computer hardware	4.30	7.83
<b>Total</b>	<b>60.32</b>	<b>63.83</b>

b) Nil amount of borrowing cost is capitalized during the current and comparative periods.

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

d) Below items of Property, Plant and Equipment are added on account of acquisition of Sterling and Wilson Co-Gen Solutions Private Limited, accounted as common control business combination. The below details are as on 1 April 2019.

Particulars	Gross Carrying Value	Accumulated Depreciation	Net Carrying Value
Office Equipments	0.03	0.02	0.01
Vehicles	0.07	0.05	0.02
Computer Hardware	0.35	0.16	0.19



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

- 4.1 Right-of-use assets  
 Disclosure under Ind AS 116, Leases  
 A) Group as a Lessee  
 a) Amount recognised in balance sheet

Following is the movement in Right-of-use assets:

	Land and Buildings	Total
<b>Gross carrying amount :</b>		
Balance as at 1 April 2019	-	-
Effect of change in accounting policy (refer note E below)	38.16	38.16
Add: Additions during the year	2.14	2.14
Add: Exchange translation difference during the year	0.98	0.98
<b>Balance as at 31 March 2020</b>	<b>41.28</b>	<b>41.28</b>
Balance as at 1 April 2020	41.28	41.28
Add: Additions during the year	-	-
Less: Disposals during the year	(1.81)	(1.81)
Less: Written off during the year	(0.02)	(0.02)
Add: Exchange translation difference during the year	0.12	0.12
<b>Balance as at 31 March 2021</b>	<b>38.97</b>	<b>38.97</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2019	-	-
Add: Depreciation for the year	19.41	19.41
Add: Exchange translation difference during the year	0.49	0.49
<b>Balance as at 31 March 2020</b>	<b>19.90</b>	<b>19.90</b>
Balance as at 1 April 2020	19.90	19.90
Add: Depreciation for the year	14.60	14.60
Less: Disposals during the year	(1.10)	(1.10)
Add: Exchange translation difference during the year	(0.16)	(0.16)
<b>Balance as at 31 March 2021</b>	<b>33.24</b>	<b>33.24</b>
<b>Carrying amounts</b>		
Balance as at 31 March 2020	21.38	21.38
<b>Balance as at 31 March 2021</b>	<b>5.74</b>	<b>5.74</b>

\*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.

Following is the movement in Lease liabilities:

	Amount
Balance as at 1 April 2019	
Effect of change in accounting policy (refer note E below)	38.16
Add: Additions	2.14
Add: Finance cost accrued during the year	3.36
Less: Payments of lease liabilities	(21.44)
Add/Less: Effect of foreign currency translation	0.31
<b>Balance as at 31 March 2020</b>	<b>22.53</b>
Add: Additions	-
Add: Finance cost accrued during the year	1.37
Add: Gain on modification	(0.54)
Less: Written off during the year	(0.45)
Less: Payments of lease liabilities	(17.10)
Add/Less: Effect of foreign currency translation	0.27
<b>Balance as at 31 March 2021</b>	<b>6.28</b>

- b) Amount of depreciation recognised in the statement of profit & loss

	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Depreciation on Land and Buildings	14.60	19.41



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### Breakdown of lease expense

	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Interest expense	1.38	3.50
Short-term lease expense	28.12	25.89
<b>Total</b>	<b>29.50</b>	<b>29.25</b>

### e) Cash outflow on leases

	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Repayment of lease liabilities (including interest on lease liabilities)	17.10	21.44
Short-term lease expense	28.12	25.89
<b>Total cash outflow on leases</b>	<b>45.22</b>	<b>47.33</b>

### d) Maturity analysis of lease liabilities

31 March 2021	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
<b>Lease liabilities</b>	<b>2.83</b>	<b>0.95</b>	<b>1.76</b>	<b>0.75</b>	<b>6.30</b>	<b>7% - 11.50%</b>

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 %
<b>Lease liabilities</b>	<b>22.21</b>	<b>8.41</b>	<b>2.79</b>	<b>1.26</b>	<b>34.67</b>	<b>5.50% - 11.5%</b>

### 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 crores
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	43.83
Less: Discounting impact	(5.67)
<b>Lease liabilities recognised in the balance sheet as at 1 April 2019**</b>	<b>38.16</b>

\*\* 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





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

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

#### B) 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.

#### a) Amounts recognized in statement of profit and loss

	Year ended 31 March 2021 (in crores)	Year ended 31 March 2020 (in crores)
Rental income from related party (refer note 50.2)	0.34	0.09

#### b) Undiscounted lease payments to be received after 31 March 2021

	Year ended 31 March 2021 (in crores)	Year ended 31 March 2020 (in crores)
Less than one year	-	-
Between 1 and 2 years	-	-
2 and 5 years	-	-
Over 5 years	-	-
Total undiscounted lease payments to be received <sup>1</sup>	-	-

<sup>1</sup>Rental income to be received post 31 March 2021 will be eliminated while preparing consolidated financial statements. Accordingly, the group will not have any lease payment receivable from related party post 31 March 2021.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 5 Intangible assets and intangible assets under development

Particulars	Goodwill	Computer software	Total
Balance as at 1 April 2019	17.47	17.22	34.69
Add: Additions during the year	-	1.04	1.04
Less: Disposals during the year	(4.77)	(2.34)	(7.11)
Add: Exchange translation difference during the year	-	0.07	0.07
Balance as at 31 March 2020	12.70	15.99	28.69
Balance as at 1 April 2020	12.70	15.99	28.69
Add: Additions during the year	-	0.05	0.05
Less: Disposals during the year	-	(2.78)	(2.78)
Add: Exchange translation difference during the year	-	(0.06)	(0.06)
Balance as at 31 March 2021	12.70	13.20	25.90
Accumulated amortisation and impairment losses:			
Balance as at 1 April 2019 (including impairment)	1.37	7.38	8.75
Add: Amortisation for the year	-	3.19	3.19
Less: Disposals during the year	-	(1.47)	(1.47)
Add: Exchange translation difference during the year	-	0.06	0.06
Balance as at 31 March 2020	1.37	9.16	10.53
Balance as at 1 April 2020	1.37	9.16	10.53
Add: Amortisation for the year	-	2.16	2.16
Less: Disposals during the year	-	(0.95)	(0.95)
Add: Exchange translation difference during the year	-	(0.03)	(0.03)
Balance as at 31 March 2021	1.37	10.34	11.71
At 31 March 2020	11.33	6.83	18.16
At 31 March 2021	11.33	2.86	14.20

#### 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 2021	31 March 2020
Range consultants private limited	4.75	4.75
Sterling and Wilson Security Systems Private Limited	1.09	1.09
Sterling & Wilson Nigeria Limited	5.49	5.49
Total	11.33	11.33

The goodwill is tested for impairment and accordingly no impairment charges was identified for FY 2020-21 (Nil for FY 2019-20).



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>6 Investments accounted for using equity method</b>		
<b>(a) Unquoted, in Joint Ventures</b>		
EUR 16,68,346 share quota [31 March 2020: EUR 16,68,346] Co. Stell S.r.l.	14.72	15.84
EUR 5,000 share quota [31 March 2020: EUR 5,000] P.T.C S.A.S Di Barzanti Massimo	0.33	0.55
EUR 72,21,968 share quota [31 March 2019: EUR 72,21,968] STC Power S.r.l.	-	-
Sterling & Wilson Power Solutions LLC (147 [31 March 2020: 147] shares of AED 1,000 each, fully paid-up )	0.25	0.25
Less : Share of losses in associate	(0.25)	(0.25)
	<u>15.05</u>	<u>16.39</u>
Aggregate amount of unquoted investments;	15.05	16.39
Aggregate amount of impairment in value of investments	-	-
<b>7 Other Investments</b>		
<b>(a) Investment in equity instruments (at fair value through profit or loss)</b>		
Sterling and Wilson Saudi Arabia Limited* 500 [31 March 2020 : 500] shares of SAR 1.00 each, fully paid up	0.09	0.09
Monjin Interviews Private Limited 237,037 [31 March 2020: 237,037] shares of Rs 10 each, fully paid-up	19.91	19.91
Transtel Utilities Ltd,UK**# 10 [31 March 2020 : 10] shares of GBP 1 each, fully paid up	0.00	-
SWB Power Ltd*** 10 [31 March 2020: 10] shares of GBP 1 each, fully paid up	0.00	-
Less: Provision for impairment	(0.09)	(0.09)
	<u>19.91</u>	<u>19.91</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 crore.		
<b>Investment in preference shares</b>		
<b>(a) Unquoted, in fellow subsidiaries (at fair value through profit or loss)</b>		
Sterling Generators Private Limited 500,000 [31 March 2020: 500,000] 4% redeemable, non-convertible, non-cumulative preference shares of Rs 1,000 each, fully paid-up. The preference shares are redeemable after a period of 7 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report.	50.46	53.54
	<u>70.37</u>	<u>73.45</u>
Aggregate amount of unquoted investments	70.37	73.45
Aggregate amount of impairment in value of investments	0.09	0.09



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

31 March 2021 31 March 2020

### 8 Loans

(Unsecured considered good unless otherwise stated)

To parties other than related parties

Security deposits

Considered good

Considered doubtful

Less: Provision for Security Deposits<sup>a</sup>

Loan to third party

Considered good\*

Considered doubtful

Less: Provision for doubtful Loan

To related parties

Considered good\*\*

Considered doubtful

Less: Provision for doubtful Loan

	31 March 2021	31 March 2020
Security deposits		
Considered good	11.82	11.43
Considered doubtful	-	0.00
	<u>11.82</u>	<u>11.43</u>
Less: Provision for Security Deposits <sup>a</sup>	-	(0.00)
	<u>11.82</u>	<u>11.43</u>
Loan to third party		
Considered good*	43.98	121.74
Considered doubtful	2.15	-
	<u>46.13</u>	<u>121.74</u>
Less: Provision for doubtful Loan	2.15	-
	<u>43.98</u>	<u>121.74</u>
To related parties		
Considered good**	58.48	45.26
Considered doubtful	1.42	1.32
	<u>59.90</u>	<u>46.58</u>
Less: Provision for doubtful Loan	1.42	1.32
	<u>58.48</u>	<u>45.26</u>
	<u>114.28</u>	<u>178.43</u>

\* The loan given by subsidiary company is denominated in United States Dollars (USD). Loan to third party includes Rs. 31.55 crore (31 March 2020: Rs 49.95 crore carrying interest rate at 3% per annum and is receivable not later than 2 years from the date of disbursement of the principal amount in the year 2019-20, Rs. 6.92 crore (31 March 2020: Rs 7.48 crore) does not attract interest and is receivable not later than 2 years from the date of disbursement of the principal amount in the year 2019-20, Rs. 20.05 crore (31 March 2020: Rs 17.69 crore) carrying interest rate at 3% per annum and is receivable not later than 2 years from the date of disbursement of the principal amount, Rs. 7.62 crore (31 March 2020: Rs 7.62 crore) carrying interest rate at 3% per annum and is receivable not later than 2 years from the date of disbursement of the principal amount in the year 2019-20 and Rs. 41.19 crore (31 March 2020: Rs 39 crore) carrying interest rate at 3% per annum and is receivable on or before 30th September 2022.

\*\* The loan to a related party includes Rs. 6.5 crore (31 March 2020: Rs 2.28 crore) denominated in Arab Emirates Dirham (AED), is unsecured, interest free and is receivable not later than 31 March 2023 or such later date as shall be agreed by the parties, Rs. 40.85 crore (31 March 2020: Rs 35.84 crores) was originally loan advanced to SWB Power Limited. During the year 2019-20, 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. 1.52 (31 March 2020: Rs 5.06 crore) is recognized in the consolidated statement of comprehensive income.

\* The unsecured loan given by subsidiary company having an outstanding balance of Rs 768.07 crores (31 March 2020: Rs 442.52 crores) carrying interest rate of 8% p.a wherein interest is repayable on demand and principal at the option of the borrower on or before 31 March 2025.

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

Transtel Utilities Ltd,UK

# Value less than 0.01 crore

47.34 38.12

### 9 Other non-current financial assets

Bank deposits\* (due to mature after 12 months from reporting date)

5.69 4.61

5.69 4.61

\* Bank deposit to the extent of Rs 5.67 crore (31 March 2020: Rs 4.60 crore) is held as margin money or security against the borrowings, guarantees, other commitments.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>10 Deferred tax assets (net)</b>		
<i>Deferred tax assets</i>		
Employee benefits	20.04	20.71
Provision for bad and doubtful debts and loans and advances	9.31	11.13
Provision for foreseeable losses	3.22	4.20
Provision for loans and advances	1.83	-
Carry forward business losses *	34.25	78.62
Impairment allowances	1.79	1.33
Property, plant and equipment	0.18	0.20
Unabsorbed depreciation	19.24	19.24
MAT credit	5.40	5.40
Others	0.23	-
Unrealised Exchange Difference	-	3.71
	<u>95.49</u>	<u>144.54</u>
<i>Deferred tax liabilities</i>		
Property, plant and equipment	12.57	12.67
Fair valuation of investments	2.13	1.90
On undistributed profits of a subsidiary	1.66	1.24
Writeback of Provision for liquidated damages	0.26	0.26
	<u>16.61</u>	<u>16.07</u>
<b>Deferred tax assets recognised, net</b>	<u>78.88</u>	<u>128.47</u>
<b>10.1 Deferred tax liabilities (net)</b>		
<i>Deferred tax assets</i>		
Property, plant and equipment	-	-
<i>Deferred tax liabilities</i>		
Property, plant and equipment	0.13	0.11
	<u>0.13</u>	<u>0.11</u>
<b>Deferred tax liabilities recognised, net</b>	<u>0.13</u>	<u>0.11</u>
* Represents deferred tax asset recognised on carried forward business loss of Rs 92.81 crore (31 March 2020: Rs 33.33 crore)		
<b>11 Non-current tax assets (net)</b>		
Advance tax (net of provision for tax of Rs 82.74 crore [31 March 2020: Rs 76.14 crore]) (includes fringe benefits tax and wealth tax)	37.15	128.95
	<u>37.15</u>	<u>128.95</u>
<b>12 Other non-current assets</b>		
<i>(Unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
Prepayments	3.00	2.57
Capital advances	3.30	3.57
	<u>6.30</u>	<u>6.14</u>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>13 Inventories</b>		
<i>(valued at lower of cost and net realisable value unless otherwise stated)</i>		
Construction materials, stores and spare parts (includes inventory in transit Rs Nil [31 March 2020: Nil]; and net of Rs Nil [31 March 2020: Rs 2.75 crore] provided towards inventory obsolescence)	18.97	28.75
Stock-in-trade	59.95	39.35
	<u>78.92</u>	<u>68.10</u>
Carrying amount of inventories (included above) pledged as securities for borrowings	17.93	24.81
The write-down of inventories to net realisable value during the year amounted to Rs Nil [31 March 2020: Rs Nil].		
<b>14 Current investments</b>		
<b>Investment in equity instruments</b>		
<i>(Measured at fair value through profit and loss)</i>		
<b>Quoted:</b>		
Crompton Greaves Consumer Electrical Limited*	0.00	0.00
6 [31 March 2020 : 6] Equity shares of Rs 10 each, fully paid-up		
CG Power & Industrial Solution Limited*	0.00	0.00
6 [31 March 2020 : 6] Equity shares of Rs 10 each, fully paid-up		
Ruchi Soya Limited*	0.00	0.00
2 [31 March 2020 : 2] Equity shares of Rs 10 each, fully paid-up		
Arshiya Limited	-	0.90
Nil [31 March 2020 : 281,250] Equity shares of Rs 2 each, fully paid up		
Tata Consultancy Services Limited	0.39	0.23
1232 [31 March 2020 : 1,232] Equity shares of Rs 10 each fully paid-up		
<b>Unquoted:</b>		
Western India Sugar & Chemical Industries Limited*	0.00	0.00
400 [31 March 2020 : 400] Equity shares of Rs 10 each, fully paid-up		
Mid East India Limited*	0.00	0.00
300 [31 March 2020 : 300] Equity shares of Rs 10 each, fully paid-up		
Montari Leather Limited*	0.00	0.00
1000 [31 March 2020 : 1,000] Equity shares of Rs 10 each fully paid-up		
Otoklin Plants and Equipment's Limited*	0.00	0.00
500 [31 March 2020 : 500] Equity shares of Rs 10 each, fully paid-up		
SIV Limited (South India Viscose Limited)	0.01	0.01
600 [31 March 2020 : 600] Equity shares of Rs 10 each, fully paid-up		
Sudhiti Hosiery Limited	0.01	0.01
2500 [31 March 2020 : 2,500] Equity shares of Rs 10 each, fully paid-up		
Less: Provision for diminution in the value of quoted and unquoted current investments	(0.03)	(0.74)
<b>Total (a)</b>	<u>0.38</u>	<u>0.41</u>
*Value less than 0.01 crore		



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>14 Current investments (Continued)</b>		
<b>Investment in debentures</b> (Measured at amortised cost)		
Western India Sugar & Chem. Industries Limited 300 [31 March 2020 : 300] 15% Debentures of Rs 50 each, fully paid-up	0.00	0.00
<b>Total (b)</b>	<u>0.00</u>	<u>0.00</u>
<b>Investment in Mutual Funds</b> (Measured at fair value through profit and loss)		
Nil [31 March 2020: 41,872 units] Reliance Liquid Fund - Treasury Plan-Growth Option	-	0.02
250,000 units [31 March 2020 : 250,000 units] Union Long Bond Fund Growth	0.30	0.28
<b>Total (c)</b>	<u>0.30</u>	<u>0.30</u>
<b>Total (a + b + c)</b>	<u>0.68</u>	<u>0.71</u>
<i>*Value less than 0.01 crore</i>		
The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:		
<b>Aggregate amount of quoted investments</b>	0.39	0.42
<b>Aggregate market value of quoted investments</b>	0.39	0.42
<b>Aggregate amount of unquoted investments</b>	0.30	0.28
<b>Aggregate amount of impairment in value of investments</b>	0.03	0.74
<b>15 Trade receivables</b> (Unsecured)		
Trade Receivable		
- Considered good*	2,634.46	3,398.35
- Doubtful	127.90	108.96
	<u>2,762.36</u>	<u>3,507.31</u>
Loss allowance **		
- Doubtful	127.90	108.96
	<u>127.90</u>	<u>108.96</u>
Net trade receivables	<u>2,634.46</u>	<u>3,398.35</u>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	213.40	405.25
	<u>213.40</u>	<u>405.25</u>

As at 31 March 2021, trade receivables includes retention of Rs 412.88 crores [31 March 2020: Rs 376.86 crores] relating to construction contracts in progress.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

31 March 2021

31 March 2020

### 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 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 56 .

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 member :**

Shapoorji Pallonji and Company Private Limited	27.68	47.84
Sterling Generators Private Limited	-	21.91
Sterling and Wilson Powergen Private Limited	0.62	0.04
	<u>28.30</u>	<u>69.79</u>





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>16 Cash and cash equivalents</b>		
Balances with Bank		
- in current accounts	85.06	144.77
Cheques, drafts on hand	0.14	-
Cash on hand	0.50	0.83
	<u>85.70</u>	<u>145.60</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) *	46.83	58.18
(Includes interest receivable of Rs. 0.05 crore (31 March 2020 : Rs. 0.05 crore)		
Margin money deposits **	1.20	5.68
	<u>48.03</u>	<u>63.86</u>

\* Fixed deposit with banks to the extent of Rs 46.74 crore [31 March 2020: Rs 58.09 crore] is held as margin money or security against the borrowings, guarantees, other commitments.

\*\* Margin money deposits Rs 1.2 crore [31 March 2020: Rs 5.67 crore] are under lien for the credit facilities and letter of guarantees issued by banks on behalf of the Group.

## 18 Loans

(Unsecured)

To related parties

Other related parties	77.52	82.46
(Includes interest receivable of Rs. 6.61 crore [31 March 2020: Rs 2.27 crore])		

To parties other than related parties

Security deposits		
- considered good	18.05	18.36
- considered doubtful	0.60	0.62
	<u>18.65</u>	<u>18.98</u>

Less: Provision for doubtful deposit \*

	<u>(0.60)</u>	<u>(0.62)</u>
	<u>18.05</u>	<u>18.36</u>

Loan to employees

	1.86	3.73
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Loan to others

(Includes interest receivable of Rs. 2.59 crore (31 March 2020: Rs. 4.21 crore))	95.94	30.42
	<u>193.37</u>	<u>134.97</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 56.



## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>19 Other financial assets</b>		
<i>(Unsecured)</i>		
<i>To related parties</i>		
Unbilled receivables	33.07	30.70
Other receivables	46.86	39.90
<i>To parties other than related parties</i>		
Unbilled receivables		
- considered good	842.11	1,111.77
- considered doubtful	-	-
	842.11	1,111.77
Less: Provision for doubtful unbilled receivables *	-	-
	842.11	1,111.77
Other receivables	31.58	58.09
(includes interest accrued on receivables of Rs. Nil (31 March 2020: Rs 43.70 crore))		
	<b>953.62</b>	<b>1,240.46</b>

\* 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 56.

#### *Unbilled receivables*

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

Shapoorji Pallonji and Company Private Limited	30.23	26.88
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#### *Other receivables*

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

Sashwat Energy Private Limited	0.80	0.80
Sterling Generators Private Limited	2.36	0.15
Sterling & Wilson Solar Limited	20.94	14.22

## 20 Income tax assets (net)

Advance tax (net of provision for tax of Rs Nil (31 March 2020 : Rs 0.00 <sup>6</sup> crore))	14.93	14.26
# Value less than 0.01 crore		
	<b>14.93</b>	<b>14.26</b>

#### **Below is the movement of non-current and current tax asset:**

Opening Balance	143.21	86.57
Add : Advance tax paid during the year	31.33	43.07
Less : Refund received during the year	(124.88)	-
Add/Less: Other Adjustments	2.79	13.29
Add/Less: Exchange translation difference during the year	(0.37)	0.28
<b>Closing Balance</b>	<b>52.08</b>	<b>143.21</b>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>21 Other current assets</b>		
<i>(Unsecured)</i>		
<i>To related parties</i>		
Advances for supply of goods	5.77	48.01
Contract Assets	11.77	3.25
<i>To parties other than related parties</i>		
Advances for supply of goods		
- considered good	155.45	89.65
- considered doubtful	4.65	4.65
	<u>160.10</u>	<u>94.30</u>
Less: Provision for doubtful advances	(4.65)	(4.65)
	<u>155.45</u>	<u>89.65</u>
Advance for projects	0.06	5.55
Contract Assets		
- considered good	58.57	217.82
- considered doubtful	28.09	9.94
	<u>86.66</u>	<u>227.76</u>
Less: Provision for doubtful contract assets *	(28.09)	(9.94)
	<u>58.57</u>	<u>217.82</u>
Other recoverables	0.17	-
Balance with government authorities	238.80	230.02
Prepayments	14.28	25.02
Advances to employees	12.98	12.96
	<u>497.85</u>	<u>632.28</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 56.

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

Advances for supply of goods

Sterling Generators Private Limited

5.77

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# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>22 Share capital</b>		
<b>Authorised</b>		
50,000,000(31 March 2020 : 50,000,000) Equity shares of Rs 10 each	50.00	50.00
215,00,000 (31 March 2020 : 165,00,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each	2,150.00	1,650.00
	<u>2,200.00</u>	<u>1,700.00</u>
<b>Issued, subscribed and fully paid up:</b>		
29,369,333 (31 March 2020 : 29,369,333) Equity shares of Rs 10 each, fully paid-up	29.37	29.37
18,025,000 (31 March 2020 : 15,025,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each, fully paid-up	1,802.50	1,502.50
	<u>1,831.87</u>	<u>1,531.87</u>

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance as at the beginning of the year	29,369,333	29.37	16,036,000	16.04
Add: Issued during the year			13,333,333	13.33
Balance as at the end of the year	<u>29,369,333</u>	<u>29.37</u>	<u>29,369,333</u>	<u>29.37</u>
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Balance as at the beginning of the year*	15,025,000	1,502.50	2,500,000	250.00
Add: Issued during the year**	3,000,000	300.00	12,525,000	1,252.50
Balance as at the end of the year	<u>18,025,000</u>	<u>1,802.50</u>	<u>15,025,000</u>	<u>1,502.50</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 non-cumulative preference shares were issued on 17 March 2018 and 10 March 2020 and each share is convertible into four equity shares of par value Rs. 10 each after 36 months from the date of issue.

\*\* Compulsorily convertible non-cumulative preference shares were issued on 03 October 2020 and 07 January 2021 and each share is convertible into five equity shares of par value Rs. 10 each after 240 months from the date of issue.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend is not declared in respect of a financial year, the entitlement for that financial year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, the preference shareholders' will be entitled to receive from the proceeds of liquidity event, on par to the holders' of equity shares or securities convertible into equity shares, an amount equal to 100% of the amounts invested by it plus any declared but unpaid dividends, to be distributed pro-rata among the holders' of equity shares and preference shares of the Company on an as converted basis.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 22 Share capital (Continued)

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding company	19,480,000	19.48	19,480,000	19.48
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	9,500,000	950.00	7,500,000	750.00
Sashwat Energy Private Limited, subsidiary of the Holding Company	2,500,000	250.00	2,500,000	250.00

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

	31 March 2021		31 March 2020	
	Number	% holding	Number	% holding
<b>Equity shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding company	19,480,000	66.33%	19,480,000	66.33%
Khurshed Daruvala, Director	9,745,293	33.17%	9,745,293	33.17%
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	9,500,000	61.19%	7,500,000	60.00%
Khurshed Daruvala, Director	6,025,000	38.81%	5,025,000	40.00%
Sashwat Energy Private Limited, subsidiary of the Holding Company	2,500,000	100.00%	2,500,000	100.00%

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Compulsorily convertible non-cumulative preference shares 10,000,000 equity shares of Rs 10 each	10,000,000	10.00	10,000,000	10.00
Compulsorily convertible non-cumulative preference shares 50,100,000 equity shares of Rs 10 each	50,100,000	50.10	50,100,000	50.10
Compulsorily convertible non-cumulative preference shares-15,000,000 equity shares of Rs 10 each	15,000,000	15.00		

### 23 Other equity

	Note	31 March 2021	31 March 2020
Capital redemption reserve	(i)	50.00	50.00
Securities premium account	(ii)	561.45	561.45
General reserve	(iii)	13.39	13.39
Legal reserve	(iv)	1.11	1.11
Retained Earnings	(v)	(1,876.85)	(846.08)
Foreign currency translation reserve	(vi)	(37.92)	(75.83)
Remeasurements of defined benefit liability	(vii)	(0.96)	(1.64)
Loan towards Equity	(viii)	2.37	0.00
Other Reserve	(ix)	3.71	3.01
		<b>(1,283.70)</b>	<b>(294.59)</b>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 23 Other equity (Continued)

Particulars	31 March 2021	31 March 2020
<b>Capital redemption reserve</b>		
Balance as at the end of the year	50.00	50.00
<b>Securities premium reserve</b>		
Balance as at the beginning of the year	561.45	74.78
Add: Additional during year	-	486.67
Balance as at the end of the year	561.45	561.45
<b>General reserve</b>		
Balance as at the end of the year	13.39	13.39
<b>Legal reserve</b>		
Balance as at the end of the year	1.11	1.11
<b>Retained Earnings</b>		
Opening balance	(846.08)	(305.31)
Net assets/(reserves) acquired as a result of common control business combination)		(0.78)
Restated balance as at the beginning of the year	(846.08)	(306.09)
Less: Other movements	(0.08)	(2.98)
Reversal of gain of subsidiary	(0.02)	-
Add: Addition during the year	(1,030.67)	(537.01)
Balance as at end of the year	(1,876.85)	(846.08)
<b>Others:</b>		
<b>Foreign currency translation reserve</b>		
Opening balance	(75.83)	(30.73)
Net assets/(reserves) acquired as a result of common control business combination)	-	0.18
Restated balance as at the beginning of the year	(75.83)	(30.55)
Less: Reversal of gain of subsidiary <sup>p</sup>	(0.00)	-
Add: Exchange differences in translating the financial statements of foreign operations	37.91	(45.20)
Less: Other movements	-	(0.03)
Transferred to Profit and Loss (Exchange Differences Realised on sale of Subsidiary)	-	(0.05)
Balance as at the end of the year	(37.92)	(75.83)
<b>Revaluations of defined benefit liability</b>		
Opening balance	(1.64)	(2.57)
Net assets/(reserves) acquired as a result of common control business combination)		(0.02)
Restated balance as at the beginning of the year	(1.64)	(2.59)
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	0.60	0.95
Other adjustments	0.08	-
Balance as at the end of the year	(0.96)	(1.64)
<b>Loan towards Equity</b>		
Balance as at the beginning of the year <sup>q</sup>	(0.00)	351.52
Add: Addition during the year	2.37	3.83
Less: Deletions during the year**	-	(335.00)
Less: Reclassifications during the year	-	(2.89)
Other movements	-	(17.46)
Balance as at the end of the year	2.37	0.00

# Value less than 0.01 crore



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 23 Other equity (Continued)

Particulars	31 March 2021	31 March 2020
<b>Non Controlling Interest</b>		
Opening Balance	4.04	(15.34)
Add: Addition during the year (including OCI)	(3.97)	(3.04)
Less: Arising on account of transfer of business	-	2.18
Other movements	-	20.24
<b>Balance as at the end of the year</b>	<b>0.07</b>	<b>4.04</b>
<b>Other Reserve</b>		
Opening Balance	3.01	-
Add: Addition during the year **	0.70	3.01
<b>Balance as at the end of the year</b>	<b>3.71</b>	<b>3.01</b>

(i) **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.

(ii) **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. 1.41 crore [31 March 2020: Rs. 1.41 crore] that represents the Group's share in the securities premium reserve of a joint venture, STC Power S.r.l.

(iii) **General reserve**

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

(iv) **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.

(v) **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.

(vi) **Foreign currency translation reserve**

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

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

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

(viii) **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.

(ix) **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 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>24 Non-current borrowings</b>		
Term Loan from Banks		
ICICI bank (refer note 1 below)	14.97	44.68
	<u>14.97</u>	<u>44.68</u>

**Note: 1**

Term Loan from ICICI Bank Limited of Rs. 60 crores 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) 7.30% plus Spread 3.10% (adjustable annually). The loan is secured by exclusive charge on commercial office unit no. 1301-1312, 13th Floor along with 55 car parkings located in Universal Majestic, P L Lokhande Marg, Chembur, Mumbai.

## 25 Long-term provisions

**Provision for employee benefits**

Gratuity	20.03	21.53
Terminal benefits	9.60	19.24
	<u>29.63</u>	<u>40.77</u>





## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>26 Current borrowings</b>		
<i>Secured</i>		
(a) Loans repayable on demand		
- Cash credit loan from banks [refer note (a) and (b) below]	71.63	60.79
- Post shipment Loans [refer note (c) below]	-	2.02
(b) Other Loans		
- Working capital loan from banks [refer note (a) and (e) below]	131.08	135.07
- Bill discounting [refer note (d) below]	-	10.94
	202.71	208.82
<i>Unsecured</i>		
(a) Loans from related parties		
- From Related parties [refer note (f), (g), (h) and (i) below]	1,456.00	1,802.98
- Inter-corporate deposits [refer note (j) below]	54.65	54.16
(b) Loans from other than related parties		
- Working capital loan from others [refer note (k) and (l) below]	8.80	168.99
- Bank Overdraft [refer note (m) below]	2.75	1.09
	1,522.20	2,027.22
	1,724.91	2,236.04

#### Details of the security and repayment terms:

- a. Cash credit/Working capital demand loan facility from Consortium i.e. Union Bank of India (lead bank), State Bank Of India, Yes Bank Limited, Axis Bank Limited, DBS Bank India Limited, ICICI Bank Limited, Corporation Bank, IDBI Bank Limited, IDFC First Bank Limited, RBL Bank Limited and IndusInd Bank Limited having outstanding an balance of Rs 182.28 crore (31 March 2020: Rs 176.72 crore) is secured by a first charge by way of hypothecation of all current assets, movable plant and machinery, computers, vehicles and furniture and fixtures with a carrying value of Rs. 60.32 crore (31 March 2020: Rs. 63.83 crore) as a collateral security, term deposit of Rs. 13.5 crore and pledge of 100% paid up equity shares held in the share capital of Range Consultants Private Limited, a subsidiary of the Company, ranking pari passu. Cash credit facility from the banks carries interest rate ranging from 9.50% to 12.50% p.a., on monthly basis on actual amount utilised, and are repayable on demand.
- b. Cash credit facility from DBS Bank Ltd. having an outstanding balance of Rs 4.5 crore (31 March 2020: Rs 4.05 crore) was secured by hypothecation of stocks, book debts and bills purchased under letter of credit. Cash credit facility from the bank carried interest rate of 11.05% p.a. (31 March 2020: 13.50%) on monthly basis on actual amount utilised, and are repayable on demand.
- c. Post shipment Loans are availed from DBS Bank Ltd having outstanding an balance of Nil (31 March 2020: Rs 2.02 crore) and are secured by hypothecation of stocks, book debts and bills purchased under letter of credit. The loans carried an interest rate of 3.38% (31 March 2020: 3.38%) and are repayable on demand. This loan is entirely repaid during the year ended 31 March 2021.
- d. Bill Discounting facilities were availed from YES Bank having an outstanding balance of Nil (31 March 2020: Rs 10.94 crore) and were secured by hypothecation of book debts and current assets carrying an interest ranging from Libor plus 125 basis points - 1% p.a to Libor plus 95 basis points- 3.31% p.a. (31 March 2020: Libor plus 125 basis points - 1% p.a to Libor plus 95 basis points- 3.31% p.a). No outstanding amount against this facility as at 31 March 2021.
- e. Working capital demand loan facility taken from DBS Bank Ltd. having an outstanding of Rs 15 crore (31 March 2020: Rs 15 crore) was secured by hypothecation of stocks, book debts and current assets. The total facility amount comprises several short term loans which bears interest rate of 10.15% to 11.50% (31 March 2020: 10.15% to 11.30%) and are repayable on demand.
- f. Unsecured loans and deposits from directors, their relatives and entities over which directors and their relatives exercise control amounting to Rs 176.27 crores (31 March 2020: Rs 128.17 crores) carry an interest rate ranging from 11.50% - 12% p.a and are repayable on demand.
- g. Loan from parent company Shapoorji Pallonji & Co Pvt. Ltd amounting to Rs 277.64 crores (31 March 2020: Rs 371.87 crores) carry an interest rate of 11.5% and are repayable on demand.



## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 31 March 2021 | 31 March 2020 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| h. Loans from Related parties include Rs 397.56 crores (31 March 2020: Rs 565.33 crores) as payable to Sterling and Wilson Solar Limited with interest expense of Rs. 73.70 crores (31 March 2020: Rs 164.96 crores) and average interest rate of 14.58%, Nil (31 March 2020: Rs 10.75 crores) payable to Sterling and Wilson Waaree Pvt Ltd. with interest expense of Nil (31 March 2020: 3.79 crores), rate of interest of 12 % and Rs Nil (31 March 2020: Rs 19.95 crores) payable to Sterling & Wilson Energy Systems Pvt Ltd with interest expense of Rs 2.49 crores (31 March 2020: Rs 0.01 crores) and average interest rate of 15.50%.                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |               |
| i. Loan taken by overseas subsidiary from a related party having an outstanding balance of Rs 549.47 crore (31 March 2020: Rs 662.66 crore) carried interest rate of 8% per p.a until 30 September 2020 and with effect from 1 October 2020 it was amended to borrowing cost of related party plus 400bps (2020: 7.5% - 8% p.a). The loan was unsecured and payable on demand until 30 September 2020. The Board of Directors of the related party had received a request from the Promoters of the Ultimate Parent Company to extend the repayment timeline, in lieu of obtaining security to cover the amount outstanding and also levy penal interest. Accordingly, the Board of Directors of the related party had taken a decision to extend the repayment timelines till September 2021 and levy additional penal interest. Further, subsequent to the reporting date, the Group has provided security by assignment of certain trade account receivables. Subsequent to the reporting date, an amount of Rs 508.86 crore has been paid towards the loan from a related party. |               |               |
| j. Inter corporate deposits having an outstanding balance of Rs 47.99 crores (31 March 2020: Rs 52.45 crores) carries an interest rate ranging from 11.50% to 12% p.a. and are repayable on demand.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |               |
| k. During the year 2019-20, the Company had issued Unsecured Rated Unlisted Non-Convertible Debentures of Rs 160.36 crore (including interest of Rs 0.36 crore) for a period of 91 days at interest rate of 11% p.a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |               |
| l. Working capital demand loan facility taken by an overseas subsidiary from a third party having an balance amount of Rs 8.76 (31 March 2020: Rs 8.67 crore) is unsecured carrying an interest rate of 3% (2020: 3%) p.a and is repayable on demand.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |               |               |
| m. Bank overdraft having an outstanding balance of Rs 2.75 (31 March 2020: Rs 1.09 crore) in case of an overseas subsidiary is unsecured and attract commercial interest rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               |               |

	31 March 2021	31 March 2020
<b>27 Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 49)	115.47	114.39
- Total outstanding dues of creditors other than micro enterprises and small enterprises* Acceptances**	1,278.39	1,280.35
	<b>240.66</b>	218.52
	<b><u>1,634.52</u></b>	<b><u>1,613.26</u></b>

\* 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.

\*\* 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. 240.66 crore (31 March 2020: Rs. 218.52 crore).

As at 31 March 2021, trade payables includes retention of Rs 11.74 crore [31 March 2020 : Rs 11.68 crore] relating to construction contracts in progress.



## Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)  
as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>28 Other financial liabilities</b>		
Current maturities of long-term debt		
- term loans (refer note 24)	29.71	65.03
Interest accrued and due:		
- to micro enterprises and small enterprises (refer note 49)	6.62	2.99
Employee benefits payable	56.42	48.21
Other payables	91.07	100.83
<i>To related parties</i>		
- Interest accrued and not due to director	-	0.06
Other payables	36.46	37.80
Share of loss of equity accounted investee	37.46	21.95
	<u>257.74</u>	<u>276.87</u>
<b>29 Other current liabilities</b>		
<i>To related parties</i>		
Advances from customers	60.24	112.91
Billing in advance of work completed	6.59	11.10
<i>To other than related parties</i>		
Advances from customers	544.63	728.94
Billing in advance of work completed	107.40	47.17
Advance to employees	3.36	3.74
Other payables*	0.00	-
Statutory dues payable :		
- TDS payable	21.99	18.89
- Provident fund payable	6.02	3.78
- Profession tax payable	0.10	0.24
- Employees State Insurance payable	0.13	0.05
- Value added tax payable	5.07	5.44
- GST payable	2.24	0.41
	<u>757.77</u>	<u>932.67</u>
# Value less than 0.01 crore		



## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>30 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	1.08	0.86
Compensated absences	35.15	38.49
<b>Other provisions</b>		
Provision for liquidated damages or price discount	16.00	13.57
Provision for foreseeable loss	7.52	12.83
	<u>59.75</u>	<u>65.75</u>

#### 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 2020	Additions	(Reversal)	Effect of reinstatement of Foreign Currency	As at 31 March 2021
Liquidated damages / price discounts	13.57	2.43	-	-	16.00
	14.30	2.55	(3.28)	-	13.57
Foreseeable loss	12.83	5.52	(11.02)	0.19	7.52
	5.21	10.25	(2.70)	0.07	12.83
Provision for loss incurred by joint venture	-	-	-	-	-
	0.02	-	-	(0.02)	-

*Previous year numbers are in italics*

### 31 Income tax liabilities (net)

Provision for current tax (net of advance tax of Rs 53.31 crore {31 March 2020: Rs 65.98 crore}) <i>(includes fringe benefits tax and wealth tax)</i>	7.28	3.44
	<u>7.28</u>	<u>3.44</u>
<b>Below is the movement of current tax liability:</b>		
Opening Balance	3.44	2.63
Add : Current tax expense for the year	0.79	-
Less : Advance tax	-	(1.44)
Other Adjustments	3.05	2.25
Closing Balance	<u>7.28</u>	<u>3.44</u>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>32 Revenue from operations</b>		
<b>Sale of services</b>		
Income from works contracts	2,393.00	3,483.85
Revenue from operation and maintenance services	253.90	325.43
<b>Sale of products</b>		
Sale of traded goods	15.27	43.00
<b>Other operating income</b>		
Sale of scrap	1.35	-
Export incentives	3.32	0.86
Rental income	0.34	0.09
	<u>2,667.18</u>	<u>3,853.23</u>
<b>33 Other income</b>		
Interest income under the effective interest method on:		
- deposits with banks	3.65	4.75
- income tax refund	11.71	-
- from others	6.48	3.27
- loan to related parties	5.89	7.47
- loan to employees	0.11	0.26
- security deposits	-	0.27
- retention payable / retention receivable	0.09	0.67
Dividend income	-	0.01
Guarantee commission income	-	2.61
Gain on absorption of losses in joint ventures (refer note 51)	-	42.82
Supplier balances written back	16.45	10.22
Foreign exchange gain (net)	-	126.95
Insurance claim received	0.08	0.78
Profit on sale of Property, Plant & Equipments (net)	0.78	0.09
Gain on sale of subsidiary (net)	-	2.21
Write back of provision for bad and doubtful debts (net)	1.26	17.58
Gain on forward cover cancellation	0.03	0.03
Write back of provision no longer required	1.52	1.92
Gain on sale of investments (net)	4.03	-
Provision for Liquidated damages utilised(net)	-	0.73
Gain on modification of lease	0.34	-
Business support services	0.25	2.20
Miscellaneous income	14.08	15.81
Write back of provision for foreseeable loss (net)	5.67	-
Export incentives / duty drawback	0.01	0.06
	<u>72.43</u>	<u>240.71</u>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>34 Cost of construction materials, stores and spare parts</b>		
Inventory of materials at the beginning of the year	28.75	60.08
Add: Purchases during the year	1,656.19	2,283.00
Less: Inventory of materials at the end of the year	18.97	28.75
	<u>1,665.97</u>	<u>2,314.33</u>
<b>35 Purchase of traded goods</b>		
Cost of traded goods purchased during the year	0.23	17.95
	<u>0.23</u>	<u>17.95</u>
<b>36 Change in inventory of stock-in-trade</b>		
Inventory of stock-in-trade at the beginning of the year	39.35	24.80
Less: Inventory of stock-in-trade at the end of the year	59.95	39.35
<b>Increase in inventory</b>	<u>(20.60)</u>	<u>(14.55)</u>
<b>37 Direct project costs</b>		
Communication expenses	1.12	1.28
Stores and spare parts consumed	5.56	9.98
Commission expenses	2.30	13.51
Legal and professional fees	21.12	37.78
Printing and stationery expenses	0.85	1.28
Insurance costs	15.80	14.69
Repairs and maintenance - others	14.17	13.91
Selling and marketing expenses	0.02	0.15
Traveling and conveyance expenses	11.40	15.42
Rent (refer note 4.1)	22.56	15.65
Rates and taxes	4.44	4.19
Electricity, power and fuel	2.87	4.90
Donation	0.01	0.04
Bank charges	31.13	17.23
Provision for foreseeable losses (net)	0.17	6.52
Other project overheads	4.57	1.56
Provision for Liquidated damages	7.06	3.51
Site expenses	0.10	0.31
Transport charges	0.09	0.38
Construction materials, stores and spare parts	0.53	16.26
Miscellaneous expenses	59.98	96.75
	<u>205.85</u>	<u>275.30</u>
<b>Employee benefits expense</b>		
Salaries, wages and bonus	262.30	358.27
Contribution to provident fund and other funds	17.49	23.99
Staff welfare expenses	11.50	15.74
	<u>291.29</u>	<u>398.00</u>
<b>Sub-contractor expenses</b>	<u>535.96</u>	<u>663.21</u>
	<u>1,033.10</u>	<u>1,336.51</u>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>38 Employee benefits expense</b>		
Salaries, wages and bonus	209.70	289.66
Contribution to provident fund and other funds	16.06	16.42
Gratuity and terminal benefits (refer note 44)	5.14	5.44
Compensated absences	8.84	7.86
Staff welfare expenses	8.50	17.40
	<u>248.24</u>	<u>336.78</u>
<b>39 Finance costs</b>		
Interest expense		
- on secured loans	34.59	40.72
- on unsecured loans	130.72	176.82
- on dues of micro enterprises and small enterprises	3.78	2.84
- on income tax	0.01	0.08
- on lease liabilities	1.38	3.36
- on amount due to related parties	61.09	60.16
- on others	15.35	5.46
- on retention receivable	1.58	1.28
- on working capital loan	1.73	4.85
- on cash credit facility	0.34	0.49
- on bill discounting	-	0.13
Letter of Credit - Guarantee Charges	2.35	12.08
Other borrowing costs	9.36	16.99
	<u>262.28</u>	<u>325.26</u>
<b>40 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	24.09	21.55
Depreciation on Right-of-use assets	14.60	19.41
Amortisation of intangible assets	2.16	3.19
	<u>40.85</u>	<u>44.15</u>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the Year ended 31 March 2021

(Currency : Indian rupees in crores)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>41 Other expenses</b>		
Communication expenses	3.00	5.19
Stores and spare parts consumed	1.45	0.78
Commission expenses	0.06	0.17
Legal and professional fees	29.57	52.80
Printing and stationery expenses	0.71	1.96
Insurance costs	4.31	4.15
Repairs and maintenance - others	7.25	10.08
Selling and marketing expenses	1.02	3.19
Traveling and conveyance expenses	9.89	36.83
Rent (refer note 4.1)	5.56	10.24
Rates and taxes	1.66	2.42
Electricity, power and fuel	2.31	3.57
Payment to auditors	0.51	0.49
Foreign exchange loss (net)	41.94	-
Donation	0.01	0.37
Property, plant and equipment written off	-	0.86
Bank charges	20.66	10.09
Bad debts written off	19.07	27.45
Provision for bad and doubtful debts, loans and advances (net)	155.32	53.04
Financial assets measured at fair value through profit & loss a/c - net change in fair value	2.18	5.69
Provision for foreseeable loss	-	1.03
Management support fees	0.24	13.54
Consultancy fees	0.88	47.96
Recruitment expense	0.03	0.08
Land Development charges	-	0.01
Business development expense	0.20	0.05
Asset Written off <sup>#</sup>	0.00	-
Loss on disposal of investments	2.37	-
Corporate social responsibility expenses (refer note 45)	-	1.55
Interest accrued on receivables written off	133.22	-
Writedown of contract assets	18.40	-
Miscellaneous expenses	14.43	14.16
	<u>476.25</u>	<u>307.75</u>

# Value less than 0.01 crore





## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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

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.

##### 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 47.

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 2021	For the year ended 31 March 2020
<b>At a Point in time</b>		
Sales revenue	15.27	43.00
Contract revenue	31.54	278.64
<b>Over time</b>		
Contract revenue	2,361.45	3,205.21
Service revenue	253.90	325.43

##### 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 2021	For the year ended 31 March 2020
Trade receivables	15	2,634.46	3,398.35
Unbilled revenue - Other financial assets	19	875.18	1,142.48
Contract assets - Other current assets	21	70.34	221.07
Contract liabilities - Advances from customer	29	718.86	900.12



## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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

##### C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Contract assets*</b>		
Contract assets at the beginning of the year	221.07	317.02
Add: Addition during the year	862.38	868.81
Less: Revenue recognised during the year	(964.93)	(952.84)
Add: Exchange translation difference during the year	(3.22)	18.03
Less: Provision for doubtful contract assets	(28.09)	(9.94)
Less: Writedown of contract assets	(18.20)	-
Less: Other movements	1.33	(20.01)
<b>Contract assets as at end of the year</b>	<b>70.34</b>	<b>221.07</b>
<b>Contract liabilities**</b>		
<b>Advance from customers</b>		
Contract liabilities at the beginning of the year	900.12	1,775.47
Add: Acquisitions pursuant to the scheme of arrangement	11.89	-
Add: Addition during the year	197.21	344.11
Less: Applied during the year	(384.13)	(1,207.75)
Add: Exchange translation difference during the year	(6.23)	(11.71)
<b>Contract liabilities as at end of the year</b>	<b>718.86</b>	<b>900.12</b>

\*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.

##### D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income from works contracts</b>	<b>2,395.43</b>	<b>3,484.59</b>
<i>Adjustment on account of:</i>		
Provision for liquidated damages	(2.43)	0.73
<b>Total</b>	<b>2,393.00</b>	<b>3,485.32</b>
<b>Revenue from operation and maintenance services</b>	<b>253.90</b>	<b>325.43</b>
<i>Adjustment on account of:</i>		
Adjustment during the year	-	-
<b>Total</b>	<b>253.90</b>	<b>325.43</b>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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

#### 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

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.

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.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

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

#### 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 2021

Particulars	1 year	2 year
EPC business	144.10	-
<b>Total</b>	<b>144.10</b>	<b>-</b>

#### For the year ended 31 March 2020

Particulars	1 year	2 year
EPC business	48.71	-
<b>Total</b>	<b>48.71</b>	<b>-</b>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 43 Contingent liabilities and commitments

Contingent liabilities	31 March 2021	31 March 2020
(a) Claims against the Group not acknowledged as debts		
(i) Demands raised by Income tax authorities	0.08	0.08
(ii) Demands raised by Sales tax authorities	76.59	57.90
(iii) Demands raised by Service tax authorities	6.17	108.73
(b) Bank guarantees outstanding	194.33	377.31
(c) Letter of credit	0.77	-
(d) Corporate guarantees outstanding	116.75	933.72
	<u>394.69</u>	<u>1,477.74</u>
<b>Capital commitments</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs 3.3 crores [31 March 2020: Rs 3.57 Crores])	0.52	3.57
Investment in Sterling and Wilson Cogen FZCO	-	0.19
	<u>0.52</u>	<u>3.76</u>

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.

The group has suspended engineering, procurement and construction agreement entered into with one of the customer on account of dispute concerning the work and payment contemplated as per the agreement. As a result the customer has claimed liquidation damages under agreement along with additional unspecified damages of approximately Rs 2.96 Crore. The Group is currently under settlement discussions with the customer and since the dispute is in early stage, the amount of claim, if any cannot be determined with sufficient reliability.

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 33.55 crore [31 March 2020: Rs 40.42 crore] 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 0.2 crore.

##### 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 0.12 crore [31 March 2020: Rs 0.39 crore] 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.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 44 Employee Benefits (continued)

		Gratuity	
		31 March 2021	31 March 2020
<b>I</b>	<b>Reconciliation of the present value of defined benefit obligation</b>		
	Balance at the beginning of the year	22.39	21.48
	Benefits paid	(5.39)	(2.88)
	Current service cost	3.47	3.37
	Interest cost	1.54	1.67
	Liability transferred in / acquisitions	0.08	0.38
	Liability transferred out	(0.21)	(0.24)
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in financial assumptions	(0.11)	(2.37)
	- experience adjustments	(0.71)	0.98
	Liabilities assumed / (settled)	0.05	(0.00)
	Balance at the end of the year	21.11	22.39
<b>II</b>	<b>Amount recognised in the consolidated statement of profit and loss under employee benefits expense</b>		
	Current service cost	3.47	3.37
	Net interest cost	1.54	1.67
		5.01	5.05
<b>III</b>	<b>Remeasurement recognised in other comprehensive income</b>		
	Actuarial gains / losses on obligation for the year	(0.82)	(1.39)
		(0.82)	(1.39)
<b>IV</b>	<b>Maturity profile of defined benefit obligation</b>		
	Within next 12 months	1.08	0.86
	Between 1 and 5 years	3.38	4.01
	Above 5 years	58.24	62.57
<b>V</b>	<b>Actuarial assumptions:</b>		
	Discount rate	6.90%	6.86%
	Salary escalation	5%-7%	5%-7%
	Employee turnover	Service < 5 : 12% - 14%	Service < 5 : 12% - 14%
	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
<b>VI</b>	<b>Sensitivity Analysis</b>		
	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.		
		<b>Defined Benefit Plan</b>	
		31 March 2021	31 March 2020
	Defined Benefit Obligation - Discount rate + 100 basis points	(23.67)	(25.52)
	Defined Benefit Obligation - Discount rate - 100 basis points	28.63	30.96
	Defined Benefit Obligation - Salary escalation rate + 100 basis points	24.85	27.00
	Defined Benefit Obligation - Salary escalation rate - 100 basis points	(21.85)	(23.69)
	Defined Benefit Obligation - Employee turnover + 100 basis points	5.78	5.88
	Defined Benefit Obligation - Employee turnover - 100 basis points	(6.77)	(6.96)
	The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.		

#### Compensated absences

Compensated absences for employee benefits of Rs 8.84 crore [31 March 2020: Rs 7.86 crore] 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 2021

(Currency: Indian rupees in crores)

### 45 Disclosure pursuant to section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

#### A. Details of investments made by the Company as on 31 March 2021

##### Investments in equity shares

Name of the entity	As at 1 April 2020	Investment during the year	Redeemed/Sold during the year	Other Adjustments	As at 31 March 2021
Monjin Interviews Private Limited	19.91	-	-	-	19.91
	<i>22.52</i>	-	-	<i>(2.61)</i>	<i>19.91</i>
Crompton Greaves Consumer Electrical Limited	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>
CG Power & Industrial Solution Limited#	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>
Ruchi Soya Limited#	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>
Tata Consultancy Services Limited	0.23	-	-	0.17	0.40
	<i>0.23</i>	-	-	<i>(0.02)</i>	<i>0.23</i>
Western India Sugar & Chemical Industries Lin	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	-
Mid East India Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	-
Montari Leather Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	-
Otokin Plants and Equipment's Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	-
SIV Limited (South India Viscose Limited)	0.01	-	-	(0.01)	-
	<i>0.01</i>	-	-	<i>(0.01)</i>	-
Sudhiti Hosiery Limited	0.01	-	-	(0.01)	-
	<i>0.01</i>	-	-	<i>(0.01)</i>	-
Aashiya Limited	0.19	-	0.19	-	-
	<i>0.00</i>	<i>0.90</i>	-	<i>(0.71)</i>	<i>0.19</i>

\* previous year numbers are in italics

∴ corresponding values are less than Rs. 1,000

##### Investment in preference shares

Name of the entity	As at 1 April 2020	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2021
Sterling Generators Private Limited	53.54	-	-	(3.09)	50.47
	<i>53.89</i>	-	-	<i>(2.35)</i>	<i>53.54</i>

##### Investment in debentures

Name of the entity	As at 1 April 2020	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2021
Western India Sugar & Chemical Industries Limited	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>

\* previous year numbers are in italics

##### Investment in mutual fund units

Name of the entity	As at 1 April 2020	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2021
Union Long Bond Growth Fund	0.28	-	-	0.02	0.30
	<i>0.27</i>	-	-	<i>0.01</i>	<i>0.28</i>
Reliance Liquid Fund - Treasury Plan - Growth Option	0.02	-	(0.02)	-	-
	<i>0.02</i>	-	-	<i>0.00</i>	<i>0.02</i>

\* previous year numbers are in italics



## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

45 Disclosure pursuant to section 186 of the Companies Act, 2013 (continued)

B. Details of loans given by the Company are as follows:

Name of the entity	As at 1 April 2020	Loans given during the year	Repaid during the year (including foreign exchange adjustment)	Foreign exchange during the year	As at 31 March 2021
Sterling & Wilson Solar FZCO (refer note 1 below)	53.48	-	15.40	(0.66)	37.42
	-	49.54	-	3.95	53.49
Transtel Utilities Ltd, UK (refer note 2 below)	7.41	-	-	0.67	8.08
	-	7.52	-	(0.12)	7.40

\* previous year numbers are in Italics

Note 1: Sterling & Wilson Solar FZCO

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	8.0%-11.2% p.a.

Note 2: Transtel Utilities Ltd, UK

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	8.5% p.a.

C. Details of guarantees given by the Company are as follows:

Name of the entity	Purpose	As at 01 April 2020	Guarantees given during the year (including adjustment on account of exchange difference)	Guarantees expired during the year (including adjustment on account of exchange difference)	As at 31 March 2021
STC Power S.r.l.					
Bank Guarantee	Working Capital	78.18	0.00	0.00	78.18
		74.01	4.17	0.00	78.18

\* previous year numbers are in Italics





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency - Indian rupees in crores)

### 46 Corporate Guarantees

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 2021		
	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 2021	-	-	-
<hr/>			
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	1.55	-	1.55
<hr/>			
Activities on which expenses made are as below:			
1 Funds for Covid -19 - supply of groceries and hygiene kits to 100 needy beneficiary families	0.01	-	-
2 Donation to schools under i-care	0.02	-	-
3 Donation to schools under i-care	0.02	-	-
4 Contribution for mentally disabled persons	0.03	-	-
5 Educational material to students of zilla parishad schools of Palghar	0.03	-	-
6 Donation to Victory Arts Foundation conducting dance classes for underprivileged kids	0.04	-	-
7 Contribution towards awareness of personal hygiene and mental health session conducted for	0.05	-	-
8 Contribution for technical education to disabled soldiers	0.05	-	-
9 Contribution towards school empowerment programme	0.10	-	-
10 Contribution toward Maharashtra Flood Relief Fund through PM Relief Fund	0.15	-	-
11 Contribution towards widow welfare programme	1.00	-	-
12 Contribution for community drinking water plant	0.04	-	-
13 Others	0.00*	-	-
	<hr/> 1.55	<hr/> -	<hr/> 1.55

\*Value less than 0.01 crores



## Sterling and Wilson Private Limited

### Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

#### 47 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 2021	31 March 2020
India	1,819.93	2,779.64
Outside India	847.25	1,073.59
	<b>2,667.18</b>	<b>3,853.23</b>

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

Particulars	31 March 2021	31 March 2020
India	241.45	350.86
Outside India	23.05	43.08
	<b>264.50</b>	<b>393.94</b>

##### c) Information about major customers

Revenue from one customer of the Group is Rs Nil. crore (31 March 2020: Rs Nil) which is more than 10% of the Group's total revenue.

#### 48 Earnings per share

Particulars	31 March 2021	31 March 2020
<b>Basic earnings per share</b>		
<b>Numerator:</b>		
(Loss) after tax attributable to equity shareholders	(1,030.67)	(536.99)
<b>Denominator:</b>		
<b>Weighted average number of equity shares outstanding during the year</b>		
Number of equity shares at the beginning of the year	29,369,333	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)	29,369,333	22,099,927
Effect of compulsory convertible preference shares* (B)	66,182,192	13,019,726
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)]	95,551,525	35,119,653
<b>Basic and diluted earnings per share (Rs)</b>	<b>(107.87)</b>	<b>(152.90)</b>
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/five equity shares of par value Rs 10 each. (Refer note 22). Accordingly, the compulsory convertible preference shares have been considered for basic EPS computation based on Ind AS 33 guidance.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 49 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 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal (refer note 27)	115.47	114.39
- Interest (refer note 28)	6.62	2.99
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) MSMED	-	-
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	6.62	2.99
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.	-	-



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

### 50 Related Party disclosures

#### 50.1 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 Co-Gen Solutions Private Limited (w.e.f. August 03, 2020)                      Sterling and Wilson Middle East WLL                      Sterling and Wilson Nigeria FZE (w.e.f. April 30, 2020)                      Sterling &amp; Wilson Nigeria Ltd.                      Sterling &amp; Wilson Cogen Solution Ltd. (liquidated w.e.f. June 19, 2019)                      Range Consultants Pvt. Ltd.                      Sterling and Wilson Security Systems Pvt. Ltd.                      Enrich-SWPL JV (w.e.f. November 1, 2019)                      GCO Ply Ltd (w.e.f. June 10, 2019)                      Sterling and Wilson Middle East Electromechanical LLC, Dubai                      Sterling and Wilson Power Systems Inc.                      Sterling and Wilson HES UK Ltd.                      Sterling and Wilson-HINDUN Consortium                      Sterling and Wilson Middle East Electromechanical (Bahrain) WLL                      Sterling and Wilson Middle East Sanitation, Electrical, Cooling &amp; Conditioning Contracting LLC, Kuwait                      Sterling and Wilson Cogen Solutions LLC                      Sterling and Wilson Saudi Arabia Ltd.</p>
3) Fellow subsidiaries	<p>Afcos Infrastructure Limited                      Esterlina Solar Engineer Private Limited                      Eureka Forbes Limited                      Evangelos Ventures Private Limited                      Forbes Enviro Solutions Limited                      Forbes Facility Services Private Limited                      Forvol International Service Limited                      Global Infra FZCO                      Sashwat Energy Private Limited                      Shapoorji Accos Construction Private Limited                      Shapoorji Pallonji Infrastructure Capital company                      Shapoorji Pallonji Lanka Private Limited                      Shapoorji Pallonji Mid East LLC                      Shapoorji Pallonji Nigeria FZE                      Shapoorji Pallonji Nigeria Limited                      SP Fabricators Private Limited                      Sterling and Wilson International Solar FZCO                      Sterling and Wilson Solar Limited                      Sterling and Wilson-Waaroo Private Limited (upto March 31, 2020)                      Sterling Generators Private Limited (formerly Sterling and Wilson Powergen Private Limited (w.e.f. July 02, 2020)                      Sterling and Wilson Powergen FZE, U.A.E                      Shapoorji Pallonji Qatar W.L.L., Qatar                      GCO Solar                      Sterling &amp; Wilson Australia</p>
4) Joint Ventures	<p>Co.Stell S.r.l                      P.T.C. S.a.s. di Barzanti Massimo                      STC Power S.r.l</p>
5) Associates	Sterling and Wilson Power Solutions LLC



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

50 Related Party disclosures (continued)

50.1 Related party and their relationships (continued)

### Category of related party

6) Key Management Personnel	Zarine Y Daruvala, Director Khurshed Y. Daruvala, Director Pallon Shapoor Mistry, Director Ravi Ananthakrishnan, Director Parameshwar Hegde, CFO K. P. Hariharan, Company Secretary
7) Relatives of Key Management Personnel	Mrs. Kalnaz Khurshed Daruvala Ms. Delna Khurshed Daruvala Mr. Jehan Khurshed Daruvala Mr. Farhad Homi Unwalla
8) Entities over which key managerial person or their relatives exercise control	Delsys Infotech Private Limited, Sterling and Wilson Energy Systems Private Limited Sterling and Wilson Services Private Limited Sterling Viking Power Private Limited Transtel Utilities Limited, UK Transtel Utilities Private Limited
9) Entities over which Holding Company exercise significant influence	Larsen & Toubro Limited – Shapoorji Pallonji and Company Ltd. Joint Venture S. D. Corporation Private Limited



Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
I	Remuneration	-	-	1.42	-	-	-	2.91	3.48	-	-	3.48
II	Employee benefits	-	-	0.06	0.18	0.04	0.29	0.21	0.05	-	-	0.21
III	Purchases of construction materials	-0.00	-	50.41	71.22	-	-	1.29	0.37	-	-	51.69
IV	Receiving of services	0.24	0.30	3.06	16.19	-	-	0.91	0.68	-	-	4.21
V	Income from works contracts	48.25	97.40	47.35	(4.14)	0.82	-	-	-	-	-	96.42
VI	Gain on absorption of losses in joint ventures	-	-	-	-	-	42.82	-	-	-	-	42.82
VII	Rental income	-0.00	-	0.28	0.09	-	-	-	-	-	-	0.37
VIII	Interest income	-	-	3.67	7.71	2.36	0.73	0.70	0.16	-	-	6.74
IX	Rental expenses	-	-	-0.00	-	-	-	1.77	7.78	-	-	7.77
X	Interest expenses	45.52	8.40	130.49	221.38	0.52	0.30	16.69	3.63	-	-	193.51
XI	Management support fees	-	10.84	0.30	0.19	-	-	-	-	-	-	11.03
XII	Reimbursement of expenses	0.30	0.25	2.22	11.98	-	0.86	-	-	-	-	13.06
XIII	Short-term borrowings obtained	131.00	594.87	-	1,072.75	-	-	102.79	204.20	-	-	2,461.82
XIV	Short-term borrowings repaid	225.23	253.00	178.52	2,339.07	-	-	125.24	40.63	-	-	2,632.70
XV	Advance received from customers	2.46	115.93	-	1.87	-	-	-	-	-	-	117.80
XVI	Guarantee Commission	-	-	-	2.61	-	-	-	-	-	-	2.61
XVII	Loans given during the year	-	-	0.13	53.48	-	-	-	7.41	-	-	60.89
XVIII	Loans repaid during the year	-	-	14.91	-	-	-	-	-	-	-	14.91
XIX	Other income	-	-	7.05	5.18	-	-	-	6.32	-	-	11.90
XX	Recovery towards expenses and others	-	-	28.50	39.19	-	-	-	-	-	-	39.19
XXI	Other expenses	-0.00	-	3.08	14.56	0.48	2.63	-	-	-	-	17.19
XXII	Letter of credits issued	0.00	-	-	49.54	-	-	-	-	-	-	49.54
XXIII	Letter of credits cancelled during the year	-	-	-	49.54	-	-	-	-	-	-	49.54
XXIV	Advance from customer	54.66	101.88	12.19	11.03	-	-	1.72	-	-	-	112.91
XXV	Trade receivables	27.76	47.84	174.52	323.77	0.47	27.36	-	-	3.81	6.28	204.56
XXVI	Advances to supplier	-	-	5.77	-	-	48.01	-	-	-	-	48.01
XXVII	Gross amount due from customer	30.23	26.88	2.78	3.78	-	-	-	-	-	-	33.01
XXVIII	Gross amount due to customer	6.53	9.25	0.03	1.85	-	-	-	-	-	-	11.10
XXIX	Interest accrued but not due	-	-	-	-	-	-	-	0.96	-	-	0.96



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sl. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
XXX	Trade payables	39.42	41.73	105.50	87.61	-	-	1.85	3.85	-	-	146.75
XXXI	Short-term borrowings	177.64	381.35	397.56	1,272.27	-	-	176.23	110.56	-	-	851.43
XXXII	Other receivables	-	-	34.96	21.68	-	-	-	13.53	-	-	34.96
XXXIII	Corporate guarantees outstanding (including investments accounted for using equity method)	-	-	-	-	-	-	-	65.00	-	-	-
XXXIV	Investments accounted for using equity method	-	-	-	-	-	-	-	15.50	-	-	-
XXXV	Loans given outstanding	-	-	47.00	58.69	12.65	-	8.07	45.68	-	0.21	67.73
XXXVI	Loans towards Equity	-0.00	-	19.73	17.47	-	-	-	-	-	-	17.47
XXXVII	Other payables	0.00	-	579.52	29.40	6.48	-	-	-	2.34	-	586.97
XXXVIII	Equity Capital Issued	-	8.93	-	-	-	-	-	-	-	-	-
XXXIX	Preference share capital issued	200.00	750.00	-	-	-	-	100.00	502.50	-	-	300.00
XXXX	Interest Receivable	-	-	5.74	-	4.43	-	-	-	-	-	10.17
XXXXI	Recoverable expenses	-	-	0.56	-	-	-	18.00	-	-	-	18.57
XXXXII	Interest payable	52.40	1.49	0.04	0.22	-	-	9.17	0.20	-	-	61.72
XXXXIII	Rent payable	-	-	-	-	-	-	0.77	-	-	-	0.77
XXXXIV	Sale of traded goods	-	-	-	29.08	-	-	-	-	-	-	29.08
XXXXV	Unbilled revenue	-	-	3.24	3.25	-	-	-	-	-	-	3.24
XXXXVI	Inter corporate loans/ deposits taken	-	46.00	6.50	23.30	-	-	-	-	-	-	6.50
XXXXVII	Sale of intangible asset	-	-	6.20	-	-	-	-	-	-	-	6.20
XXXXVIII	Bank guarantees outstanding	-	-	-	-	78.18	-	-	-	-	-	78.18
XXXXIX	Bank Charges	-	-	15.48	-	-	-	-	-	-	-	15.48
I	Inter corporate loans/ deposits repaid	-	-	10.96	16.85	2.46	-	-	-	-	-	13.43
II	Inter corporate loans/ deposits given	-	-	-	-	6.07	-	-	-	-	-	6.07
III	Sale of services	-	-	2.57	1.70	-	-	-	-	-	-	2.57
IIII	Professional fees	-	0.04	0.64	-	-	-	-	-	-	-	0.64
IIIV	Business support services	0.00	-	-	2.20	-	-	-	-	-	-	2.20
IIV	Reimbursement of expenses recoverable	-	-	-	0.04	-	-	-	-	-	-	0.04
IVV	Outstanding inter corporate loans / deposits	46.00	46.00	1.99	6.43	-	-	-	-	-	-	47.99
IVVI	Outstanding inter corporate loans / deposits receivable	-	-	-	-	9.00	-	-	-	-	-	9.00
IVVII	Purchase of shares	-	-	-	-	-	-	5.00	-	-	-	5.00



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & 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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
I	<b>Remuneration</b>												
	Mr. Parameswar Hegde	-	-	-	-	-	-	0.64	1.05	-	-	0.64	1.95
	Mr. Neville Madan	-	-	-	-	-	-	0.70	-	-	-	0.70	-
	Mrs. Zarine Y Darwala	-	-	-	-	-	-	0.30	1.87	-	-	0.30	1.87
	Mr. K. P. Haribarao	-	-	-	-	-	-	0.22	0.10	-	-	0.22	0.20
	Mr. Ravi Anambakishan (wef 10 February, 2020)	-	-	-	-	-	-	1.85	0.26	-	-	1.85	0.26
	GCD Solar	-	-	1.42	-	-	-	-	-	-	-	1.42	-
II	<b>Employee Benefits*</b>												
	Mr. Neville Madan	-	-	-	-	-	-	0.06	-	-	-	0.06	-
	Mrs. Zarine Y Darwala	-	-	-	-	-	-	0.05	-	-	-	0.05	-
	Sterling and Wilson Power Solutions LLC	-	-	-	-	0.84	0.29	-	-	-	-	0.84	0.29
	Sterling & Wilson Power-Gen FZE	-	-	0.06	0.18	-	-	-	-	-	-	0.06	0.18
III	<b>Purchases of construction material</b>												
	Sterling Generators Private Limited	-	-	50.43	55.75	-	-	-	-	-	-	50.43	55.75
	Sterling and Wilson Powergen Private Limited	-	-	-	10.14	-	-	-	-	-	-	-	10.14
	Sterling and Wilson Solar Limited	-	-	-0.05	4.35	-	-	-	-	-	-	-0.05	4.35
	Sterling Viking Power Private Limited	-	-	-	-	-	-	0.85	0.37	-	-	0.85	0.37
	Eastern Solar Engines Private Limited	-	-	-	0.91	-	-	-	-	-	-	-	0.91
	Eureka Forbes Limited	-	-	0.03	0.05	-	-	-	-	-	-	0.03	0.05
	Dalys Infotech Private Limited	-	-	-	-	-	-	1.24	-	-	-	1.24	-
IV	<b>Receiving of services</b>												
	Sterling and Wilson Powergen Private Limited	0.25	0.30	-	-	-	-	-	-	-	-	0.25	0.30
	GCD Solar Pw Limited	-	-	-	3.19	-	-	-	-	-	-	-	3.19
	Sterling Wilson Solar Limited	-	-	0.49	0.93	-	-	-	-	-	-	0.49	0.93
	Sterling Generators Private Limited	-	-	2.25	0.31	-	-	-	-	-	-	2.25	0.31
	Sterling and Wilson Powergen Private Limited	-	-	-	3.96	-	-	-	-	-	-	-	3.96
	Sterling Viking Power Private Limited	-	-	-	-	-	-	-	0.04	-	-	-	0.04
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	0.91	0.64	-	-	0.91	0.64
	Forcel International Services Limited	-	-	0.31	6.55	-	-	-	-	-	-	0.31	6.55
	SP Pabteaters Private Limited	-	-	-	1.26	-	-	-	-	-	-	-	1.26
	Eureka Forbes Limited	-	-	0.01	0.00	-	-	-	-	-	-	0.01	0.00





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transactions and balances	Holding company		Fellow Subsidiaries		Associates & 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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
V	Income from works contracts		97.40										97.40
	Shapcoji Pallonji and Company Private Limited	48.25	-	1.52	8.01	-	-	-	-	-	-	-	48.25
	GCO Solar Pvt Limited	-	-	1.52	8.01	-	-	-	-	-	-	-	1.52
	GLOBAL INSRA PZCO	-	-	0.98	8.86	-	-	-	-	-	-	-	0.98
	Shapcoji Pallonji Mid East LLC	-	-	29.60	5.59	-	-	-	-	-	-	-	29.60
	Relationship Properties Private Limited	-	-	-0.53	1.65	-	-	-	-	-	-	-	-0.53
	Sterling & Wilson Australia Pty Limited	-	-	-	0.29	-	-	-	-	-	-	-	0.29
	Sterling Generators Private Limited	-	-	0.13	8.80	-	-	-	-	-	-	-	0.13
	Shapcoji Pallonji Nigeria Limited	-	-	6.96	21.21	-	-	-	-	-	-	-	6.96
	Shapcoji Pallonji Nigeria FZE	-	-	0.19	0.07	-	-	-	-	-	-	-	0.19
	Forbes Facility Services Private Limited	-	-	-	0.04	-	-	-	-	-	-	-	0.04
	Shapcoji Pallonji Qatar WLL	-	-	1.67	-00.72	-	-	-	-	-	-	-	1.67
	S. D. Corporation Private Limited	-	-	2.55	-	-	-	-	-	-	-	-	2.55
	SWB Skelmersdale Limited	-	-	-	7.78	-	-	-	-	-	-	-	7.78
	SWB St. Helens Limited	-	-	-	22.51	-	-	-	-	-	-	-	22.51
	SWB Power Ltd	-	-	-	0.61	-	-	-	-	-	-	-	0.61
	Sterling and Wilson Powergen Private Limited	-	-	-	1.18	-	-	-	-	-	-	-	1.18
	Shapcoji Pallonji Lanka Private Limited	-	-	4.30	-	-	-	-	-	-	-	-	4.30
	Sterling and Wilson Power Solutions LLC	-	-	0.00	-	0.82	-	-	-	-	-	-	0.82
VII	Gain on absorption of losses in joint ventures												
	Co. Stell S r L	-	-	-	-	-	7.58	-	-	-	-	-	7.58
	STC Power S.R.L.	-	-	-	-	-	35.23	-	-	-	-	-	35.23
VIII	Rental Income												
	Sterling Generators Private Limited	-	-	0.04	-	-	-	-	-	-	-	-	0.04
	Sterling and Wilson Powergen Private Limited	-	-	-	0.09	-	-	-	-	-	-	-	0.09
	Sterling and Wilson International Solar PZCO	-	-	0.14	-	-	-	-	-	-	-	-	0.14
	Sterling & Wilson Power-Gen FZE	-	-	0.10	-	-	-	-	-	-	-	-	0.10
IX	Interest income												
	Sterling and Wilson Middle East Solar Energy LLC	-	-	-	4.93	-	-	-	-	-	-	-	4.93
	Co. Stell S r L	-	-	-	-	1.52	0.27	-	-	-	-	-	1.52
	Sterling and Wilson International Solar PZCO	-	-	3.67	2.11	-	-	-	-	-	-	-	3.67
	Transel Utilities Limited, UK	-	-	-	-	-	-	0.70	0.16	-	-	-	0.70
	SWB St. Helens Limited	-	-	-	0.67	-	-	-	-	-	-	-	0.67
	Sterling and Wilson Power Solutions LLC	-	-	-	-	0.85	0.46	-	-	-	-	-	0.85

\*Key Management 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 recognized 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.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Follow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020		2021	2020	2021	
IN	Rental expenses	-	-	-	-	-	-	-	-	-	-	-
	Transel Systems Private Limited	-	-	-	-	-	-	7.53	7.54	-	-	7.53
	Delsys Infotech Private Limited	-	-	-	-	-	-	0.24	0.24	-	-	0.24
X	Interest expenses	46.82	5.40	-	-	-	-	-	-	-	-	46.82
	Shapoorji Pallonji and Company Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Mr. Khunish Y. Daruvala	-	-	-	-	-	-	16.23	2.20	-	-	18.23
	Mr. Deha Daruvala	-	-	-	-	-	-	0.08	1.03	-	-	1.11
	Mrs. Kairaz K. Daruvala	-	-	-	-	-	-	0.28	0.24	-	-	0.52
	Farhad Saywells	-	-	-	-	-	-	0.03	-	-	-	0.03
	Delsys Infotech Private Limited	-	-	0.10	-	-	-	0.92	-	-	-	1.02
	Ms. Zarine Daruvala	-	-	-	-	-	-	0.25	-	-	-	0.25
	Jehan K. Daruvala	-	-	-	-	-	-	0.15	0.16	-	-	0.31
	Sterling & Wilson Power Solutions LLC	-	-	-	-	0.52	-	-	-	-	-	0.52
	Sterling & Wilson Power-Gen FZE	-	-	1.55	1.55	-	-	-	-	-	-	3.10
	Sterling and Wilson International Solar FZCO	-	-	54.61	50.64	-	-	1.35	-	-	-	56.63
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	2.59	0.01	-	-	2.60
	Sterling and Wilson Waare Private Limited	-	-	-	3.79	-	-	-	-	-	-	3.79
	Sterling and Wilson Solar Limited	-	-	73.70	164.96	-	-	-	-	-	-	238.66
	Transel Utilities Limited, UK	-	-	0.30	0.03	-	-	1.96	-	-	-	2.29
	Eureka, Forbes Limited	-	-	0.03	-	-	-	-	-	-	-	0.03
	Sterling and Wilson Powergen Private Limited	-	-	-	0.40	-	-	-	-	-	-	0.40
	Sterling Generators Private Limited	-	-	0.61	-	-	-	-	-	-	-	0.61
XI	Management support fees	-	10.84	-	-	-	-	-	-	-	-	10.84
	Shapoorji Pallonji and Company Private Limited	-	-	0.20	0.19	-	-	-	-	-	-	0.39
	Pioneer Advanced	-	-	-	-	-	-	-	-	-	-	-
XII	Reimbursement of expenses	0.30	0.25	-	-	-	-	-	-	-	-	0.55
	Shapoorji Pallonji and Company Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	-	0.68	-	-	-	-	-	-	0.68
	Sterling and Wilson Power Solutions LLC	-	-	-	-	0.86	-	-	-	-	-	0.86
	Sterling and Wilson Solar Limited	-	-	1.50	11.30	-	-	-	-	-	-	12.80
	GCO Solar	-	-	0.72	-	-	-	-	-	-	-	0.72



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2020	
XIII	Short-term borrowings obtained												
	Shapoorji Pallonji and Company Private Limited	131.00	584.87	-	-	-	-	-	-	-	-	131.00	584.87
	Sterling & Wilson Solar Ltd	-	-	-	-	-	-	-	-	-	-	-	1,662.00
	Mr. Khurshed Y. Daruvala	-	-	-	1,662.00	-	-	-	-	-	-	-	1,662.00
	Mrs. Zarine Y. Daruvala	-	-	-	-	-	-	6.85	121.87	-	-	6.85	121.87
	Ms. Debra Daruvala	-	-	-	-	-	-	7.05	-	-	-	7.05	-
	Mrs. Kajiaz K. Daruvala	-	-	-	-	-	-	1.79	41.54	-	-	1.79	41.54
	Sahid Daruvala	-	-	-	-	-	-	15.10	-	-	-	15.10	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	0.19	30.19	-	-	0.19	30.19
	Sterling and Wilson Waaree Private Limited	-	-	-	10.75	-	-	-	-	-	-	-	10.75
	Devs Infotech Private Limited	-	-	-	-	-	-	26.00	-	-	-	26.00	-
	Jehan K. Daruvala	-	-	-	-	-	-	10.90	10.60	-	-	10.90	10.60
	Transid Systems Private Limited	-	-	-	-	-	-	35.00	-	-	-	35.00	-
XIV	Short term borrowings repaid												
	Shapoorji Pallonji and Company Private Limited	225.23	253.00	-	-	-	-	-	-	-	-	225.23	253.00
	Mr. Khurshed Y. Daruvala	-	-	-	-	-	-	70.65	23.75	-	-	70.65	23.75
	Ms. Debra Daruvala	-	-	-	-	-	-	19.35	3.75	-	-	19.35	3.75
	Jehan K. Daruvala	-	-	-	-	-	-	5.30	0.95	-	-	5.30	0.95
	Sterling and Wilson Waaree Private Limited	-	-	-	25.64	-	-	-	-	-	-	-	25.64
	Kajiaz Daruvala	-	-	-	-	-	-	0.40	2.00	-	-	0.40	2.00
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	20.00	10.19	-	-	20.00	10.19
	Sterling & Wilson Power-Gen FZE	-	-	-	0.61	-	-	-	-	-	-	-	0.61
	Sterling & Wilson Solar Ltd	-	-	-	-	-	-	-	-	-	-	-	2,309.83
	Transid Systems Private Limited	-	-	178.52	2,309.83	-	-	-	-	-	-	178.52	2,309.83
XV	Advance received from customers												
	Shapoorji Pallonji and Company Private Limited	2.46	115.93	-	-	-	-	-	-	-	-	2.46	115.93
	Shapoorji Pallonji Mid East LLC	-	-	-	1.71	-	-	-	-	-	-	-	1.71
	Global Infra FZCO	-	-	-	0.16	-	-	-	-	-	-	-	0.16
XVI	Guarantee Commission												
	Sterling and Wilson International Solar FZCO	-	-	-	2.61	-	-	-	-	-	-	-	2.61



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crore.)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sl. No	Nature of transaction and balances	Holding company		Follow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
XVII	Loans given during the year	-	-	-	-	-	-	-	-	-	-	-
	Transat Utilities Limited, UK	-	-	-	-	-	-	-	-	-	-	7.41
XVIII	Sterling and Wilson Internat onal Solar EZCO	-	-	0.33	53.48	-	-	-	-	-	-	53.48
	Loans Repmit during the year	-	-	14.91	-	-	-	-	-	-	-	14.91
XIX	Other income	-	-	6.29	5.18	-	-	-	-	-	-	6.29
	Sterling Wilson Solar Limited	-	-	-	-	-	-	-	-	-	-	5.18
XX	Transat Utilities Limited, UK	-	-	0.75	-	-	-	-	-	-	-	0.75
	GCO Solar	-	-	0.02	-	-	-	-	-	-	-	0.02
XXI	Sterling & Wilson Power-Gen FZE	-	-	-	-	-	-	-	-	-	-	-
	Recovery towards expenses and others	-	-	-	1.34	-	-	-	-	-	-	1.34
XXII	Sterling & Wilson Co-Gen Solutions Private Limited	-	-	20.03	37.02	-	-	-	-	-	-	37.02
	Sterling Wilson Solar Limited	-	-	-	0.82	-	-	-	-	-	-	0.82
XXIII	Sterling and Wilson Powergen Private Limited	-	-	0.39	-	-	-	-	-	-	-	0.39
	Sterling and Wilson Middle East WLL	-	-	0.08	-	-	-	-	-	-	-	0.08
XXIV	Sterling Generators Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Other expenses	-	-	1.80	4.33	-	-	-	-	-	-	4.33
XXV	Sterling & Wilson Power-Gen FZE	-	-	-	9.23	-	-	-	-	-	-	9.23
	Sterling and Wilson Internat onal Solar EZCO	-	-	-	-	0.48	2.63	-	-	-	-	2.63
XXVI	Sterling and Wilson Power Solutions LLC	-	-	0.19	-	-	-	-	-	-	-	0.19
	Sterling & Wilson Power-Gen FZE	-	-	1.10	-	-	-	-	-	-	-	1.10
XXVII	Sterling Wilson Saudi Arabia Limited	-	-	0.00	1.01	-	-	-	-	-	-	1.01
	Torvent International Service Limited	-	-	-	-	-	-	-	-	-	-	-
XXVIII	Letter of credits issued	0.00	-	-	49.54	-	-	-	-	-	-	49.54
	Sterling and Wilson Internat onal Solar EZCO	-	-	-	-	-	-	-	-	-	-	-
XXIX	Letter of credits cancelled during the year (including foreign exchange adjustments)	-	-	-	49.54	-	-	-	-	-	-	49.54
	Sterling and Wilson Internat onal Solar EZCO	-	-	-	-	-	-	-	-	-	-	-



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.1 Transactions with related parties (Continued)

Sr. No.	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & 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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>XXIV Advances from customers</b>													
	Shapoorji Pallonji and Company Private Limited	54.68	101.88	-	-	-	-	-	-	-	-	54.68	101.88
	Relationship Properties Private Limited	-	-	1.10	1.10	-	-	-	-	-	-	1.10	1.10
	Shapoorji Pallonji Nigeria Ltd - (Necare Project)	-	-	0.68	0.68	-	-	-	-	-	-	0.68	0.68
	Shapoorji Pallonji Mid East LLC	-	-	3.36	5.48	-	-	-	-	-	-	3.36	5.48
	Shapoorji Pallonji Qatar WLL	-	-	1.32	3.77	-	-	-	-	-	-	1.32	3.77
	Shapoorji Pallonji Lanka Private Limited	-	-	5.40	-	-	-	-	-	-	-	5.40	-
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co	-	-	-	-	-	-	1.72	-	-	-	1.72	-
<b>XXV Trade Receivables</b>													
	Shapoorji Pallonji and Company Private Limited	27.76	47.84	-	-	-	-	-	-	-	-	27.76	47.84
	GCO Solar Pty Limited	-	-	-	1.41	-	-	-	-	-	-	-	1.41
	Sterling & Wilson Australia Pty Limited	-	-	-	0.22	-	-	-	-	-	-	-	0.22
	Shapoorji Pallonji Mid East LLC	-	-	129.05	56.16	-	-	-	-	-	-	129.05	56.16
	Sterling Generators Private Limited	-	-	12.70	9.18	-	-	-	-	-	-	12.70	9.18
	Sterling and Wilson Powergen Private Limited	-	-	-	12.77	-	-	-	-	-	-	-	12.77
	Relationship Properties Private Limited	-	-	0.67	2.58	-	-	-	-	-	-	0.67	2.58
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Limited Joint Venture	-	-	-	-	-	-	-	-	3.81	-	3.81	6.28
	Global Infra FZCO	-	-	2.91	3.71	-	-	-	-	-	-	2.91	3.71
	Shapoorji Pallonji Nigeria FZE	-	-	0.80	0.87	-	-	-	-	-	-	0.80	0.87
	Shapoorji Pallonji Qatar WLL	-	-	-	101.61	-	-	-	-	-	-	-	101.61
	Shapoorji Pallonji Mid East LLC	-	-	17.79	-	-	-	-	-	-	-	17.79	-
	Shapoorji Pallonji Nigeria Limited	-	-	2.44	4.08	-	-	-	-	-	-	2.44	4.08
	S. D. Corporation Private Limited	-	-	5.16	-	-	-	-	-	-	-	5.16	-
	Shapoorji Pallonji Lanka Private Limited	-	-	1.79	-	-	-	-	-	-	-	1.79	-
	Sterling and Wilson Nigeria FZE	-	-	0.00	-	-	-	-	-	-	-	0.00	-
	Sterling & Wilson Co-Gen Solutions Private Limited	-	-	0.00	-	-	-	-	-	-	-	0.00	-
	Sterling and Wilson Power Solutions LLC	-	-	-	-	0.47	27.36	-	-	-	-	0.47	27.36
	SWB Power Ltd	-	-	-	0.08	-	-	-	-	-	-	-	0.08
	SWB Steinhilber Limited	-	-	-	80.06	-	-	-	-	-	-	-	80.06
	SWB St. Helens Limited	-	-	-	51.84	-	-	-	-	-	-	-	51.84
<b>XXVI Advances to supplier</b>													
	Sterling Generators Private Limited	-	-	5.77	-	-	-	-	-	-	-	5.77	-
	Sterling and Wilson Power Solutions LLC	-	-	-	-	-	48.01	-	-	-	-	-	48.01



## Sterling and Wilson Private Limited

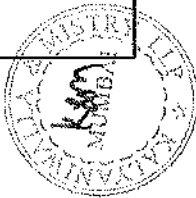
Notes to the consolidated financial statements (Continued)  
for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries			Associates & Joint Ventures			Key Management Personnel and their relatives over which key managerial personnel exercise control			Entities over which Holding Company exercise significant influence			Total	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
XXVII	Gross amount due from customer																
	Shapoorji Pallonji and Company Private Limited	30.23	26.88	-	-	-	-	-	-	-	-	-	-	-	-	-	36.88
	Relationship Properties Private Limited	-	-	2.49	3.05	-	-	-	-	-	-	-	-	-	-	-	3.05
	Global Infra FZCO	-	-	0.29	0.73	-	-	-	-	-	-	-	-	-	-	-	0.73
XXVIII	Gross amount due to customer																
	Shapoorji Pallonji and Company Private Limited	6.52	9.25	-	-	-	-	-	-	-	-	-	-	-	-	-	9.25
	Shapoorji Pallonji Nigeria Limited	-	-	-	1.35	-	-	-	-	-	-	-	-	-	-	-	1.35
	Relationship Properties Private Limited	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-	-	0.08
	Shapoorji Pallonji Mid East LLC	-	-	-	0.50	-	-	-	-	-	-	-	-	-	-	-	0.50
XXIX	Interest accrued but not due																
	Khushbud Darwala	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06
XXX	Trade payable																
	Shapoorji Pallonji and Company Private Limited	30.42	41.73	0.03	-	-	-	-	-	-	-	-	-	-	-	-	41.73
	Sterling Generators Private Limited	-	-	49.99	62.91	-	-	-	-	-	-	-	-	-	-	-	62.91
	Sterling and Wilson Powergen Private Limited	-	-	-	14.18	-	-	-	-	-	-	-	-	-	-	-	14.18
	GCO Solar Pty Limited	-	-	3.50	4.38	-	-	-	-	-	-	-	-	-	-	-	4.38
	Forval International Services Limited	-	-	0.21	0.15	-	-	-	-	-	-	-	-	-	-	-	0.15
	Estrella Solar Engineer Private Limited	-	-	2.23	2.23	-	-	-	-	-	-	-	-	-	-	-	2.23
	SVC Power S.R.L.	-	-	0.78	-	-	-	-	-	-	-	-	-	-	-	-	0.78
	Eureka Forbes Limited	-	-	0.07	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04
	SP Fabricators Private Limited	-	-	1.36	1.36	-	-	-	-	-	-	-	-	-	-	-	1.36
	Sterling and Wilson International Solar FZCO	-	-	-	2.37	-	-	-	-	-	-	-	-	-	-	-	2.37
	Sterling Vikas Power Private Limited	-	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	0.12
	Transel Systems Private Limited	-	-	47.34	-	-	-	-	-	-	-	-	-	-	-	-	47.34
	Sterling and Wilson Services Private Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	0.20
	Dekys Infotech Private Limited	-	-	-	1.46	-	-	-	-	-	-	-	-	-	-	-	1.46
	Sterling & Wilson Energy Systems Private Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	0.06
XXXI	Short Term Borrowing																
	Shapoorji Pallonji and Company Private Limited	277.64	381.35	-	-	-	-	-	-	-	-	-	-	-	-	-	381.35
	Sterling and Wilson International Solar FZCO	-	-	-	662.66	-	-	-	-	-	-	-	-	-	-	-	662.66
	Sterling and Wilson Waaree Private Limited	-	-	-	11.71	-	-	-	-	-	-	-	-	-	-	-	11.71
	Sterling Wilson Solar Limited	-	-	397.56	597.90	-	-	-	-	-	-	-	-	-	-	-	597.90
	Mrs. Kainaz K. Darwala	-	-	-	-	-	-	-	-	-	14.70	-	-	-	-	-	14.70
	Ms. Debra Darwala	-	-	-	-	-	-	-	-	-	1.65	-	-	-	-	-	1.65
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	-	-	-	10.95	-	-	-	-	-	10.95
	Parfled Urwala	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	-	0.10
	Mrs. Zainab Y Darwala	-	-	-	-	-	-	-	-	-	7.85	-	-	-	-	-	7.85
	Mr. Khurshed Y Darwala	-	-	-	-	-	-	-	-	-	46.37	-	-	-	-	-	46.37
	Dehys Infotech Private Limited	-	-	-	26.00	-	-	-	-	-	26.00	-	-	-	-	-	26.00
	John K. Darwala	-	-	-	10.90	-	-	-	-	-	10.90	-	-	-	-	-	10.90
	Transel Systems Private Limited	-	-	-	25.46	-	-	-	-	-	25.46	-	-	-	-	-	25.46
	Evangelos Ventures Private Limited	-	-	-	50.00	-	-	-	-	-	50.00	-	-	-	-	-	50.00



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & Joint Ventures		Key Managers, Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence		Total
		2021	2020	2021	2020	2021	2020		2021	2020	
<b>XXXII</b>	<b>Other receivables</b>										
	Sterling and Wilson International Solar FZCO	-	-	2.61	-	-	-	-	-	-	2.61
	Sterling & Wilson Co-Gen Solutions Private Limited	-	-	0.00	-	-	-	-	-	-	0.00
	Sterling and Wilson Waaree Private Limited	-	-	0.00	-	-	-	-	-	-	0.00
	Shaabwat Energy Private Limited	-	-	0.80	-	-	-	-	-	-	0.80
	Transel Utilities Limited, UK	-	-	-	-	-	-	13.53	-	-	13.53
	SPC-SWPI JV	-	-	-	-	-	-	-	-	-	2.14
	Sterling & Wilson Power-Gen FZE	-	-	2.32	-	-	-	-	-	-	2.32
	STC Power S.R.L.	-	-	0.80	-	-	-	-	-	-	0.80
	Sterling Generators Private Limited	-	-	2.36	-	1.84	-	-	-	-	1.84
	Sterling & Wilson Solar Limited	-	-	0.15	-	-	-	-	-	-	0.15
	Sterling and Wilson Powergen Private Limited	-	-	14.18	-	-	-	-	-	-	14.18
	DeLsys FZCO	-	-	0.97	-	-	-	-	-	-	0.97
		-	-	0.66	-	-	-	-	-	-	0.66
<b>XXXIII</b>	<b>Corporate guarantees outstanding (including foreign exchange adjustments)</b>										
	STC Power S.R.L.	-	-	-	-	78.18	-	-	-	-	78.18
	Mt. Kharshad Y Darnava	-	-	-	-	-	65.60	-	-	-	65.60
<b>XXXIV</b>	<b>Investments accounted for using equity method</b>										
	Co. Steel S.r.l.	-	-	-	-	15.30	-	-	-	-	15.30
	P.T.C S.A.S Di Barzanti Massimo	-	-	-	-	0.20	-	-	-	-	0.20
<b>XXXV</b>	<b>Loans given outstanding</b>										
	Sterling and Wilson Power Solutions LLC	-	-	-	-	1.65	-	-	-	-	1.65
	Co. Steel S.r.l.	-	-	-	-	11.67	-	-	-	-	11.67
	Ahmed Jassim (51% Qatar)	-	-	0.21	-	-	-	-	-	-	0.21
	Sterling and Wilson Saudi Arabia Limited	-	-	1.28	-	-	-	-	0.21	-	1.28
	Sterling Wilson Private Limited-Egypt branch	-	-	2.36	-	-	-	-	-	-	2.36
	Seimatic Joint Company	-	-	0.35	-	3.30	-	-	-	-	3.30
	Sterling & Wilson Power-Gen FZE	-	-	0.36	-	-	-	-	-	-	0.36
	Transel Utilities Limited, UK	-	-	0.36	-	-	-	8.07	-	-	8.07
	Sterling and Wilson International Solar FZCO	-	-	55.89	-	-	-	-	-	-	55.89
	DELSYS FZCO	-	-	37.49	-	-	-	-	-	-	37.49
		-	-	7.33	-	-	-	-	-	-	7.33
<b>XXXVI</b>	<b>Loans Transmits Equity</b>										
	Sterling & Wilson Power-Gen FZE	-	-	19.73	-	-	-	-	-	-	19.73
		-	-	17.47	-	-	-	-	-	-	17.47



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency: Indian rupees in crores)

50 Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sl. No	Nature of transaction and balances	Holding company		Fellow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
<b>XXXVII</b>	<b>Other payables</b>											
	Sterling and Wilson Power Solutions LLC	-	-	-	\$ 38	\$ 08	\$ 38	-	-	-	-	\$ 38
	Etrishim Soode (Bahrain, NCT)	-	-	-	-	-	-	-	-	-	-	0.48
	Sterling Trading Company	-	-	6.89	6.73	-	-	-	-	-	0.48	-
	Shapoorji Pallonji Private Limited	-	-	-	0.23	-	-	-	-	-	-	6.59
	STC Tower S R L	-	-	-	-	0.50	0.68	-	-	-	-	0.68
	Shapoorji Pallonji Mid East LLC	-	-	2.16	1.96	-	-	-	-	-	-	2.16
	Sterling & Wilson Power-Gen FZE	-	-	10.63	11.46	-	-	-	-	-	-	10.63
	Drink Consultancy	-	-	1.83	-	-	-	-	-	-	-	1.86
	Sterling Generators Private Limited	-	-	8.83	9.02	-	-	-	-	-	-	1.86
	Sterling and Wilson International Solar FZCO	-	-	545.34	-	-	-	-	-	-	-	8.83
	Sterling & Wilson International Solar FZD	-	-	4.13	-	-	-	-	-	-	-	545.34
<b>XXXVIII</b>	<b>Equity Capital issued</b>											
	Mr Kharshod Y Darwala	-	8.93	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	-	-	-	-	-	-	-	-	-	-	4.40
<b>XXXIX</b>	<b>Preference share capital issued</b>											
	Mr Kharshod Y Darwala	-	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	200.00	750.00	-	-	-	-	-	-	-	-	502.50
<b>XXXX</b>	<b>Interest Receivable</b>											
	Sterling and Wilson International Solar FZCO	-	-	5.74	-	-	-	-	-	-	-	-
	Transel Utilities Limited, UK	-	-	-	-	0.87	-	-	-	-	-	0.87
	Sterling and Wilson Power Solutions LLC	-	-	-	-	3.56	2.72	-	-	-	-	3.56
<b>XXXXI</b>	<b>Recoverable expenses</b>											
	Shahwal Energy Private Limited	-	-	0.56	-	-	-	-	-	-	-	0.56
	Transel Utilities Limited, UK	-	-	-	-	-	-	18.00	-	-	-	18.00
<b>XXXXII</b>	<b>Interest payable</b>											
	Shapoorji Pallonji and Company Private Limited	\$2.41	1.49	-	-	-	-	-	-	-	-	\$2.41
	Khurshod Darwala	-	-	-	-	-	-	5.72	-	-	-	5.72
	Ms Delna Darwala	-	-	-	-	-	-	0.06	0.19	-	-	0.06
	Ms Karimz Darwala	-	-	-	-	-	-	0.31	0.01	-	-	0.31
	Devs Infotech Private Limited	-	-	-	0.01	-	-	0.95	-	-	-	0.95
	Ms Zarine Darwala	-	-	-	-	-	-	0.22	-	-	-	0.22
	Jebar & Darwala	-	-	-	-	-	-	0.11	-	-	-	0.11
	Transel Utilities Limited, UK	-	-	-	0.01	-	-	1.90	-	-	-	1.90
	Eureka Forbes Limited	-	-	0.02	-	-	-	-	-	-	-	0.02
	Sterling and Wilson Powergen Private Limited	-	-	-	0.20	-	-	-	-	-	-	0.20
	Sterling Generators Private Limited	-	-	0.03	-	-	-	-	-	-	-	0.03





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

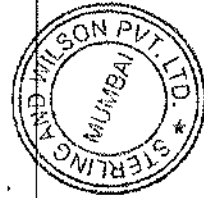
for the year ended 31 March 2021

(Currency: Indian rupees in crores)

59 Related party disclosures (Continued)

59.2 Transactions with related parties (Continued)

Sl. No	Nature of transaction and balance	Holding company		Fellow Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
XXXXIII	Rent payable	-	-	-	-	-	-	-	-	-	-	-
	Trustel Utilities Limited, UK							0.77				0.77
XXXXIV	Sale of traded goods	-	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Power Solutions LLC											0.01
	Sterling and Wilson Powergen Private Limited		29.08				0.01					29.08
XXXXV	Unbilled revenue	-	-	3.24	3.25	-	-	-	-	-	-	3.24
	Sterling Generators Private Limited											
	Sterling and Wilson Powergen Private Limited											3.25
XXXXVI	Intercompany loans/ deposits taken	-	-	-	21.50	-	-	-	-	-	-	21.50
	Sterling and Wilson Powergen Private Limited											
	Trustel Utilities Limited, UK				0.80							0.80
	Delys Infotech Private Limited				1.90							1.90
	Shapoorji Pallonji and Company Private Limited		46.00									46.00
	Sterling Generators Private Limited			6.50								6.50
XXXXVII	Sole of intangible asset	-	-	6.20	-	-	-	-	-	-	-	6.20
	Sterling and Wilson Solar Limited											
XXXXVIII	Bank guarantees outstanding	-	-	-	-	78.18	-	-	-	-	-	78.18
	SFC Power S.R.L.											
XXXXIX	Bank charges	-	-	0.03	-	-	-	-	-	-	-	0.03
	Sterling & Wilson Power-Gen FZE											
	Sterling and Wilson International Solar FZCO			15.45	-	-	-	-	-	-	-	15.45
L	Intercompany loans/ deposits repaid	-	-	9.96	16.85	-	-	-	-	-	-	16.85
	Sterling Generators Private Limited											
	Delys Infotech Private Limited			1.00								1.00
	Sterling and Wilson Power Solutions LLC			-	-	2.46	-	-	-	-	-	2.46
LI	Intercompany loans/ deposits given	-	-	-	-	6.07	-	-	-	-	-	6.07
	Sterling and Wilson Power Solutions LLC											
LII	Sale of services	-	-	2.57	1.70	-	-	-	-	-	-	2.57
	Sterling Generators Private Limited											
	Sterling and Wilson Powergen Private Limited											1.70
LIII	Professional fees	0.00	0.64	-	-	-	-	-	-	-	-	0.64
	Shapoorji Pallonji and Company Private Limited											
	Sterling & Wilson Australia			0.64								0.64



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

₹ Related party disclosures (Continued)

50.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction and balances	Holding company		Peer/Subsidiaries		Associates & 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
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
<b>LIV</b>	<b>Business support services</b>											
	Sterling and Wilson Powergen Private Limited	-	0.79									0.79
	Delays EZCO	-	0.56									0.56
	Sakshat Energy Private Limited	-	0.20									0.20
	Sterling And Wilson Nigenia Limited	-	0.65									0.65
<b>LV</b>	<b>Reimbursement of expenses recoverable</b>											
	Sterling and Wilson Solar Limited	-	0.04									0.04
<b>LVI</b>	<b>Outstanding intercorporate loans / deposits payable</b>											
	Transit Utilities Limited, UK	-	-	0.80								0.80
	Delays Infotech Private Limited	-	-	1.00								1.00
	Shapoorji Pallonji and Company Private Limited	46.00	46.00	-								46.00
	Sterling Generators Private Limited	-	-	1.19								1.19
<b>LVII</b>	<b>Outstanding intercorporate loans / deposits receivable</b>											
	Sterling and Wilson Power Solutions LLC	-	-	-		9.00	5.75					9.00
<b>LVIII</b>	<b>Purchase of shares</b>											
	Mr Khursheed Y Daravala	-	-	-		-	-	1.23				1.23
	Shapoorji Pallonji and Company Private Limited	-	-	-		-	-	2.55				2.55
	Mrs Kanay K. Daravala	-	-	-		-	-	1.22				1.22
	Mrs Zarene Y Daravala	-	-	-		-	-	0.01				0.01

During the year 2020-21, Sterling and Wilson Powergen Private Limited has been merged into Sterling Generators Private Limited pursuant to the scheme of amalgamation vide its order dated 8 June 2021.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 51 Interest in joint ventures

	Carrying amount	
	31 March 2021	31 March 2020
<b>Interest in joint ventures</b>		
1. STC Power S.r.l.	-	-
2. Co. Stell S.r.l.	14.72	15.84
3. P.T.C.S.A.S Di Barzanti Massimo	0.33	0.55
	<u>15.05</u>	<u>16.39</u>

#### (a) List of joint ventures

Sr. No	Name of the entity	Place of business	% ownership interest		Relationship	Accounting method
			31 March 2021	31 March 2020		
1	STC Power S.r.l.	Forli, Italy	60%	60%	Joint Venture	Equity Method
2	Co. Stell S.r.l.	Forli, Italy	85%	85%	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	42.83	4.70	-	47.53
Less : Amortisation during the year 2017	(12.78)	(4.49)	-	(17.27)
Amortisation during the year 2018	(21.03)	-	-	(21.03)
Amortisation during the year 2019	(8.62)	-	-	(8.62)
Amortisation during the year 2020	(0.12)	(0.21)	-	(0.33)
Amortisation during the year 2021	(0.12)	-	-	(0.12)
Translation Adjustment	0.39	-	-	0.39
Intangible assets (net of amortisation)	0.55	(0.00)	-	0.55



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 51 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.	7.58	-	7.58
STC Power S.r.l.	35.23	11.56	23.67
<b>Total</b>	<b>42.81</b>	<b>11.56</b>	<b>31.25</b>

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 50). 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 it carrying value.

2020	STC Power S.r.l.	Co. Stell S.r.l.	Total
Net liabilities acquired	(86.56)	(0.72)	(87.28)
Share of net liabilities	(7.79)	(0.22)	(8.01)
Purchase consideration (transfer of shares in lieu of cash)	24.99	8.01	33.00
Goodwill	32.78	8.23	41.01



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 51 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)	64.76	29.82	0.00
		66.33	21.78	0.00
II	Current assets	183.12	97.70	4.71
		214.34	48.09	4.93
III	Non-current liabilities	(66.17)	(33.64)	0.00
		(22.13)	(12.01)	0.00
IV	Current liabilities	(286.22)	(95.27)	(4.04)
		(315.08)	(58.58)	(3.82)
V	Net assets	(104.51)	(1.39)	0.67
		(86.56)	(0.72)	1.11
VI	Group's share of net assets	(37.41)	(1.19)	0.33
		(35.29)	(0.62)	0.55
VII	Intangible assets* (net of amortisation and translation adjustment)	0.55	(0.00)	0.00
		0.69	0.00	0.00
VIII	Translation adjustment	4.74	(0.25)	(0.00)
		1.82	(0.04)	(0.00)
IX	Carrying amount of interest in joint ventures	0.00	14.72	0.33
		0.00	15.84	0.55

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 2021		
		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	(37.41)	(1.19)	0.33
II	Goodwill on investment in joint ventures	32.12	8.06	-
III	Intangible assets (net of amortisation)	0.55	(0.00)	-
IV	Translation Adjustment	4.74	(0.25)	(0.00)
V	Amounts contributed to equity	-	8.10	-
VI	Carrying amount	0.00	14.72	0.33



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 51 Interest in joint ventures (Continued)

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

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	(35.29)	(0.62)	0.55
II	Goodwill on investment in joint ventures	32.78	8.23	0.00
III	Intangible assets (net of amortisation)	0.69	0.00	0.00
IV	Translation adjustment	1.82	(0.04)	(0.00)
V	Amounts contributed to equity	0.00	8.27	0.00
VI	Carrying amount	(0.00)	15.84	0.55

Sr No	Particulars	31 March 2021		
		STC Power S.r.L.	Co. Stell S.r.L.	P.T.C.S.A.S. Di Barzanti Massimo
I	Revenue	368.24	95.36	0.66
II	Profit / (loss) for the year	(63.60)	(1.61)	(0.47)
III	Other comprehensive income (net of income tax)	0.02	(0.04)	0.00
IV	Total comprehensive income	(63.58)	(1.65)	(0.47)
V	Group's share of profit / (loss)	(0.01)	(0.78)	(0.21)
VI	Group's share of other comprehensive income	0.01	(0.02)	0.00
VII	Group share of total comprehensive income	(0.00)	(0.80)	(0.21)

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	252.34	71.25	0.95
II	Profit / (loss) for the year	(80.82)	(1.39)	0.34
III	Other comprehensive income (net of income tax)	2.76	(0.02)	0.00
IV	Total comprehensive income	(78.06)	(1.41)	0.34
V	Group's share of profit / (loss)	(26.05)	(1.00)	0.17
VI	Group's share of other comprehensive income	1.41	(0.01)	0.00
VII	Group share of total comprehensive income	(24.64)	(1.01)	0.17

The Group has not recognised losses pertaining to STC Power SRE amounting to INR 55.69 crore (31 March 2020 - 16.65 crore)



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in crores)

### 52 Interest in Associates

	Carrying amount	
	31 March 2021	31 March 2020
Sterling and Wilson Power Solutions LLC	(37.46)	(21.95)
	<b>-37.46</b>	<b>-21.95</b>

Sr No	Name of the entity	Place of business	% ownership interest		Relationship	Accounting method
			31 March 2021	31 March 2020		
I	Sterling and Wilson Power Solutions, LLC		49%	49%	Associate	Equity Method

#### (a) Summarised financial information for associates

Sr No	Particulars	Sterling and Wilson Power Solutions LLC	
		31 March 2021	31 March 2020
I	Non-current assets (net off goodwill)	0.02	2.40
II	Current assets	14.19	89.15
III	Non-current liabilities	0.00	(0.03)
IV	Current liabilities	(52.86)	(115.17)
V	Net assets	(38.66)	(23.64)
VI	Group's share of net assets	(38.66)	(23.64)
IX	Carrying amount of interest in associates	(37.46)	(21.95)

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

Sr No	Particulars	Sterling and Wilson Power Solutions LLC	
		31 March 2021	31 March 2020
I	Proportion of Group's ownership interest in associates	(38.66)	(23.64)
II	Translation Adjustment	1.20	1.69
III	Carrying amount	(37.46)	(21.95)

Sr No	Particulars	Sterling and Wilson Power Solutions LLC	
		31 March 2021	31 March 2020
I	Revenue	70.03	23.91
II	Profit / (loss) for the year	(15.51)	(10.77)
III	Other comprehensive income (net of income tax)	-	-
IV	Total comprehensive income	(15.51)	(10.77)
V	Group's share of profit / (loss)	(15.51)	(10.77)
VI	Group's share of other comprehensive income	0.00	0.00
VII	Group share of total comprehensive income	(15.51)	(10.77)



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 53 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 2021	Sterling and Wilson Security Systems Private Limited	Sterling & Wilson Nigeria Limited	Sterling and Wilson Middle East W.L.L., Bahrain	GCO Pty. Ltd.	Enrich
Percentage of non-controlling interests	0.10%	49.00%	51.00%	24.00%	51.00%
Non-current assets	0.06	3.54	-	3.18	0.53
Current assets	1.24	206.43	0.05	14.97	22.11
Non-current liabilities	-	(0.24)	-	(1.25)	-
Current liabilities	(2.47)	(208.61)	(23.67)	(31.11)	(21.03)
Net assets	(1.17)	1.12	(23.62)	(14.21)	1.60
Assets attributable to NCI	(0.00)	0.55	(12.05)	(3.41)	0.82
Consolidation adjustments	-	14.19	(0.02)	-	-
Net assets attributable to NCI as per consolidated financial statements	(0.00)	14.74	(12.07)	(3.41)	0.82

\* Value less than 0.01 crore

31 March 2021	Sterling and Wilson Security Systems Private Limited	Sterling & Wilson Nigeria Limited	Sterling and Wilson Middle East W.L.L., Bahrain	GCO Pty. Ltd.	Enrich
Percentage of non-controlling interests	0.10%	49.00%	51.00%	24.00%	51.00%
Profit after income tax	(0.15)	(6.36)	(0.16)	(5.18)	1.55
Other comprehensive income	-	0.35	(0.02)	(2.00)	-
Total comprehensive income	(0.15)	(6.01)	(0.18)	(7.18)	1.55
Profit/(Loss) attributable to NCI	(0.00)	(3.12)	(0.08)	(1.24)	0.79
Consolidation adjustments	-	-	-	-	-
Total profit attributable to NCI	(0.00)	(3.12)	(0.08)	(1.24)	0.79
Other comprehensive income attributable to NCI	-	0.17	(0.01)	(0.48)	-
Consolidation adjustments	-	-	0.00	-	-
Total Other comprehensive income attributable to NCI	-	0.17	(0.01)	(0.48)	-
Total comprehensive income attributable to NCI	(0.00)	(2.95)	(0.09)	(1.72)	0.79

\* Value less than 0.01 crore

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	0.10	7.48	-	-	3.47	0.15
Current assets	2.29	259.42	0.21	-	8.15	14.71
Non-current liabilities	-	(0.38)	-	-	(1.34)	-
Current liabilities	(3.41)	(266.09)	(24.14)	-	(17.32)	(14.82)
Net assets	(1.02)	0.44	(23.92)	-	(7.03)	0.05
Assets attributable to NCI	(0.00)	0.21	(12.20)	-	(1.69)	0.03
Consolidation adjustments	-	17.47	0.22	-	-	-
Net assets attributable to NCI as per consolidated financial statements	(0.00)	17.68	(11.98)	-	(1.69)	0.03

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	(0.11)	3.24	(4.08)	0.00	(7.67)	0.04
Other comprehensive income	-	(0.21)	0.05	-	0.39	-
Total comprehensive income	(0.11)	3.02	(4.03)	0.00	(7.27)	0.04
Profit/(Loss) attributable to NCI	(0.00)	1.59	(2.08)	0.00	(1.84)	0.02
Total profit attributable to NCI	(0.00)	1.59	(2.08)	0.00	(1.84)	0.02
Other comprehensive income attributable to NCI	0.00	(0.11)	0.05	0.00	0.09	0.00
Consolidation adjustments	-	0.00	(0.80)	0.00	-	0.00
Total Other comprehensive income attributable to NCI	0.00	(0.11)	(0.77)	0.00	0.09	0.00
Total comprehensive income attributable to NCI	(0.00)	1.48	(2.85)	0.00	(1.75)	0.02

\* Value less than 0.01 crore





# Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)  
for the year ended 31 March 2021  
(Currency: Indian rupees in crores)

## 54 Income taxes

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

Particulars	31 March 2021	31 March 2020
Current tax expense:		
Current year	1.86	1.55
Changes in estimate related to prior years	(0.03)	0.02
	1.84	1.57
Deferred tax:		
Origination and reversal of temporary differences	49.26	-73.96
	49.26	(73.96)
<b>Tax</b>	<b>51.10</b>	<b>-72.39</b>

### b) Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2021		Year ended 31 March 2020		Net of tax
	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	0.82	(0.03)	0.79	(0.99)	0.89
Share of other comprehensive income in joint ventures, to the extent not to be reclassified to profit or loss	(0.19)	-	(0.19)	-	0.06
Items that will be reclassified to profit or loss					
Exchange differences in translating financial statements of foreign operations	36.12	-	36.12	-	(41.31)
Share of other comprehensive income in joint ventures, to the extent to be reclassified to profit or loss	0.18	-	0.18	-	1.34



# Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)  
for the year ended 31 March 2021  
(Currency: Indian Rupees in crores)

## 54 Income taxes (Continued)

### c) Income tax reconciliation

Particulars	31 March 2021	31 March 2020
Profit before tax	(983.22)	(611.89)
Tax using the Company's domestic tax rate (current year 34.944% and previous year 34.044%)	(343.57)	(213.92)
Tax effect of:		
Non-deductible expenses	12.49	10.93
Income not subject to tax	190.09	84.22
Reversal of deferred tax asset of previous year	45.32	-
Recognition of deferred tax on tax losses of earlier years	3.35	-2.18
Changes in estimates related to prior years	(3.88)	0.02
On account of consolidation adjustments	(0.18)	(2.85)
Utilisation of previously unrecognised tax loss	(0.21)	(3.28)
Items taxed at differential rates	24.08	2.70
Effect of tax rates in foreign jurisdictions	1.35	43.09
Deductible expenses	117.75	(0.15)
Deferred tax assets not recognised	4.51	8.51
Share of loss of equity accounted investees	-	3.14
Others	-	(0.91)
<b>Income tax expense</b>	<b>51.10</b>	<b>(72.59)</b>



# Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)  
for the year ended 31 March 2021

(Currency: Indian rupees in crores)

## 54 Income taxes (continued)

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

Particulars	Balance as at 1 April 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	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Sale of subsidiary	Foreign currency translation	Balance as at 31 March 2021
Employee benefits	19.78	1.50	(0.49)	-	-	20.79	-0.64	-0.03	-	-	20.04
Provision for bad and doubtful debts and loans and advances	12.24	(1.13)	-	-	0.02	11.13	0.02	-	-	-0.01	11.15
Provision for leaseable leases	1.05	3.15	-	-	4.20	-	-0.98	-	-	-	5.22
Provision for unbilled receivables	4.69	(4.69)	-	-	-	-	-	-	-	-	-
Carry forward business losses	12.53	66.08	-	(0.70)	0.77	78.69	-44.19	-	-	-0.19	34.25
Provision for liquidated damages	0.39	(0.55)	-	-	-	-0.26	-0.00	-	-	-	(0.26)
Property, plant and equipment	(6.70)	(5.90)	-	-	0.61	-12.59	0.07	-	-	-0.00	(12.52)
Unamortised depreciation	6.96	12.28	-	-	-	19.24	-	-	-	-	19.24
MAT credit	5.40	-	-	-	-	5.40	-	-	-	-	5.40
Retention receivable	-	-	-	-	-	-	-	-	-	-	-
Other adjustments	0.01	(0.01)	-	-	-	0.00	-	-	-	-	0.00
On consolidation adjustments	1.06	(1.06)	-	-	-	0.00	-	-	-	-	0.00
Unrealised Foreign Exchange	-	3.67	-	-	0.04	3.71	-3.63	-	-	-0.09	0.00
Fair valuation of investments	(3.20)	1.30	-	-	-	-1.90	-	-	-	-	(1.90)
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-
On undistributed profits of subsidiaries	(0.58)	(0.66)	-	-	-	-1.23	-0.42	-	-	-	(1.66)
Deductible temporary difference on prepayments	-	-	-	-	-	-	-	-	-	-	-
Impairment allowances on trade receivables	1.25	(9.02)	-	-	0.09	1.33	0.49	-	-	-0.03	1.78
Provision for loans	(0.00)	0.00	-	-	-	-	-	-	-	-	-
Fair valuation of financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Unrealised gain	-	-	-	-	-	-	-	-	-	-	-
Disallowances under Section 40 (a) (ia)	-	-	-	-	-	-	-	-	-	-	-
Provision for loans and advances	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>Net deferred tax asset</b>	<b>54.72</b>	<b>73.96</b>	<b>-0.49</b>	<b>-0.76</b>	<b>0.94</b>	<b>129.37</b>	<b>-0.26</b>	<b>(0.03)</b>	<b>0.00</b>	<b>-0.32</b>	<b>128.75</b>



# Sterling and Wilson Private Limited

Notes to the consolidated financial statements (Continued)  
for the year ended 31 March 2022  
(Currency: Indian rupees in crores)

- 54 Income taxes (continued)  
e) Tax losses carried forward

Particulars	31 March 2021	Expiry date	31 March 2020	Expiry date
Expire	156.55	2027-28	33.33	2025-26
	33.33	2025-26	21.31	2028-29
	21.31	2028-29		
	25.89	2029-30		
	275.75	2029-30		
	<u>512.82</u>		<u>54.64</u>	
Never expire	80.53		20.07	
Particulars	31 March 2021	31 March 2020		
Within five years	33.33	33.33		
Later than five years but less than ten years	479.50	21.31		
Later than ten years	-	-		
No expiry date-off indefinitely	80.53	20.07		
Total	<u>593.35</u>	<u>74.71</u>		

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 2022.

- f) Unrecognised deferred tax assets/(liabilities)

	31 March 2021	31 March 2020
Provision for liquidated debtages	1.10	-
Carry forward business losses	108.40	6.25
Unabsorbed depreciation	8.29	-
Fair valuation of investments	0.62	-
Retention receivable & payable	0.31	-
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(2.94)	-
Provision for bad and doubtful debts, unbilled receivables and loans and advances	(0.41)	0.38
Provision for foreseeable losses	(0.84)	-
Employee benefits	(1.30)	-
Security deposits	(0.01)	-
	<u>112.21</u>	<u>6.64</u>

Since the company has incurred losses in the previous years, the management has decided not to consider the deferred tax assets/(liabilities) arising in the current year. The Company assesses tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in crores)

### 55 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Associate 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
<b>Parent</b>								
Sterling and Wilson Private Limited	373.09%	2,048.33	32.91%	(339.19)	0.02	0.72	34.14%	(338.47)
	108%	2,683.69	0.24	(131.56)	(0.02)	0.98	22.58%	(130.58)
<b>Subsidiaries</b>								
<b>Indian</b>								
Rangoo Consultants Private Limited	1.05%	5.76	(0.68%)	0.86	0.00%	-	(0.09%)	0.86
	0%	4.90	0%	0.62	0%	-	0%	0.62
Sterling and Wilson Security Systems Private Limited	(0.21%)	(1.17)	0.01%	(0.15)	0.00%	-	0.02%	(0.15)
	0%	(1.017)	0%	(0.11)	0%	-	0%	(0.11)
Enrich-SWPL JV (w.e.f. November 1 2019)	0.29%	1.60	(0.15%)	1.55	0.00%	-	(0.16%)	1.55
	0.00%	0.05	(0.00)	0.04	0.00%	-	(0.00)	0.04
Sterling and Wilson Co-Gen Solutions Private Limited	(11.76%)	(64.45)	4.39%	(45.20)	0.54	13.48	3.20%	(31.72)
	(0.63)	(32.71)	6.73%	(36.14)	0.02	(0.96)	0.06	(37.09)
<b>Foreign</b>								
Sterling and Wilson Nigeria Limited	0.20%	1.12	0.01	(6.36)	0.90%	0.35	0.01	(6.04)
	0.04%	0.44	(0.01)	3.24	0.52%	(0.21)	(0.01)	3.03
Sterling and Wilson International FZE (Consolidated)	(27.98%)	(153.40)	52.92%	(545.44)	(5.16%)	(2.00)	55.22%	(547.44)
	4.10%	50.76	44.88%	(241.00)	(0.24)	10.01	40%	(230.99)
Sterling and Wilson Middle East W.L.L.	(40.25%)	(220.62)	9.11%	(93.91)	9.37%	3.67	9.10%	(90.24)
	(0.11)	(130.39)	0.26	(139.46)	0.16	(6.42)	0.25	(145.88)
Geo Pty Limited (w.e.f. June 10 2019)	(2.59%)	(14.21)	0.50%	(5.18)	(5.10%)	(2.00)	1%	(7.18)
	(0.01)	(7.03)	1.43%	(7.67)	(0.01)	0.39	1.26%	(7.27)
Sterling and Wilson Co-Gen Solutions AG	0.02%	0.12	0.01%	(0.10)	0.00	0.00	0.01%	(0.09)
	0.02%	0.21	0.03%	(0.14)	(0.06%)	0.03	0.00	(0.12)
Sterling and Wilson Nigeria FZE	0.34%	1.86	(0.11%)	1.13	(0.00%)	(0.00)	0%	1.13
	0%		0%		0%		0%	
Non controlling interest in all subsidiaries	0.00	0.08	0.00	(3.65)	(0.81%)	(0.32)	0.40%	(3.97)
	0.00	4.04	0.00	(2.31)	0.02	(0.78)	0.01	(3.10)
Total Eliminations on Consolidation	(192.19%)	(1,053.56)	0.00	(2.35)	63%	24.68	-2.25%	22.33
	(58.80%)	(727.56)	(0.02)	12.87	111.18%	(45.83)	5.70%	(32.96)
<b>Total</b>	111%	548.19	96%	(1,030.67)	66%	39.21	97%	(991.45)
	103.3%	1,237.30	94%	(536.99)	101%	(41.22)	94.66%	(578.21)



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 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 2021	Carrying amount			Fair value			Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
	FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs					
<b>Financial assets</b>											
<b>Non-Current</b>											
(i) Investments	70.37	-	-	-	-	-	70.37	-	-	70.37	70.37
(ii) Loans	-	-	114.28	-	-	-	114.28	-	-	-	-
(iii) Other financial assets	-	-	5.69	-	-	-	5.69	-	-	-	-
<b>Current</b>											
(i) Investments	0.68	-	(0.09)	-	-	-	0.68	0.68	-	-	0.68
(ii) Trade receivables	-	-	2,634.46	-	-	-	2,634.46	-	-	-	-
(iii) Cash and cash equivalents	-	-	85.70	-	-	-	85.70	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	48.03	-	-	-	48.03	-	-	-	-
(v) Loans	-	-	193.37	-	-	-	193.37	-	-	-	-
(vi) Other financial assets	-	-	953.62	-	-	-	953.62	-	-	-	-
<b>Total</b>	<b>71.05</b>	<b>-</b>	<b>4,015.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,106.11</b>	<b>0.68</b>	<b>-</b>	<b>70.37</b>	<b>71.05</b>
<b>Financial liabilities</b>											
<b>Non-Current</b>											
(i) Borrowings	-	-	14.97	-	-	-	14.97	-	-	-	-
(ii) Lease Liabilities	-	-	3.47	-	-	-	3.47	-	-	-	-
<b>Current</b>											
(i) Borrowings	-	-	1,734.91	-	-	-	1,734.91	-	-	-	-
(ii) Lease Liabilities	-	-	2.83	-	-	-	2.83	-	-	-	-
(iii) Trade payable	-	-	1,634.52	-	-	-	1,634.52	-	-	-	-
(iv) Other financial liabilities	-	-	257.74	-	-	-	257.74	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,638.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,638.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 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 2020	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	
<b>Financial assets</b>								
<b>Non-Current</b>								
(i) Investments	73.45	-	-	73.45	-	-	73.45	73.45
(ii) Loans	-	-	178.44	178.44	-	-	-	-
(iii) Other financial assets	-	-	4.61	4.61	-	-	-	-
<b>Current</b>								
(i) Investments	0.72	-	6.00	6.72	6.72	-	-	6.72
(ii) Trade receivables	-	-	3,308.55	3,308.55	-	-	-	-
(iii) Cash and cash equivalents	-	-	145.60	145.60	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	63.87	63.87	-	-	-	-
(v) Loans	-	-	134.96	134.96	-	-	-	-
(vi) Other financial assets	-	-	1,240.47	1,240.47	-	-	-	-
<b>Total</b>	<b>74.17</b>	-	<b>5,106.29</b>	<b>5,240.45</b>	<b>6.72</b>	-	<b>73.45</b>	<b>74.17</b>
<b>Financial liabilities</b>								
<b>Non-Current</b>								
(i) Borrowings	-	-	44.68	44.68	-	-	-	-
(ii) Lease Liability	-	-	7.29	7.29	-	-	-	-
<b>Current</b>								
(i) Borrowings	-	-	2,236.05	2,236.05	-	-	-	-
(ii) Lease Liability	-	-	15.24	15.24	-	-	-	-
(iii) Trade Payables	-	-	1,613.26	1,613.26	-	-	-	-
(iii) Other financial liabilities	-	-	276.87	276.87	-	-	-	-
<b>Total</b>	-	-	<b>4,183.39</b>	<b>4,183.39</b>	-	-	-	-



**Sterling and Wilson Private Limited**

**Notes to the consolidated financial statements (Continued)**  
*for the year ended 31 March 2021*

(Currency : Indian rupees in crores)

**56 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 at 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 Level 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 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 2021 and 31 March 2020 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 2021: 12.85% 31 March 2020: 9.50%	1% (March 2021: 1% increase / decrease) would result in (decrease) / increase in fair value by: (Rs. 0.37 crore) / (Rs. 0.89 crore (March 2020: (Rs. 0.40 crore) / (Rs. 0.45 crore)
Investments in unquoted equity instruments accounted for as fair value through profit or loss	Price of Recent Investment Method 31 March 2020: Price of Recent Investment Method	Price of Recent Investment Method 31 March 2020: Price of Recent Investment Method	Not Applicable Not Applicable	The valuation has been done on the basis of the "Price of Recent Investment Method". This method is used in the event there is an investment that is made in the Company. There has been a transfer of 34,997 shares on 26th October 2018 and the valuation at which said transaction has taken place provides a basis for arriving at the fair value

#### Reconciliation of Level 3 Fair Value Measurements:

Particulars	Equity instruments	Preference instruments
Balance as at 1 April 2019	55.80	-
Add: Purchased during the year	22.61	-
Add: Change in value of investment in equity shares/preference shares measured at FVTPL	17.61	(2.35)
Less: Provision for impairment	(10.09)	-
Balance as at 31 March 2020	85.93	53.54
Add: Purchased during the year	-	-
Add: Change in value of investment in equity shares / preference shares measured at FVTPL	-	(5.08)
Less: Provision for impairment	-	-
Balance as at 31 March 2021	85.93	48.46



**Sterling and Wilson Private Limited**

**Notes to the consolidated financial statements (Continued)**

*for the year ended 31 March 2021*

(Currency : Indian rupees in crores)

**56 Financial instruments – Fair values and risk management (Continued)**

**(b) Measurement of fair values (Continued)**

	31-Mar-21	31-Mar-20
<b>Sensitivity analysis</b>		
Fair value - unquoted equity instruments	70.37	73.45
Significant unobservable inputs		
- increase by 100 bps	0.70	0.73
- decrease by 100 bps	(0.70)	(0.73)

**(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 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.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 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 2021 is Rs 2634.46 crores (31 March 2020: Rs 3398.35 crores), unbilled receivables as on 31 March 2021 is Rs 875.18 crores (31 March 2020: Rs 1142.48 crores) and contract assets as on 31 March 2021 is Rs 58.57 crores (31 March 2020: Rs 217.82 crores)

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 whenever 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 2019	66.38	15.41	0.60	-	80.39
Add: Impairment loss / (gain) recognised (net)	42.58	-	1.34	9.94	43.92
Provision (reversed) (net)	-	(13.41)	-	-	(13.41)
<b>Balance as at 31 March 2020</b>	<b>108.96</b>	<b>-</b>	<b>1.94</b>	<b>9.94</b>	<b>110.90</b>
Add: Impairment loss recognised (net)	229.04	-	2.28	18.55	249.87
Provision (reversed) (net)	(208.50)	-	-	-	(208.50)
Translation adjustments	(1.60)	-	(0.02)	(0.40)	(2.02)
<b>Balance as at 31 March 2021</b>	<b>127.89</b>	<b>-</b>	<b>4.20</b>	<b>28.09</b>	<b>156.18</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Neither past due nor impaired	970.42	7.17
0 to 3 months	622.51	2,362.03
3 to 6 months	101.36	228.10
6 months to 1 year	332.35	307.85
more than 1 year	1,553.34	1,856.75
<b>Total</b>	<b>3,579.98</b>	<b>4,761.90</b>

##### Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 85.2 crore and Rs 144.77 crore as at 31 March 2021 and 31 March 2020 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 53.73 crore and Rs 68.47 crore as at 31 March 2021 and 31 March 2020 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 2021 and 31 March 2020, 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.

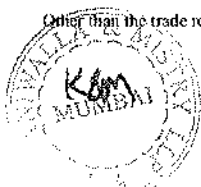
##### Security deposits given to lessors

The Group has given security deposit to lessors for premises leased by the Group as at 31 March 2021 and 31 March 2020. 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 2021

(Currency : Indian rupees in crores)

### 56 Financial instruments – Fair values and risk management (Continued)

#### (c) 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 2021, the Group had term loans of Rs 14.97 crore, working capital demand loan of Rs 139.88 crore, current maturities of long-term debt of Rs 29.71 crore, cash credit loan of Rs 71.63 crore, loan from related parties of Rs 1456 crore, bank overdraft of Rs 2.75 crore including cash and cash equivalents of Rs 85.7 crore and other bank balances of Rs 53.73 crore.

As at 31 March 2020, the Group had term loans of Rs 44.68 crore, working capital demand loan of Rs 304.06 crore, current maturities of long-term debt of Rs 65.03 crore, cash credit loan of Rs 60.79 crore, loan from related parties of Rs 1802.98 crore, bank overdraft of Rs 1.09 crore including cash and cash equivalents of Rs 145.6 crore and other bank balances of Rs 68.47 crore.

#### 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 2021	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loans (including interest cost)	44.68	44.68	29.71	14.97	-	-
Cash credit loans from banks	71.63	71.63	71.63	-	-	-
Working capital demand loan	139.88	139.88	139.88	-	-	-
Post shipment Loans	-	-	-	-	-	-
Bill discounting	-	-	-	-	-	-
Loan from related parties	1,456.00	1,456.00	1,456.00	-	-	-
Trade payables	1,641.14	1,641.14	1,641.14	-	-	-
Inter-corporate deposits	54.65	54.65	54.65	-	-	-
Lease liabilities	6.30	6.30	2.83	0.95	1.76	0.75
Bank overdraft	2.75	2.75	2.75	-	-	-
Other current financial liabilities	221.41	221.41	221.41	-	-	-

31 March 2020	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loans (including interest cost)	112.54	127.00	82.32	29.71	14.97	-
Cash credit loans from banks	60.79	60.79	60.79	-	-	-
Working capital demand loan	304.06	304.06	304.06	-	-	-
Post shipment Loans	2.02	2.02	2.02	-	-	-
Bill discounting	10.94	10.94	10.94	-	-	-
Loan from related parties	1,802.98	1,802.98	1,802.98	-	-	-
Trade payables	1,613.26	1,613.26	1,613.26	-	-	-
Lease liabilities	22.54	48.08	11.05	3.72	2.24	1.07
Inter-corporate deposits	54.16	54.16	54.16	-	-	-
Bank overdraft	1.09	1.09	1.09	-	-	-
Other current financial liabilities	209.02	209.02	209.02	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 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 2021 and 31 March 2020 are as below:

Amounts in INR crores (Local currency)	31 March 2021					
	USD	EUR	GBP	AED	INR	Others*
<b>Financial assets</b>						
Trade and other receivables	467.12	11.67	222.32	(6.00)	-	215.72
Cash and Cash Equivalents	0.65	0.55	0.02	0.00	-	1.32
<b>Exposure to foreign currency assets</b>	<b>467.77</b>	<b>12.22</b>	<b>222.34</b>	<b>(6.00)</b>	<b>-</b>	<b>217.04</b>
<b>Financial liabilities</b>						
Trade and other payables	37.23	5.47	8.90	33.98	1,957.64	4.94
<b>Exposure to foreign currency liabilities</b>	<b>37.23</b>	<b>5.47</b>	<b>8.90</b>	<b>33.98</b>	<b>1,957.64</b>	<b>4.94</b>
<b>Net Exposure</b>	<b>430.54</b>	<b>6.75</b>	<b>213.44</b>	<b>(33.98)</b>	<b>(1,957.64)</b>	<b>212.11</b>

Amounts in Foreign currency	31 March 2021					
	USD	EUR	GBP	AED	INR	Others*
<b>Financial assets</b>						
Trade and other receivables	6.37	0.14	2.21	(0.00)	-	10.68
Cash and Cash Equivalents	0.01	16.31	0.00	0.00	-	0.07
<b>Exposure to foreign currency assets</b>	<b>6.38</b>	<b>16.45</b>	<b>2.21</b>	<b>-0.00</b>	<b>-</b>	<b>10.75</b>
<b>Financial liabilities</b>						
Trade and other payables	0.51	0.06	0.09	1.70	1,953.63	(4.36)
<b>Exposure to foreign currency liabilities</b>	<b>0.51</b>	<b>0.06</b>	<b>0.09</b>	<b>1.70</b>	<b>1,953.63</b>	<b>(4.36)</b>
<b>Net Exposure</b>	<b>5.87</b>	<b>16.39</b>	<b>2.12</b>	<b>(1.70)</b>	<b>(1,953.63)</b>	<b>15.11</b>

\*others include AUD, SAR, MYR



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 Financial instruments – Fair values and risk management (Continued)

#### iii Market risk (Continued)

##### (a) Currency Risk (Continued)

Amounts in INR crore (Local currency)	31 March 2020					
	USD	EUR	GBP	AED	INR	Others*
<b>Financial assets</b>						
Trade and other receivables	486.30	16.20	195.64	-	-	6.94
Cash and Cash Equivalents	3.20	0.01	0.00	0.00	-	0.01
<b>Exposure to foreign currency assets</b>	<b>489.50</b>	<b>16.21</b>	<b>195.64</b>	<b>0.00</b>	<b>-</b>	<b>6.95</b>
<b>Financial liabilities</b>						
Short term borrowings	-	-	10.94	0.20	-	-
Trade payables and other payable	29.86	8.32	7.02	35.92	1,400.95	0.38
<b>Exposure to foreign currency liabilities</b>	<b>29.86</b>	<b>8.32</b>	<b>17.96</b>	<b>36.11</b>	<b>1,400.95</b>	<b>0.38</b>
<b>Net Exposure</b>	<b>459.64</b>	<b>7.89</b>	<b>177.68</b>	<b>(36.11)</b>	<b>(1,400.95)</b>	<b>6.57</b>

Amounts in Foreign currency	31 March 2020					
	USD	EUR	GBP	AED	INR	Others*
<b>Financial assets</b>						
Trade and other receivables	2.23	0.73	3.40	-	-	0.15
Cash and Cash Equivalents	2.18	0.00	0.00	0.00	-	0.00
<b>Exposure to foreign currency assets</b>	<b>4.41</b>	<b>0.73</b>	<b>3.40</b>	<b>0.00</b>	<b>-</b>	<b>0.15</b>
<b>Financial liabilities</b>						
Short term borrowings	-	-	0.12	19.68	-	-
Trade payables and other payable	8.81	0.10	0.08	13.06	68.78	0.06
<b>Exposure to foreign currency liabilities</b>	<b>8.81</b>	<b>0.10</b>	<b>0.19</b>	<b>32.74</b>	<b>68.78</b>	<b>0.06</b>
<b>Net Exposure</b>	<b>(4.40)</b>	<b>0.63</b>	<b>3.21</b>	<b>(32.74)</b>	<b>(68.78)</b>	<b>0.09</b>

\*Others include CHF, AUD, SAR, MYR

#### 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 Crores	31 March 2021		31 March 2020	
	Profit or loss (Pre-tax impact)		Profit or loss (Pre-tax impact)	
	Strengthening	Weakening	Strengthening	Weakening
USD	(21.53)	21.53	(22.98)	22.98
EUR	(0.34)	0.34	(0.39)	0.39
GBP	(10.67)	10.67	(8.86)	8.86
AED	1.70	(1.70)	1.81	(1.81)
INR	97.88	(97.88)	70.05	(70.05)
Others	(10.61)	10.61	(0.33)	0.33



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in crores)

### 56 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 2021	31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	411.84	435.41
Financial liabilities	(1,586.56)	(1,942.49)
	<b>(1,174.74)</b>	<b>(1,507.08)</b>
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(187.31)	(414.86)
	<b>(187.31)</b>	<b>(414.86)</b>

#### 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 2021		
Variable-rate instruments	1.87	(1.87)
Cash flow sensitivity (net)	<b>1.87</b>	<b>(1.87)</b>

INR	Profit or (loss) - Before tax	
	100 bp increase	100 bp decrease
31 March 2020		
Variable-rate instruments	4.15	(4.15)
Cash flow sensitivity (net)	<b>4.15</b>	<b>(4.15)</b>



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 56 Financial instruments – Fair values and risk management (Continued)

#### (e) 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 2021	31 March 2020
Non-current borrowings	14.97	44.68
Short-term borrowings	1,724.91	3,236.04
Current maturities of long-term debt	29.71	65.03
<b>Gross debt</b>	<b>1,769.59</b>	<b>2,345.75</b>
Less : Cash and cash equivalents	85.70	145.60
<b>Adjusted net debt</b>	<b>1,683.89</b>	<b>2,200.16</b>
<b>Total equity attributable to owners of the Company</b>	<b>548.19</b>	<b>1,237.30</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>3.07</b>	<b>1.78</b>





# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 57 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 note7)

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:

Particulars	As at 1 April 2019	As at 4 June 2019
	SWB Power Limited	Sterling and Wilson Co-Gen Solutions Limited
<b>A. Consideration received</b>		
Fair value of consideration received *	0.00	0.17
* Value below INR 5,000		
<b>B. Net assets disposed off</b>		
<b>Non-current assets</b>		
Capital work-in-progress	102.76	-
Deferred tax asset	0.76	-
Goodwill	4.71	0.06
<b>Current assets</b>		
Trade and other receivables	4.95	0.12
Cash and cash equivalents	12.13	0.20
<b>Total assets (a)</b>	<b>125.29</b>	<b>0.38</b>
<b>Current liabilities</b>		
Trade and other payables	129.66	0.12
<b>Total liabilities (b)</b>	<b>129.66</b>	<b>0.12</b>
<b>Net assets/ (liabilities) disposed off (a-b)</b>	<b>-4.37</b>	<b>0.26</b>
<b>C. Reclassification of foreign currency translation reserve*</b>	<b>0.06</b>	<b>-</b>
<b>D. Share of net liabilities by non-controlling interest</b>	<b>-2.14</b>	<b>-</b>
<b>E. Gain / (Loss) on disposal (A - B + C + D)</b>	<b>2.29</b>	<b>-0.08</b>
<b>F. Net cash outflow on disposal</b>		
Cash proceed from disposal	0.00	0.17
Less: cash and cash equivalents in subsidiary disposed of	12.13	0.20
<b>Net cash flow on disposal</b>	<b>-12.13</b>	<b>-0.02</b>

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



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 58 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 crore).

#### 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	-4.32
Accounts and other receivables	-0.85
Accounts and other payables	5.33
Share of net assets-at carrying value (as at date of acquisition)	0.16
Less: Purchase consideration paid in cash	4.54
Provisional goodwill as at 31 March 2019	4.71
Sale of subsidiary (Note 55)	-4.71
Goodwill as at 31 March 2020	-



# Sterling and Wilson Private Limited

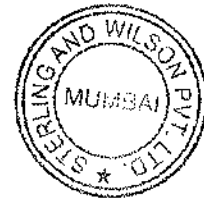
## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

### 59 Common Control

The Board of directors of Sterling and Wilson Co-Gen Solutions Private Limited in its meeting held on 3 August 2020 approved transfer of 100% equity shares of face value of Rs 10 each to Sterling and Wilson Private Limited ("the Parent Company") for a consideration of INR Rs 5 crores. On 10 August 2020, the transfer has come into effect. The Sterling and Wilson Co-Gen Solutions Private Limited and its subsidiaries and its associate specialises in turnkey solutions, part implementation of power plant projects and other engine and generation projects both gas diesel, gas turbines and steam turbines of all including planning, designing, installation, supervision, commissioning, service, repair, operation and maintenance. This transfer being transaction between common control entities, the assets acquired and liabilities assumed have been recorded at historical cost in the financial statements retrospectively. Hence financial statements of Sterling and Wilson Co-Gen Solutions Private Limited and its subsidiaries and its associate are merged with effect from April 1 2019. Accordingly figures for the year ended March 31 2020 reinstated are after giving effect to the above transaction. The excess of consideration over Share capital amounting to INR Nil, is reflected as an adjustment to Capital Reserve prior to 1 April 2019.



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in Crores)

### 60 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 2020. Management believes that the Group's international transactions with related parties post 31 March 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these consolidated financial statements, particularly on amount of tax expense and that of provision for taxation.

- 61 The Group had entered into the development, supply, civil works, service and operation and maintenance agreements (hereinafter referred to as 'the EPC contracts'), for developing, constructing and commissioning of seven solar plants for seven Projects in two states namely Telangana and Madhya Pradesh which were under dispute with the Developers (seven Special Purpose Vehicle (SPV) Companies owned by Sky Power Group.) Out of the seven projects, pursuant to negotiations/discussion, disputes for four projects have been resolved and settled prior to March 2021. As on the balance sheet date the value of trade receivables, unbilled receivables and advance related to the balance three projects aggregates Rs. 848.95 crores (previous year Rs. 1,383.78 crores) based on the pattern of the settlements, interest receivable amounting to Rs 133.22 crores accrued in earlier years has been foregone and charged off to Profit and Loss account during year by the Group.

The Holding Company's subsidiary, Sterling and Wilson International FZE which had supplied imported materials for these projects had filed case before Hon'ble High Court of Delhi in December 2018 for two out of three projects, restraining Skypower Group to alienating, transferring and/or selling the said assets, pending commencement of arbitration proceedings with the Seat of Arbitration in Singapore. The Delhi High Court has, vide its order dated June 22, 2020 inter alia 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 Group with the Registrar General of the High Court. The Developers sought various extensions for furnishing the bank guarantees, the last extension being sought on 22 May 2021 for a period of 12 weeks which was granted by the High Court.

In case of the remaining one project the dispute is between the Developers and Madhya Pradesh Power Management Company Limited (MPPMCL). The subject matter of dispute is the validity of the Power Purchase Agreement (PPA) which was entered into between the Developer and MPPMCL and which MPPMCL had terminated citing delay in commissioning of project. The High Court has twice given verdict in favour of the Developer, however MPPMCL has preferred an appeal against the High Court decision and the matter currently is pending before the Supreme Court for disposal. Subsequent to Supreme Court decision the Group expects settlement/recovery of its dues.

Based on discussions with the Developers, Legal opinion sought and favourable order passed by Delhi High Court, the Group Management believes that outstanding amount is good and recoverable and that no adjustments/impairments are required to be made in the consolidated Ind AS financial statements of the Group towards such total outstanding recoverables as on the balance sheet date.

### 62 Subsequent Event:

a) Pursuant to an agreement signed with a step down subsidiary, Sterling and Wilson Middle East Electromechanical LLC ("SWMELLC") on 1 April 2021, Sterling and Wilson International FZE, has transferred assets, liabilities and accumulated losses as of 1 April 2021 amounting to AED 269,712,176 (Rs. 538.21 crores), AED 793,942,230 (Rs. 1,584.32 crores) and AED 544,870,011 (Rs. 1,087.29 crores) respectively to SWMELLC. The aforesaid agreement was ratified by resolutions passed by the Board of the respective companies. Pursuant to a business transfer cum acquisition agreement entered into between Oman Shapoorji Company LLC ("OSCO"), a related party and SWMELLC on 1 April 2021, SWMELLC transferred its mechanical, electrical and plumbing (MEP) business along with assets, liabilities and accumulated losses as of 1 April 2021 (relating to MEP business) amounting to AED 298,539,932 (Rs. 595.74 crores), AED 868,219,492 (Rs. 1,732.54 crores) and AED 569,679,560 (Rs. 1,136.80 crores) respectively to OSCO. The aforesaid agreement was ratified by resolutions passed by the Board of the respective companies.

b) The Holding Company, Sterling & Wilson Private Limited (SWPL), owns, operates and maintains roof-top solar power projects, and undertakes sale of power from such roof-top solar power projects to various off-takers. The Company has a division, Rooftop Independent Power Producers Division ('Rooftop IPP Division') which is in the business of developing rooftop solar plants of less than 1 MW across India.

SWPL is desirous of selling the Rooftop IPP Division of the Company on a slump sale basis for a lump sum consideration without values being assigned to individual assets and liabilities. For this purpose the company has entered in to a Business Transfer Agreement with Wednesday Solar Private Limited on April 10, 2021 and the roof-top projects have been bifurcated in to 3 separate project clusters/business undertakings.

SWPL is waiting for a no-objection certificate from banks for transfer of the Business Undertakings that the Business Assets, the Business Contracts, and the Projects are free from all Encumbrances. The aforementioned sale of Rooftop IPP Division is expected to be completed by December 2021



# Sterling and Wilson Private Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian rupees in Crores)

63 The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group's 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.

### 64 Other matters

- i) 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.
- ii) Previous year's figures have been regrouped / reclassified where necessary to conform with financial statements prepared under Ind AS.

