

# KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF STERLING AND WILSON PRIVATE LIMITED

Report on the Audit of the standalone Ind AS financial statements

#### Opinion

We have audited the standalone Ind AS financial statements of Sterling and Wilson Private Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the unaudited Returns (in the form of Trial Balance) for the year ended on that date of the Company's branches located at Sri Lanka, Rwanda, Togo, Tanzania, Bangladesh, Australia and Indonesia (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 the ("Act") in the manner so required and give a true and fair view in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flow for the year ended on that date.

#### Basis of Opinion

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

#### Emphasis of Matter

- a) We draw attention to note 18 and note 50 of the standalone Ind AS financial statements regarding recoverability of trade receivables, unbilled receivables and advance for projects aggregating to Rs. 3,327.82 million as at March 31, 2020 which represents contractual dues in respect of two states namely Telangana and Madhya Pradesh which were under disputes with the Developers (namely Sky Power Group Companies/Special Purpose Vehicles (SPVs)) in relation to which negotiations/discussion are currently under progress. As on the balance sheet the value of trade receivables, unbilled receivables and advance related to those projects aggregated Rs. 3,327.82 million along with interest receivable on delayed payments amounting to Rs. 437 million. Subsequent to the balance sheet date, the Company has entered into a Partial Settlement (as part of the intended overall settlement) with Skypower Group entities/SPVs to revive the Projects and are in the process of recovery and settlement. Based on above case status and discussions with the Developers, their Legal Counsel & the favourable orders passed by various Courts in similar cases, the Management believes that outstanding amount is good and recoverable and that no adjustments/impairments are required to be made in the standalone Ind AS financial statements of the Company towards the total outstanding receivables as on the balance sheet date.



LLP IN : AAH - 3437

REGISTERED OFFICE : ESPLANADE HOUSE, 29, HAZARIMAL SOMANI MARG, FORT, MUMBAI 400 001  
TEL.: (91) (22) 6158 6200, 6158 7200 FAX: (91) (22) 6158 6275

- b) The auditors of Sterling and Wilson Middle East W.L.L, a subsidiary of the Company, without modifying their audit opinion, have stated that there is material uncertainty related to going concern, since the subsidiary has incurred a net loss during the year ended March 31, 2020 and as that date the net worth has been eroded and that the subsidiary's total liabilities exceeds its total assets. These conditions or events cast significant doubt on the subsidiary's ability to continue as a going concern.

As on March 31, 2020, the Company's investment in equity shares of the aforesaid subsidiary amounted to Rs. 1.86 million, loan including interest outstanding amounted to Rs. 740.32 million and other recoverable amounted to Rs.37.21million. The Company is of the view that no provision for impairment is required since the aforesaid conditions relating to the going concern of that subsidiary are temporary in nature and that the subsidiary is projected to generate cash flows in the next 3 year's which shall generate profits. We have relied on those financial projections and other representations made to us and are of the view that no provision for impairment on the aforesaid exposures are required in the books of the Company.

- c) We draw attention to note 51 to the standalone Ind AS financial statements, which explains the uncertainties and the management's assessment of the financial impacts due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

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

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

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

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

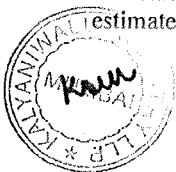
In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or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

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

#### **Management's Responsibilities for the Standalone Ind AS Financial Statements**

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal



financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place with respect to its standalone Ind AS financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

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

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



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

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

#### Other Matters

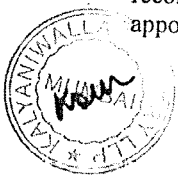
a) Inventory is verified by us on a rotational basis at the various depot locations at the year end, however, due to the COVID-19 related lockdown we were unable to travel to the planned locations at the year end and reliance has been placed on inventory counts conducted by management for the physical verification of inventory as at March 31, 2020. We have also performed alternate procedures to audit the existence of inventory which includes inspection of supporting documentation relating to receipts and issues of materials as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone Ind AS financial statements.

b) The financial information of 7 branches included in the standalone Ind AS financial statements of the Company whose financial information reflect total assets of Rs. 264.14 million as at March 31, 2020 and the total revenue of Rs. 2,11.86 million for the year ended on the date, has not been audited. These branches are located outside India whose financial and other information have been prepared in accordance accounting principles generally accepted in their respective countries. The 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 made by the 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 conversion adjustments prepared by the management of the Company and audited by us.

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

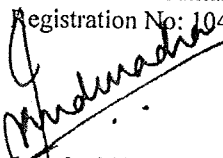
#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper Returns (in the form of Trial Balance) adequate for the purposes of our audit have been received from the Branches not visited by us.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flow and the standalone statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provision of section 197(16) of the Act is not applicable to the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
  - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts – Refer Note 28 to the standalone Ind AS financial statements. The Company did not have any material foreseeable losses on derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
Janshed K. Udwadla  
Partner

Membership No: 124658  
UDIN No. 20124658AAAAFV3339  
Mumbai, September 09, 2020

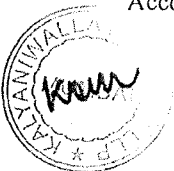


Annexure A to the Independent Auditor's Report

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' of our Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2020:

Statement on Matters Specified in paragraphs 3 and 4 of the Companies (Auditors Report) Order, 2016 (the Order)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programmed of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of business. In accordance with the said programmed, certain fixed assets were physically verified by the management and discrepancies noticed upon such verification were not material. These discrepancies have been properly dealt with in the books of accounts.
  - (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable property as shown under Note 4 to the standalone Ind AS financial statements are held in the name of the Company.
2. The inventory of project land, stores, spare parts and construction materials, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and these have been properly dealt with in the books of account.
3. The Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
  - (a) According to the information and explanations given to us and based on our audit procedures, we are of the opinion that the rate of interest and other terms and conditions of the unsecured loan granted by the Company to a company covered in the register maintained under section 189 of the Act are not prima facie prejudicial to the interest of the Company.
  - (b) According to the information and explanations given to us and based on our audit procedures, the unsecured loan granted to a company and interest thereon are repayable on demand.
  - (c) Since the unsecured loan granted is repayable on demand the question of overdue amounts of more than 90 days does not arise.
4. In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the granting of loans, investments made and guarantees provided by the Company. The company has not given any security during the year to the parties covered under section 186 of the Act, Accordingly, compliance under section 186 of the Act in respect of providing securities is not applicable to the Company.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, para 3(v) of the Order is not applicable to the Company.



6. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
7. According to the information and explanations given to us and the records examined by us,
- (a) The amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, , professional tax, goods and service tax, duty of customs and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of duty of excise and cess.

No undisputed amounts payable in respect of provident fund, employees state insurance, profession tax, income tax, goods and service tax, duty of customs and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (b) There are no dues of goods and service tax, as at March 31, 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of Statute	Nature of dues	Demand (Rs. million)	Amount paid under protest (Rs. million)	Year to which amount relates	Forum where appeal pending
Income Tax Act, 1961	Tax and Interest	5.89	-	FY 2009-10	Commissioner of Income Tax (Appeal)
Value Added Tax and Central Sales Tax	Tax and Interest	32.77	3.75	FY 2016-17 and FY 2017-18	Additional Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Tax and Non-Submission of Forms	6.416	-	FY 2015-16	Appeal to be Filed before CCT
Value Added Tax and Central Sales Tax	Tax	2.51	-	FY 2012-13	Deputy Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Non-Submission of Forms	28.62	-	FY 2005-06 to FY 2010-11	Deputy Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Non-Submission of Forms	3.128	-	FY 2000-01, FY 2013-14, FY 2015-16	Deputy Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Tax	8.722	-	FY 2005-06 to FY 2007-08	Assistant Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Tax, Interest and Penalty	3.03	-	FY 2014-15 & 2015-16	Assistant Commissioner of Commercial Taxes
Value Added Tax and Central Sales Tax	Tax	2.97	-	FY 2005-06	Assistant Commissioner of Commercial Taxes
Value Added Tax and Central Sales Tax	Tax and Interest	13.097	-	FY 2013-14, FY 2014-15 and FY 2017-18	Commercial tax Officer Circle WCT II Jaipur



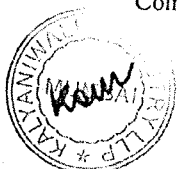
Name of Statute	Nature of dues	Demand (Rs. million)	Amount paid under protest (Rs. million)	Year to which amount relates	Forum where appeal pending
Value Added Tax and Central Sales Tax	Non-Submission of Forms, Tax and Penalty	14.07	0.05	FY 2011-12 to FY 2015-16	Commissioner of Commercial tax
Value Added Tax and Central Sales Tax	Non-Submission of Forms	19.41	-	FY 2014-15	CTO, Ekathuthangal, Chennai
Value Added Tax and Central Sales Tax	Non-Submission of Forms and Tax	19.65	0.27	FY 2014-15	Deputy Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Tax	102.64	2.01	FY 2010-11, 2011-12, FY 2013-14 and 2015-16	Deputy Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Tax and Non-Submission of Forms	128.75	-	FY 2015-16	Deputy Commissioner of Sale Tax
Value Added Tax and Central Sales Tax	Tax	3.83	-	FY 2011-12	ETO Chandigarh
Value Added Tax and Central Sales Tax	Tax	5.38	-	FY 2013-14	Joint Commissioner
Value Added Tax and Central Sales Tax	Tax	1.88	-	FY 2006-07 & 2007-08	Joint Commissioner of Commercial tax
Value Added Tax and Central Sales Tax	Non-Submission of Certificates	4.09	-	FY 2012-13	Joint Commissioner of Commercial tax
Value Added Tax and Central Sales Tax	Non-Submission of Certificates and Documents	4.013	-	FY 2008-09	Joint Commissioner of Sales tax
Value Added Tax and Central Sales Tax	Tax, interest and Non-Submission of Certificates	68.22	-	FY 2012-13 & 2013-14	Joint Commissioner of Sales tax
Value Added Tax and Central Sales Tax	Tax and Interest	27.29	-	FY 2015-16	President Sales Tax, west Bengal
Value Added Tax and Central Sales Tax	Tax and Penalty	2.521	-	FY 2009-10, FY 2012-13 and FY 2013-14	Assistant Commissioner of Commercial Taxes
Value Added Tax and Central Sales Tax	Tax and Interest	63.54	-	FY 2017-18	Commercial Tax Officer, Jaipur
Service Tax	Tax and Penalty	50.1	-	FY 2012-13 to FY 2015-16	Additional Directorate General DGGSTI, Mumbai
Service Tax	Tax	2.52	-	FY 2003-08	Commissioner of Service Tax
Service Tax	Tax	303.72	-	FY 2011-12 and 2013-14	Commissioner of Service tax (Audit)
Service Tax	Tax, Interest and Penalty	9.12	-	FY 2012-13	Commissioner of Central Excise, Shillong Meghalaya
Service Tax	Tax	1.24	-	FY 2012-13 & FY 13-14	Joint Commissioner of Sales Tax (Appeal)





Name of Statute	Nature of dues	Demand (Rs. million)	Amount paid under protest (Rs. million)	Year to which amount relates	Forum where appeal pending
Service Tax	Tax	17.74	-	FY 2015-16	Appellate Deputy Commissioner, Hyderabad
Service Tax	Tax	1.23	-	FY 2016-17	Excise & taxation Officer
Good and Service Tax	Tax and Interest	426.07	-	FY 2016-17 & 2017-18	Principal Commissioner CGST and C. Ex Mumbai
Good and Service Tax	Tax and penalty	289.35	-	FY 2014-15 & 2015-16	Principal Commissioner CGST

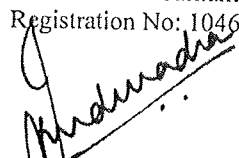
8. According to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to bank, financial institutions or debenture holders. The Company does not have any loans or borrowings from government during the year.
9. According to the information and explanations given to us and based on our examination of records of the Company, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
10. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by the Company or fraud on the Company by its officers or employee has been noticed or reported during the year.
11. In our opinion and according to the information and explanation given to us, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the Company has entered into transactions with related parties in compliance with the provisions of section 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute audit committee under section 177 of the Act and hence, to this extent, the provisions of paragraph 3 (xiii) of the Order is not applicable to the Company.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares. The amount raised has been used for the purposes for which they were raised. The company has not made any private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.



KALYANIWALLA  
& MISTRY LLP

16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

  
Jaresh K. Udawadia  
Partner  
Membership No: 124658  
UDIN No. 20124658AAAAFV3339  
Mumbai, September 09, 2020



**Annexure B to the Independent Auditor's Report**

The Annexure referred to in clause (f) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2020:

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

We have audited the internal financial controls with reference to the standalone Ind AS financial statements of Sterling and Wilson Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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



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

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

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

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

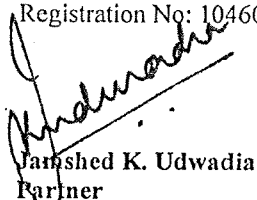
**Opinion**

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

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 Ind AS financial statements of the Company and these material weaknesses does not affect our opinion on the Ind AS financial statements of the Company.

We draw attention to the paragraph on Emphasis of Matter mentioned in our audit report on the impact of COVID -19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period.

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

  
Jamshed K. Udawadia  
Partner

Membership No: 124658  
UDIN No. 20124658AAAAFV3339  
Mumbai, September 09, 2020



# Sterling and Wilson Private Limited

## Standalone balance sheet

as at 31 March 2020

(Currency : Indian rupees in millions)

	Note	31 March 2020	31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	1,859.46	1,664.36
Capital Work-in-Progress	4	76.14	73.72
Right-of-use assets	4.1	140.64	-
Other intangible assets	5	67.04	95.86
<b>Financial assets</b>			
(i) Investments	6	804.34	852.66
(ii) Loans	7	113.98	74.87
(iii) Other financial assets	8	46.09	44.08
Deferred tax assets (net)	9	1,067.33	499.31
Non-current tax assets (net)	10	1,280.41	769.89
Other non-current assets	11	60.78	25.55
<b>Total non-current assets</b>		<b>5,516.21</b>	<b>4,100.30</b>
<b>Current assets</b>			
Inventories	12	600.35	783.25
<b>Financial assets</b>			
(i) Investments	13	6.96	5.15
(ii) Trade receivables	14	16,762.02	18,689.93
(iii) Cash and cash equivalents	15	605.17	258.45
(iv) Bank balances other than cash and cash equivalents	16	580.27	358.85
(v) Loans	17	16,376.30	10,519.07
(vi) Other financial assets	18	14,175.47	9,822.66
Other current assets	19	3,073.28	2,924.78
<b>Total current assets</b>		<b>52,179.82</b>	<b>43,362.14</b>
<b>Total assets</b>		<b>57,696.03</b>	<b>47,462.44</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	20	293.69	160.36
Compulsorily convertible non-cumulative preference shares	20	15,025.00	2,500.00
		15,318.69	2,660.36
Other equity	21		
- Capital redemption reserve		500.00	500.00
- Securities premium account		5,600.41	733.75
- Loan towards Equity		-	3,350.00
- Retained earnings		(701.93)	613.67
- General Reserve		133.89	133.90
- Other comprehensive income		(14.13)	(23.92)
		5,518.24	5,307.41
<b>Total equity</b>		<b>20,836.93</b>	<b>7,967.77</b>



# Sterling and Wilson Private Limited

## Standalone balance sheet

as at 31 March 2020

(Currency : Indian rupees in million)

	Note	31 March 2020	31 March 2019
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	22	446.83	-
Provisions	23	209.28	199.41
<b>Total non-current liabilities</b>		<b>656.11</b>	<b>199.41</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	24	14,169.50	16,163.14
(ii) Lease liabilities	51	148.59	-
(iii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises		1,114.26	212.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises		13,124.27	15,035.58
(iv) Other financial liabilities	26	938.72	1,040.15
Other current liabilities	27	6,081.37	6,311.40
Provisions	28	592.14	521.05
Current tax liabilities (net)	29	34.14	11.65
<b>Total current liabilities</b>		<b>36,202.99</b>	<b>39,295.27</b>
<b>Total liabilities</b>		<b>36,859.10</b>	<b>39,494.68</b>
<b>Total equity and liabilities</b>		<b>57,696.03</b>	<b>47,462.44</b>

### Significant accounting policies

3

Notes to the standalone financial statements

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

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166

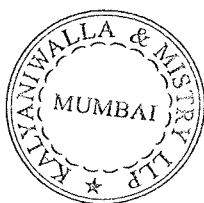
Jayshred K. Udawadia

Partner

Membership No: 124658

Mumbai

September 09, 2020



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

CIN:U31200MH1974PTC017538

Zarine Daruvala

Director

DIN: 00190585

Mumbai

Khurshed Daruvala

Director

DIN: 00216905

Mumbai

Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

September 09, 2020

K. P. Hariharan

Company Secretary

Membership No: A-5165

Mumbai

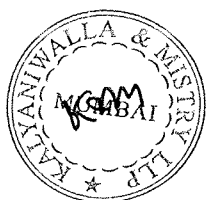
# Sterling and Wilson Private Limited

## Standalone statement of profit and loss

as at 31 March 2020

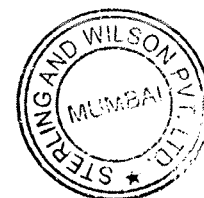
(Currency : Indian rupees in millions)

	Note	31 March 2020	31 March 2019
<b>Income</b>			
Revenue from operations	30	30,817.48	31,809.89
Other income	31	2,367.12	1,030.80
<b>Total income</b>		<u>33,184.60</u>	<u>32,840.69</u>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	32	18,683.52	19,104.38
Changes in inventories of stock-in-trade	33	(160.29)	(18.59)
Direct project costs	34	9,472.73	8,149.98
Employee benefits expense	35	2,741.95	2,165.74
Other expenses	38	1,620.97	1,357.59
<b>Total expenses</b>		<u>32,358.88</u>	<u>30,759.10</u>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>825.72</b>	<b>2,081.59</b>
Finance costs	36	2,418.28	1,750.67
Depreciation and amortisation expense	37	296.15	132.21
<b>(Loss) / Profit before income tax</b>		<u>(1,888.71)</u>	<u>198.70</u>
<b>Tax expense:</b>			
	47		
Current tax		-	53.96
Less: Mat credit		-	(53.96)
Provision for earlier years		0.18	-
Deferred tax (credit) / charge		(573.28)	51.21
		<u>(573.10)</u>	<u>51.21</u>
<b>(Loss) / Profit for the year</b>		<u>(1,315.61)</u>	<u>147.50</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(i) Remeasurements of defined benefit liability		15.05	(15.17)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.26)	-
<b>Other comprehensive income for the year, net of income tax</b>		<u>9.79</u>	<u>(15.17)</u>
<b>Total comprehensive (loss) / income for the year</b>		<u>(1,305.82)</u>	<u>132.33</u>



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# Sterling and Wilson Private Limited

## Standalone statement of profit and loss (Continued)

as at 31 March 2020

(Currency : Indian rupees in million)

Basic earnings per share (EPS) (Rs.)	(59.53)	9.20
Diluted earnings per share (DEPS) (Rs.)	(59.53)	5.67

### Significant accounting policies

3

Notes to the standalone financial statements

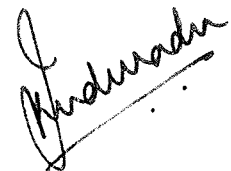
The attached notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166



**Jamshed K. Udawadia**

Partner

Membership No: 124658


Mumbai

September 09, 2020



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

CIN:U31200MH1974PTC017538



**Zarine Daruvala**

Director

DIN: 00190585

Mumbai

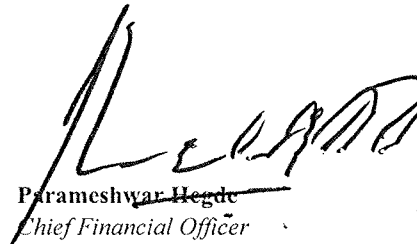


**Khurshed Daruvala**

Director

DIN: 00216905

Mumbai



**Parameshwar Hegde**

Chief Financial Officer

Membership No: 203490

Mumbai

September 09, 2020



**K. P. Hariharan**

Company Secretary

Membership No: A-5165

Mumbai



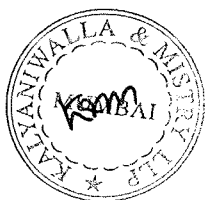
# Sterling and Wilson Private Limited

## Standalone statement of cash flow

as at 31 March 2020

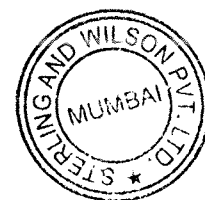
(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>A) Cash flows from operating activities</b>		
Profit / (Loss) before tax	(1,888.71)	198.70
<i>Adjustments for:</i>		
Depreciation and amortisation expense	296.15	132.21
Supplier balances written back	(102.15)	(74.69)
Provision for gratuity	6.94	35.08
Provision for leave encashment	16.13	59.23
Bad debts written off	273.72	52.26
(Write back)/Provision for bad and doubtful debts written back	(173.14)	(35.48)
Loss on sale of property, plant and equipments (net)	(0.75)	0.30
Property, plant and equipment written off	8.62	-
(Write back) / provision for foreseeable losses (net)	65.22	(24.38)
Provision for liquidated damages (net)	(7.33)	8.47
Dividend income	(0.11)	(15.80)
Guarantee commission	(176.75)	(45.50)
Finance costs	2,418.28	1,750.67
Interest income	(1,961.07)	(529.25)
Financial assets measured at FVTPL - net change in fair value	56.88	(12.89)
Gain on sale of investments (net)	-	(1.30)
Unrealised foreign exchange loss (net)	244.26	183.39
Operating profit before working capital changes	<u>(923.81)</u>	<u>1,681.02</u>
<i>Working capital adjustments</i>		
(Increase) in inventories	182.90	(324.25)
(Increase) in trade receivables	1,806.17	(3,606.61)
Decrease/(Increase) in loans and advances	(379.91)	117.34
(Increase) in other financial assets	(4,183.51)	(2,461.70)
(Increase) in other current and non-current assets	(372.93)	(762.25)
Increase in trade payable, other current liabilities and provisions	(867.59)	4,468.45
<b>Net change in working capital</b>	<u>(3,814.87)</u>	<u>(2,569.02)</u>
<b>Cash flows generated from operating activities</b>	<u>(4,738.68)</u>	<u>(887.99)</u>
Income tax (paid) (net)	(488.03)	(228.12)
Effects of exchange differences on translation of assets and liabilities	(1.92)	-
<b>Net cash flows generated from operating activities</b>	<b>(A) <u>(5,228.63)</u></b>	<b><u>(1,116.11)</u></b>
<b>B) Cash flows from investing activities</b>		
Investment in equity shares of a subsidiary	(3.11)	-
Proceeds from investment	1.75	-
(Purchase) of non-current investments	(9.01)	-
(Purchase) of current investments	-	(1,202.50)
Proceeds from sale of current investments	-	1,201.30
(Purchase) of property, plant and equipment and intangible assets	(374.87)	(434.13)
Proceeds from sale of property, plant and equipment	3.10	6.20
(Purchase) of fixed deposits, net	(223.43)	(48.61)
Loan given to subsidiaries(net)	(5,557.96)	(10,314.76)
Interest received	1,961.07	86.51
Dividend received	0.11	15.80
<b>Net cash flows (used in) investing activities</b>	<b>(B) <u>(4,202.35)</u></b>	<b><u>(10,690.18)</u></b>



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Sterling and Wilson Private Limited

Standalone statement of cash flow (Continued)

as at 31 March 2020

(Currency : Indian rupees in million)

		31 March 2020	31 March 2019
<b>C) Cash flows from financing activities</b>			
Equity Capital Issued		5,000.00	-
Advance against Equity		(3,350.00)	3,350.00
Proceeds from issue of compulsorily convertible preference shares		12,525.00	-
Non convertible Debentures obtained		1,600.00	-
Secured loans obtained		591.52	-
Unsecured loans obtained		24,205.32	29,131.92
Unsecured loans repaid		(26,370.54)	(23,456.04)
Increase in cash credit from banks (net)		(458.16)	595.95
Secured loans obtained		6,385.00	-
Repayment of secured loans (net)		(7,484.25)	-
Repayment of lease liabilities		(112.91)	-
Finance costs paid		(2,755.89)	(936.68)
<b>Net cash flows (used in) financing activities</b>	<b>(C)</b>	<b>9,775.09</b>	<b>8,685.14</b>
<b>Net movement in currency translation</b>	<b>(D)</b>	<b>2.61</b>	<b>(132.77)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A + B + C + D)</b>	<b>346.72</b>	<b>(3,253.92)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>258.45</b>	<b>3,512.37</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>605.17</b>	<b>258.45</b>

Notes :

- The standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Statement of Cash Flows.
- Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).
- The Company's banks have lien on fixed deposits aggregating Rs.625.30 million (31st March 2019: Rs. 396.15 million) against the Bank Gaurantees issued on behalf of the Company/Borrowing by the Company.

4 Components of cash and cash equivalents

	31 March 2020	31 March 2019
Balance with banks		
- in current accounts	601.50	235.13
Cheques in hand	-	11.72
Cash on hand	3.67	11.60
	<b>605.17</b>	<b>258.45</b>

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

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

Reconciliation of liabilities arising from financing activities

Particulars	As at 1 April 2019	Changes considered in the standalone statement of cashflows	Non-cash changes (including foreign exchange adjustment)	As at 31 March 2020
Long-term borrowings	-	446.83	-	446.83
Short-term borrowings	16,163.14	(1,993.64)	-	14,169.50



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Sterling and Wilson Private Limited

Standalone statement of cash flow (Continued)

as at 31 March 2020

(Currency : Indian rupees in million)

Particulars	As at 1 April 2018	Changes considered in the standalone statement of cashflows	Non-cash changes (including foreign exchange adjustment)	As at 31 March 2019
Long-term borrowings	-	-	-	-
Short-term borrowings	9,883.86	6,279.28		16,163.14

6 The above standalone statement of cash flows included Rs. 15.49 million(31st March 2019 : Rs. Nil) towards corporate social responsibility.

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

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166

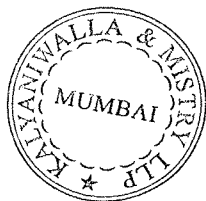
Jamshed K. Udawadia

Partner

Membership No: 124658

Mumbai

September 09, 2020



For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PTC017538

Zarine Daruvala

Director

DIN: 00190585

Mumbai

Khurshed Daruvala

Director

DIN: 00216905

Mumbai

Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

September 09, 2020

K. P. Hariharan

Company Secretary

Membership No: A-5165

Mumbai

Sterling and Wilson Private Limited  
**Standalone statement of changes in equity**  
*as at 31 March 2020*

(Currency : Indian rupees in millions)

**A. Share capital**

Note	Balance as at 1 April 2019	Changes in share capital during the year	Balance as at 31 March 2020
Equity share capital	160.36	133.33	293.69
	<i>160.36</i>	-	<i>160.36</i>

*Previous year numbers are in italics*

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

Note	Balance as at 1 April 2019	Changes in share capital during the year	Balance as at 31 March 2020
Compulsorily convertible non-cumulative preference shares	2,500	12,525.00	15,025.00
	<i>2,500</i>	-	<i>2,500</i>

*Previous year numbers are in italics*

**C. Other equity**

	Reserves and surplus				Sub-total		Items of other comprehensive income		Sub-total	Total
	Deemed equity contribution received from the holding company	Retained earnings	Securities premium account	General reserve	Redemption reserve	Capital reserve	Foreign currency translation reserve	Effective portion of cash flow hedge		
Balance as at 1 April 2019	3,350	613.68	733.75	133.89	500.00	-	-	-	(23.92)	5,303.40
Total comprehensive income for the year	-	-	4,866.67	-	-	-	-	-	-	3,551.06
Profit for the year	-	(1,315.61)	-	-	-	-	-	-	-	9.79
Items of OCI for the period, net of tax:	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability, net of tax	-	-	-	-	-	-	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-
Loan towards Equity	(3,350.00)	-	-	-	-	-	-	-	-	(3,350.00)
Total comprehensive income for the year	(3,350.00)	(1,315.61)	4,866.67	-	-	-	-	-	9.79	210.85
Balance as at 31 March 2020	-	(701.93)	5,600.42	133.89	500.00	-	-	-	(14.13)	5,518.25

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

For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Firm's Registration No: 077/W/W/100166

*[Signature]*  
Anand K. Udawala  
Partner  
Membership No: 124658  
Mumbai  
September 09, 2020



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

*[Signature]*  
Zarine Daruvala  
Director  
DIN: 00190585  
Mumbai

*[Signature]*  
Khurshed Daruvala  
Director  
DIN: 00216905  
Mumbai

*[Signature]*  
Parashwar Hegde  
Chief Financial Officer  
Membership No: 203490  
Mumbai

*[Signature]*  
K. P. Hariharan  
Company Secretary  
Membership No: A-5165  
Mumbai

September 09, 2020

# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2020

(Currency : Indian rupees in millions)

### 1 Background

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

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

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

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

### 2 Basis of preparation of the standalone Ind AS financial statements

#### a Statement of compliance

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

The standalone Ind AS financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on September 9, 2020.

#### b Functional and presentation currency

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

#### c Current/ non-current classification

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

##### Assets

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

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

All other assets are classified as non-current.

##### Liabilities

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

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

All other liabilities are classified as non-current.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2020

(Currency : Indian rupees in millions)

### *Operating Cycle*

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

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

### *d Basis of measurement*

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

### *e Use of estimates and judgments*

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

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 are as follows:

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

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the period in which such changes are determined.

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

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

#### *(iii) Recoverability of deferred income tax assets*

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

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

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in

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

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



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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(Currency : Indian rupees in millions)

### (v) *Provision for obsolete inventory*

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

### (vi) *Impairment losses on trade receivables*

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible 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.

### (vii) *Impairment losses on investment*

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

### (viii) *Measurement of fair values*

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

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

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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### (ix) Leases

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

## 3 Significant accounting policies

### 3.1 Property, plant and equipment

#### Recognition and measurement

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

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

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar

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

#### Capital work in progress and Capital advances:

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

#### Depreciation

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

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





# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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

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

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

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

### 3.2 Other intangible assets

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

#### *Amortisation*

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

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

#### *Derecognition*

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

### 3.3 Financial instruments

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

#### (a) Recognition and initial measurement

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

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

#### (b) Classification and subsequent measurement

##### *Financial assets*

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

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

### *Financial assets: Business model assessment*

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

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

### *Financial assets: Business model assessment (Continued)*

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

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

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



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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### *Financial assets: Subsequent measurement and gains and losses*

#### *(i) Financial assets at FVTPL:*

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

#### *(ii) Financial assets at amortised cost:*

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

#### *(iii) Debt investments at FVOCI:*

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

#### *(iv) Equity investments at FVOCI:*

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

### *Financial liabilities: Classification, subsequent measurement and gains and losses*

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

## **(c) Derecognition**

### *Financial assets*

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

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

### *Financial liabilities*

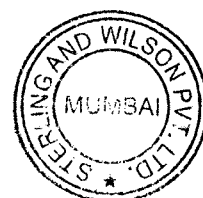
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial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

## **(d) Offsetting**

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



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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(Currency - Indian rupees in millions)

### (e) Derivative financial instruments and hedge accounting

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

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

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

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

#### Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the standalone statement of profit and loss.

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

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

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

### 3.4 Fair Value

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

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

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

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

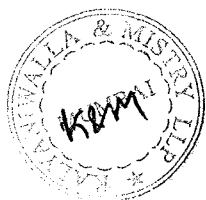
Level 3 : inputs that are unobservable for the asset or liability

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

### 3.5 Inventories

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

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

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### 3.6 Statement of cash flows

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

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

### 3.7 Impairment

#### Impairment of non-financial assets

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

### 3.8 Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefits

##### (i) Defined contribution plans

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

##### (ii) Defined benefit plans

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

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

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

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





# Sterling and Wilson Private Limited

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When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, 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

### *Revenue from sale of goods*

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

### *Operation and maintenance income:*

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

### *Multiple deliverable arrangements*

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

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

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

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

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

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

### **3.12 Leases**

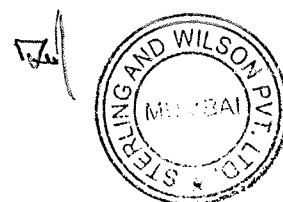
Policy applicable before April 01, 2019:

Determining whether an arrangement 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 Company 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.



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(Currency : Indian rupees in millions)

### Lease payments

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The standard permits a choice on initial adoption, on a lease-by-lease basis, to measure the right-of-use asset at either its carrying amount as if Ind AS 116 had been applied since the commencement of the lease, or an amount equal to the lease liability adjusted for accruals or prepayments. The Company has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

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

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

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

### 3.14 Income tax

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

#### Current tax

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

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

#### Minimum Alternative Tax ('MAT')

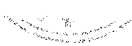
Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing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

#### Deferred tax

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

Deferred tax is not recognised for:

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



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2020

(Currency : Indian rupees in millions)

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

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

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

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

### 3.15 Foreign currency

#### (i) Foreign currency transactions

##### - Initial Recognition

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

##### - Measurement of foreign currency items at the reporting date

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

#### (ii) Foreign operations

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

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

### 3.16 Borrowing cost

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

### 3.17 Investments

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

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2020

(Currency : Indian rupees in millions)

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

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

### 3.18 Earnings per share

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

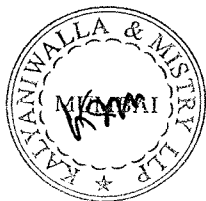
Diluted EPS is computed using the weighted average number of equity and dilutive (potential ) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

### 3.19 Events after reporting date

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

### 3.20 Standards issued but not yet effective

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



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Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

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

Particulars	Office buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying amount :</b>									
Balance as at 1 April 2018	1,198.21	60.56	238.24	12.95	56.00	110.23	1,676.18	56.90	1,713.08
Add: Additions during the year	-	106.39	171.34	6.33	16.17	47.26	347.47	143.21	490.69
Add: Transfer	-	2.07	2.01	0.05	-	0.21	4.34	-	4.34
Less: Disposals during the year	5.20	-	0.31	-	6.87	0.15	12.53	106.39	118.92
Balance as at 31 March 2019	1,193.01	169.02	411.28	19.32	65.29	157.54	2,015.46	73.72	2,089.18
Balance as at 1 April 2019	1,193.01	169.02	411.28	19.32	65.29	157.54	2,015.46	73.72	2,089.18
Add: Exchange differences on translation of foreign operations	-	0.16	1.84	0.00	0.15	0.02	2.17	-	2.17
Add: Additions during the year	-	-	300.91	1.17	9.21	50.86	362.15	121.32	483.47
Less: Disposals during the year	-	-	1.13	-	13.22	0.55	14.90	118.90	133.80
Balance as at 31 March 2020	1,193.01	169.18	712.90	20.49	61.43	207.87	2,364.88	76.14	2,441.02
<b>Accumulated depreciation :</b>									
Balance as at 1 April 2018	22.42	43.71	98.50	4.43	24.88	54.97	248.91	-	248.91
Add: Additions during the year	18.91	9.14	36.76	1.79	8.81	32.16	107.57	-	107.57
Add: Transfer	-	0.05	0.59	-	-	0.01	0.65	-	0.65
Less: Disposals during the year	0.16	-	0.29	-	5.47	0.11	6.03	-	6.03
Balance as at 31 March 2019	41.17	52.90	135.56	6.22	28.22	87.03	351.10	-	351.10
Balance as at 1 April 2019	41.17	52.90	135.56	6.22	28.22	87.03	351.10	-	351.10
Add: Exchange differences on translation of foreign operations	-	0.05	0.18	0.00	0.01	0.01	0.25	-	0.25
Add: Additions during the year	18.90	27.99	66.94	2.19	7.61	43.00	166.63	-	166.63
Less: Disposals during the year	-	-	1.07	-	11.06	0.42	12.55	-	12.55
Balance as at 31 March 2020	60.07	80.94	201.61	8.41	24.78	129.62	505.43	-	505.43
<b>At 31 March 2020</b>	1,132.93	88.24	511.29	12.09	36.65	78.26	1,859.46	76.14	1,935.59
<b>At 31 March 2019</b>	1,151.83	116.12	275.72	13.10	37.08	70.52	1,664.36	73.72	1,738.08



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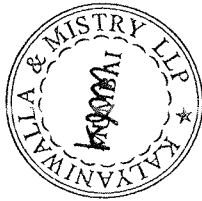
# Sterling and Wilson Private Limited

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

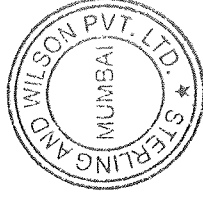
(Currency : Indian Rupees in millions)

### Notes:

- a) Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.
- b) Rs. Nil amount of impairment loss is recognised during the current and comparative periods.
- c) As at 31 March 2020, properties with a carrying amount of Rs. Nil (31 March 2019: Rs. Nil) and all movable fixed assets with carrying amount of Rs. 638.26 million (31 March 2019: Rs. 396.40 million) are subject to first charge to secure bank loans.
- d) Adjustments includes the exchange fluctuation of Rs. 1.91 million (31 March 2019 : Rs. Nil) on net block due to translation of property, plant and equipment of a foreign branch at closing exchange rate.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

### 4.1 Disclosure under Ind AS 116, Leases

#### A) Right-of-use assets

	Land and Buildings *	Total
<b>Cost</b>		
Balance as at 1 April 2019	239.72	239.72
Add: Additions during the year	-	-
Less: Disposals during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>239.72</b>	<b>239.72</b>
<b>Accumulated depreciation and impairment</b>		
Balance as at 1 April 2019	-	-
Add: Depreciation for the year	99.07	99.07
<b>Balance as at 31 March 2020</b>	<b>99.07</b>	<b>99.07</b>
<b>Carrying amounts</b>		
Balance as at 1 April 2019	239.72	239.72
<b>Balance as at 31 March 2020</b>	<b>140.65</b>	<b>140.65</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 4.1 under "Property, plant and equipment and capital work-in-progress".

#### B) Breakdown of lease expenses

	For the year ended 31 March 2020
Short-term lease expense	212.73
<b>Total lease expense</b>	<b>212.73</b>

#### C) Cash outflow on leases

	For the year ended 31 March 2020
Repayment of lease liabilities (Including Interest on lease liab)	112.91
Short-term lease expense	212.73
<b>Total cash outflow on leases</b>	<b>325.64</b>

#### D) Maturity analysis of lease liabilities

31 March 2020	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities	102.36	24.08	11.44	10.72	148.60	11.50%
	<b>102.36</b>	<b>24.08</b>	<b>11.44</b>	<b>10.72</b>	<b>148.60</b>	



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

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

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

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

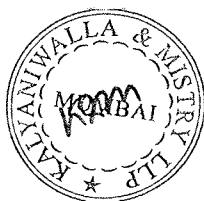
Lease obligations	31 March 2019
Lease payments recognised in the standalone statement of profit and loss	
- Cancellable	397.88
- Non-cancellable	70.73
Future minimum lease payments under non-cancellable operating leases	
Due not later than one year	18.86
Due later than one year but not later than five years	34.66
Later than five years	-

#### E) Impact of changes in accounting policies

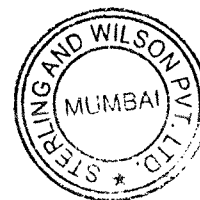
Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

#### F) Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Particulars	Rs. in million
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	282.72
Less: Discounting impact	43.00
Lease liabilities recognised in the statement of financial position as at 1 April 2019	239.72



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

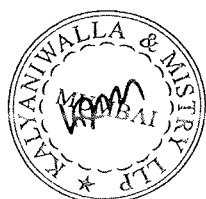
(Currency : Indian rupees in millions)

### 5 Intangible assets and intangible assets under development

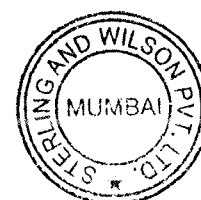
Particulars	Computer software	Intangible assets under development	Total
<b>Gross carrying amount :</b>			
Balance as at 1 April 2018	108.85	9.60	118.45
Add: Additions during the year	55.73	-	55.73
Less: Disposals during the year	-	9.60	9.60
Balance as at 31 March 2019	<b>164.58</b>	-	<b>164.58</b>
Balance as at 1 April 2019	164.58	-	164.58
Add: Exchange differences on translation of foreign operations	0.01	-	0.01
Add: Additions during the year	10.29	-	10.29
Less: Deletion during the year	23.36	-	23.36
<b>Balance as at 31 March 2020</b>	<b>151.52</b>	-	<b>151.52</b>
<b>Accumulated amortisation and impairment losses:</b>			
Balance as at 1 April 2018	44.07	-	44.07
Add: Amortisation for the year	24.65	-	24.65
Balance as at 31 March 2019	<b>68.72</b>	-	<b>68.72</b>
Balance as at 1 April 2019	68.72	-	68.72
Add: Exchange differences on translation of foreign operations	-	-	-
Add: Amortisation for the year	30.45	-	30.45
Less: Deletion during the year	14.70	-	14.70
<b>Balance as at 31 March 2020</b>	<b>84.47</b>	-	<b>84.47</b>
<b>At 31 March 2020</b>	<b>67.04</b>	-	<b>67.04</b>
At 31 March 2019	95.86	-	95.86

#### Notes:

- Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.
- As at 31 March 2020, Rs. Nil (As at 31 March 2019 : Rs. Nil) of impairment loss is recognised.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

31 March 2020

31 March 2019

### 6 Non-current investments

#### Investment in equity instruments (fully paid-up)

##### (a) Unquoted, in subsidiaries (at cost)

Sterling and Wilson International FZE	11.25	11.25
1,000 [31 March 2019: 1,000] shares of AED 1,000 each, fully paid-up		
Range Consultants Private Limited #	49.62	49.62
150,000 [31 March 2019: 150,000] shares of Rs. 10 each, fully paid-up		
Sterling and Wilson Security Systems Private Limited	0.10	0.10
10,000 [31 March 2019: 10,000] shares of Rs. 10 each, fully paid-up		
Sterling and Wilson Nigeria Limited	1.69	1.69
6,375,000 [31 March 2019 : 6,375,000] shares of Naira 1 each, each fully paid up		
Sterling and Wilson Co-Gen Solutions Ltd. (formerly known as Royal Power Solutions Ltd)	-	1.75
Nil [31 March 2019: 8,000,000] shares of Naira 1 each, fully paid up		
Sterling and Wilson Co-Gen Solutions AG	3.47	3.47
50,000 [31 March 2019 : 50,000] shares of CHF 1 each, fully paid up		
Sterling and Wilson Middle East W.L.L.	1.86	0.73
98 [31 March 2019 : 98] shares of Qatari Riyals 1,000 each, fully paid up		
GCO PTY Ltd	1.83	-
38,000 [31 March 2019 : Nil] shares of AUD 1 each, fully paid up		

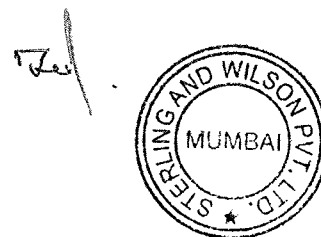
# The Company has pledged 100% of equity shares held by it in the share capital of Range Consultants Private Limited as a collateral security to secure bank loans.

##### (b) Unquoted, in others (at fair value through profit or loss)

Transtel Utilities Ltd,UK*#	0.00	-
10 [31 March 2019 : Nil] shares of GBP 1 each, fully paid up		
SWB Power Ltd*#	0.00	-
10 [31 March 2019 : Nil] shares of GBP 1 each, fully paid up		
Monjin Interviews Private Limited (Refer note 48(b))	199.12	225.20
237,037 [31 March 2019: 237,037] shares of Rs 10 each, fully paid-up		

\* The investments in Transtel Utilities Ltd, UK and SWB Power Ltd. are shown at Cost since the information about the fair value of those investments are not available. Management is of the view that the difference between Cost and Fair value is not material.

# The Investment value is less than Rs. 1,000





# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

31 March 2020 31 March 2019

### 6 Non-current investments (Continued)

Investment in Preference Shares  
(Measured at fair value through Profit and loss)

#### (a) Unquoted, in fellow subsidiaries

Sterling Generators Private Limited	535.35	558.85
-------------------------------------	--------	--------

500,000 [31 March 2019: 500,000] 4% redeemable, non-convertible, non-cumulative preference shares of Rs 1,000 each, fully paid-up. The preference shares are redeemable after a period of 6 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report.

#### Investment in Partnership Firm (at Cost)

Enrich-SWPL JV

0.05

#### Name of the Partners

#### Share in Profits (%)

Sterling and Wilson Private Limited

49%

Enrich RD Infraprojects Private Limited

51%

Total Capital of firm : Rs One lakh only.

**Note:** During the year 2019-20, the Company has formed a Partnership Firm viz. Enrich-SWPL JV by entering into a partnership deed dated 01 November 2019 for the purpose of supply, design, erection, testing and commission of electrification works including electrical work for Indian Railways.

804.34

852.66

The aggregate book value of unquoted non-current investments are as follows:

Aggregate book value of unquoted non-current investments	697.87	696.61
Aggregate carrying amount of non-current investments	804.34	852.66

### 7 Loans

(Unsecured, considered good)

Security deposits

113.98

74.87

113.98

74.87

### 8 Other non-current financial assets

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

46.09

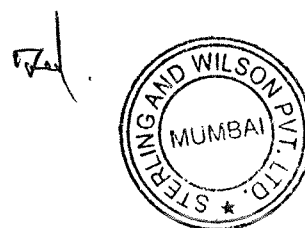
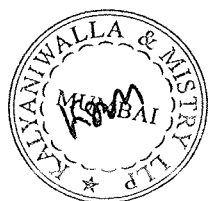
44.08

(Includes interest accrued on bank deposits Rs. 0.08 million [31 March 2019: Rs. 0.60 million])

46.09

44.08

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

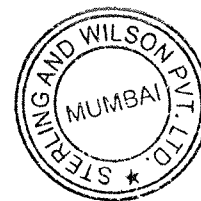
as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>9 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Employee benefits	200.39	192.34
Provision for bad and doubtful debts	88.94	102.57
Provision for unbilled receivables	-	46.87
Provision for loans and advances	18.35	18.35
Provision for foreseeable losses	32.24	3.26
Carry forward business losses *	628.33	108.58
Unabsorbed depreciation	192.39	69.57
Provision for liquidated damages	-	2.96
Mat credit entitlement	53.96	53.96
Others	2.28	0.14
	<u>1,216.88</u>	<u>598.59</u>
<b>Deferred tax liabilities</b>		
Excess of depreciation as per Income tax Act, 1961 over book depreciation	125.70	67.23
Fair valuation of investments	21.29	32.05
Writeback of Provision for liquidated damages	2.56	-
	<u>149.55</u>	<u>99.28</u>
<b>Deferred tax assets, net</b>	<u>1,067.33</u>	<u>499.31</u>
<b>Deferred tax assets recognised, net</b>	<u>1,067.33</u>	<u>499.31</u>
* Represents deferred tax asset recognised on carried forward business loss of Rs. 333.25 million and current year business loss of Rs. 1,464.58 million (31 March 2019 : Rs. 310.73 million)		
<b>10 Non-current tax assets (net)</b>		
Advance tax (net of provision for tax Rs. 732.99 million [31 March 2019: Rs. 1,376.38 million]) (includes fringe benefits tax and wealth tax)	1,280.41	769.89
	<u>1,280.41</u>	<u>769.89</u>
<b>11 Other non-current assets</b> (Unsecured, considered good) To parties other than related parties		
Capital advances	35.73	3.21
Prepayments	25.05	22.34
	<u>60.78</u>	<u>25.55</u>



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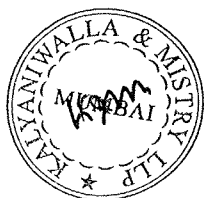
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>12 Inventories</b>		
<i>(valued at lower of cost or net realisable value unless otherwise stated)</i>		
Construction materials, stores and spare parts (includes inventory in transit Rs. Nil [31 March 2019: Rs. 183.97 million])	248.07	591.26
Stock-in-trade	352.28	191.99
	<u>600.35</u>	<u>783.25</u>
Carrying amount of inventories (included above) pledged as securities for borrowings	248.07	591.26
The cost of inventories recognised as an expense includes Rs. 27.5 million (31 March 2019: Rs. Nil) provided towards inventory obsolescence. The reversal of such write down during the current year amounted to Rs. Nil. (31 March 2019: Rs. Nil).		
<b>13 Current investments</b>		
<b>Investment in equity instruments</b>		
(Measured at fair value through profit and loss)		
<b>Quoted:</b>		
Crompton Greaves Consumer Electrical Limited*	0.00	0.00
6 [31 March 2019 : 6] Equity shares of Rs. 10 each, fully paid-up		
CG Power & Industrial Solution Limited*	0.00	0.00
6 [31 March 2019 : 6] Equity shares of Rs. 10 each, fully paid-up		
Ruchi Soya Limited*	0.00	0.00
2 [31 March 2019 : 200] Equity shares of Rs. 2 each, fully paid-up (31 March 2019 : Equity shares of Rs. 10 each, fully paid-up)		
Arshiya Limited	9.00	-
281,250 [31 March 2019 : Nil] Equity shares of Rs. 2 each, fully paid up		
Tata Consultancy Services Limited	2.25	2.46
1,232 [31 March 2019 : 1232] Equity shares of Re. 1 each fully paid-up		
<b>Unquoted:</b>		
Western India Sugar & Chemical Industries Limited	0.02	0.02
400 [31 March 2019 : 400] Equity shares of Rs. 10 each, fully paid-up		
Mid East India Limited	0.03	0.03
300 [31 March 2019 : 300] Equity shares of Rs. 10 each, fully paid-up		
Montari Leather Limited	0.03	0.03
1,000 [31 March 2019 : 1,000] Equity shares of Rs. 10 each fully paid-up		
Otoklin Plants and Equipment's Limited	0.03	0.03
500 [31 March 2019 : 500] Equity shares of Rs. 10 each, fully paid-up		
SIV Limited (South India Viscose Limited)	0.08	0.08
600 [31 March 2019 : 600] Equity shares of Rs. 10 each, fully paid-up		
Sudhiti Hosiery Limited	0.09	0.09
2,500 [31 March 2019 : 2,500] Equity shares of Rs. 10 each, fully paid-up		
Less: Provision for diminution in the value of unquoted current investments	7.37	0.27
<b>Total (a)</b>	<u>4.16</u>	<u>2.47</u>
* The Investment value is less than Rs. 1,000		
<b>Investment in debentures</b>		
(Measured at amortised cost)		
Western India Sugar & Chemical Industries Limited	0.01	0.01
300 [31 March 2019 : 300] 15% Debentures of Rs. 50 each, fully paid-up		
<b>Total (b)</b>	<u>0.01</u>	<u>0.01</u>



*[Handwritten signature]*



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>13 Current investments (Continued)</b>		
<b>Investment in mutual funds</b>		
(Measured at fair value through profit and loss)		
250,000 units [31 March 2019 : 250,000 units] Union Long Bond Fund Growth	2.79	2.67
<b>Total (c)</b>	<u>2.79</u>	<u>2.67</u>
<b>Total (a + b + c)</b>	<u><u>6.96</u></u>	<u><u>5.15</u></u>
Aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:		
Aggregate book value of quoted current investments	10.76	1.76
Aggregate market value of quoted current investments	11.26	2.46
Aggregate book value of unquoted current investments	0.28	0.28
Aggregate amount of impairment in value of current investments	7.37	0.27
<b>14. Trade receivables</b>		
(Unsecured)		
Trade Receivables (refer note below)		
- Considered good	16,762.02	18,689.93
- Considered doubtful	254.52	293.52
	<u>17,016.54</u>	<u>18,983.45</u>
Less: Doubtful debts	254.52	293.52
Net trade receivables	<u><u>16,762.02</u></u>	<u><u>18,689.93</u></u>
<b>Of the above, trade receivables from related parties are as below:</b>		
Total trade receivables from related parties	768.22	2,385.40
As at 31 March 2020, trade receivables includes retention of Rs. 2,459.18 million (31 March 2019 : Rs. 2,586.45 million) relating to construction contracts.		
<b>Note:</b>		
Certain customer balances under Trade Receivable are subject to balance confirmations and reconciliations, if any. The Company has also received balance confirmation replies from certain customers and are in the process of reconciling those balances with that as per books of accounts. The management is of the view that the impact on Statement of Profit and Loss will not be material.		
<b>Dues from firms or private companies in which any director is a partner or a director or member :</b>		
Shapoorji Pallonji and Company Private Limited	468.81	888.27
Sterling Generators Private Limited	91.79	-
Sterling and Wilson International FZE	-	1,057.22
	<u>560.60</u>	<u>1,945.49</u>



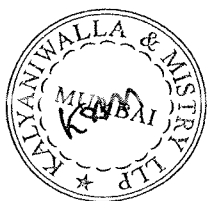
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>15 Cash and cash equivalents</b>		
Balances with Bank		
- in current accounts	601.50	235.13
Cheques, drafts on hand	-	11.72
Cash on hand	3.67	11.60
	<u>605.17</u>	<u>258.45</u>
<b>16 Bank balances other than cash and cash equivalents</b>		
Balances with banks		
- in deposit accounts * (with original maturity more than 3 months but less than 12 months)	580.27	358.85
(Includes interest receivable of Rs. 0.46 million (31 March 2019 : Rs. 6.18 million))		
	<u>580.27</u>	<u>358.85</u>
* Bank deposit to the extent of Rs. 579.81 million (31 March 2019 : Rs. 352.67 million) is held as margin money or security against the borrowings, guarantees, other commitments.		
<b>17 Loans</b>		
<i>(Unsecured, considered good)</i>		
<i>To related parties</i>		
-Loans given to subsidiaries	14,872.75	10,314.76
- Other related parties	999.97	-
(Includes interest receivable of Rs. 1,843.98 million [31 March 2019: Rs. 453.04])		
<i>To parties other than related parties</i>		
(i) Loan to others	304.21	-
(Includes interest receivable of Rs. 42.08 million (31 March 2019: Rs. Nil))		
(ii) Security deposits		
- considered good	162.62	168.99
- considered doubtful	6.00	6.00
	<u>168.62</u>	<u>174.99</u>
Less: Provision for doubtful deposit	6.00	6.00
	<u>162.62</u>	<u>168.99</u>
(iii) Loan to employees	36.75	35.32
	<u>16,376.30</u>	<u>10,519.07</u>



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

31 March 2020

31 March 2019

### 18 Other financial assets (Continued)

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

*Unbilled receivables*

Shapoorji Pallonji and Company Private Limited	268.77	272.43
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*Recoverable expenses*

Sterling and Wilson International FZE	1,757.34	460.99
Sterling and Wilson Middle East Electromechanical LLC	37.21	4.02
Sterling and Wilson Security Systems Private Limited	21.51	20.82
Sterling and Wilson Nigeria Limited	43.29	13.23
Sterling and Wilson Co-Gen Solutions Private Limited	41.82	10.89
Shashwat Energy Pvt Ltd	5.65	3.17
Sterling & Wilson Solar FZCO	26.10	-
Sterling and Wilson Waaree Private Limited	-	7.45
Transtel Utilities Limited, UK	135.26	-
Enrich-SWPL JV	24.55	-
SPC-SWPL JV	21.41	-
STC Power S.R.L	18.37	-

*Other receivables*

Sterling and Wilson Powergen Pvt Ltd	9.69	1.66
Sterling Generators Pvt Ltd	1.50	-
Sterling & Wilson Solar Ltd	141.79	-

### 19 Other current assets

*(Unsecured, considered good)*

*To related parties*

Advances for supply of goods	-	42.31
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*To parties other than related parties*

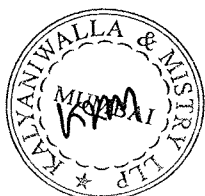
Advances for supply of goods		
- considered good	598.71	697.98
- considered doubtful	46.50	46.50
	<u>645.21</u>	<u>744.48</u>
Less: Provision for doubtful advances	(46.50)	(46.50)
	598.71	697.98
Advance to employees	129.49	83.31
Advance for projects	-	136.21
Other recoverables	2.06	0.85
Balance with government authorities	2,196.00	1,822.46
Prepayments	147.02	141.66
	<u>3,073.28</u>	<u>2,924.78</u>

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	-	42.31
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	<u>-</u>	<u>42.31</u>
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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>20 Equity share capital</b>		
<b>Authorised</b>		
50,000,000 Equity shares (31 March 2019: 18,000,000 shares) of Rs 10 each	500.00	180.00
16,500,000 (31 March 2019 : 2,520,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each	16,500.00	2,520.00
<b>Issued, subscribed and fully paid up:</b>		
29,369,333 Equity shares (31 March 2019 : 16,036,000 shares) of Rs 10 each, fully paid-up	293.69	160.36
15,025,000 (31 March 2019 : 2,500,000) 0% Compulsorily convertible non-cumulative preference shares of Rs. 1,000 each, fully paid-up	15,025.00	2,500.00
	<u>15,318.69</u>	<u>2,660.36</u>

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

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance as at the beginning and end of the year	16,036,000	160.36	16,036,000	160.36
Add: Issued during the year	13,333,333	133.33	-	-
<b>Balance as at the end of the year</b>	<u>29,369,333</u>	<u>293.69</u>	<u>16,036,000</u>	<u>160.36</u>
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Balance as at the beginning of the year *	2,500,000	2,500.00	2,500,000	2,500.00
Add: Issued during the year **	12,525,000	12,525.00	-	-
Less: Repayment during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<u>15,025,000</u>	<u>15,025.00</u>	<u>2,500,000</u>	<u>2,500.00</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 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 10 March 2020 and each share is convertible into four equity shares of par value Rs. 10 each after 240 months from the date of issue.

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



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

## 20 Equity share capital (continued)

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

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	19,480,000	194.80	10,546,667	105.47
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	7,500,000	7,500.00	-	-
Sashwat Energy Private Limited, subsidiary of the Holding Company	2,500,000	2,500.00	2,500,000	2,500.00

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

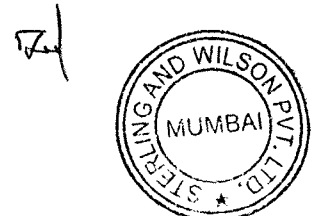
	31 March 2020		31 March 2019	
	Number	% holding	Number	% holding
<b>Equity shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	19,480,000	66.33%	10,546,667	65.77%
Khurshed Daruvala, Director	9,745,293	33.17%	5,345,293	33.33%
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	7,500,000	60%	-	-
Khurshed Daruvala, Director	5,025,000	40%	-	-
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 2020		31 March 2019	
	Number	Amount	Number	Amount
Compulsorily convertible non-cumulative preference 10,000,000 equity shares of Rs 10 each	10,000,000	100	10,000,000	100
Compulsorily convertible non-cumulative preference shares 50,100,000 equity shares of Rs 10 each	50,100,000	100	-	-

## 21 Other equity

Particulars	Note	31 March 2020	31 March 2019
Securities premium account	(i)	5,600.41	733.75
Loan towards Equity	(ii)	-	3,350.00
Capital Redemption Reserve	(iii)	500.00	500.00
General Reserve	(iv)	133.89	133.90
Retained earnings	(v)	(701.94)	613.67
Remeasurements of defined benefit liability	(vi)	(14.13)	(23.92)
		<u>5,518.23</u>	<u>5,307.41</u>





# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

### 21 Other equity (Continued)

Particulars	31 March 2020	31 March 2019
(i) <b>Securities premium account</b>		
Balance as at the beginning and end of the year	733.75	733.75
Add : Addition during the year	4,866.66	
Balance at end of the year	5,600.41	733.75
(ii) <b>Loan towards Equity</b>		
Balance as at the beginning and end of the year	3,350.00	-
Add : Addition during the year	-	3,350.00
Less: Deletions during the year	(3,350.00)	
Balance at end of the year	-	3,350.00
(iii) <b>Capital Redemption Reserve</b>		
Balance as at the beginning and end of the year	500.00	500.00
Balance at end of the year	500.00	500.00
(iv) <b>General Reserve</b>		
Balance as at the beginning and end of the year	133.89	133.90
Balance at end of the year	133.89	133.90
(v) <b>Retained earnings</b>		
Balance as at the beginning and end of the year	613.67	466.18
Add : Addition during the year	(1,315.61)	147.50
Balance at end of the year	(701.94)	613.67
(vi) <b>Remeasurements of defined benefit liability</b>		
Balance as at the beginning and end of the year	(23.92)	(8.75)
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	9.79	(15.17)
Balance at end of the year	(14.13)	(23.92)
<b>Total</b>	<b>5,518.23</b>	<b>5,307.40</b>

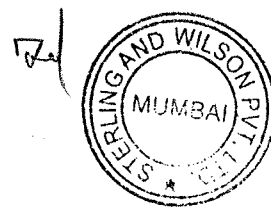
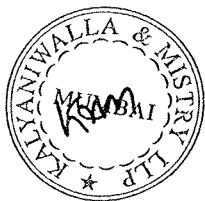
#### Notes:

##### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

##### Note on allotment against loan towards equity

The Company has issued and allotted 1,33,33,333 Equity Shares of face value of Rs. 10/-, at a price of Rs. 376/- each (inclusive of Premium of Rs. 366/- per share) on October 17, 2019, in lieu of and against the conversion of the aggregate value of unsecured loans taken by Company from Promoters and Promoter group. The issue price for conversion of loan into equity was determined on the basis of valuation report obtained by the Company.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

31 March 2020 31 March 2019

### 22 Long-term Borrowings

#### Term Loan

Secured (refer note 24)

From banks

446.83	-
<u>446.83</u>	<u>-</u>

Term Loan from ICICI Bank Limited of Rs. 600 million is repayable over a period of three years carrying a moratorium of one year commencing from the date of drawdown. The loan has been fully availed is repayable in 8 quarterly instalments. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) 8.65% plus Spread 2.35% (adjustable annually). The loan is secured by exclusive charge on commercial office unit no. 1301-1312, 13th Floor along with 55 car parkings located in Universal Majestic, P L Lokhande Marg, Chembur, Mumbai.

### 23 Long-term provisions

#### Provision for employee benefits

Gratuity (refer note 41)

209.28	199.41
<u>209.28</u>	<u>199.41</u>

### 24 Current borrowings

Secured

(a) Current maturities of long term debt (refer note 22)

144.69 -

(b) Loans repayable on demand

- Cash credit loan from banks (refer note (a) below)

567.39 1,025.55

(c) Other loans

Working capital loan from banks (refer note (a))

1,192.27 2,300.00

1,904.35 3,325.55

Unsecured

Working capital loan from others (refer note (b) below)

1,600.00 -

Loan and deposit from related parties (refer note (c), (d) and (e) below)

10,665.15 12,837.59

12,265.15 12,837.59

14,169.50 16,163.14



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

### 24 Current borrowings (Continued)

Details of the securities and the repayment terms:

- Cash credit/Working capital demand loan facility from State Bank of India, Union Bank of India, Yes Bank Limited, Axis Bank Limited, DBS Bank India Limited, ICICI Bank Limited, Corporation Bank, IDBI Bank Limited, IDFC First Bank Limited, RBL Bank Limited and IndusInd Bank Limited is secured by a first charge by way of hypothecation of all current assets, movable plant and machinery, computers, vehicles and furniture and fixtures with a carrying value of Rs. 638.26 million (31 March 2019: Rs. 396.40 million) as a collateral security, term deposit of Rs. 135 million 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 8.00% to 11.50% p.a., on monthly basis on actual amount utilised, and are repayable on demand.
- During the year, the company had issued Unsecured Rated Unlisted Non-Convertible Debentures of Rs. 1,600 million for a period of 91 days at interest rate of 11% p.a.
- Unsecured loans and deposits from directors and their relatives carry an interest rate of 12% p.a and are repayable on demand.
- Loan from parent company Shapoorji Pallonji & Co Pvt Ltd carry an interest rate of 11.5% and are repayable on demand.
- Loans from Related parties include Rs. 5,653.34 million as payable to Sterling and Wilson Solar Limited as at March 31, 2020 with interest expense of Rs. 1,649.63 million and average interest rate of 12%, Sterling and Wilson Waaree Pvt. Ltd. with loan of Rs. 107.50 million, interest expense of Rs. 37.91 million, rate of interest of 12% and Sterling and Wilson Energy Systems Pvt. Ltd. with loan of Rs. 199.50 million, interest expense of Rs. 0.10 million and interest rate of 19%.

	31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 45.1)	1,114.26	212.29
Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,939.11	10,962.86
Acceptances **	2,185.16	4,072.72
	<b>14,238.53</b>	<b>15,247.87</b>

### 25 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 45.1)  
Total outstanding dues of creditors other than micro enterprises and small enterprises\*  
Acceptances \*\*

\* 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. 2,185.16 million (31 March 2019: Rs. 4,072.72 million)

### 26 Other financial liabilities

To related parties

Interest accrued and due:

- to holding company	94.75	42.57
- to director	4.40	0.32
- other related parties	334.90	758.58

Other Payables

1.13 -

To parties other than related parties

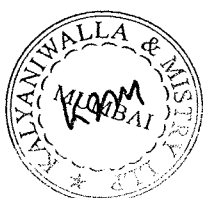
Interest accrued and due

- to banks	7.51	18.25
- to others	3.16	-
-to micro enterprises and small enterprises	28.11	0.86

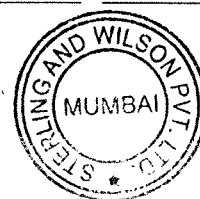
Employee benefits payable

464.76 219.57

**938.72** **1,040.15**



*[Handwritten signature]*



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

31 March 2020 31 March 2019

### 27 Other current liabilities

*To related parties*

Advances from customers (refer note 39 (C))	1,084.65	716.61
Billing in advance of work completed	111.00	25.81

*To parties other than related parties*

Employee payables	37.37	41.42
Statutory dues payable :		
- Tax deducted at source payable	158.15	103.03
- Provident fund payable	36.99	40.98
- Profession tax payable	2.39	1.08
- Employees State Insurance payable	-	4.92
Advances from customers (refer note 39 (C))	4,179.10	5,029.11
Billing in advance of work completed	471.72	348.44

6,081.37	6,311.40
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### 28 Short-term provisions

**Provision for employee benefits**

Gratuity (refer note 41)	8.45	11.38
Compensated absences	355.74	339.61

**Other provisions**

Provision for liquidated damages or price discount	135.69	143.02
Provision for foreseeable loss	92.26	27.04

592.14	521.05
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Provision foreseeable loss:

In case of construction contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss (foreseeable loss) is recognised as an expense immediately in the statement of profit and loss.

Provision for:	31 March 2020	31 March 2019
Opening balance	27.04	33.70
Less: Transferred to Sterling and Wilson Solar Limited		(15.98)
Add: during the year	92.26	27.04
Less: Utilised during the year	(27.04)	(17.72)
Closing balance	92.26	27.04

Provision liquidated damages:

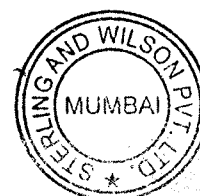
Liquidated damages or Price discounts are contractual obligations affecting the contract revenue in case of the construction contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts

Provision for:	31 March 2020	31 March 2019
Opening balance	143.02	134.55
Add: during the year	25.46	14.88
Less: Utilised during the year	(32.79)	(6.41)
Closing balance	135.69	143.02

### 29 Current tax liabilities (net)

Provision for current tax (net of advance tax Rs. 629.49 [31 March 2019: Rs. Nil]) (includes fringe benefit tax and wealth tax)	34.14	11.65
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34.14	11.65
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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>30 Revenue from operations</b>		
<b>Sale of services</b>		
Income from works contracts	28,031.05	28,827.81
Revenue from operation and maintenance services	2,777.87	1,999.95
Income from consultancy services	-	500.00
<b>Other operating income</b>		
Sale of scrap	-	6.23
Export incentives	8.56	38.880
Other operating income*	-	437.02
	<b>30,817.48</b>	<b>31,809.89</b>

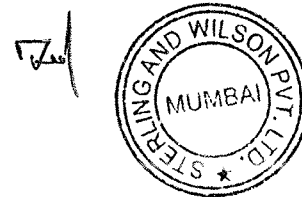
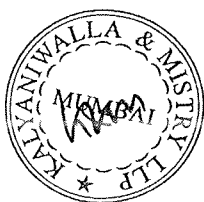
\*Other operating income in the previous year represents interest on overdue /delayed receivables from Skypower in terms of agreement entered into between the Company and Skypower.

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

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

### 31 Other income

Interest income:		
- deposits with banks	46.69	27.79
- loan to subsidiaries	1,498.23	456.12
- loan to others	4.21	-
- loan to employees	2.57	2.35
- security deposits	2.67	39.56
- retention payable	6.70	3.43
Write back of provision for bad and doubtful debts (net)	173.14	35.48
Dividend Income	0.11	15.80
Gain on forward cover cancellation	0.30	-
Supplier balances written back	102.15	74.69
Provision for Liquidated damages utilised(net)	7.33	-
Foreign exchange loss (net)	216.74	190.11
Other miscellaneous income	128.78	125.77
Profit on sale of Property, Plant & Equipments (net)	0.75	-
Gain on sale of investments (net)	-	1.31
Financial assets measured at fair value through profit & loss a/c - net change in fair value	-	12.89
Guarantee commission	176.75	45.50
	<b>2,367.12</b>	<b>1,030.80</b>



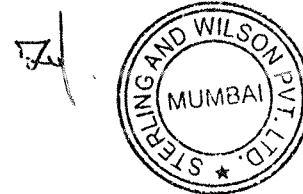
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>32 Cost of construction materials, stores and spare parts</b>		
Inventory of materials at the beginning of the year	591.26	285.59
Add: Purchase during the year	18,340.32	19,410.05
Less : Inventory of materials at the end of the year	248.06	591.26
	<u>18,683.52</u>	<u>19,104.38</u>
<b>33 Change in inventory of stock-in-trade</b>		
Inventory of stock-in-trade at the beginning of the year	191.99	173.40
Less: Inventory of stock-in-trade at the end of the year	352.28	191.99
Decrease/ (increase) in inventory	<u>(160.29)</u>	<u>(18.59)</u>
<b>34 Direct project costs</b>		
Communication expenses	12.82	12.12
Stores and spare parts consumed	95.51	66.81
Commission expenses	133.95	15.62
Legal and professional fees	354.39	313.92
Printing and stationery expenses	10.59	9.39
Insurance costs	145.37	121.90
Repairs and maintenance - others	138.50	112.11
Selling and marketing expenses	1.51	1.60
Traveling and conveyance expenses	132.07	106.50
Rent	152.73	112.53
Rates and taxes	40.53	34.39
Electricity, power and fuel	32.02	38.25
Donation	0.40	1.13
Bank charges	171.46	122.35
Provision for foreseeable loss(net)	65.22	9.32
Liquidated damages	35.14	8.47
Miscellaneous expenses	547.45	483.29
	<u>2,069.66</u>	<u>1,569.70</u>
<b>Employee benefits expense</b>		
Salaries, wages and bonus	2,255.92	1,560.06
Contribution to provident fund and other funds	231.44	162.24
Staff welfare expenses	63.48	63.79
	<u>2,550.84</u>	<u>1,786.09</u>
<b>Sub-contractor expenses</b>	4,852.23	4,794.19
	<u>9,472.73</u>	<u>8,149.98</u>



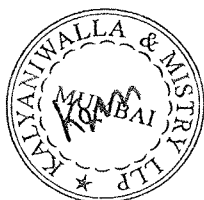
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>35 Employee benefits expense</b>		
Salaries, wages and bonus	2,337.17	1,810.59
Contribution to provident fund and other funds	153.19	119.16
Gratuity (refer note 41)	48.99	39.27
Compensated absences	71.06	98.40
Staff welfare expenses	131.54	98.32
	<u>2,741.95</u>	<u>2,165.74</u>
<b>36 Finance costs</b>		
Interest expense		
- on secured loans	374.54	444.88
- on unsecured loans	1,767.50	1,172.39
- on dues of micro enterprises and small enterprises	27.25	0.86
- on lease liabilities	21.78	-
- on others	53.41	103.36
- on retention payable	12.77	1.01
Discount on commercial paper	-	-
Other borrowing costs	161.03	28.17
	<u>2,418.28</u>	<u>1,750.67</u>
<b>37 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	166.62	107.57
Depreciation on Right-of-use assets	99.07	-
Amortisation of intangible assets	30.46	24.65
	<u>296.15</u>	<u>132.21</u>



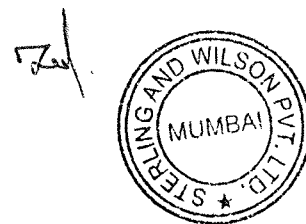
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

	31 March 2020	31 March 2019
<b>38 Other expenses</b>		
Communication expenses	45.13	55.46
Stores and spare parts consumed	7.80	0.86
Commission expenses	0.72	4.66
Legal and professional fees	380.37	180.79
Printing and stationery expenses	18.08	17.57
Insurance costs	23.86	17.36
Repairs and maintenance - others	95.29	91.33
Selling and marketing expenses	30.38	38.32
Traveling and conveyance expenses	297.24	343.50
Rent	60.00	356.08
Rates and taxes	23.32	15.40
Electricity, power and fuel	29.56	30.13
Payment to auditors (refer note (a) below)	3.38	2.60
Property, plant and equipment written off	8.62	-
Donation	3.69	1.15
Management support fees	108.14	23.83
Bank charges	59.64	41.79
Corporate social responsibility expenses (refer note 43)	15.49	-
Loss on sale of Property, Plant & Equipments (net)	-	0.30
Bad debts written off	273.72	52.26
Land development charges	0.08	0.32
Financial assets measured at fair value through profit & loss a/c - net change in fair value	56.88	-
Miscellaneous expenses	79.59	58.51
Forward cover premium	-	25.37
	<b>1,620.97</b>	<b>1,357.59</b>
<b>(a) Payment to auditors</b>		
As auditor		
Statutory audit	2.30	2.00
Tax audit	0.20	0.20
Other services	0.20	0.10
Certification services	0.68	0.30
	<b>3.38</b>	<b>2.60</b>





# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

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

A) The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Industrial Engineering Procurement and Construction (EPC). The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. There is no impact on the Company's revenue on applying Ind AS 115 from the contracts with customers.

#### B) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 44.

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

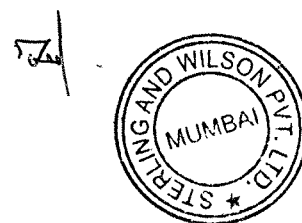
Particulars	31 March 2020	31 March 2019
<b>Contract assets*</b>		
<b>Unbilled receivables</b>		
Contract assets at the beginning of the year	8,970.04	6,532.17
Add: Revenue recognised during the year	30,808.92	31,327.76
Less: Invoiced during the year	(28,428.72)	(28,889.89)
<b>Contract assets as at end of the year</b>	<b>11,350.24</b>	<b>8,970.04</b>
<b>Contract liabilities**</b>		
<b>Advance from customers</b>		
Contract liabilities at the beginning of the year	5,745.72	5,103.13
Add: Addition during the year	-	642.59
Less: Applied during the year	(481.97)	-
<b>Contract liabilities as at end of the year</b>	<b>5,263.75</b>	<b>5,745.72</b>

\*The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

\*\*The contract liability primarily relates to the advances from customer towards on-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 2020	For the year ended 31 March 2019
<b>Income from works contracts</b>	<b>28,031.05</b>	<b>28,827.81</b>
<i>Adjustment on account of:</i>		
Provision for liquidated damages	7.33	(8.47)
<b>Total</b>	<b>28,023.72</b>	<b>28,819.34</b>
<b>Revenue from operation and maintenance services</b>	<b>2,777.87</b>	<b>1,999.95</b>
<i>Adjustment on account of:</i>		
Adjustment during the year	-	-
<b>Total</b>	<b>2,777.87</b>	<b>1,999.95</b>
<b>Revenue from Consultancy Fees</b>	<b>-</b>	<b>500.00</b>
<i>Adjustment on account of:</i>		
Adjustment during the year	-	-
<b>Total</b>	<b>-</b>	<b>500.00</b>



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

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

#### E) Performance obligation

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

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognizes the entire estimated loss in the year/period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

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

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020.



7A



# Sterling and Wilson Private Limited

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

(Currency - Indian rupees in millions)

## 40 Contingent liabilities and commitments

	31 March 2020	31 March 2019
<b>Contingent liabilities</b>		
(a) Claims against the company not acknowledged as debts		
(i) Demands raised by Income tax authorities	-	16.21
(ii) Demands raised by Sales tax authorities	579.03	389.24
(iii) Demands raised by Service tax authorities	1,087.32	660.89
(b) Bank guarantees outstanding	-	386.03
(c) Letter of credit on behalf of subsidiaries	-	643.73
(d) Corporate guarantees outstanding	9,337.21	9,963.45
	<u>11,003.56</u>	<u>12,059.55</u>
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs. 28.40 million [31 March 2019: Rs. 3.21 million])	35.73	25.38
Capital Commitment towards 50,000 equity shares of CHF 1 each of Sterling and Wilson Co-Gen Solutions AG	-	3.49
	<u>35.73</u>	<u>28.86</u>
<b>Other commitments</b>		
The Company has issued letters of undertakings to provide need based financial support to its following wholly owned subsidiaries:		
a) Sterling and Wilson International FZE and its subsidiaries; and		
b) Sterling and Wilson Security Systems Private Limited.		

## 41 Employee Benefits

### Defined contribution plan:

Contribution to provident fund and other funds aggregating to Rs. 384.62 million (31 March 2019: Rs. 281.40 million) is recognised as an expense and included in 'Employee benefits expenses'.

### Defined benefit plan and long-term employee benefits:

#### General description

#### Gratuity (Defined benefit plan)

In accordance with Indian law, the Company has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of Rs. 2.00 million.

#### Compensated absences (Short-term employee benefits)

Short term leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

### 41 Employee Benefits (Continued)

#### Change in the present value of the defined benefit obligation

	31 March 2020	31 March 2019
<b>I Reconciliation of the present value of defined benefit obligation</b>		
Balance at the beginning of the year	210.80	175.72
Acquired pursuant to Scheme of Arrangement	-	-
Benefits paid	(28.31)	(16.24)
Current service cost	32.57	25.51
Past Service Cost- Vested Benefits	-	-
Net interest cost	16.42	13.76
Liability transferred in / acquisitions	3.72	6.19
Liability transferred out	(2.40)	(9.30)
Actuarial (gains) losses recognised in other comprehensive income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(24.47)	1.11
- experience adjustments	9.42	14.06
Balance at the end of the year	<u>217.75</u>	<u>210.80</u>
<b>II Amount recognised in the standalone statement of profit and loss under employee benefits expense</b>		
Current service cost	32.57	25.51
Net interest cost	16.42	13.76
	<u>48.99</u>	<u>39.27</u>
<b>III Remeasurement recognised in other comprehensive income</b>		
Actuarial gains / losses on obligation for the year	(15.05)	15.17
	<u>(15.05)</u>	<u>15.17</u>
<b>IV Maturity profile of defined benefit obligation</b>		
Within next 12 months	8.45	11.38
Between 1 and 5 years	39.44	33.26
Above 5 years	604.04	748.72
<b>V Actuarial assumptions:</b>		
Discount rate	6.86%	7.79%
Salary escalation	5.00%	7.00%
Employee turnover	Service < 5 : 14%	Service < 5 : 14%
	Service >= 5 : 2%	Service >= 5 : 2%
Mortality tables	Indian assured	Indian assured
	lives mortality	lives mortality
	(2006-08)	(2006-08)
Weighted average duration of the projected benefit obligation	15 years	15 years

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

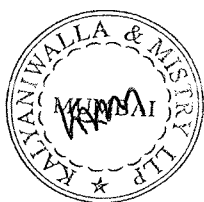
VI Sensitivity Analysis		Defined Be
The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
Defined Benefit Obligation - Discount rate + 100 basis points	(25.43)	(25.25)
Defined Benefit Obligation - Discount rate - 100 basis points	30.85	30.81
Defined Benefit Obligation - Salary escalation rate + 100 basis points	26.92	24.77
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(23.61)	(22.30)
Defined Benefit Obligation - Employee turnover + 100 basis points	5.88	3.48
Defined Benefit Obligation - Employee turnover - 100 basis points	(6.96)	(4.21)
The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.		

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

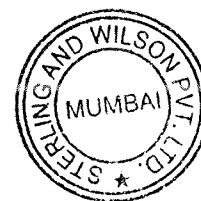
The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable to the Company.

#### Compensated absences

Compensated absences for employee benefits of Rs. 71.06 million (31 March 2019: Rs. 98.40 million) expected to be paid in exchange for the services recognised as an expense during the year.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency: Indian rupees in millions)

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

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

#### A. Details of investments made by the Company as on 31 March 2020

##### Investments in equity shares

Name of the entity	As at 1 April 2019	Transferred pursuant to scheme of arrangement	Investment made during the year	Redeemed during the year	Other Adjustments	As at 31 March 2020
Sterling and Wilson International FZE	11.25	-	-	-	-	11.25
	<i>11.25</i>	-	-	-	-	<i>11.25</i>
Range Consultants Private Limited	49.62	-	-	-	-	49.62
	<i>49.62</i>	-	-	-	-	<i>49.62</i>
Sterling and Wilson Security Systems Private Limited	0.10	-	-	-	-	0.10
	<i>0.10</i>	-	-	-	-	<i>0.10</i>
Sterling and Wilson Nigeria Limited	1.69	-	-	-	-	1.69
	<i>1.69</i>	-	-	-	-	<i>1.69</i>
Sterling and Wilson Royal Power Solutions Limited	1.75	-	-	1.75	-	(0.00)
	<i>1.75</i>	-	-	-	-	<i>1.75</i>
Sterling and Wilson Co-Gen Solutions AG	3.47	-	-	-	-	3.47
	<i>3.47</i>	-	-	-	-	<i>3.47</i>
Sterling and Wilson Middle East W.L.L.	0.73	-	1.13	-	-	1.86
	<i>0.73</i>	-	-	-	-	<i>0.73</i>
GCO PTY Ltd	-	-	1.83	-	-	1.83
	-	-	-	-	-	-
Transtel Utilities Ltd, UK#	-	-	0.00	-	-	0.00
	-	-	-	-	-	-
SWB Power Ltd#	-	-	0.00	-	-	0.00
	-	-	-	-	-	-
Monjin Interviews Private Limited	225.19	-	-	-	(26.07)	199.12
	<i>225.19</i>	-	-	-	-	<i>225.19</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	2.47	-	-	-	(0.22)	2.25
	<i>1.76</i>	-	-	-	<i>0.71</i>	<i>2.47</i>
Western India Sugar & Chemical Industries Limited	0.02	-	-	-	(0.02)	-
	<i>0.02</i>	-	-	-	<i>(0.02)</i>	-
Mid East India Limited	0.03	-	-	-	(0.03)	-
	<i>0.03</i>	-	-	-	<i>(0.03)</i>	-
Monnari Leather Limited	0.03	-	-	-	(0.03)	0.00
	<i>0.03</i>	-	-	-	<i>(0.03)</i>	<i>0.00</i>
Otoklin Plants and Equipment's Limited	0.03	-	-	-	(0.03)	0.00
	<i>0.03</i>	-	-	-	<i>(0.03)</i>	<i>0.00</i>
SIV Limited (South India Viscose Limited)	0.08	-	-	-	(0.08)	(0.00)
	<i>0.08</i>	-	-	-	<i>(0.08)</i>	<i>(0.00)</i>
Sudhiti Hosiery Limited	0.09	-	-	-	(0.09)	(0.00)
	<i>0.09</i>	-	-	-	<i>(0.09)</i>	<i>(0.00)</i>
Arshiya Limited	-	-	9.00	-	(7.10)	1.90
	-	-	-	-	-	-

\* previous year numbers are in Italics

# corresponding values are less than Rs. 1,000

##### Investment in preference shares

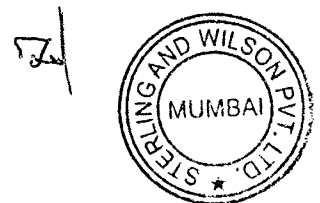
Name of the entity	As at 1 April 2019	Transferred pursuant to scheme of arrangement	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2020
Sterling Generators Private Limited	558.85	-	-	-	(23.50)	535.35
	<i>546.84</i>	-	-	-	<i>12.006</i>	<i>558.85</i>

\* previous year numbers are in Italics

##### Investment in debentures

Name of the entity	As at 1 April 2019	Transferred pursuant to scheme of arrangement	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2020
Western India Sugar & Chemical Industries Limited	0.01	-	-	-	-	0.01
	<i>0.01</i>	-	-	-	-	<i>0.01</i>

\* previous year numbers are in Italics



Sterling and Wilson Private Limited

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

(Currency - Indian rupees in millions)

42 Disclosure pursuant to section 186 of the Companies Act, 2013 (Continued)

Investment in mutual fund units

Name of the fund	As at 1 April 2019	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2020
Union Long Bond Growth Fund	2.67	-	-	0.12	2.79
BNP Paribas Overnight Liquid Fund Growth	-	2.50	-	0.17	2.67
	-	1,200.00	(1,200.00)	-	-

\* previous year numbers are in Italics

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

Name of the entity	As at 1 April 2019	Loans given during the year	Repaid during the year (including foreign exchange adjustment)	Foreign exchange during the year	As at 31 March 2020
Sterling and Wilson International FZE (refer note 1 below)	9,625.58	2,695.19	-	-	12,320.77
	-	9,625.58	-	-	9,625.58
Sterling and Wilson Middle East WLL (refer note 2 below)	231.84	389.86	-	42.95	664.65
	-	229.17	-	2.67	231.84
Sterling and Wilson Co-Gen Solutions Pvt Ltd (refer note 3 below)	-	543.50	178.00	-	365.50
	-	-	-	-	-
Transtel Utilities Ltd, UK (refer note 4)	-	75.23	-	1.17	74.06
	-	-	-	-	-
GCO Pty Ltd (refer note 5)	-	69.16	-	0.25	68.91
	-	-	-	-	-
Sterling & Wilson Nigeria Ltd (refer note 6)	-	230.69	230.69	-	-
	-	-	-	-	-
Sterling & Wilson Solar FZCO (refer note 7)	-	495.36	-	39.47	534.83
	-	-	-	-	-

\* previous year numbers are in Italics

Note 1: Sterling and Wilson International FZE

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	11.50% p.a.

Note 2: Sterling and Wilson Middle East WLL

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	11.50% p.a.

Note 3: Sterling and Wilson Co-Gen Solutions Pvt Ltd

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	12% p.a.

Note 4: Transtel Utilities Ltd, UK

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

Note 5: GCO Pty Ltd

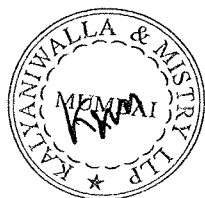
Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	8.5% p.a.

Note 6: Sterling & Wilson Nigeria Ltd

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	11.5% p.a.

Note 7: 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% p.a.



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Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency: Indian rupees in millions)

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

Name of the entity	Purpose	As at 01 April 2019	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 2020
<b>Sterling and Wilson International FZE</b>					
Standby Letter of Credit	Working Capital	-	-	-	-
Letter of credit	Working Capital	4,446.86	1,187.31	(5,634.17)	-
		550.77	-	(550.77)	-
Corporate Guarantees	Working Capital	-	7,596.49	(7,045.72)	550.77
		7,523.32	3,680.40	(3,448.32)	7,755.40
		7,843.58	-	(320.27)	7,523.31
		-	-	-	-
<b>STC Power S.r.l.</b>					
Corporate Guarantees	Working Capital	740.13	41.68	-	781.81
		758.73	-	(18.60)	740.13
<b>Sterling &amp; Wilson CO-Gen</b>					
Corporate Guarantees	Working Capital	1,700.00	-	(900.00)	800.00
		-	1,700.00	-	1,700.00
<b>Sterling &amp; Wilson Middle East WLL</b>					
Bank Guarantee	Working Capital	386.03	-	(386.03)	-
		-	386.03	-	386.03
Letter of credit	Working Capital	92.96	-	(92.96)	-
		-	92.96	-	92.96

\* previous year numbers are in italics

43 Corporate social responsibility

The Company 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. During the current period has carried out CSR activities as under:

The funds are utilised during the period on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards various activities.

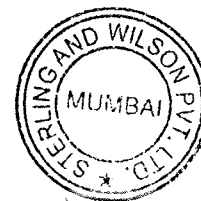
The details set below are for the amount spent by the Company.

Particulars	31 March 2020		
	In cash	Yet to be paid in cash	Total
A. Gross amount required to be spent by the Company during the year	-	-	-
B. Amount spent during the year ended 31 March 2020	15.49	-	15.49
	15.49	-	15.49

Particulars	31 March 2019		
	In cash	Yet to be paid in cash	Total
A. Gross amount required to be spent by the Company during the year	-	9.41	9.41
B. Amount spent during the year ended 31 March 2019	-	9.41	9.41
	-	9.41	9.41



*[Handwritten signature]*



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

### 44 Segment reporting

The Group has identified following operating activities as primary segment:

The segments have been identified and reported taking into account the nature of products and services provided and the differing risks and returns in terms to the information required by the Indian Accounting Standard 108 ('AS 108') on 'Operating Segments'

Segment revenue and results:

#### A. Basis for segmentation

The Company is primarily engaged in the business of Mechanical, Electricals and Plumbing and Fire-fighting. In accordance with Ind AS 108 "Operating Segments", the Company has determined its business segments as "Mechanical, Electricals and Plumbing and Fire-fighting". The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for Mechanical, Electricals and Plumbing and Fire-fighting. As the Company's business activity falls within a single business segment viz 'Mechanical, Electricals and Plumbing and Fire-fighting', the standalone Ind AS financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

#### B. Geographical information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

##### a) Disaggregation of Revenue into geographical area :

Particulars	31 March 2020	31 March 2019
India	27,807.28	30,090.00
Outside India	3,010.20	1,719.89
	<u>30,817.48</u>	<u>31,809.89</u>

##### b) Revenue from contract with customers :

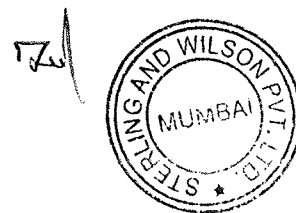
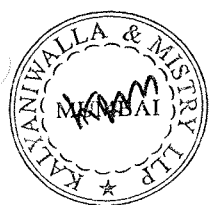
Particulars	31 March 2020	31 March 2019
Recognised over time	28,031.05	28,827.81
Recognised at a point in time	2,786.43	2,982.08
	<u>30,817.48</u>	<u>31,809.89</u>

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

Particulars	31 March 2020	31 March 2019
India	3,434.17	2,187.24
Outside India	50.29	0.46
	<u>3,484.46</u>	<u>2,187.70</u>

##### d) Information about major customers

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





# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

## 45 Earnings per share

Particulars		31 March 2020	31 March 2019
<b>Basic earnings per share</b>			
<b>Numerator:</b>			
(Loss)/Profit after tax attributable to equity shareholders	A	(1,315.61)	147.50
<b>Denominator:</b>			
<b>Calculation of weighted average number of equity shares</b>			
Number of equity shares at the beginning of the year		16,036,000	16,036,000
Equity shares issued during the year		-	-
Number of equity shares outstanding at the end of the year		16,036,000	16,036,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	22,099,927	16,036,000
Adjusted weighted average number of equity shares outstanding during the year (based on date of issue of shares)	C	35,119,653	26,036,000
Basic earnings per share (EPS) (Rs.)	A / B	(59.53)	9.20
Diluted earnings per share (DEPS) (Rs.)*		(59.53)	5.67
Face value per share		10.00	10.00
* Current year DEPS is antidilutive			

## 45.1 Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

Particulars	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	1,114.26	212.29
- Interest	28.11	0.86
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	0.05
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	28.11	0.86
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

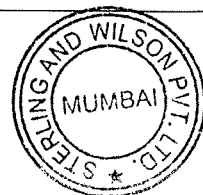
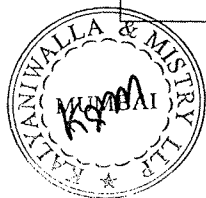
(Currency : Indian rupees in millions)

46 Related Party disclosures

46.1 Related party and their relationships

### Category of related party

1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Subsidiaries, direct and indirect holding	<p>Sterling and Wilson International FZE                      Sterling and Wilson Cogen Solutions AG                      Sterling and Wilson Middle East WLL                      Sterling &amp; Wilson Nigeria Ltd.                      Sterling &amp; Wilson Cogen Solution Ltd. (liquidated w.e.f. 19/06/2019)                      Range Consultants Pvt. Ltd.                      Sterling and Wilson Security Systems Pvt. Ltd.                      GCO Pty. Ltd. (w.e.f. 10/06/2019)                      Sterling and Wilson Middle East Electromechanical LLC, Dubai                      Sterling and Wilson Power Systems Inc.                      Sterling and Wilson HES UK Ltd.                      Sterling and Wilson Middle East Electromechanical (Bahrain) WLL                      Sterling and Wilson Middle East Sanitation, Electrical, Cooling &amp; Conditioning Contracting LLC, Kuwait                      Sterling and Wilson Cogen Solutions LLC                      Sterling and Wilson Saudi Arabia Ltd.                      SWB Power Ltd.                      Transtel Utilities Ltd.                      SWB Skelmesdale Ltd.                      SWB St. Helen Ltd.</p>
3) Fellow subsidiaries	<p>Abhipreet Trading Pvt. Ltd.                      Acreage Farms Pvt. Ltd.                      Afcons (Mideast) Constructions and Investments Pvt. Ltd.                      Afcons Construction Mideast LLC                      Afcons Corrosion Protection Pvt. Ltd.                      Afcons Gulf International Project Services FZE                      Afcons Gunanusa Joint Venture                      Afcons Hydrocarbons Engineering Private Limited                      (formally known as Afcons Offshore and Marine Services Private Limited)                      Afcons Infra Projects Kazakhstan LLP                      Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL                      Afcons Infrastructure Ltd.                      Afcons Mauritius Infrastructure Ltd.                      Afcons Overseas Project Gabon SARL                      Afcons Overseas Singapore Pte Ltd.                      Afcons Saudi Construction LLC (Under Liquidation)                      Aquaignis Technologies Pvt. Ltd.                      Archaic Properties Pvt. Ltd.                      Arena Stud Farm Pvt. Ltd.                      Arina Solar Pvt. Ltd.                      Arme Investment Company Ltd                      Aspire Properties Holdings Limited                      Ativa Real Estate Developers Pvt. Ltd.                      Atnu Solar Pvt. Ltd.                      Aurinko Energy Pvt. Ltd.                      Awesome Space Creations LLP                      Balgad Power Company Pvt. Ltd.                      Bangalore streetlighting Pvt. Ltd.                      Behold Space Developers Private Limited (w.e.f.05/02/2019)                      Belva Farms Pvt. Ltd.                      Bengal Shapoorji Infrastructure Development Pvt. Ltd                      Bhavnagar Desalination Private Limited                      Bisho infra projects ltd                      Blue Riband Properties Pvt. Ltd                      Callidora Farms Pvt. Ltd                      Campbell Properties and Hospitality Services Ltd.                      Cyrus Engineers Pvt. Ltd                      Dahej Standby Jetty Project Undertaking                      Delna Finance &amp; Investments Pvt. Ltd.</p>



# Sterling and Wilson Private Limited

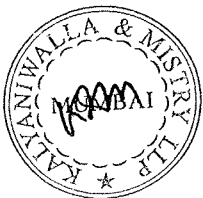
## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

### 3) Fellow subsidiaries (Continued)

Delphi Properties Pvt. Ltd.  
Devine Realty and Construction Pvt. Ltd.  
Dhan Gaming Solution (India) Pvt. Ltd.  
Dwarka Sea Water Desalination Private Limited  
Dynamic sun energy private limited  
EFL Mauritius Ltd.  
Egni Generation Pvt. Ltd.  
Elaine Renewable Energy Pvt. Ltd.  
Eloise Energy Pvt. Ltd.  
Eluru Smart Infrastructures Private Limited (w.e.f 08/04/2019)  
Empower Builder Pvt. Ltd.  
Esem Stables Pvt. Ltd.  
ESPI Farms Pvt. Ltd.  
ESPI Holding Mauritius Ltd.  
ESPI Homestead Pvt. Ltd.  
ESPI Stables and farms Pvt. Ltd.  
Eureka Forbes Ltd.  
Euro Forbes Financial Services Ltd.  
Euro Forbes Ltd.  
Fayland Estates Pvt. Ltd.  
Filippa Farms Pvt. Ltd.  
Fine Energy Solar Pvt. Ltd.  
Flamboyant Developers Pvt. Ltd.  
Flooraise Developers Pvt. Ltd.  
Floral Finance Pvt. Ltd.  
Floreast Investments Ltd  
Flotilla Finance Pvt. Ltd.  
Forbes & Company Ltd  
Forbes Campbell Finance Ltd.  
Forbes Campbell Services Ltd.  
Forbes Edumetry Ltd.  
Forbes Enviro Solutions Ltd.  
Forbes Facility Services Pvt. Ltd.  
Forbes Lux FZCO  
Forbes Lux International AG Baar  
Forbes Technosys Ltd.  
Forvol International Services Ltd  
Gallops Developers Pvt. Ltd.  
Gir Somnath Desalination Private Limited  
Global Bulk Minerals FZE  
Global Energy projects holding  
Global Energy Ventures Mauritius  
Global Infra FZCO  
Global Resources and Logistics Pte. Ltd.  
Global solar energy holding  
Gokak Power & Energy Ltd  
Gokak Textiles Ltd  
Gossip Properties Pvt. Ltd.  
Haul Power Pvt. Ltd.  
Hazarat and Co Pvt. Ltd.  
High Point Properties Pvt. Ltd.  
Honcho Properties Limited  
Instant Karma Properties Pvt. Ltd.  
Jaykali Developers Pvt. Ltd.  
Kanpur River Management Pvt. Ltd.  
Kavinam Property Development Pvt.Ltd.  
Khvafar Property Developers Pvt. Ltd.  
Kutch Sea Water Desalination Private Limited  
LIAG Trading and Investments Ltd.  
Lux (Deutschland) GmbH



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency - Indian rupees in millions)

### 3) Fellow subsidiaries (Continued)

Lux Aqua Paraguay SA .  
Lux del Paraguay S.A.  
Lux Hungaria Kereskedelmi Kft.  
Lux International AG  
Lux International Services and Logistics GmbH (Formerly: Lux Service GmbH)  
Lux Italia srl  
Lux Norge A/S  
Lux Oesterreich GmbH  
Lux Schweiz AG  
Lux Welty Polska sp. z o.o.  
Magpie Finance Pvt. Ltd  
Make Home Realty & Construction Pvt. Ltd  
Manjri Farmstead Pvt. Ltd.  
Manjri Horse Breeders' Farm Pvt Ltd  
Manor Stud Farm Pvt. Ltd.  
Mazson Builders & Developers Pvt. Ltd  
Meridian Enterprises (Joint Venture)  
Meriland Estates Pvt. Ltd  
Mileage Properties Pvt. Ltd  
Minaean (Ghana) Ltd  
Minaean Building Solutions Inc.  
Minaean Habitat India Pvt Ltd.  
Minaean SP SL Ltd  
Minean SP Construction Corporation  
Mrunmai Properties Ltd  
Musandam Rock LLC  
Neil Properties Pvt. Ltd  
Next Gen Publishing Ltd.  
Nuevo Consultancy Services Ltd.  
Nursery Projects and Agri Development Pvt. Ltd. (Applied for strike off)  
Nutan Bidyut (Bangladesh) Ltd.  
OSCO SP Facilities Management LLC  
Paikar Real Estate Pvt. Ltd.  
Palchin Real Estates Pvt. Ltd  
Pebbleworks Real Estate Pvt Ltd (Formerly Shapoorji Pallonji Consulting Services Pvt. Ltd.)  
Precaution Properties Pvt. Ltd  
PT. Nusantara Global Resources  
Radiance Solar Pvt Ltd  
Relationship Properties Pvt. Ltd.  
Renaissance Commerce Pvt. Ltd.  
Ricardo Constructions Pvt. Ltd  
Rihand Floating Solar Pvt. Ltd.  
S C Motors Pvt. Ltd  
S P Architectural Coatings Pvt. Ltd  
S P Global Operations Ltd.  
S P International  
S. C. Impex Pvt. Ltd  
Sagar Premi Builders and Developers Pvt. Ltd  
Samalpatti Power Company Pvt. Ltd.  
Sarl SP Algeria  
Saswat Energy Private Limited  
Shachin Real Estates Pvt. Ltd  
Shapoorji AECOS Construction Pvt Ltd.  
Shapoorji Data Processing Pvt. Ltd  
Shapoorji Holding Ltd.  
Shapoorji Hotels Pvt. Ltd  
Shapoorji Pallonji 98/2 Company Pte Ltd  
Shapoorji Pallonji and Co KIPL JV (Partnership Firm)  
Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)



# Sterling and Wilson Private Limited

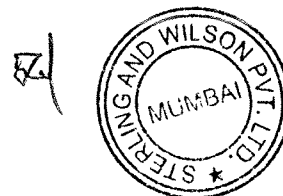
## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency: Indian rupees in millions)

### 3) Fellow subsidiaries (Continued)

Shapoorji pallonji and co private ltd & shapoorji pallonji Qatar WLL(UJV)  
Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.  
Shapoorji Pallonji Construction Private Limited  
Shapoorji Pallonji Consulting Services DMCC UAE  
Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.  
Shapoorji Pallonji Development Managers Pvt. Ltd.  
Shapoorji Pallonji Egypt LLC.  
Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.  
Shapoorji Pallonji Energy Company INC  
Shapoorji Pallonji Europe Ltd.  
Shapoorji Pallonji Forbes Shipping Ltd.  
Shapoorji Pallonji General Trading For Construction Company WLL  
Shapoorji Pallonji Ghana Ltd  
Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.  
Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.  
Shapoorji Pallonji International LLC  
Shapoorji Pallonji International, FZC  
Shapoorji Pallonji International, FZE  
Shapoorji Pallonji Investments Advisors Pvt. Ltd.  
Shapoorji Pallonji Kazakhstan LLC  
Shapoorji Pallonji Lanka (Pvt) Ltd.  
Shapoorji Pallonji Libya Company for General Construction  
Shapoorji Pallonji Logispace & Investment Advisors Pvt. Ltd.  
Shapoorji Pallonji Malta Ltd  
Shapoorji Pallonji Marine Frontiers Private Limited  
Shapoorji Pallonji Mideast L.L.C.  
Shapoorji Pallonji Nigeria FZE  
Shapoorji Pallonji Nigeria Ltd.  
Shapoorji Pallonji Oil and Gas Godavari Pvt Ltd  
Shapoorji Pallonji Oil and Gas Pvt Ltd  
Shapoorji Pallonji Ports Pvt. Ltd  
Shapoorji Pallonji Projects Pvt. Ltd  
Shapoorji Pallonji Properties LLC  
Shapoorji Pallonji Qatar WLL  
Shapoorji Pallonji Renewables Pvt. Ltd.  
Shapoorji Pallonji Roads Pvt. Ltd.  
Shapoorji Pallonji Rural Solutions Pvt Ltd  
Shapoorji Pallonji Saurpower Pvt. Ltd.  
Shapoorji Pallonji Solar Holdings Pvt Ltd  
Shapoorji Pallonji Solar PV Pvt. Ltd.  
Shapoorji Pallonji Suryaprakash Pvt. Ltd.  
Shapoorji Pallonji Technologies FZE  
Shapoorji Pallonji UK Ltd.(w.e.f. 23/01/2020)  
Shapoorji Pallonji Pandoh Takoli highways private limited  
Sharus Steel Products Pvt. Ltd  
Simar Port Pvt. Ltd  
Solar Edge Power and Energy Pvt. Ltd.  
SP Advanced Engineering Materials Pvt Ltd  
SP Aluminium Systems Pvt. Ltd  
SP Energy (Egypt) S.A.E.  
SP Energy Venture AG, Baar  
SP Engineering Services Pte Ltd  
SP Fabricators Pvt. Ltd  
SP International Property Developer LLC  
SP Jammu Udhampur Highway ltd  
SP Kam Synthetics Pvt. Ltd.  
SP Lanka Properties Pvt. Ltd.  
SP Oil and Gas Malaysia SDN BHD  
SP Oil Exploration Pvt. Ltd.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

### 3) Fellow subsidiaries (Continued)

SP Ports Pvt. Ltd.  
SP Properties Holding Ltd.  
SP Sierra Joint Venture (Pvt) Ltd  
SP Trading (Partnership Firm)  
SPCL Holdings Pte Ltd.  
SPCPL-SMCIPL Joint Venture  
SPI Nowa Energia spółka z ograniczoną odpowiedzialnością  
SPM 5 Investment L.L.C  
SP-NMJ Project Private Limited  
Sterling and Wilson Solar Limited  
Sterling and Wilson International Solar FZCO  
Sterling & Wilson - Waaree Private Limited  
Sterling and Wilson (Thailand) Limited  
Sterling and Wilson Saudi Arabia Limited  
Sterling and Wilson Middle East Solar Energy L.L.C., Dubai  
Sterling and Wilson Engineering (Pty) Limited  
Sterling and Wilson Singapore Pte Limited  
Sterling and Wilson Kazakhstan LLP  
Sterling and Wilson Oman LLC (w.e.f. 02/01/2019)  
Sterling and Wilson Brasil Servicos Ltda. (upto 26 August 2019)  
Sterling Wilson - SPCPL - Chint Moroccan Venture  
Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)  
Renovable Energia Contracting S.L.  
Sterling and Wilson Solar Solutions Inc.  
Geco Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd) (w.e.f. 1 December 2018)  
Sterling Wilson Solar Solutions LLC (w.e.f 17 October 2018)  
Sterling and Wilson International LLP (w.e.f 27 June 2018)  
Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. 16 April 2019)  
Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. 4 June 2019)  
Sterling and Wilson Solar LLC (w.e.f 1 January 2019)  
Sterling and Wilson Australia Pty Ltd.  
Sterling and Wilson Cogen FZCO  
Sterling and Wilson Co-Gen Solutions Pvt Ltd  
Sterling and Wilson Powergen FZE  
Sterling and Wilson Powergen Pvt. Ltd  
Sterling Generators Pvt. Ltd  
Stonebricks Developers Pvt.Ltd.  
Stonebricks Property Development Pvt.Ltd.  
Sun Energy One Pvt. Ltd.  
Sunny View Estates Pvt. Ltd  
Sunrays Power One (Pvt.) Ltd.  
Sunrise Energy Pvt. Ltd.  
Surya Power One Pvt. Ltd.  
Surya Prakash Vietnam Energy Company Limited  
Suryoday One Energy Pvt. Ltd.  
Suvita Real Estate Pvt Ltd (w.e.f. 22/10/2019)  
TN Solar Power Energy Pvt. Ltd.  
Transtonelstroy Afcons Joint Venture  
Turner Property Developers LLP (Under Process of strike off)  
United Motors (India) Ltd  
Universal Mine Developers and Service Providers Pvt. Ltd.  
Vakratunda Buildcon Pvt Ltd  
Vizion Business Parks Private Limited  
Volkart Fleming Shipping and Services Ltd

### 4) Joint Ventures

Enrich- SWPL JV (w.e.f. 01/11/2019)  
Isolux Ingeneria S.A and Sterling Wilson Ltd, Consortium  
Co.Stell SRL  
P.T.C. S.a.s. di Barzanti Massimo  
STC Power SRL



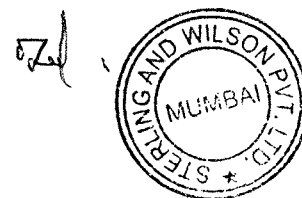
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

5) Key Management Personnel	<p>Mrs. Zarine Y. Daruvala, Director            Mr. Khurshed Y. Daruvala, Director            Mr. Pallon Shapoor Mistry, Director            Mr. Ravi Ananthakrishnan, Director (w.e.f. 10/02/2020)            Mr. Parameshwar Hegde, Chief Financial Officer            Mr. K. P. Hariharan, Company Secretary</p>
6) Relatives of Key Management Personnel	<p>Mrs. Kainaz Khurshed Daruvala            Ms. Delna Khurshed Daruvala            Mr. Jehan Khurshed Daruvala            Mr. Jehangir Yazdi Daruvala            Mrs. Nawaz Jehangir Daruvala            Mrs. Zenobia Farhad Unwalla            Mr. Farhad Homi Unwalla            Mrs Parvin Zarine Madan            Mrs. Meher Bommy Batiwala            Mr. Shapoor Pallonji Mistry            Mrs. Behroze Shapoor Mistry            Ms. Tanya Shapoor Mistry            Mrs. Tanuja Ravi            Mr. Aarangottukara Subramaniam Ananthakrishnan            Mrs. Meenakshy Ananthakrishnan            Mr. Tanmay Ravi            Mrs. Priya Trivedi            Ms. Tanvi Ravi            Mrs. Usha Padmanabhan</p>
7) Entities over which key managerial person or their relatives exercise control	<p>Delsys Infotech Private Limited,            Daric Consultancy FZC            Iris Energy Private Limited            M/S. Fahudeo            Sterling and Wilson Energy Systems Private Limited            Sterling and Wilson Services Private Limited            Sterling Viking Power Private Limited            The Design Artifacts Haven LLP            Transtel Utilities Private Limited (formerly Transtel Systems Private Limited)</p>
8) Entities over which Holding Company exercise significant influence	<p>Afcons Jal Joint Venture            Afcons KPTL Joint Venture (Dhaka Tongi)            Afcons Pauling Joint Venture            Afcons Sener LNG Construction Projects Pvt. Ltd.            Afcons SMC Joint Venture            Afcons Vijeta Joint Venture            Afcons-Sibmost Joint Venture            Afcons-Vijeta PES Joint Venture            Always Remember Properties Pvt. Ltd.            AMC Cookware Pty. Ltd.            Armada 98/2 Pte. Ltd.            Armada C7 Pte Ltd            Armada D1 Pte Ltd            Armada Madura EPC Ltd            Awesome Properties Pvt. Ltd            Bengal Shapoorji Housing Development Pvt. Ltd.            Bigsearch Properties Pvt. Ltd.            Blue Stone Middle East Ltd.            BNV Gujarat Rail Pvt. Ltd.            Cebareo Shapoorji Pallonji Co W.L.L.            Coventry Properties Pvt. Ltd.            ESP Dredging Solutions Pvt. Ltd.            Euro P2P Direct (Thailand) Co Ltd.</p>



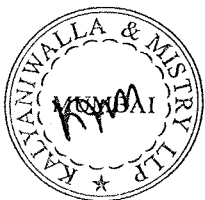
# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2020

(Currency : Indian rupees in millions)

8) Entities over which Holding Company exercise significant influence (Continued)	<p>Forbes Aquatech Ltd.  Forbes Bumi Armada Ltd.  Forbes Concept Hospitality Services Pvt. Ltd.  G.S. Enterprises (Partnership Firm)  Grand View Estates Pvt. Ltd.  Heart Beat Properties Pvt. Ltd.  HPCL Shapoorji Energy Ltd.  Image Realty LLP  Infinite Water Solutions Pvt. Ltd.  Insight Properties Pvt. Ltd.  Ireon Afcons Joint venture  Joyville Shapoorji Housing Pvt. Ltd.  JV Hochtief – Nahdat AL Emaar-Shapoorji  Kamal Power Ltd. (Tanzania)  Karapan Armada Madura Pte. Ltd.  Larsen &amp; Toubro Limited – Shapoorji Pallonji and Company Ltd. Joint Venture  Mirth Property Developers Pvt. Ltd.  Nandadevi Infrastructure Private Limited  Natural Oil Ventures Ltd.  Newtech Planners &amp; Consultancy Services Pvt. Ltd.  P T Gokak Indonesia  S D Corporation Pvt. Ltd.  S D Powai Redevelopment Pvt. Ltd.  S D Recreational Services Pvt. Ltd.  S D Service Management Pvt. Ltd.  S. D. New Samata Nagar Development Pvt. Ltd.  S. D. SVP Nagar Redevelopment Pvt. Ltd.  S. D. Town Development Pvt. Ltd.  S.D. Property Maintenance Private Limited  (formerly known as S.D. Samata Nagar Property Maintenance Private Limited)  S.D. Samata Samantha Realty Pvt Ltd (w.e.f. 24/02/2020)  Saipem Afcons Joint Venture  Satori Property Developers Pvt. Ltd.  SDC Mines Pvt. Ltd.  SDC Township Pvt. Ltd.  Seaward Realty Pvt. Ltd.  Shapoorji Pallonji and OEG Services Pvt. Ltd. (Applied for strike off)  Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.  Shapoorji Pallonji Bumi Armada Offshore Ltd.  Shapoorji Pallonji Finance Pvt. Ltd.  Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture  Solar Capital De Aar 3 (RF) Proprietary Ltd.  SP Armada Oil Exploration Pvt. Ltd.  SP Imperial Star Pvt. Ltd.  Space Square Developers Pvt. Ltd.  SPML-RLC Joint Venture  Sterling Motors (Partnership Firm)  Strabag AG Afcons Joint Venture  Sunny Recreational Property Developers Pvt. Ltd.  West Coast Liquid Terminal Pvt. Ltd.</p>
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Notes to the standalone financial statements (Continued)  
for the year ended 31 March 2020

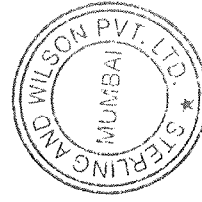
(Currency : Indian rupees in millions)

## 46 Related party disclosures (Continued)

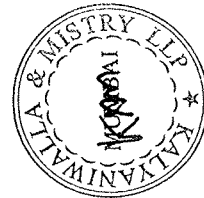
## 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their-relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence		Total
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
1	Short term borrowings obtained	5,848.72	4,050.00	16,727.48	17,690.12	-	-	1,312.97	297.40	-	-	23,889.17
2	Short term borrowings repaid	2,530.00	4,150.00	23,354.68	8,537.36	-	-	169.82	674.70	-	-	26,054.51
3	Loans given during the year	-	-	4,274.01	9,858.64	-	-	74.06	-	-	-	4,348.07
4	Loans repaid during the year	-	-	178.00	-	-	-	-	-	-	-	178.00
5	Remuneration	-	-	-	-	-	-	34.85	27.90	-	-	34.85
6	Employee benefits	-	-	-	-	-	-	0.33	3.92	-	-	0.33
7	Purchases of construction material	-	-	632.83	1,410.97	-	-	3.67	0.51	-	-	636.50
8	Receiving of Services	2.41	49.91	130.04	174.00	-	-	6.76	15.13	-	-	139.21
9	Income from works contracts	967.10	1,591.03	874.38	197.08	-	-	-	-	-	-	1,788.11
10	Revenue from operation and maintenance services	-	-	-	-	-	-	-	1.42	-	-	1.42
11	Income from Consultancy Services	-	-	-	500.00	-	-	-	-	-	-	500.00
12	Guarantee Commission	-	-	176.75	45.50	-	-	-	-	-	-	176.75
13	Other Income	-	-	51.80	-	-	-	63.22	-	-	-	115.02
14	Advances received from customer	1,159.29	222.58	18.73	17.14	-	-	-	-	-	-	1,178.02
15	Interest income	-	-	1,496.67	460.00	-	-	1.57	-	-	-	1,498.24
16	Interest expenses	67.46	50.04	1,687.54	853.26	-	-	12.50	25.70	-	-	1,767.50
17	Rent expenses	-	-	6.87	6.87	-	-	77.77	68.25	-	-	84.64
18	Management Support Fees	108.14	23.83	24.98	-	-	-	-	-	-	-	133.12
19	Reimbursement of expenses	2.48	-	134.22	-	-	-	-	-	-	-	136.71
20	Trade receivables *	468.81	888.27	236.62	1,414.31	-	-	-	-	62.81	82.82	768.23
21	Advances to supplier	-	-	-	42.31	-	-	-	-	-	-	42.31
22	Interest receivable	-	-	1,842.42	460.00	-	-	1.57	-	-	-	1,843.98
23	Gross amount due from customer	268.77	272.43	41.66	36.21	-	-	-	-	-	-	310.43
24	Gross amount due to customer	92.53	25.63	18.46	0.18	-	-	-	-	-	-	111.00
25	Recoverable expenses	-	-	1,932.90	517.39	64.33	-	135.26	-	-	-	2,132.49

\* Trade receivables is gross of billing in advance of work complete i.



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## Sterling and Wilson Private Limited

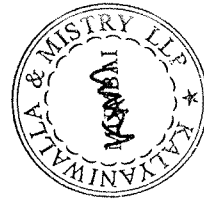
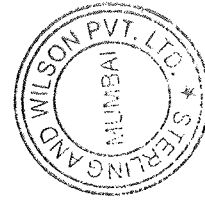
Notes to the standalone financial statements (Continued)  
for the year ended 31 March 2020

(Currency : Indian rupees in millions)

## 46 Related party disclosures (Continued)

## 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence		Total
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
26	Recovery towards expenses and others	-	-	391.90	-	-	-	-	-	391.90	-	2019
27	Interest payable	94.75	31.70	334.90	851.40	-	-	-	-	434.05	-	883.42
28	Trade payable	410.07	291.78	769.86	884.60	-	-	4.40	0.32	1,180.75	-	1,176.81
29	Short-term borrowings	3,718.72	400.00	5,760.84	12,395.38	-	-	0.81	0.43	10,664.76	-	12,837.93
30	Loan Given	-	-	13,954.66	9,858.64	-	-	1,185.20	42.55	14,028.72	-	9,858.64
31	Advance from customer	1,018.79	377.08	65.86	339.52	-	-	74.06	-	1,084.65	-	716.61
32	Rent payable	-	-	0.62	-	-	-	-	0.03	8.33	-	0.03
33	Interim dividend (on preference shares and equity shares)	-	-	-	15.80	-	-	-	-	-	-	15.80
34	Other receivables	-	-	152.97	1.66	-	-	-	-	152.97	-	1.66
35	Other Payables	-	-	1.13	-	-	-	-	-	1.13	-	-
36	Guarantees issued during the year (including foreign exchange adjustments)	-	-	-	1,187.31	-	-	-	-	-	-	1,187.31
37	Guarantees cancelled during the year (including foreign exchange adjustments)	-	-	-	5,634.17	-	-	-	-	-	-	5,634.17
38	Letter of credits issued	-	-	495.36	7,689.45	-	-	-	-	495.36	-	7,689.45
39	Letter of credits cancelled during the year (including foreign exchange adjustments)	-	-	37.55	7,045.72	-	-	-	-	37.55	-	7,045.72
40	Corporate guarantees issued	-	-	3,680.40	1,700.00	-	-	-	-	3,680.40	-	1,700.00
41	Corporate guarantees cancelled	-	-	4,348.32	320.27	-	-	-	-	4,348.32	-	320.27
42	Letter of credit outstanding	-	-	-	643.73	-	-	-	-	-	-	643.73
43	Corporate guarantees outstanding	-	-	8,555.40	9,223.32	781.81	740.13	-	-	9,337.21	-	9,963.45
44	Bank guarantees issued	-	-	-	386.03	-	-	-	-	386.03	-	386.03
45	Bank guarantees cancelled	-	-	386.03	-	-	-	-	-	-	-	-
46	Bank guarantees outstanding	-	-	-	386.03	-	-	-	-	-	-	386.03
47	Loan towards Equity	-	3,350.00	-	-	-	-	-	-	-	-	3,350.00
48	Equity Capital issued	89.33	-	-	-	-	-	44.00	-	-	-	133.33
49	Preference share capital issued	7,500.00	-	-	-	-	-	5,025.00	-	-	-	12,525.00

Sterling and Wilson Private Limited

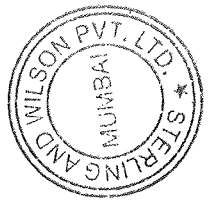
Notes to the standalone financial statements (Continued)  
for the year ended 31 March 2020

(Currency : Indian rupees in millions)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>1</b>	<b>Short term borrowings obtained</b>										
	Shapoorji Pallonji and Company Private Limited	5,848.72	4,050.00	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	1,009.70	-	-	-
	Zarine Y Daruvala	-	-	-	-	-	-	-	-	-	-
	Delha Daruvala	-	-	-	-	-	-	1.40	2.40	-	-
	Kainaz Daruvala	-	-	-	-	-	-	-	-	-	-
	Zenobia Farhad Unwalla	-	-	-	-	-	-	-	-	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	301.87	295.00	-	-
	Sterling & Wilson Powergen Pvt Ltd	-	-	-	60.00	-	-	-	-	-	-
	Sterling & Wilson Solar Ltd	-	-	16,620.00	16,100.00	-	-	-	-	-	-
	S.D. Corporation	-	-	-	500.00	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	-	280.00	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	107.48	750.12	-	-	-	-	-	-
<b>2</b>	<b>Short term borrowings repaid</b>										
	Shapoorji Pallonji and Company Private Limited	2,530.00	4,150.00	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	58.50	205.50	-	-
	Delha Daruvala	-	-	-	-	-	-	9.45	13.70	-	-
	Zarine Y Daruvala	-	-	-	-	-	-	-	-	-	-
	Kainaz Daruvala	-	-	-	-	-	-	-	-	-	-
	Zenobia Farhad Unwalla	-	-	-	-	-	-	-	160.00	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	-	-	-	-
	Sterling & Wilson Powergen Pvt Ltd	-	-	-	60.00	-	-	-	-	-	-
	Sterling & Wilson Solar Ltd	-	-	23,098.28	7,210.64	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	-	280.00	-	-	-	-	-	-
	S.D. Corporation	-	-	-	500.00	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	101.87	295.50	-	-
	Sterling and Wilson Waaree Private Limited	-	-	256.41	486.72	-	-	-	-	-	-



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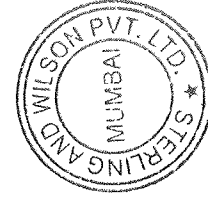
Notes to the standalone financial statements (Continued)  
for the year ended 31 March 2020

(Currency : Indian rupees in millions)

## 46 Related party disclosures (Continued)

## 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
3	<b>Loans given during the year</b>										
	Sterling and Wilson International FZE	-	-	2,695.20	9,625.58	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	543.50	-	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	74.06	-	-	-
	GCO Pty Ltd	-	-	68.91	-	-	-	-	-	-	-
Sterling and Wilson International Solar FZCO		-	-	534.83	-	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	431.58	233.06	-	-	-	-	-	-
4	<b>Loan Repaid during the year</b>										
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	178.00	-	-	-	-	-	-	-
5	<b>Remuneration</b>										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	18.67	16.77	-	-
	Mrs Zarine Y Daruvala	-	-	-	-	-	-	10.53	8.76	-	-
	Mr. Parameshwar Hegde	-	-	-	-	-	-	3.02	2.36	-	-
	Mr. K. P. Hariharan	-	-	-	-	-	-	2.63	-	-	-
Mr. Ravi Ananthkrishnan (wef 10 February, 2020)	-	-	-	-	-	-	-	-	-	-	
6	<b>Employee benefits</b>										
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	-	-	-
Mrs Zarine Y Daruvala	-	-	-	-	-	-	0.33	-	3.92	-	



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

### 46 Related party disclosures (Continued)

#### 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
7	<b>Purchases of construction material</b>										
	Sterling Generators Private Limited	-	-	487.44	1,214.34	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	90.67	48.00	-	-	-	-	-	-
	Sterling and Wilson Security Systems Private Limited	-	-	1.36	5.59	-	-	-	-	-	-
	Sterling Wilson Solar Limited	-	-	43.80	142.59	-	-	-	-	-	-
	Esterlina Solar Engineer Private Limited	-	-	9.06	-	-	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	3.67	0.51	-	-
	Sterling & Wilson Energy Systems Private Limited	-	-	-	-	-	-	-	-	-	-
	Forbes Enviro Solutions Limited	-	-	-	-	-	-	-	-	-	-
	Eureka Forbes Ltd.	-	-	0.49	0.45	-	-	-	-	-	-
8	<b>Receiving of Services</b>										
	Shapoorji Pallonji and Company Private Limited	2.41	49.91	-	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	3.08	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	39.60	3.59	-	-	-	-	-	-
	Sterling Wilson Solar Limited	-	-	9.26	-	-	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	0.40	0.70	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	6.36	14.43	-	-
	Forvol International Service Ltd.	-	-	65.53	77.13	-	-	-	-	-	-
	SP Fabricators Private Limited	-	-	12.55	93.27	-	-	-	-	-	-
	Eureka Forbes Ltd.	-	-	0.03	0.00	-	-	-	-	-	-



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Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

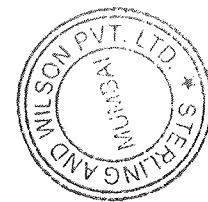
46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
12	<b>Guarantee Commission</b> Sterling and Wilson Middle East WLL Sterling & Wilson Co-Gen Solutions Ltd Sterling & Wilson Nigeria Ltd. Sterling and Wilson International Solar FZCO Sterling and Wilson International FZE	-	-	13.19 14.32 30.06 26.06 93.12	-	-	-	-	-	-	-
13	<b>Other Income</b> Sterling Wilson Solar Limited Transtel Utilities UK	-	-	51.80	-	-	-	-	-	63.22	-
14	<b>Advance received from customers</b> Shapoorji Pallonji and Company Private Limited S. D. Corporation Pvt. Ltd. Bengal Shapoorji Housing Development Pvt. Ltd. Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture Shapoorji Pallonji Mid East LLC Relationship Properties Private Limited Sterling Generators Private Limited Global Infra FZCO	1,159.29	222.58	-	-	-	-	-	-	-	-
15	<b>Interest income</b> Sterling and Wilson International FZE Sterling and Wilson Middle East WLL Sterling & Wilson Co-Gen Solutions Pvt Ltd Sterling and Wilson International Solar FZCO Transtel Utilities UK GCO Pty Ltd Sterling & Wilson Nigeria Ltd.	-	-	1,384.95 71.50 12.71 21.11	456.12 3.88	-	-	-	-	-	1.57
		-	-	0.49	-	-	-	-	-	-	-
		-	-	5.90	-	-	-	-	-	-	-



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Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

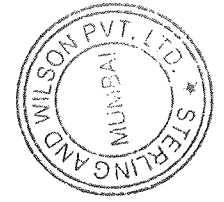
46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
16	<b>Interest expenses</b>										
	Shapoorji Pallonji and Company Private Limited	67.46	50.04	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	11.52	6.29	-	-
	Ms.Delna Daruvala	-	-	-	-	-	-	0.87	1.28	-	-
	Ms.Kainaz Daruvala	-	-	-	-	-	-	-	8.62	-	-
	Zenobia Unwalla	-	-	-	-	-	-	-	-	-	-
	Farhad Unwalla	-	-	-	-	-	-	-	-	-	-
	Ms.Zarine Daruvala	-	-	-	-	-	-	-	-	-	-
S.D.Corporation	-	-	-	0.41	-	-	-	-	-	-	
Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	-	0.10	9.50	-	
Sterling and Wilson Cogen Solutions Private Limited		-	-	-	0.50	-	-	-	-	-	-
		-	-	37.91	9.48	-	-	-	-	-	-
		-	-	1,649.63	842.87	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
17	<b>Rent expenses</b>										
	Range Consultants Private Limited	-	-	6.87	6.87	-	-	-	-	-	-
	Transtel Utilites Private Limited	-	-	-	-	-	-	75.37	65.85	-	-
	Delys Infotech Private Limited.	-	-	-	-	-	-	2.40	2.40	-	-
18	<b>Management Support Fees</b>										
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	24.98	-	-	-	-	-	-	-
Shapoorji Pallonji and Company Private Limited	108.14	23.83	-	-	-	-	-	-	-	-	
19	<b>Reimbursement of expenses</b>										
	Sterling and Wilson Solar Limited	-	-	113.00	-	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	6.77	-	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	13.23	-	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	1.22	-	-	-	-	-	-	-
Shapoorji Pallonji and Company Private Limited	2.48	-	-	-	-	-	-	-	-	-	



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Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
20	<b>Trade Receivables</b>										
	Sterling and Wilson International FZE	-	-	-	1,057.22	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	468.81	888.27	-	-	-	-	-	-	-	-
	S. D. Corporation Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Global Infra FZCO	-	-	37.07	13.30	-	-	-	-	-	-
	Shapoorji Accos Construction Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	63.52	133.59	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	-	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	25.77	42.64	-	-	-	-	-	-
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	-	-	-	-	-	-	-	-	62.81	82.82
	Shapoorji Pallonji Nigeria Ltd	-	-	16.83	47.14	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	1.65	120.42	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	91.79	-	-	-	-	-	-	-
21	<b>Advances to supplier</b>										
	Sterling Generators Private Limited	-	-	-	42.31	-	-	-	-	-	-
22	<b>Interest receivable</b>										
	Sterling and Wilson International FZE	-	-	1,736.3	456.12	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	2.90	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	21.11	-	-	-	-	-	-	-
	Transtel Utilities Ltd, UK	-	-	-	-	-	-	1.57	-	-	-
	GCO Pty Ltd	-	-	0.49	-	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	5.90	-	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	75.68	3.88	-	-	-	-	-	-

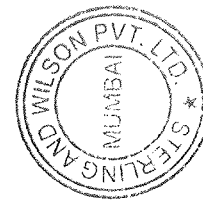


**Notes to the standalone financial statements (Continued)**  
for the year ended 31 March 2020

(Currency : Indian rupees in millions)

**46 Related party disclosures (Continued)****46.2 Transactions with related parties (Continued)**

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
23	<b>Gross amount due from customer</b>										
	Shapoorji Pallonji and Company Private Limited	268.77	272.43	-	-	-	-	-	-	-	-
	S D Corporation Private Limited	-	-	-	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	-	-	-	-	-	-	-
	Afcons Infrastructure Limited	-	-	-	-	-	-	-	-	-	-
	Afcons Infrastructure Ltd.	-	-	-	-	-	-	-	-	-	-
	Global Infra FZCO	-	-	7.34	6.51	-	-	-	-	-	-
	Shapoorji Pallonji Solar PV	-	-	-	-	-	-	-	-	-	-
	SP Solren Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	-	6.91	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	30.50	22.79	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	3.38	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	-	-	-	-	-	-	-
	SP Photovoltaic Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Suryoday Energy Pvt. Ltd	-	-	-	-	-	-	-	-	-	-
	S.D. Corporation Pvt Ltd	-	-	-	-	-	-	-	-	-	-
	Shapoorji Aecoss Construction Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	-	-	-	-	-	-	-	-
		-	-	0.44	-	-	-	-	-	-	-
24	<b>Gross amount due to customer</b>										
	Shapoorji Pallonji and Company Private Limited	92.53	25.63	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Infrastructure Capital company	-	-	-	-	-	-	-	-	-	-
	Shapoorji Aecoss Construction Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Afcons Infrastructure Ltd.	-	-	-	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	-	0.18	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	4.98	-	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd	-	-	13.48	-	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	-	-	-	-	-	-	-	-



Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>25</b>	<b>Recoverable expenses</b>										
	Sterling and Wilson Security Systems Private Limited	-	-	21.51	20.82	-	-	-	-	-	-
	Isolux Ingentieria S.A and Sterling & Wilson Ltd. Consortium	-	-	-	-	-	-	-	-	-	-
	Sterling Wilson-Spepi-Chint Moroccan Venture	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	37.21	4.02	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	1,757.34	460.99	-	-	-	-	-	-
	Sterling and Wilson Nigeria Limited	-	-	43.29	13.23	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	0.02	7.45	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	26.06	-	-	-	-	-	-	-
	Shashwat Energy Pvt Ltd	-	-	5.65	-	-	-	-	-	-	-
	Sterling and Wilson Co-Gen Solutions Pvt Ltd	-	-	41.82	10.89	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	135.26	-	-	-
	Enrich-SWPL JV	-	-	-	-	24.55	-	-	-	-	-
	SPC-SWPL JV	-	-	-	-	21.41	-	-	-	-	-
	STC Power S.R.L.	-	-	-	-	18.37	-	-	-	-	-
<b>26</b>	<b>Recovery towards expenses and others</b>										
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	13.45	-	-	-	-	-	-	-
	Sterling Wilson Solar Limited	-	-	370.22	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	8.23	-	-	-	-	-	-	-
<b>27</b>	<b>Interest payable</b>										
	Shaporji Pallonji and Company Private Limited	94.75	31.70	-	-	-	-	-	-	-	-
	Sterling and Wilson Solar Limited	-	-	325.27	842.87	-	-	-	-	-	-
	Khurshed Daravala	-	-	-	-	-	-	4.40	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	9.62	8.53	-	-	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
28	<b>Trade payable</b>										
	Shapoorji Pallonji and Company Private Limited	410.07	291.78	-	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	563.56	700.00	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	141.69	23.67	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Ltd	-	-	26.98	-	-	-	-	-	-	-
	Sterling and Wilson Security Systems Private Limited	-	-	-	-	-	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	0.81	0.43	-	-
	Sterling & Wilson Solar Limited	-	-	-	149.74	-	-	-	-	-	-
	Esterlina Solar Engineer Private Limited	-	-	22.11	-	-	-	-	-	-	-
	Forbes Enviro Solutions Limited	-	-	-	-	-	-	-	-	-	-
	Forvol International Service Ltd.	-	-	1.48	8.56	-	-	-	-	-	-
	SP Fabricators	-	-	13.64	2.57	-	-	-	-	-	-
	Eureka Forbes	-	-	0.39	0.06	-	-	-	-	-	-
29	<b>Short term borrowings</b>										
	Shapoorji Pallonji and Company Private Limited	3,718.72	400.00	-	-	-	-	985.70	34.50	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	-	-	-
	Mrs. Kainza Y Daruvala	-	-	-	-	-	-	-	-	-	-
	Ms. Delna K Daruvala	-	-	-	-	-	-	-	8.05	-	-
	Sterling and Wilson Solar Ltd	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	5,653.34	12,131.53	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	107.50	263.85	-	-	-	-	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	199.50	-	-	-



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# Sterling and Wilson Private Limited

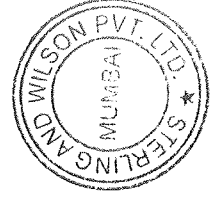
## Notes to the standalone financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in millions)

### 46 Related party disclosures (Continued)

#### 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
30	Loan Given	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	12,320.78	9,625.58	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	365.50	-	-	-	-	-	-	-
	Transtel Utilities UK	-	-	-	-	-	-	74.06	-	-	-
	GCO Pty Ltd	-	-	68.91	-	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	534.83	-	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	664.64	233.06	-	-	-	-	-	-
31	<b>Advance from customer</b>										
	Shapoorji Pallonji and Company Private Limited	1,015.79	377.08	-	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Private Limited	-	-	-	105.93	-	-	-	-	-	-
	Shapoorji Aecos Construction Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	11.03	21.42	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	200.00	-	-	-	-	-	-
	Global Infra FZCO	-	-	-	12.18	-	-	-	-	-	-
	Suryoday Energy Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	54.83	-	-	-	-	-	-	-
	S.D. Corporation Pvt.Ltd.	-	-	-	-	-	-	-	-	-	-
32	<b>Rent payable</b>										
	Transtel Utilities Private Limited	-	-	-	-	-	-	7.71	-	-	0.03
	Range Consultants Private Limited	-	-	0.62	-	-	-	-	-	-	-



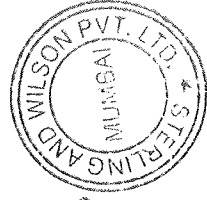
**Notes to the standalone financial statements (Continued)**  
for the year ended 31 March 2020

(Currency : Indian rupees in millions)

**46 Related party disclosures (Continued)**

**46.2 Transactions with related parties (Continued)**

Sr.No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
33	Interim dividend (on preference shares and equity shares)	-	-	-	-	-	-	-	-	-	-
	Sterling Generators Pvt Ltd	-	-	-	15.80	-	-	-	-	-	-
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	-	-	-	-
	Mr. Pallon Shapoor Mistry	-	-	-	-	-	-	-	-	-	-
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	-	-	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	-	-	-	-
34	Other receivables	-	-	-	-	-	-	-	-	-	-
	Sterling Generators Pvt Ltd	-	-	1.50	-	-	-	-	-	-	-
	Sterling & Wilson Solar Ltd	-	-	141.79	-	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	9.69	1.66	-	-	-	-	-	-
	Mr. Ravi Anantkrishnan	-	-	-	-	-	-	-	-	-	-
35	Other Payables	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Middle East Electromechanical LLC	-	-	1.13	-	-	-	-	-	-	-
36	Guarantees issued during the year (including foreign exchange adjustments)	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	-	1,187.31	-	-	-	-	-	-
37	Guarantees cancelled during the year (including foreign exchange adjustments)	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	-	5,634.17	-	-	-	-	-	-
38	Letter of credits issued	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	-	7,596.49	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	495.36	-	-	-	-	-	-	-
	Sterling & Wilson Middle East WLL	-	-	-	92.96	-	-	-	-	-	-



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

(Currency : Indian rupees in millions)

**46 Related party disclosures (Continued)****46.2 Transactions with related parties (Continued)**

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
39	Letter of credits cancelled during the year (including foreign exchange adjustments) Sterling and Wilson International Solar FZCO Sterling & Wilson Middle East WLL Sterling and Wilson International FZE	-	-	495.36	-	-	-	-	-	-	-
40	Corporate guarantees issued (including foreign exchange adjustments) Sterling and Wilson International FZE STC Power S.r.l. Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	3,680.40	-	-	-	-	-	-	-
41	Corporate guarantees cancelled (including foreign exchange adjustments) Sterling and Wilson International FZE STC Power S.r.l. Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	900.00	320.27	-	18.60	-	-	-	-
42	Letter of credit outstanding Sterling and Wilson International FZE Sterling & Wilson Middle East WLL	-	-	-	550.77	-	-	-	-	-	-
43	Corporate guarantees outstanding Sterling and Wilson International FZE STC Power S.r.l. (JV of Holding Co.) Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	7,755.40	7,523.32	781.81	740.13	-	-	-	-
				800.00	1,700.00						



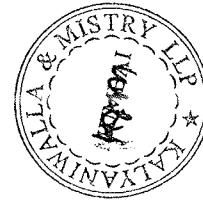
**Notes to the standalone financial statements (Continued)**  
for the year ended 31 March 2020

(Currency : Indian rupees in millions)

**46 Related party disclosures (Continued)**

**46.2 Transactions with related parties (Continued)**

Sl. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
44	Bank guarantees issued Sterling & Wilson Middle East WLL	-	-	-	386.03	-	-	-	-	-	-
45	Bank guarantees cancelled Sterling & Wilson Middle East WLL	-	-	386.03	-	-	-	-	-	-	-
46	Bank guarantees outstanding Sterling & Wilson Middle East WLL	-	-	-	386.03	-	-	-	-	-	-
47	Loan towards equity	-	3,350.00	-	-	-	-	-	-	-	-
48	Equity Capital issued Mr Khurshed Y Daruvala Shapoorji Pallonji and Company Private Limited	89.33	-	-	-	-	-	44.00	-	-	-
49	Preference share capital issued Mr Khurshed Y Daruvala Shapoorji Pallonji and Company Private Limited	-	-	-	-	-	-	5,025.00	-	-	-





Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

47 Income taxes

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

Particulars	31 March 2020	31 March 2019
<b>Current tax expense :</b>		
Current year	-	-
Changes in estimate related to prior years	0.18	-
	<u>0.18</u>	<u>-</u>
<b>Deferred tax :</b>		
Origination and reversal of temporary differences - P&L	(573.28)	51.21
Origination and reversal of temporary differences - OCI	5.26	-
	<u>(568.02)</u>	<u>51.21</u>
<b>Tax expenses</b>	<u><u>(567.84)</u></u>	<u><u>51.21</u></u>

b) Income tax recognised in other comprehensive income

Particulars	Before tax	31 March 2020 Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on post employment defined benefit plan	15.05	(5.26)	9.79
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating financial statements of foreign operations	-	-	-

Particulars	Before tax	31 March 2019 Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement (losses) on post employment defined benefit plan	(15.17)	-	(15.17)
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating financial statements of foreign operations	-	-	-

c) Reconciliation of effective tax rate

Particulars	31 March 2020	31 March 2019
Profit / (loss) before tax	(1,888.71)	198.70
Tax using the Company's domestic tax rate (current year 34.944%)	(659.99)	69.43
Tax effect of:		
Expenses that are not deductible in determining taxable profit	80.90	247.60
Income which are exempt from tax	0.04	(5.52)
Change in deductible temporary differences	(2.65)	51.21
Deductible expenses	0.40	(298.52)
Ind-AS adjustments	5.26	(12.99)
Items taxed at differential rates	15.91	-
Changes in estimates related to prior years	(7.71)	-
<b>Tax (income) / expenses as per statement of Profit and Loss</b>	<u><u>(567.84)</u></u>	<u><u>51.21</u></u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

### 47 Income taxes (Continued)

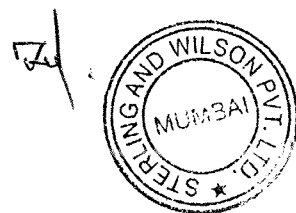
d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Particulars	Balance as at 1 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and	(67.23)	(58.47)	-	(125.70)
Provision for bad and doubtful debts, unbilled receivables	120.91	(13.65)	-	107.27
Provision for foreseeable losses	3.26	28.98	-	32.24
Provision for liquidated damages	2.96	(5.52)	-	(2.56)
Employee benefits	192.34	13.33	(5.26)	200.40
Carry forward business losses	108.58	519.75	-	628.33
Unabsorbed depreciation	69.57	122.82	-	192.39
Fair valuation of investments	(31.21)	9.92	-	(21.29)
Retention receivable	0.35	1.92	-	2.28
Retention payable	(1.20)	1.20	-	-
Security deposits	0.14	(0.14)	-	-
Unbilled revenue	46.87	(46.87)	-	-
	445.35	573.27	(5.26)	1,013.36

Particulars	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and	(33.37)	(33.85)	-	(67.23)
Provision for bad and doubtful debts, unbilled receivables	180.18	(59.27)	-	120.91
Provision for foreseeable losses	11.78	(8.52)	-	3.26
Provision for liquidated damages	5.39	(2.43)	-	2.96
Employee benefits	160.24	32.09	-	192.34
Provision for bonus	0.51	(0.51)	-	-
Carry forward business losses	136.00	(27.42)	-	108.58
Unabsorbed depreciation	69.57	(0.00)	-	69.57
Fair valuation of investments	(28.81)	(2.40)	-	(31.21)
Fair valuation of financial liabilities	-	-	-	-
Unrealised gain	-	-	-	-
Retention receivable	19.09	(18.74)	-	0.35
Retention payable	(11.11)	9.91	-	(1.20)
Security deposits	2.37	(2.23)	-	0.14
Unbilled revenue	(15.27)	62.14	-	46.87
Net deferred tax asset	496.56	(51.21)	-	445.35

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency - Indian rupees in millions)

### 47 Income taxes (Continued)

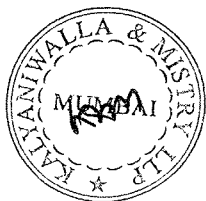
#### d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

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

#### f) Tax losses carried forward

Particulars	Assessment Year	31 March 2020	Expiry date
Expire	2018-19	333.25	2025-26
		<u>333.25</u>	
Never expire	2018-19	199.14	

The Company 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 Company. The Company is expected to incur a loss in the financial year ended 31 March 2021 and expects to generate taxable income from the financial year ended 31 March 2022 and onwards. The business losses can be carried forward for a period of 8 years as per the tax regulations and the Company expects to recover the losses.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency - Indian rupees in millions)

48 Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

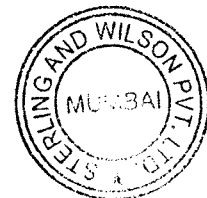
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if carrying amount is a reasonable approximation of fair value.

31 March 2020	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable	
<b>Financial assets</b>								
Investments in subsidiaries, associate & partnership firm	-	-	69.87	69.87	-	-	-	-
Investments in preference instruments	535.35	-	-	535.35	-	-	535.35	535.35
Investments in equity instruments	203.28	-	-	203.28	11.25	-	192.03	203.28
Investments in debt instruments	-	-	0.01	0.01	-	-	-	-
Investment in mutual funds	2.79	-	-	2.79	-	-	-	-
Cash and cash equivalents	-	-	605.17	605.17	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	580.27	580.27	-	-	-	-
Loans	-	-	16,490.28	16,490.28	-	-	-	-
Trade receivables	-	-	16,762.02	16,762.02	-	-	-	-
Other receivables	-	-	2,388.23	2,388.23	-	-	-	-
Interest accrued on receivables	-	-	437.00	437.00	-	-	-	-
Unbilled receivables	-	-	11,350.24	11,350.24	-	-	-	-
Bank Deposits	-	-	46.09	46.09	-	-	-	-
	741.42	-	48,729.18	49,470.60	11.25	-	727.38	738.63
<b>Financial liabilities</b>								
Long term borrowings	-	-	446.83	446.83	-	-	-	-
Short term borrowings	-	-	14,169.50	14,169.50	-	-	-	-
Trade payables	-	-	14,238.53	14,238.53	-	-	-	-
Lease liabilities	-	-	148.59	148.59	-	-	-	-
Other current financial liabilities	-	-	938.72	938.72	-	-	-	-
	-	-	29,942.17	29,942.17	-	-	-	-

31 March 2019	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amortised Cost		Level 1 - Quoted	Level 2 -	Level 3 -	
<b>Financial assets</b>								
Investments in subsidiaries and associate	-	-	68.61	68.61	-	-	-	-
Investments in preference instruments	558.85	-	-	558.85	-	-	558.85	558.85
Investments in equity instruments	227.67	-	-	227.67	2.47	-	225.20	227.67
Investments in debt instruments	-	-	0.01	0.01	-	-	-	-
Investment in mutual funds	2.67	-	-	2.67	-	-	-	-
Cash and cash equivalents	-	-	258.45	258.45	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	358.85	358.85	-	-	-	-
Loans	-	-	10,593.94	10,593.94	-	-	-	-
Trade receivables	-	-	18,689.93	18,689.93	-	-	-	-
Other receivables	-	-	549.75	549.75	-	-	-	-
Interest accrued on receivables	-	-	437.00	437.00	-	-	-	-
Unbilled receivables	-	-	8,835.91	8,835.91	-	-	-	-
Bank Deposits	-	-	44.08	44.08	-	-	-	-
	789.19	-	39,836.53	40,625.72	2.47	-	784.05	786.52
<b>Financial liabilities</b>								
Short-term borrowings	-	-	16,163.14	16,163.14	-	-	-	-
Trade payables	-	-	15,247.87	15,247.87	-	-	-	-
Other current financial liabilities	-	-	1,040.15	1,040.15	-	-	-	-
	-	-	32,451.17	32,451.17	-	-	-	-



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Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency - Indian rupees in millions)

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

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant	Inter-relationship between
Current investments - in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Non-current investments in unquoted instruments accounted for at fair value through profit or loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

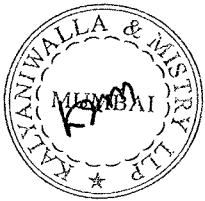
There have been no transfers between Level 1 and Level 2 during the reporting periods.

Level 3 fair values

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

Description of significant unobservable inputs to valuation.

Type	Valuation technique	Significant	Discounting rate	Sensitivity of the input to
Investments in unquoted instruments accounted for as fair value through profit and loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	31 March 2020: 9.50% 31 March 2019: 10.54%	1% (March 2020: 1% increase / (decrease) would result in (decrease) / increase in fair value by (Rs 94.85million ) / Rs 94.48 million (March 2019: (Rs 14.96 million) / Rs 13.30 million)
Investments in unquoted equity instruments accounted for at fair value through profit or loss	31 March 2020: Price of Recent Investment Method 31 March 2019: Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	31 March 2020: Price of Recent Investment Method 31 March 2019: Weighted Average cost of capital (WACC) and terminal growth rate (TGR)	31 March 2020: Not Applicable 31 March 2019: 35.00% (WACC) and 5.00% (TGR)	The valuation has been done on the basis of the "Price of Recent Investment Method". This method is used in the event there is a recent investment that is made in the Company/announced with respect to the Company or there is a recent transfer of shares of the Company that has taken place/announced and the valuation at which such transaction has taken place or is expected to take place provides a basis for arriving at the fair value



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Sterling and Wilson Private Limited

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

(Currency - Indian rupees in millions)

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

(b) Measurement of fair values (Continued)

Reconciliation of Level 3 Fair Value Measurements:

	Equity instruments	Preference instruments
Balance as at 31 March 2018	226.95	546.84
Add: Change in value of investment in preference shares and equity shares measured at FVTPL	0.72	12.01
<b>Balance as at 31 March 2019</b>	<b>227.67</b>	<b>558.85</b>
Add: Purchased during the year	9.00	
Less: Change in value of investment in preference shares and equity shares measured at FVTPL	(33.39)	(23.50)
<b>Balance as at 31 March 2020</b>	<b>203.28</b>	<b>535.35</b>

(c) Financial risk management

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

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

**Risk management framework**

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

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

#### (c) Financial risk management (Continued)

##### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities. The carrying amounts of financial assets represent the maximum credit exposure.

##### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivables.

Total trade receivable as on 31 March 2020 is Rs. 16,762.02 million (31 March 2019: Rs. 18,689.93 million) and unbilled receivable as on 31 March 2020 is Rs. 11,350.24 million (31 March 2019: Rs. 8,835.21 million).

The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in receivables 6.67% (31 March 2019: 6.34%).

As per simplified approach, the Company makes provision of expected credit losses on trade receivables and other receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the provision for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Trade receivables	Unbilled receivables	Loans	Total
Balance as at 31 March 2018	329.00	134.13	6.00	469.13
Provision recognised / (reversed) (net)	(35.48)	-	-	(35.48)
Balance as at 31 March 2019	293.52	134.13	6.00	433.65
Provision recognised / (reversed) (net)	(39.00)	(134.13)	-	(173.13)
Balance as at 31 March 2020	254.52	(0.00)	6.00	260.52

##### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 605.17 million and Rs. 258.45 million as at 31 March 2020 and 31 March 2019 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

##### Other bank balances

The Company held other bank balances of Rs. 580.27 million and Rs. 358.85 million as at 31 March 2020 and 31 March 2019 respectively with bank with good credit rating.

##### Investment in mutual funds

Investments primarily include investment in units of mutual funds. These mutual funds and counterparties have low credit risk.



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in millions)

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

#### i. Credit risk (Continued)

##### Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

##### Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries and joint ventures. As at 31 March 2020 and 31 March 2019, the Company has issued the guarantees to certain banks on behalf of its subsidiaries and joint ventures in respect of credit facilities availed by the subsidiaries and joint ventures. The Company has given guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligation.

##### Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at 31 March 2020 and 31 March 2019. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

##### Loans, investments in group companies

The Company does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries / associates.

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





# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in millions)

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

#### (c) Financial risk management (Continued)

##### ii Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company has access to funds from debt market through loans from banks, financial institutions and other debt instruments.

As at 31 March 2020, the Company had working capital demand loan of Rs. 2,792.27 million, cash credit loan of Rs. 567.39 million and loan from related parties of Rs. 10,665.15 million including cash and cash equivalents of Rs. 605.17 million and other bank balances of Rs. 580.27 million.

As at 31 March 2019, the Company had working capital demand loan of Rs. 2,300 million, cash credit loan of Rs. 1,025.55 million and loan from related parties of Rs. 12,837.59 million including cash and cash equivalents of Rs. 258.45 million and other bank balances of Rs. 358.85 million.

#### Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for derivative and non derivative financial liabilities:

31 March 2020	Carrying	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5
<b>Non-derivative financial liabilities</b>						
Term loan from banks	591.52	591.52	144.69	297.13	149.70	-
Cash credit loans from banks	567.39	567.39	567.39	-	-	-
Working capital demand loan	2,792.27	2,792.27	2,792.27	-	-	-
Other short-term borrowings	10,665.15	10,665.15	10,665.15	-	-	-
Trade payables	14,238.53	14,238.53	14,238.53	-	-	-
Interest accrued and due	473.96	473.96	473.96	-	-	-
Lease liabilities	148.59	148.60	102.36	24.08	11.44	10.72
Other current financial liabilities	464.76	464.76	464.76	-	-	-

31 March 2019	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 loan from banks	-	-	-	-	-	-
Cash credit loans from banks	1,025.55	1,025.55	1,025.55	-	-	-
Working capital demand loan	2,300.00	2,300.00	2,300.00	-	-	-
Commercial papers	-	-	-	-	-	-
Other short-term borrowings	12,837.59	12,837.59	12,837.59	-	-	-
Trade payables	15,247.87	15,247.87	15,247.87	-	-	-
Interest accrued and due	820.58	820.58	820.58	-	-	-
Other current financial liabilities	219.57	219.57	219.57	-	-	-

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



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

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

#### (c) Financial risk management (Continued)

##### iii Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### (a) Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

##### Exposure to currency risk

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

Amounts in INR million	31 March 2020						
	USD	EUR	GBP	AED	Peso	ZAR	Others
<b>Financial assets</b>							
Trade receivables	1,332.79	-	-	-	-	-	-
Cash and Cash Equivalents	10.54	0.09	0.03	-	-	-	-
Loan to subsidiaries and others	1,302.16	-	75.63	-	-	-	69.41
Recoverable expenses	1,863.94	18.37	135.26	-	-	-	-
<b>Exposure to foreign currency assets</b>	<b>4,509.43</b>	<b>18.46</b>	<b>210.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.41</b>
<b>Financial liabilities</b>							
Trade payables and other payable	211.14	76.10	1.36	-	-	-	2.55
<b>Exposure to foreign currency</b>	<b>211.14</b>	<b>76.10</b>	<b>1.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.55</b>
<b>Net Exposure</b>	<b>4,298.29</b>	<b>(57.64)</b>	<b>209.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.86</b>

\*others include AUD

	31 March 2019						
	USD	EUR	GBP	AED	Peso	ZAR	Others *
<b>Financial assets</b>							
Trade receivables	1,584.98	-	-	-	-	-	-
Cash and Cash Equivalents	4.59	0.23	0.30	0.00	0.00	0.00	-
Recoverable expenses	478.23	-	-	-	-	-	-
<b>Exposure to foreign currency assets</b>	<b>2,067.80</b>	<b>0.23</b>	<b>0.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>Financial liabilities</b>							
Trade payables and other payable	179.02	0.76	1.72	-	-	-	0.74
<b>Exposure to foreign currency</b>	<b>179.02</b>	<b>0.76</b>	<b>1.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.74</b>
<b>Net Exposure</b>	<b>1,888.78</b>	<b>(0.53)</b>	<b>(1.42)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.74)</b>

\*others include CHF, AUD

##### Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in INR million	31 March 2020		31 March 2019	
	Profit or loss	Profit or loss	Profit or loss	Profit or loss
	Strengthening	Weakening	Strengthening	Weakening
USD	214.91	(214.91)	94.44	(94.44)
EUR	(2.88)	2.88	(0.03)	0.03
GBP	10.48	(10.48)	(0.07)	0.07
Others *	3.34	(3.34)	(0.04)	0.04

\*others include CHF, AUD



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# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

(Currency - Indian rupees in millions)

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

#### (c) Financial risk management (Continued)

##### iii Market risk (Continued)

##### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 17, Note 22 and Note 24 of these standalone Ind AS financial statements.

Particulars	31 March 2020	31 March 2019
<b>Fixed rate instruments</b>		
Financial assets	14,328.74	896.16
Financial liabilities	<u>(12,856.67)</u>	<u>(15,137.59)</u>
	<u>1,472.07</u>	<u>(14,241.43)</u>
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	<u>(1,759.66)</u>	<u>(1,025.55)</u>
	<u>(1,759.66)</u>	<u>(1,025.55)</u>

#### Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

#### Interest rate sensitivity - variable rate instruments

INR	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2020</b>				
Variable-rate instruments	(17.60)	17.60	(11.45)	11.45
Cash flow sensitivity (net)	<u>(17.60)</u>	<u>17.60</u>	<u>(11.45)</u>	<u>11.45</u>

INR	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2019</b>				
Variable-rate instruments	(10.26)	10.26	(6.67)	6.67
Cash flow sensitivity (net)	<u>(10.26)</u>	<u>10.26</u>	<u>(6.67)</u>	<u>6.67</u>

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

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

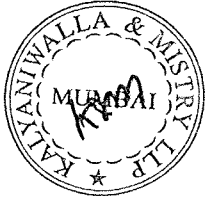
#### (c) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

Particulars	31 March 2020	31 March 2019
Non-Current Borrowings	446.83	-
Current Borrowings	14,169.50	16,163.14
<b>Gross debt</b>	<b>14,616.33</b>	<b>16,163.14</b>
Less : Cash and cash equivalents	605.17	258.45
<b>Adjusted net debt</b>	<b>14,011.16</b>	<b>15,904.69</b>
Total equity	20,836.93	7,967.77
Adjusted net debt to adjusted equity ratio	0.67	2.00



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2020

### 49 Transfer Pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2019. Management believes that the Company's international transactions with related parties post 31 March 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision for taxation.

- 50 The Company (Sterling and Wilson Private Limited) had entered into the development, supply, civil works, service and operation and maintenance agreements (hereinafter referred to as 'the EPC contracts'), for developing, constructing and commissioning of solar plants for seven Projects in two states namely Telangana and Madhya Pradesh which were under disputes with the Developers (namely Sky Power Group Companies/Special Purpose Vehicles (SPVs)) in relation to which negotiations/discussion are currently under progress. As on the balance sheet the value of trade receivables, unbilled receivables and advance related to those projects aggregated Rs. 3,327.82 million along with interest receivable on delayed payments amounting to Rs. 437 million. The Company's subsidiary had filed case before Hon'ble High Court of Delhi in December 2018 for 2 out of 7 projects, restraining Skypower Group to alienate, transfer and/or sell the said assets, pending commencement of arbitration proceedings with the Seat of Arbitration in Singapore. The Delhi High Court has, vide its order dated June 22, 2020, and released on June 27, 2020, interalia directed each respondents of Skypower Group Companies/SPVs in the Delhi High Court proceedings to, within 4 (four) weeks from the date of Delhi High Court Order, furnish bank guarantee equivalent to 50% of the total amounts sought to be secured by Company's Subsidiary with the Registrar General of the High Court.

In addition to the facts, the Company on July 17, 2020, has entered into a Partial Settlement (as part of the intended overall settlement) between the Sterling and Wilson Group entities and Skypower Group entities/SPVs. As per the Partial Settlement the Company has recovered approx. 50% of the total outstanding amount as indicated above and are in the process of recovering the balance outstanding and the modalities to revive and complete the aforesaid Projects are being formulated by both parties under the settlement terms.

Following the norms of prudence, the Company has not charged interest to Skypower Group for the FY 2019-20 on the outstanding receivables. Based on above case status and discussions with the Developers, their Legal Counsel & the favorable orders passed by various Courts in similar cases, the Management believes that no adjustments/impairments are required to be made in the standalone Ind AS financial statements of the Company towards the total outstanding receivables.

### 51 Subsequent events:

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

### 52 Other matters

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

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



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