

**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 accompanying standalone Ind AS financial statements of **Sterling and Wilson Private Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Rwanda, Togo, Tanzania, and Egypt (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss (including other comprehensive income), changes in equity and its cash flow for the year ended on that date.

**Basis for 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 on the standalone Ind AS financial statements.

**Emphasis of Matter**

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

Based on discussions with the Developers, Company's Legal Counsel & favourable order passed by Delhi High Court, the Management believes that 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.



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- b) We draw attention to note 51 of the standalone Ind AS financial statements that as on March 31, 2021, the Company's total exposure in Sterling and Wilson International FZE ('SWFZE'), a wholly owned subsidiary was Rs. 1,957.76 crores which comprised of Investment in Equity Shares Rs. 1.12 crores, Loans including interest outstanding Rs. 1,805.59 crores and Other Recoverables Rs. 151.05 crores. As per the aforesaid subsidiary's consolidated financial statements, the accumulated losses exceeded its share capital and its current liabilities exceeded its current assets. Notwithstanding the above facts, the consolidated financial statements of the subsidiary have been prepared under the going concern assumption because subsequent to the reporting date, Sterling and Wilson Middle East Electromechanical LLC ("SWMELLC"), a wholly owned subsidiary of SWFZE has entered into a Business Transfer cum Acquisition Agreement, under which SWFZE Group would be transferring its MEP business, related assets, liabilities and accumulated losses effective April 1, 2021 to Oman Shapoorji Company LLC ("OSCO"), a related party. The aforesaid agreement was ratified by resolutions passed by the Board of SWFZE and SWMELLC. In view of such an arrangement, the Company is of the view that the SWFZE Group will continue to operate as a going concern for the foreseeable future, and no provision for impairment towards the total exposure aggregating to Rs. 1,957.76 crores is required in the standalone Ind AS financial statements.

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, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

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



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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place with 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

We did not audit the financial information of 4 branches included in the standalone Ind AS financial statements of the Company whose standalone financial information reflect total assets of Rs. 108.75 crores as at 31 March 2021, the total revenue of Rs. 146.75 crores for the year ended on that date, as considered in the standalone Ind AS financial statements. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

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

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

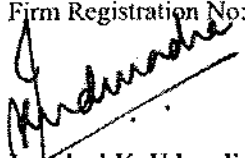
#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the pending update of detailed records of inventories of stock in trade aggregating Rs. 33.22 crores as on March 31, 2021, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches not visited by us.
  - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flow dealt with by this report are in agreement with the books of account.
  - e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.



- f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act are not applicable to the Company.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 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  
Firm Registration No: 104607W / W100166

  
Jyotish K. Udawadia  
Partner

Membership No: 124658

UDIN No. 21124658AAAAKY3139

Mumbai, November 26, 2021



**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, 2021:

**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 programme 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 programme, certain fixed assets were physically verified by the Management and discrepancies noticed upon such verification were not material.  
  
(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 Management has not conducted physical verification of the inventory during the year. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether material discrepancies, if any, have been properly dealt with in the books of account.
3. The Company has granted unsecured loans to companies 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 loans granted by the Company to companies 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 loans granted to companies and interest thereon are repayable on demand.  
  
(c) Since the unsecured loans granted are 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 account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, professional tax, goods and service tax, duty of customs and other material statutory dues have not been deposited regularly during the year by the Company with the appropriate authorities, there have been delays in certain cases. As explained to us, the Company did not have any dues on account of duty of excise and cess.

No undisputed amounts payable in respect of provident fund, employees state insurance, profession tax, income tax, goods and service tax, duty of customs and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date the became payables.

- (b) According to the information and explanations given to us and the records of the Company examined by us, dues of sales tax, service tax and entry tax not deposited on account of dispute are as follows:

Name of Statute	Nature of dues	Demand (Rs. Crores)	Amount paid under protest (Rs. Crores)	Year to which amount relates	Forum where appeal is pending
Value Added Tax and Central Sales Tax	Tax and Non-Submission of Forms	3.04	0.06	FY 2005-06, FY 2009-10, FY 2012-13 to 2017-18	Assistant Commissioner of Commercial Taxes
Value Added Tax and Central Sales Tax	Tax	5.01	-	2012-13 To 2015-16	Additional Director General DGGSTI, Zonal Unit, Mumbai
Value Added Tax and Central Sales Tax	Non-Submission of Forms	16.05	-	2015-16 to 2016-17	Appellate Deputy Commissioner
Value Added Tax and Central Sales Tax	Tax, Interest and Penalty	0.87	-	2005-06 to 2007-08	Assistant Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Tax and Interest	0.74	-	2013-14, 2014-15, 2017-18	Commercial Tax Officer
Value Added Tax and Central Sales Tax	Non-Submission of Forms	6.35	-	2015-16	Commercial Tax Officer
Value Added Tax and Central Sales Tax	Tax, Interest and Penalty and Non-Submission of Forms	2.32	0.13	2011-12, 2012-13, 2014-15 to 2016-17	Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Tax	1.94	-	2014-15	CTO, Ekkatuthangal, Chennai
Value Added Tax and Central Sales Tax	Tax, Non-Submission of Forms, Non-	8.82	0.49	2000-01, 2013-14, 2015-16 to 2017-18	Deputy Commissioner of Commercial Tax



Name of Statute	Nature of dues	Demand (Rs. Crores)	Amount paid under protest (Rs. Crores)	Year to which amount relates	Forum where appeal is pending
	Submission of Certificates and Documents				
Value Added Tax and Central Sales Tax	Interest, Non-Submission of Forms, Non-Submission of Certificates and Documents	15.72	0.06	2005-11, 2013-14, 2015-16 to 2016-17	Deputy Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Non-Submission of Forms	0.87	-	2016-17 to 2017-18	Deputy commissioner of State Tax
Value Added Tax and Central Sales Tax	Non-Submission of Certificates and Documents	0.06	-	2016-17.	Deputy Commissioner of State Tax
Value Added Tax and Central Sales Tax	Non-Submission of Certificates and Documents, Non-Submission of Forms, Tax	12.93	0.12	2006-07 to 2008-09, 2012-13, 2014-15 to 2017-18	Joint Commissioner of Commercial Tax
Value Added Tax and Central Sales Tax	Disallowance of Labour and Service, Non-Submission of Forms	6.54	0.37	2012-13 to 2013-14, 2016-17	Joint Commissioner of Sales Tax
Value Added Tax and Central Sales Tax	Non verification of certificates, ITC mismatch	1.15	-	2011-12, 2013-14, 2015-16 to 2016-17	Excise & Taxation Officer Cum Assessing Authority
Entry Tax	Non-Submission of Forms	0.39	-	2014-15 and 2016-17	Deputy Commissioner of Commercial Tax
Service Tax	Tax	0.91	-	April to June (2012-13)	Commissioner of Commercial Tax
Service Tax	Tax	0.25	-	FY 2003-04 to - 2007-08	Commissioner of Service Tax


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.
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  
Firm Registration No: 104607W / W100166

  
Jaished K. Udawadia  
Partner

Membership No: 124658  
UDIN No. 21124658AAAKY3139  
Mumbai, November 26, 2021



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

The Annexure referred to in clause (g) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2021:

#### **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, 2021, 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**

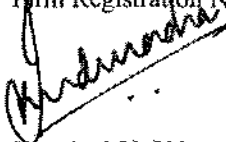
Because of the inherent limitations of internal financial controls with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections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

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

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, 2021 standalone Ind AS financial statements of the Company and these material weaknesses does not affect our opinion on the standalone Ind AS financial statements of the Company.

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



Jamshed K. Udawadia  
Partner

Membership No: 124658

UDIN No. 21124658AAAAKY3139  
Mumbai, November 26, 2021



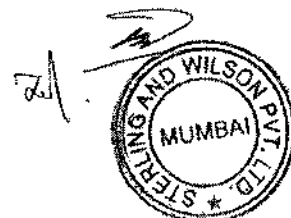
# Sterling and Wilson Private Limited

## Standalone balance sheet

as at 31 March 2021

(Currency : Indian rupees in crores)

	Note	31 March 2021	31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	180.57	185.95
Capital Work-in-Progress	4	0.33	7.61
Right-of-use assets	4.1	4.16	14.06
Other intangible assets	5	2.87	6.70
<b>Financial assets</b>			
(i) Investments	6	83.09	80.43
(ii) Loans	7	11.36	11.40
(iii) Other financial assets	8	5.69	4.61
Deferred tax assets (net)	9	74.99	106.73
Non-current tax assets (net)	10	36.30	128.04
Other non-current assets	11	6.23	6.08
<b>Total non-current assets</b>		<b>405.60</b>	<b>551.61</b>
<b>Current assets</b>			
Inventories	12	51.15	60.04
<b>Financial assets</b>			
(i) Investments	13	0.69	0.70
(ii) Trade receivables	14	1,325.35	1,676.20
(iii) Cash and cash equivalents	15	64.34	60.52
(iv) Bank balances other than cash and cash equivalents	16	46.78	58.03
(v) Loans	17	2,107.65	1,637.63
(vi) Other financial assets	18	1,075.36	1,417.55
Other current assets	19	335.99	307.33
<b>Total current assets</b>		<b>5,007.31</b>	<b>5,217.99</b>
<b>Total assets</b>		<b>5,412.91</b>	<b>5,769.60</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	20	29.37	29.37
Compulsorily convertible non-cumulative preference shares	20	1,802.50	1,502.50
		<b>1,831.87</b>	<b>1,531.87</b>
Other equity	21		
- Capital redemption reserve		50.00	50.00
- Securities premium account		560.04	560.04
- Loan towards Equity		-	-
- Retained earnings		(409.39)	(70.19)
- General Reserve		13.39	13.39
- Other comprehensive income		(0.69)	(1.41)
		<b>213.35</b>	<b>551.83</b>
<b>Total equity</b>		<b>2,045.22</b>	<b>2,083.69</b>



# Sterling and Wilson Private Limited

## Standalone balance sheet

as at 31 March 2021

(Currency : Indian rupees in crores)

	Note	31 March 2021	31 March 2020
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	4.1	2.22	4.62
(ii) Borrowings	22	14.97	44.68
Provisions	23	19.38	20.93
<b>Total non-current liabilities</b>		<b>36.57</b>	<b>70.23</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	24	1,033.75	1,402.48
(ii) Lease liabilities	4.1	2.41	10.24
(iii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises		113.25	111.43
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,382.58	1,312.43
(iv) Other financial liabilities	26	177.09	108.34
Other current liabilities	27	561.16	608.14
Provisions	28	53.63	59.21
Current tax liabilities (net)	29	7.26	3.41
<b>Total current liabilities</b>		<b>3,331.13</b>	<b>3,615.68</b>
<b>Total liabilities</b>		<b>3,367.69</b>	<b>3,685.91</b>
<b>Total equity and liabilities</b>		<b>5,412.91</b>	<b>5,769.60</b>
<b>Significant accounting policies</b>	3		

Notes to the standalone financial statements

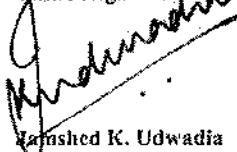
The attached notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166

  
Anshul K. Udawadia  
Partner

Membership No: 124658

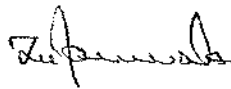
Mumbai

Date: November 26, 2021

For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PTC017538

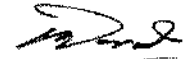


Zarine Daruvala

Director

DIN: 00190585

Mumbai



Khurshed Daruvala

Director

DIN: 00216905

Mumbai





Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

Date: November 26, 2021



K. P. Hariharan

Company Secretary

Membership No: A-5165

Mumbai

# Sterling and Wilson Private Limited

## Standalone statement of profit and loss for the year ended 31 March 2021

(Currency : Indian rupees in crores)

	Note	31 March 2021	31 March 2020
<b>Income</b>			
Revenue from operations	30	2,278.30	3,082.48
Other income	31	256.04	235.98
<b>Total income</b>		<u>2,534.34</u>	<u>3,318.46</u>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	32	1,442.49	1,868.35
Changes in inventories of stock-in-trade	33	2.01	(16.03)
Direct project costs	34	850.40	947.27
Employee benefits expense	35	191.93	274.20
Other expenses	38	130.24	162.10
<b>Total expenses</b>		<u>2,617.07</u>	<u>3,235.89</u>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(82.73)</b>	82.57
Finance costs	36	192.27	241.83
Depreciation and amortisation expense	37	31.68	29.62
<b>Loss before income tax</b>		<u><b>(306.68)</b></u>	<u>(188.87)</u>
<b>Tax expense:</b>			
	47		
Current tax		0.79	-
Prior year tax adjustments		-	0.02
Deferred tax charge / (credit)		31.73	(57.33)
		<u>32.52</u>	<u>(57.31)</u>
<b>Loss for the year</b>		<u><b>(339.20)</b></u>	<u>(131.56)</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		0.72	1.51
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(0.53)
<b>Other comprehensive income for the year, net of income tax</b>		<u>0.72</u>	<u>0.98</u>
<b>Total comprehensive loss for the year</b>		<u><b>(338.48)</b></u>	<u>(130.58)</u>



# Sterling and Wilson Private Limited

## Standalone statement of profit and loss (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

Basic earnings per share (EPS) (Rs.)	(115.49)	(59.53)
Diluted earnings per share (DEPS) (Rs.)	(115.49)	(59.53)

### Significant accounting policies

3

Notes to the standalone financial statements

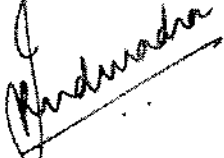
The attached notes are an integral part of these standalone financial statements.

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

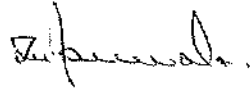
Date: November 26, 2021



For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PTC017538

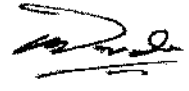


Zarine Daruvala

Director

DIN: 00190585

Mumbai

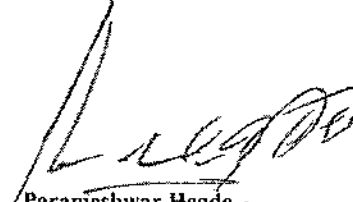


Khurshed Daruvala

Director

DIN: 00216905

Mumbai



Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai

Date: November 26, 2021



K. P. Hariharan

Company Secretary

Membership No: A-5165

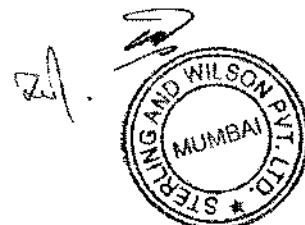
Mumbai

# Sterling and Wilson Private Limited

## Standalone statement of cash flow for the year ended 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>A) Cash flows from operating activities</b>		
Loss before tax	(306.68)	(188.87)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	31.68	29.62
Supplier balances written back	(16.45)	(10.22)
Provision for gratuity	(1.32)	0.69
Provision for leave encashment	(4.36)	1.61
Bad debts written off	19.07	27.37
(Write back)/Provision for bad and doubtful debts written back	(1.26)	(17.31)
Interest accrued on receivables written off	38.67	-
(Gain) on sale of property, plant and equipments (net)	(4.03)	(0.08)
Property, plant and equipment written off	-	0.86
(Write back) / provision for foreseeable losses (net)	(3.88)	6.52
Provision for liquidated damages (net)	2.43	(0.73)
Dividend income	-	(0.01)
Guarantee commission	(3.05)	(17.68)
Finance costs	192.27	241.83
Interest income	(217.61)	(196.11)
Financial assets measured at FVTPL - net change in fair value	2.18	5.69
Loss on sale of investments (net)	2.37	-
Unrealised foreign exchange loss (net)	21.71	24.43
Operating profit before working capital changes	<u>(248.26)</u>	<u>(92.38)</u>
<i>Working capital adjustments</i>		
Decrease / (Increase) in inventories	8.89	18.29
Decrease / (Increase) in trade receivables	332.25	180.62
Decrease / (Increase) in loans and advances	(8.56)	(37.99)
Decrease / (Increase) in other financial assets	301.54	(418.35)
Decrease / (Increase) in other current and non-current assets	(41.67)	(37.29)
(Decrease) / Increase in trade payable, other current liabilities and provisions	80.61	(86.14)
Net change in working capital	<u>673.06</u>	<u>(381.49)</u>
Cash flows generated from operating activities	424.80	(473.87)
Income tax (paid) (net)	94.80	(48.80)
Effects of exchange differences on translation of assets and liabilities	0.12	(0.19)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>(A) 519.73</b>	<b>(522.87)</b>
<b>B) Cash flows from investing activities</b>		
Investment in equity shares of a subsidiary	(5.03)	(0.31)
Proceeds from sale of non-current investments	0.20	0.17
(Purchase) of non-current investments	-	(0.90)
(Purchase) of current investments	(127.50)	-
Proceeds from sale of current investments	125.13	-
(Purchase) of property, plant and equipment and intangible assets	(17.68)	(37.49)
Proceeds from sale of property, plant and equipment	16.33	0.31
Increase / (Decrease) in fixed deposits	10.16	(22.34)
Loan given to subsidiaries (net)	(469.62)	(555.80)
Interest received	222.64	196.11
Dividend received	-	0.01
Net cash (used in) / flow from investing activities	<b>(B) (245.37)</b>	<b>(420.23)</b>





# Sterling and Wilson Private Limited

## Standalone statement of cash flow (Continued) for the year ended 31 March 2021

(Currency : Indian rupees in crores)

		31 March 2021	31 March 2020
C) Cash flows from financing activities			
Equity Capital Issued		-	500.00
Advance against Equity		-	(335.00)
Proceeds from issue of compulsorily convertible preference shares		300.00	1,252.50
Non convertible Debentures (repaid) / issued		(160.00)	160.00
Proceeds from Unsecured loans		283.70	2,420.53
Unsecured loans repaid		(498.79)	(2,637.05)
Increase in cash credit from banks (net)		10.39	(45.82)
Proceeds from Secured loans		429.69	697.65
Repayment of secured loans		(448.77)	(748.43)
Repayment of lease liabilities		(11.31)	(11.29)
Finance costs paid		(175.53)	(275.59)
<b>Net cash (used in) / flow from financing activities</b>	<b>(C)</b>	<b>(270.62)</b>	<b>977.51</b>
<b>Net movement in currency translation</b>	<b>(D)</b>	<b>0.08</b>	<b>0.26</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A + B + C + D)</b>	<b>3.82</b>	<b>34.67</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>60.52</b>	<b>25.85</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>64.34</b>	<b>60.52</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. 52.47 crores (31st March 2020: Rs. 62.53 crores) against the Bank Guarantees issued on behalf of the Company/Borrowing by the Company.

#### 4 Components of cash and cash equivalents

	31 March 2021	31 March 2020
Balance with banks		
- in current accounts	63.93	60.15
Cheques in hand	0.14	-
Cash on hand	0.27	0.37
	<b>64.34</b>	<b>60.52</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 2020	Changes considered in the standalone statement of cashflows	Non-cash changes (including foreign exchange adjustment)	As at 31 March 2021
Long-term borrowings	44.68	(29.71)	-	14.97
Short-term borrowings	1,416.95	(353.49)	-	1,063.46



Sterling and Wilson Private Limited

Standalone statement of cash flow (Continued)  
for the year ended 31 March 2021

(Currency : Indian rupees in crores)

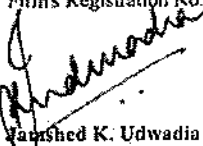
Particulars	As at 1 April 2019	Changes considered in the standalone statement of cashflows	Non-cash changes (including foreign exchange adjustment)	As at 31 March 2020
Long-term borrowings	-	44.68	-	44.68
Short-term borrowings	1,616.31	(199.36)	-	1,416.95

6 The above standalone statement of cash flows included Rs. Nil (31st March 2020 : Rs. 1.55 crores) towards corporate social responsibility.

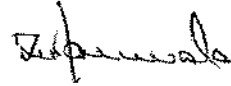
The attached notes are an integral part of these standalone financial statements.  
As per our report of even date attached.

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

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

  
Parshad K. Udawadia  
Partner

Membership No: 124658  
Mumbai  
Date: November 26, 2021



Zarine Daruvala  
Director  
DIN: 00190585  
Mumbai



Khurshed Daruvala  
Director  
DIN: 00216905  
Mumbai





Parameshwar Hegde  
Chief Financial Officer  
Membership No: 203490  
Mumbai  
Date: November 26, 2021



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

# Sterling and Wilson Private Limited

## Standalone statement of changes in equity for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### A. Share capital

	Note	Balance as at 1 April 2020	Changes in share capital during the year	Balance as at 31 March 2021
Equity share capital	20	29.37	-	29.37
		16.04	13.33	29.37

Previous year numbers are in italics

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

	Note	Balance as at 1 April 2020	Changes in share capital during the year	Balance as at 31 March 2021
Compulsorily convertible non-cumulative preference shares	20	1,502.50	300.00	1,802.50
		250.00	1,252.50	1,502.50

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		Capital Redemption reserve	Foreign currency translation reserve	Effective portion of cash flow hedge			Other items of other comprehensive income
Balance as at 1 April 2019	335.00	61.37	73.38	13.39	50.00	533.13	-	-	(2.39)	(2.39)	530.74
Loss for the year	-	(131.56)	486.67	-	-	355.11	-	-	-	-	355.11
Items of OCI for the period, net of tax:	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	0.98	0.98	0.98
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Loan towards Equity	(335.00)	-	-	-	-	(335.00)	-	-	-	-	(335.00)
<b>Total comprehensive income for the year</b>	<b>(335.00)</b>	<b>(131.56)</b>	<b>486.67</b>	<b>-</b>	<b>-</b>	<b>20.11</b>	<b>-</b>	<b>-</b>	<b>0.98</b>	<b>0.98</b>	<b>21.09</b>
Balance as at 31 March 2020	-	(70.19)	560.04	13.39	50.00	553.24	-	-	(1.41)	(1.41)	551.83
Balance as at 1 April 2020	-	(70.19)	560.04	13.39	50.00	553.24	-	-	(1.41)	(1.41)	551.83
Total comprehensive income for the year	-	(339.20)	-	-	-	(339.20)	-	-	-	-	(339.20)
Loss for the year	-	(339.20)	-	-	-	(339.20)	-	-	-	-	(339.20)
Items of OCI for the period, net of tax:	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	0.72	0.72	0.72
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(339.20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(339.20)</b>	<b>-</b>	<b>-</b>	<b>0.72</b>	<b>0.72</b>	<b>(338.48)</b>
Balance as at 31 March 2021	-	(409.39)	560.04	13.39	50.00	214.05	-	-	(0.69)	(0.69)	213.35

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: 303607W/W100166

Jyoti K. Udawala  
Partner  
Membership No: 124658  
Mumbai  
Date: November 26, 2021



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  
Date: November 26, 2021

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

# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2021

### 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 November 26, 2021.

#### b Functional and presentation currency

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

#### c Current/ non-current classification

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

##### Assets

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

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is expected to be realised within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2021

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

### *Liabilities*

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

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

All other liabilities are classified as non-current.

### *Operating Cycle*

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

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

### *d Basis of measurement*

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

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

### *e Use of estimates and judgments*

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

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 are as follows:



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2021

*(i) Evaluation of percentage of completion*

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

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

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

*(iii) Recoverability of deferred income tax assets*

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

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

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

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

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



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(v) *Provision for obsolete inventory*

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

(vi) *Impairment losses on trade receivables*

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible 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



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valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 48 – Financial Instruments.

### (ix) Leases

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

## 3 Significant accounting policies

### 3.1 Property, plant and equipment

#### *Recognition and measurement*

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

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





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

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

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

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

### *Depreciation*

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

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

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

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

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

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



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### 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.



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

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

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

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

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

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

### ***Financial assets: Business model assessment***

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost



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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.

### (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.



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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).



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

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

### 3.5 Inventories

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

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

### 3.6 Statement of cash flows

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

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

### 3.7 Impairment

#### *Impairment of non-financial assets*

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

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

### 3.8 Employee benefits

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-



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

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

### *Other long-term employee benefits*

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit Method and is discounted to its present value





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and the fair value of any related assets is deducted. Remeasurement gains or losses are recognised in the standalone statement of profit and loss in the period in which they arise.

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

### 3.9 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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

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

#### *Onerous contracts*

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

### 3.10 Revenue recognition

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

#### **Revenue from contracts with customers:**

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

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

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

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



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

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

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

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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

### *Revenue from works contracts*

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

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

Any variations in contract work, claims, and incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

### *Revenue from sale of goods*

The Company recognises revenue from sale of goods once the customer takes possession of the goods. Revenue 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.



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### *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.

Lease payments

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2021

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

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.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2021

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

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

### *Deferred tax*

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

Deferred tax is not recognised for:

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

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

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

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

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements as at 31 March 2021

### 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 2021

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

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

### 3.18 Earnings per share

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

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

### 3.19 Events after reporting date

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

### 3.20 Standards issued but not yet effective

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

### 3.21 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements

as at 31 March 2021

of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

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





# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

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

Particulars	Office buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total Capital work-in-progress (A)	Total (A+B)
<b>Gross carrying amount :</b>								
Balance as at 1 April 2019	119.30	16.90	41.13	1.93	6.55	15.75	201.55	208.82
Add: Exchange differences on translation of foreign operations	-	0.02	0.18	-	0.02	0.00	0.22	0.22
Add: Additions during the year	-	-	30.09	0.12	0.92	5.09	36.22	48.33
Less: Disposals during the year	-	-	0.11	-	1.32	0.06	1.49	13.34
Balance as at 31 March 2020	119.30	16.92	71.29	2.05	6.14	20.79	236.49	243.16
Balance as at 1 April 2020	119.30	16.92	71.29	2.05	6.14	20.79	236.49	244.76
Add: Exchange differences on translation of foreign operations	-	(0.00)	(0.15)	(0.00)	0.02	(0.02)	(0.15)	(0.15)
Add: Additions during the year	2.48	1.79	12.28	0.05	0.74	0.29	17.63	17.63
Less: Disposals during the year	-	-	3.25	-	0.59	0.47	4.31	11.65
Balance as at 31 March 2021	121.78	18.71	80.17	2.10	6.31	20.59	249.66	249.98
<b>Accumulated depreciation:</b>								
Balance as at 1 April 2019	4.12	5.29	13.56	0.62	2.82	8.70	35.11	35.11
Add: Exchange differences on translation of foreign operations	-	0.01	0.02	-	0.00	0.00	0.03	0.03
Add: Additions during the year	1.89	2.80	6.69	0.22	0.76	4.30	16.66	18.66
Less: Disposals during the year	-	-	0.11	-	1.11	0.04	1.26	1.26
Balance as at 31 March 2020	6.01	8.09	20.16	0.84	2.48	12.96	50.54	50.54
Balance as at 1 April 2020	6.01	8.09	20.16	0.84	2.48	12.96	50.54	50.54
Add: Exchange differences on translation of foreign operations	-	(0.00)	(0.02)	0.00	(0.00)	(0.01)	(0.04)	(0.04)
Add: Additions during the year	1.93	4.22	8.96	0.23	0.66	3.72	19.72	19.72
Less: Disposals during the year	-	-	0.36	-	0.39	0.28	1.13	1.13
Balance as at 31 March 2021	7.94	12.31	28.74	1.07	2.75	16.29	69.09	69.09
At 31 March 2021	113.84	6.41	51.44	1.03	3.56	4.30	180.57	180.89
At 31 March 2020	113.29	8.82	51.13	1.21	3.67	7.83	185.95	193.55

#### Notes:

- Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.
- Rs. Nil amount of impairment loss is recognised during the current and comparative periods.
- As at 31 March 2021, properties with a carrying amount of Rs. Nil (31 March 2020: Rs. Nil) and all movable fixed assets with carrying amount of Rs. 60.32 crores (31 March 2020: Rs. 63.83 crores) are subject to first charge to secure bank loans.
- Adjustments includes the exchange fluctuation of Rs. 0.24 crores (31 March 2020 : Rs. 0.19 crores) on net block due to translation of property, plant and equipment of a foreign branch at closing exchange rate.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 4.1 Disclosure under Ind AS 116, Leases

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

	Land and Buildings *	
	31 March 2021	31 March 2020
<b>Cost</b>		
Balance as at the beginning of the year	23.97	23.97
Add: Additions during the year	-	-
Less: Disposals during the year	-	-
<b>Balance as at end of the year</b>	<b>23.97</b>	<b>23.97</b>
<b>Accumulated depreciation and impairment</b>		
Balance as at the beginning of the year	9.91	-
Add: Depreciation for the year	9.90	9.90
<b>Balance as at end of the year</b>	<b>19.81</b>	<b>9.90</b>
<b>Net Carrying amounts</b>	<b>4.16</b>	<b>14.07</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".

Following is the movement in Lease liabilities:

	Amount
<b>Balance as at 1 April 2019</b>	<b>23.97</b>
Add: Additions	
Add: Finance cost accrued during the year	2.18
Add/Less: Effect of foreign currency translation	
Add/Less: Non cash movements for acquisition and disposals	
Less: Payments of lease liabilities	11.29
<b>Balance as at 31 March 2020</b>	<b>14.86</b>
Add: Additions	
Add: Finance cost accrued during the year	1.07
Add/Less: Effect of foreign currency translation	
Add/Less: Non cash movements for acquisition and disposals	
Less: Payments of lease liabilities	11.31
<b>Balance as at 31 March 2021</b>	<b>4.62</b>

#### B) Amount recognised in the statement of profit & loss

	For the year ended	For the year ended
	31-Mar-21	31-Mar-20
Depreciation on Land and Buildings	9.91	9.91

	For the year ended	For the year ended
	31-Mar-21	31-Mar-20
Interest expense	1.07	2.18
Short-term lease expense	20.49	21.27
Low value lease expense		
Expense relating to variable lease payments not included in lease liabilities		
<b>Total</b>	<b>21.56</b>	<b>23.45</b>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### C) Cash outflow on leases

	For the year ended 31 March 2021	For the year ended 31 March 2020
Repayment of lease liabilities (including interest on lease liabilities)	11.31	11.29
Short-term lease expense	9.91	21.27
<b>Total cash outflow on leases</b>	<b>21.22</b>	<b>32.56</b>

### D) Maturity analysis of lease liabilities

31 March 2021	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities	2.41	0.58	0.88	0.75	4.63	11.50%
	<b>2.41</b>	<b>0.58</b>	<b>0.88</b>	<b>0.75</b>	<b>4.63</b>	

31 March 2020	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities	10.24	2.41	1.14	1.07	14.86	11.50%
	<b>10.24</b>	<b>2.41</b>	<b>1.14</b>	<b>1.07</b>	<b>14.86</b>	

### 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 equals to lease liability as on 1 April 2019.

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

Particulars	Rs. in crores
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	28.27
Less: Discounting impact	4.30
Lease liabilities recognised in the statement of financial position as at 1 April 2019	23.97



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 5 Intangible assets and intangible assets under development

Particulars	Computer software	Total
<b>Gross carrying amount :</b>		
Balance as at 1 April 2019	16.46	16.46
Add: Exchange differences on translation of foreign operations*	0.00	0.00
Add: Additions during the year	1.03	1.03
Less: Disposals during the year	2.34	2.34
<b>Balance as at 31 March 2020</b>	<b>15.15</b>	<b>15.15</b>
Balance as at 1 April 2020	15.15	15.15
Add: Exchange differences on translation of foreign operations	(0.03)	(0.03)
Add: Additions during the year	0.05	0.05
Less: Deletion during the year	2.75	2.75
<b>Balance as at 31 March 2021</b>	<b>12.42</b>	<b>12.42</b>
<b>Accumulated amortisation and impairment losses:</b>		
Balance as at 1 April 2019	6.87	6.87
Add: Amortisation for the year	3.05	3.05
Less: Disposals during the year	1.47	1.47
<b>Balance as at 31 March 2020</b>	<b>8.45</b>	<b>8.45</b>
Balance as at 1 April 2020	8.45	8.45
Add: Exchange differences on translation of foreign operations	(0.02)	(0.02)
Add: Amortisation for the year	2.05	2.05
Less: Deletion during the year	0.93	0.93
<b>Balance as at 31 March 2021</b>	<b>9.55</b>	<b>9.55</b>
<b>At 31 March 2021</b>	<b>2.87</b>	<b>2.87</b>
<b>At 31 March 2020</b>	<b>6.71</b>	<b>6.71</b>

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

#### Notes:

- Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.
- As at 31 March 2021 Rs. Nil (As at 31 March 2020: Rs. Nil) of impairment loss is recognised.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

31 March 2021 31 March 2020

### 6 Non-current investments

Investment in equity instruments (fully paid-up)

(a) Unquoted, in subsidiaries (at cost)

Sterling and Wilson International FZE	1.12	1.12
1,000 [31 March 2020: 1,000] shares of AED 1,000 each, fully paid-up		
Range Consultants Private Limited #	4.96	4.96
150,000 [31 March 2020: 150,000] shares of Rs. 10 each, fully paid-up		
Sterling and Wilson Security Systems Private Limited	0.01	0.01
10,000 [31 March 2020: 10,000] shares of Rs. 10 each, fully paid-up		
Sterling and Wilson Nigeria Limited	0.17	0.17
6,375,000 [31 March 2020 : 6,375,000] shares of Naira 1 each, each fully paid up		
Sterling and Wilson Co-Gen Solutions AG	0.35	0.35
50,000 [31 March 2020 : 50,000] shares of CHF 1 each, fully paid up		
Sterling and Wilson Middle East W.L.L.	0.19	0.19
98 [31 March 2020 : 98] shares of Qatari Riyals 1,000 each, fully paid up		
GCO Australia PTY Ltd	0.18	0.18
38,000 [31 March 2020 : 38,000] shares of AUD 1 each, fully paid up		
Sterling & Wilson Nigeria FZE	0.73	-
100,000 [31 March 2020: Nil] shares of USD 1 each, fully paid-up		
Sterling & Wilson Co-Gen Solutions Pvt Ltd	5.00	-
5,000,000 [31 March 2020: Nil] shares of Rs 10 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	0.00
10 [31 March 2020 : 10] shares of GBP 1 each, fully paid up		
SWB Power Ltd*#	0.00	0.00
10 [31 March 2020 : 10] shares of GBP 1 each, fully paid up		
Monjin Interviews Private Limited (Refer note 48(b))	19.91	19.91
237,037 [31 March 2020: 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. 1,00,000

(a) Unquoted, in fellow subsidiaries

Sterling Generators Private Limited	50.46	53.54
500,000 [31 March 2020: 500,000] 4% redeemable, non-convertible, non-cumulative preference shares of Rs 1,000 each, fully paid-up. The preference shares are redeemable after a period of 7 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report.		

Investment in Partnership Firm (at Cost)

Enrich-SWPL JV	0.01	0.01
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Name of the Partners	Share in Profits (%)
Sterling and Wilson Private Limited	49%
Enrich RD Infraprojects Private Limited	51%

Total Capital of firm : Rs. 1,00,000

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

83.09 80.43

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

Aggregate carrying amount of non-current investments	83.09	80.43
Aggregate amount of impairment in value of investments	-	-



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>7 Loans</b> <i>(Unsecured, considered good)</i>		
Security deposits	11.36	11.40
	<u>11.36</u>	<u>11.40</u>
<b>8 Other non-current financial assets</b>		
Bank deposits* (due to mature after 12 months from reporting date)	5.69	4.61
(Includes interest accrued on bank deposits Rs. 0.02 crores [31 March 2020: Rs. 0.008 crores])		
	<u>5.69</u>	<u>4.61</u>
* Bank deposits to the extent of Rs. 5.67 crores (31 March 2020: Rs. 4.60 crores) is held as margin money or security against the borrowings, guarantees, other commitments.		
<b>9 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Employee benefits	20.04	20.04
Provision for bad and doubtful debts	8.89	8.89
Provision for loans and advances	1.83	1.84
Provision for foreseeable losses	3.22	3.22
Carry forward business losses *	31.10	62.83
Unabsorbed depreciation	19.24	19.24
Mat credit entitlement	5.40	5.40
Others	0.23	0.23
	<u>89.95</u>	<u>121.69</u>
<b>Deferred tax liabilities</b>		
Excess of depreciation as per Income tax Act, 1961 over book depreciation	12.57	12.57
Fair valuation of investments	2.13	2.13
Writeback of Provision for liquidated damages	0.26	0.26
	<u>14.96</u>	<u>14.96</u>
<b>Deferred tax assets, net</b>	<u>74.99</u>	<u>106.73</u>
<b>Deferred tax assets recognised, net</b>	<u>74.99</u>	<u>106.73</u>
* Represents deferred tax asset recognised on carried forward business loss of Rs 88.99 crores (31 March 2020 : Rs. 33.33 crores)		
<b>10 Non-current tax assets (net)</b>		
Advance tax (net of provision for tax Rs. 81.75 crores [31 March 2020: Rs. 73.3 crores]) <i>(includes fringe benefits tax and wealth tax)</i>	36.30	128.04
	<u>36.30</u>	<u>128.04</u>
<b>11 Other non-current assets</b> <i>(Unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
Capital advances	3.30	3.57
Prepayments	2.93	2.51
	<u>6.23</u>	<u>6.08</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<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 2020: Rs. Nil])	17.93	24.81
Stock-in-trade	33.22	35.23
	<u>51.15</u>	<u>60.04</u>
Carrying amount of inventories (included above) pledged as securities for borrowings The cost of inventories recognised as an expense includes Rs. Nil (31 March 2020: Rs. 2.75 crores) provided towards inventory obsolescence.	17.93	24.81
<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 2020 : 6] Equity shares of Rs. 10 each, fully paid-up	0.00	0.00
CG Power & Industrial Solution Limited*	0.00	0.00
6 [31 March 2020 : 6] Equity shares of Rs. 10 each, fully paid-up	0.00	0.00
Ruchi Soya Limited*	0.00	0.00
2 [31 March 2020 : 2] Equity shares of Rs. 2 each, fully paid-up	-	0.90
Arshiya Limited	-	-
Nil [31 March 2020 : 281,250] Equity shares of Rs. 2 each, fully paid up	0.39	0.23
Tata Consultancy Services Limited	-	-
1,232 [31 March 2020 : 1,232] Equity shares of Rs. 1 each fully paid-up	-	-
<b>Unquoted:</b>	0.00	0.00
Western India Sugar & Chemical Industries Limited	-	-
400 [31 March 2020 : 400] Equity shares of Rs. 10 each, fully paid-up	0.00	0.00
Mid East India Limited	-	-
300 [31 March 2020 : 300] Equity shares of Rs. 10 each, fully paid-up	0.00	0.00
Montari Leather Limited	-	-
1,000 [31 March 2020 : 1,000] Equity shares of Rs. 10 each fully paid-up	0.00	0.00
Otoklin Plants and Equipment's Limited	-	-
500 [31 March 2020 : 500] Equity shares of Rs. 10 each, fully paid-up	0.01	0.01
SIV Limited (South India Viscose Limited)	-	-
600 [31 March 2020 : 600] Equity shares of Rs. 10 each, fully paid-up	0.01	0.01
Sudhiti Hosiery Limited	-	-
2,500 [31 March 2020 : 2,500] Equity shares of Rs. 10 each, fully paid-up	0.03	0.74
Less: Provision for diminution in the value of unquoted current investments	<u>0.38</u>	<u>0.42</u>
<b>Total (a)</b>		
* The investment value is less than Rs. 1,00,000		
<b>Investment in debentures</b> (Measured at amortised cost)		
Western India Sugar & Chemical Industries Limited	0.00	0.00
300 [31 March 2020 : 300] 15% Debentures of Rs. 50 each, fully paid-up	-	-
<b>Total (b)</b>	<u>0.00</u>	<u>0.00</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

31 March 2021

31 March 2020

### 13 Current investments (Continued)

Investment in mutual funds (Measured at fair value through profit and loss)		
250,000 units [31 March 2020 : 250,000 units] Union Long Bond Fund Growth	0.30	0.28
	<u>0.30</u>	<u>0.28</u>
<b>Total (c)</b>		
	<u>0.69</u>	<u>0.70</u>
<b>Total (a + b + c)</b>		
	0.40	1.13
Aggregate carrying amount of quoted investments	0.40	1.13
Aggregate market value of quoted investments	0.03	0.03
Aggregate carrying amount of unquoted investments	0.03	0.74
Aggregate amount of impairment in value of investments		

### 14. Trade receivables

(Unsecured)

Trade Receivables (refer note below)	1,325.35	1,676.20
- Considered good	24.19	25.45
- Considered doubtful	<u>1,349.54</u>	<u>1,701.65</u>
	24.19	25.45
Less: Doubtful debts		
	<u>1,325.35</u>	<u>1,676.20</u>
Net trade receivables		

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties (refer note 46.2)	68.51	76.82
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As at 31 March 2021 trade receivables includes retention of Rs. 276.34 crores (31 March 2020: Rs. 245.92 crores) relating to construction contracts.

#### Note:

Certain customer balances under Trade Receivable are subject to balance confirmations and reconciliations, if any. The Company has also received balance confirmation replies from certain customers and are in the process of reconciling those balances with that as per books of accounts. The management is of the view that the impact on Statement of Profit and Loss will not be material.

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

Shapoorji Pallonji and Company Private Limited	27.68	46.88
Sterling Generators Private Limited	-	9.18
Sterling and Wilson Co-Gen Private Limited	0.62	-
	<u>28.30</u>	<u>56.06</u>





# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>15 Cash and cash equivalents</b>		
Balances with Bank		
- in current accounts	63.93	60.15
Cheques, drafts on hand	0.14	-
Cash on hand	0.27	0.37
	<u>64.34</u>	<u>60.52</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)	46.78	58.03
(Includes interest receivable of Rs. 0.04 crores (31 March 2020: Rs. 0.05 crores))		
	<u>46.78</u>	<u>58.03</u>
* Bank deposit to the extent of Rs. 46.74 crores (31 March 2020: Rs. 57.98 crores) 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 (refer note 46.2)</i>		
-Loans given to subsidiaries*	2,004.73	1,524.12
- Other related parties	52.16	63.16
(Includes interest receivable of Rs.378.53 crores (31 March 2020: Rs. 184.4 crores))		
<i>To parties other than related parties</i>		
(i) Loan to others	32.59	30.42
(Includes interest receivable of Rs. 2.59 crores (31 March 2020: Rs. 0.42 crores))		
(ii) Security deposits		
- considered good	16.34	16.26
- considered doubtful	0.60	0.60
	<u>16.94</u>	<u>16.86</u>
Less: Provision for doubtful deposit	0.60	0.60
	<u>16.34</u>	<u>16.26</u>
(iii) Loan to employees	1.82	3.68
	<u>2,107.65</u>	<u>1,637.63</u>
<b>Dues from a private company in which a director of the Company, is also a director:</b>		
Sterling and Wilson Co-Gen Solutions Private Limited	106.58	36.84
*Loan given to subsidiaries and other related parties carry an interest rate ranging from 8% to 11.5% and is repayable on demand.		



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>18 Other financial assets</b>		
<i>(Unsecured, considered good)</i>		
<i>To related parties (refer note 46.2)</i>		
(i) Unbilled receivables	33.07	31.04
Other interest		
(ii) Recoverable expenses	195.53	213.25
(iii) Other receivables	23.26	15.30
<i>To parties other than related parties</i>		
(i) Interest accrued on receivables	-	43.70
(ii) Unbilled receivables		
- considered good	817.85	1,103.98
- considered doubtful	-	-
	<u>817.85</u>	<u>1,103.98</u>
(iii) Other receivables	5.65	10.27
	<u>1,075.36</u>	<u>1,417.55</u>
<b>Dues from firms or private companies in which any director is a partner or a director or member:</b>		
<i>Unbilled receivables</i>		
Shapoorji Pallonji and Company Private Limited	30.23	26.88
<i>Recoverable expenses</i>		
Sterling and Wilson Security Systems Private Limited	2.17	2.15
Sterling and Wilson Co-Gen Solutions Private Limited	4.59	4.18
Shashwat Energy Private Limited	0.56	0.56
Emrich-SWPL JV	7.47	2.45
<i>Other receivables</i>		
Sterling Generators Private Limited <i>(formerly Sterling and Wilson Powergen Private Limited)</i>	2.36	1.12
Sterling & Wilson Solar Limited	20.90	14.18
<b>19 Other current assets</b>		
<i>(Unsecured, considered good)</i>		
<i>To related parties (refer note 46.2)</i>		
Advances for supply of goods	5.77	-
<i>To parties other than related parties</i>		
Advances for supply of goods		
- considered good	80.83	59.87
- considered doubtful	4.65	4.65
	<u>85.48</u>	<u>64.52</u>
Less: Provision for doubtful advances	<u>(4.65)</u>	<u>(4.65)</u>
	80.83	59.87
Advance to employees	12.76	12.95
Other recoverables	0.17	0.21
Balance with government authorities	224.54	219.60
Prepayments	11.92	14.70
	<u>335.99</u>	<u>307.33</u>
<b>Dues from firms or private companies in which any director is a partner or a director or member:</b>		
<i>Advances for supply of goods</i>		
Sterling Generators Private Limited	5.77	-
	<u>5.77</u>	<u>-</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>20 Equity share capital</b>		
<b>Authorised</b>		
50,000,000 Equity shares (31 March 2020: 50,000,000 shares) of Rs 10 each	50.00	50.00
215,00,000 (31 March 2020 : 165,00,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each	2,150.00	1,650.00
<b>Issued, subscribed and fully paid up:</b>		
29,369,333 Equity shares (31 March 2020 : 29,369,333 shares) of Rs 10 each, fully paid-up	29.37	29.37
18,025,000 (31 March 2020 : 15,025,000) 0% Compulsorily convertible non-cumulative preference shares of Rs. 1,000 each, fully paid-up	1,802.50	1,502.50
	<u>1,831.87</u>	<u>1,531.87</u>

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance as at the beginning and end of the year	29,369,333	29.37	16,036,000	16.04
Add: Issued during the year	-	-	13,333,333	13.33
<b>Balance as at the end of the year</b>	<u>29,369,333</u>	<u>29.37</u>	<u>29,369,333</u>	<u>29.37</u>
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Balance as at the beginning of the year *	15,025,000	1,502.50	2,500,000	250.00
Add: Issued during the year **	3,000,000	300.00	12,525,000	1,252.50
Less: Repayment during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<u>18,025,000</u>	<u>1,802.50</u>	<u>15,025,000</u>	<u>1,502.50</u>

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**0% Compulsorily convertible non-cumulative preference shares:**

\* Compulsorily convertible non-cumulative preference shares were issued on 17 March 2018 and 10 March 2020 and each share is convertible into four equity shares of par value Rs. 10 each after 36 months from the date of issue.

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

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



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

## 20 Equity share capital (continued)

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	19,480,000	19.48	19,480,000	19.48
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	9,500,000	950.00	7,500,000.00	750.00
Sashwat Energy Private Limited, subsidiary of the Holding Company	2,500,000	250.00	2,500,000	250.00

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

	31 March 2021		31 March 2020	
	Number	% holding	Number	% holding
<b>Equity shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	19,480,000	66.33%	19,480,000	66.33%
Khurshed Daruvala, Director	9,745,293	33.17%	9,745,293	33.17%
<b>0% Compulsorily convertible non-cumulative preference shares</b>				
Shapoorji Pallonji and Company Private Limited, the Holding Company	9,500,000	61.19%	7,500,000	60%
Khurshed Daruvala, Director	6,025,000	38.81%	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 2021		31 March 2020	
	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	50,100,000	100
Compulsorily convertible non-cumulative preference shares 15,000,000 equity shares of Rs 10 each	15,000,000	100	-	-

## 21 Other equity

Particulars	Note	31 March 2021	31 March 2020
Securities premium account	(i)	560.04	560.04
Loan towards Equity	(ii)	-	-
Capital Redemption Reserve	(iii)	50.00	50.00
General Reserve	(iv)	13.39	13.39
Retained earnings	(v)	(409.38)	(70.19)
Remeasurements of defined benefit liability	(vi)	(0.69)	(1.41)
		<u>213.36</u>	<u>551.82</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

## 21 Other equity (Continued)

Particulars	31 March 2021	31 March 2020
(i) <b>Securities premium account</b>		
Balance as at the beginning and end of the year	560.04	73.37
Add : Addition during the year	-	486.67
Balance at end of the year	560.04	560.04
(ii) <b>Loan towards Equity</b>		
Balance as at the beginning and end of the year	-	335.00
Add : Addition during the year	-	(335.00)
Less: Deletions during the year	-	-
Balance at end of the year	-	-
(iii) <b>Capital Redemption Reserve</b>		
Balance as at the beginning and end of the year	50.00	50.00
Balance at end of the year	50.00	50.00
(iv) <b>General Reserve</b>		
Balance as at the beginning and end of the year	13.39	13.39
Balance at end of the year	13.39	13.39
(v) <b>Retained earnings</b>		
Balance as at the beginning and end of the year	(70.19)	61.37
Add : Addition during the year	(339.20)	(131.56)
Balance at end of the year	(409.38)	(70.19)
(vi) <b>Remeasurements of defined benefit liability</b>		
Balance as at the beginning and end of the year	(1.41)	(2.39)
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	0.72	0.98
Balance at end of the year	(0.69)	(1.41)
<b>Total</b>	<b>213.36</b>	<b>551.82</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 2021

(Currency : Indian rupees in crores)

31 March 2021

31 March 2020

### 22 Long-term Borrowings

Term Loan

Secured (refer note 24)

From banks

14.97	44.68
<u>14.97</u>	<u>44.68</u>

Term Loan from ICICI Bank Limited of Rs. 60 crores is repayable over a period of three years carrying a moratorium of one year commencing from the date of drawdown. The loan has been fully availed is repayable in 8 quarterly instalments. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) 7.30% plus Spread 3.10% (adjustable annually). The loan is secured by exclusive charge on commercial office unit no. 1301-1312, 13th Floor along with 55 car parkings located in Universal Majestic, P L Lokhande Marg, Chembur, Mumbai.

### 23 Long-term provisions

Provision for employee benefits

Gratuity (refer note 41)

19.38	20.93
<u>19.38</u>	<u>20.93</u>

### 24 Current borrowings

Secured

(a) Loans repayable on demand

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

67.13

56.74

(b) Other loans

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

115.15

119.23

182.28

175.97

Unsecured

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

-

160.00

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

851.47

1,066.52

851.47

1,226.52

1,033.75

1,402.48

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

- Cash credit/Working capital demand loan facility from Consortium i.e. Union Bank of India (lead bank), State Bank Of India, Yes Bank Limited, Axis Bank Limited, DBS Bank India Limited, ICICI Bank Limited, Corporation Bank, IDBI Bank Limited, IDFC First Bank Limited, RBL Bank Limited and IndusInd Bank Limited is secured by a first charge by way of hypothecation of all current assets, movable plant and machinery, computers, vehicles and furniture and fixtures with a carrying value of Rs. 60.32 crore (31 March 2020: Rs. 63.83 crore) as a collateral security, term deposit of Rs. 13.5 crore and pledge of 100% paid up equity shares held in the share capital of Range Consultants Private Limited, a subsidiary of the Company, ranking pari passu. Cash credit facility from the banks carries interest rate ranging from 9.50% to 12.50% p.a., on monthly basis on actual amount utilised, and are repayable on demand.
- In the previous year, the company had issued Unsecured Rated Unlisted Non-Convertible Debentures of Rs. 160 crores for a period of 91 days at interest rate of 11% p.a. The same was repaid in the current year.
- Unsecured loans and deposits from directors, their relatives and entities over which directors and their relatives exercise control amounting to Rs 176.23 crores carry an interest rate of 11.50% p.a and are repayable on demand.
- Loan from parent company Shapoorji Pallonji & Co Pvt Ltd amounting to Rs 277.64 crores carry an interest rate of 11.5% and are repayable on demand.
- Loans from Related parties include Rs. 397.56 crores as payable to Sterling and Wilson Solar Limited as at March 31, 2021 with Interest expense of Rs. 73.70 crores and average interest rate of 14.58% and Rs Nil payable to Sterling & Wilson Energy Systems Pvt Ltd with interest expense of Rs 2.49 crores and average interest rate of 15.50%.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

31 March 2021

31 March 2020

### 25 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 45.1)	113.25	111.43
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,141.92	1,093.91
Acceptances **	240.66	218.52
	<u>1,495.83</u>	<u>1,423.85</u>

\* 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. 210.66 crores (31 March 2020: Rs. 218.52 crores)

### 26 Other financial liabilities

Current maturities of long term debt (refer note 22)	29.71	14.47
To related parties (refer note 46.2)		-
Interest accrued and due:		-
- to holding company	45.94	9.48
- to director	5.75	0.44
- other related parties	3.17	33.49
Other Payables	-	0.11
To parties other than related parties		
Interest accrued and due		
- to banks	0.79	0.75
- to others	0.05	0.32
-to micro enterprises and small enterprises	6.44	2.81
Other payables	31.87	-
Employee benefits payable	53.37	46.48
	<u>177.09</u>	<u>108.34</u>



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>27 Other current liabilities</b>		
<i>To related parties (refer note 46.2)</i>		
Advances from customers (refer note 39 (C))	59.03	108.47
Billing in advance of work completed	6.59	11.10
<i>To parties other than related parties</i>		
Employee payables	3.36	3.74
Statutory dues payable :		
- Tax deducted at source payable	16.37	15.82
- Provident fund payable	5.85	3.70
- Profession tax payable	0.10	0.24
- Employees State Insurance payable	0.08	-
Advances from customers (refer note 39 (C))	363.04	417.91
Billing in advance of work completed	106.74	47.17
	<b>561.16</b>	<b>608.14</b>
<b>28 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 41)	1.07	0.85
Compensated absences	31.21	35.57
<b>Other provisions</b>		
Provision for liquidated damages or price discount	16.00	13.57
Provision for foreseeable loss	5.35	9.23
	<b>53.63</b>	<b>59.21</b>

### 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 2021	31 March 2020
Opening balance	9.23	2.70
Add: during the year	5.35	9.23
Less: Utilised during the year	(9.23)	(2.70)
Closing balance	5.35	9.23

### 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 2021	31 March 2020
Opening balance	13.57	14.30
Add: during the year	2.43	2.55
Less: Utilised during the year	-	(3.28)
Closing balance	16.00	13.57

### 29 Current tax liabilities (net) (refer note 47)

Provision for current tax (net of advance tax Rs. 50.66 crores [31 March 2020: Rs. 62.95 crores])	7.26	3.41
(includes fringe benefit tax and wealth tax)		
	<b>7.26</b>	<b>3.41</b>





# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>30 Revenue from operations</b>		
Sale of services		
Income from works contracts	2,048.36	2,803.84
Revenue from operation and maintenance services	225.27	277.79
<b>Other operating income</b>		
Sale of scrap	1.35	-
Export incentives	3.32	0.86
	<u>2,278.30</u>	<u>3,082.48</u>
<b>31 Other income</b>		
Interest income:		
- deposits with banks	3.64	4.67
- loan to subsidiaries and other related parties	199.67	149.82
- loan to others	2.40	0.42
- loan to employees	0.11	0.26
- income tax refund	11.70	-
- security deposits	-	0.27
- retention payable	0.09	0.67
Write back of provision for bad and doubtful debts (net)	1.26	17.31
Dividend Income	-	0.01
Gain on forward cover cancellation	0.03	0.03
Supplier balances written back	16.45	10.22
Foreign exchange loss (net)	0.03	21.67
Other miscellaneous income	9.70	12.88
Profit on sale of Property, Plant & Equipments (net)	4.03	0.08
Guarantee commission	3.05	17.68
Write back of provision for foreseeable loss (net)	3.88	-
	<u>256.04</u>	<u>235.98</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>32 Cost of construction materials, stores and spare parts</b>		
Inventory of materials at the beginning of the year	24.81	59.13
Add: Purchase during the year	1,435.60	1,834.03
Less : Inventory of materials at the end of the year	17.92	24.81
	<u>1,442.49</u>	<u>1,868.35</u>
<b>33 Change in inventory of stock-in-trade</b>		
Inventory of stock-in-trade at the beginning of the year	35.23	19.20
Less: Inventory of stock-in-trade at the end of the year	33.22	35.23
Decrease/ (increase) in inventory	<u>2.01</u>	<u>(16.03)</u>
<b>34 Direct project costs</b>		
Communication expenses	0.99	1.28
Stores and spare parts consumed	5.41	9.55
Commission expenses	2.30	13.40
Legal and professional fees	18.01	35.44
Printing and stationery expenses	0.85	1.06
Insurance costs	15.60	14.54
Repairs and maintenance - others	14.07	13.85
Selling and marketing expenses	0.02	0.15
Traveling and conveyance expenses	9.28	13.21
Rent	17.34	15.27
Rates and taxes	4.43	4.05
Electricity, power and fuel	2.85	3.20
Donation	0.01	0.04
Bank charges	31.13	17.15
Provision for foreseeable loss(net)	-	6.52
Liquidated damages	7.06	3.51
Miscellaneous expenses	47.37	54.75
	<u>176.72</u>	<u>206.97</u>
<b>Employee benefits expense</b>		
Salaries, wages and bonus	202.80	225.59
Contribution to provident fund and other funds	17.49	23.14
Staff welfare expenses	7.19	6.35
	<u>227.48</u>	<u>255.08</u>
<b>Sub-contractor expenses</b>	<u>446.20</u>	<u>485.22</u>
	<u>850.40</u>	<u>947.27</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>35 Employee benefits expense</b>		
Salaries, wages and bonus	158.18	233.72
Contribution to provident fund and other funds	13.41	15.32
Gratuity (refer note 41)	4.82	4.90
Compensated absences	8.31	7.11
Staff welfare expenses	7.21	13.15
	<u>191.93</u>	<u>274.20</u>
<b>36 Finance costs</b>		
Interest expense		
- on secured loans	33.00	37.45
- on unsecured loans	130.55	176.75
- on dues of micro enterprises and small enterprises	3.63	2.73
- on lease liabilities	1.07	2.18
- on others	15.01	5.34
- on retention payable	1.58	1.28
Other borrowing costs	7.43	16.10
	<u>192.27</u>	<u>241.83</u>
<b>37 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	19.72	16.66
Depreciation on Right of use assets	9.91	9.91
Amortisation of intangible assets	2.05	3.05
	<u>31.68</u>	<u>29.62</u>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

	31 March 2021	31 March 2020
<b>38 Other expenses</b>		
Communication expenses	2.42	4.51
Stores and spare parts consumed	1.35	0.78
Commission expenses	0.03	0.07
Legal and professional fees	22.52	38.04
Printing and stationery expenses	0.56	1.81
Insurance costs	2.03	2.39
Repairs and maintenance - others	6.55	9.53
Selling and marketing expenses	1.01	3.04
Traveling and conveyance expenses	7.29	29.72
Rent	3.15	6.00
Rates and taxes	1.63	2.33
Electricity, power and fuel	1.59	2.96
Payment to auditors (refer note (a) below)	0.40	0.34
Property, plant and equipment written off	-	0.86
Donation	-	0.37
Management support fees	-	10.81
Bank charges	3.91	5.96
Loss on sale of investment	2.37	-
Corporate social responsibility expenses (refer note 43)	-	1.55
Bad debts written off	19.07	27.37
Interest accrued on receivables written off	38.67	-
Land development charges	-	0.01
Financial assets measured at fair value through profit & loss a/c - net change in fair value	2.18	5.69
Miscellaneous expenses	8.25	7.96
Foreign exchange loss (net)	5.26	-
	<b>130.24</b>	<b>162.10</b>
<b>(a) Payment to auditors</b>		
As auditor		
Statutory audit	0.28	0.23
Tax audit	0.03	0.02
Other services	0.01	0.02
Certification services	0.08	0.07
	<b>0.40</b>	<b>0.34</b>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 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 2021	31 March 2020
<b>Contract assets*</b>		
<b>Unbilled receivables</b>		
Contract assets at the beginning of the year	1,135.02	897.00
Add: Revenue recognised during the year	2,273.63	3,080.89
Less: Invoiced during the year	(2,557.74)	(2,842.87)
<b>Contract assets as at end of the year</b>	<b>850.92</b>	<b>1,135.02</b>
<b>Contract liabilities**</b>		
<b>Advance from customers</b>		
Contract liabilities at the beginning of the year	526.38	574.57
Add: Addition during the year	200.22	-
Less: Applied during the year	(304.53)	(48.20)
<b>Contract liabilities as at end of the year</b>	<b>422.07</b>	<b>526.38</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 2021	For the year ended 31 March 2020
<b>Income from works contracts</b>	<b>2,050.79</b>	<b>2,803.11</b>
<i>Adjustment on account of:</i>		
Provision for liquidated damages	(2.43)	0.73
<b>Total</b>	<b>2,048.36</b>	<b>2,803.84</b>
<b>Revenue from operation and maintenance services</b>	<b>225.27</b>	<b>277.79</b>
<i>Adjustment on account of:</i>		
Adjustment during the year	-	-
<b>Total</b>	<b>225.27</b>	<b>277.79</b>



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

## 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 2021.



## Sterling and Wilson Private Limited

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

as at 31 March 2021

(Currency: Indian rupees in crores)

#### 40 Contingent liabilities and commitments

Contingent liabilities	31 March 2021	31 March 2020
(a) Claims against the company not acknowledged as debts		
(i) Demands raised by Income tax authorities	-	-
(ii) Demands raised by Sales tax authorities	76.59	57.90
(iii) Demands raised by Service tax authorities	6.17	108.73
(b) Bank guarantees outstanding	78.18	-
(c) Corporate guarantees outstanding	116.75	933.72
	<u>277.69</u>	<u>1,100.36</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. 3.30 crores (31 March 2020: Rs. 3.57 crores))	0.52	0.17
	<u>0.52</u>	<u>0.17</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.		
c) Sterling and Wilson Co-Gen Solutions Private Limited		

#### 41 Employee Benefits

##### Defined contribution plan:

Contribution to provident fund and other funds aggregating to Rs. 30.90 crores (31 March 2020: 28.46 crores) is recognised as an expense and included in 'Employee benefits expenses'.

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

###### General description

###### Gratuity (Defined benefit plan)

In accordance with Indian law, the Company has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of Rs. 0.2 crore

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

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



Sterling and Wilson Private Limited

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

(Currency: Indian rupees in crores)

41 Employee Benefits (Continued)

Change in the present value of the defined benefit obligation

	31 March 2021	31 March 2020
<b>I Reconciliation of the present value of defined benefit obligation</b>		
Balance at the beginning of the year	21.78	21.08
Benefits paid	(5.30)	(2.83)
Current service cost	3.32	3.26
Net Interest cost	1.49	1.64
Liability transferred in / acquisitions	0.10	0.37
Liability transferred out	(0.21)	(0.24)
- changes in financial assumptions	(0.10)	(2.45)
- experience adjustments	(0.62)	0.94
Balance at the end of the year	<u>20.46</u>	<u>21.78</u>
<b>II Amount recognised in the standalone statement of profit and loss under employee benefits expense</b>		
Current service cost	3.32	3.26
Net interest cost	1.49	1.64
	<u>4.81</u>	<u>4.90</u>
<b>III Remeasurement recognised in other comprehensive income</b>		
Actuarial gains / losses on obligation for the year	(0.72)	(1.51)
	<u>(0.72)</u>	<u>(1.51)</u>
<b>IV Maturity profile of defined benefit obligation</b>		
Within next 12 months	1.07	0.85
Between 1 and 5 years	3.31	3.94
Above 5 years	56.08	60.40
<b>V Actuarial assumptions:</b>		
Discount rate	6.90%	6.86%
Salary escalation	5.00%	5.00%
Employee turnover	Service < 5 : 14%	Service < 5 : 14%
	Service >= 5 : 2%	Service >= 5 : 2%
Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Weighted average duration of the projected benefit obligation	15 years	15 years

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

VI Sensitivity Analysis			Defined
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		(23.58)	(25.43)
Defined Benefit Obligation - Discount rate - 100 basis points		28.52	30.85
Defined Benefit Obligation - Salary escalation rate + 100 basis points		24.77	26.92
Defined Benefit Obligation - Salary escalation rate - 100 basis points		(21.77)	(23.61)
Defined Benefit Obligation - Employee turnover + 100 basis points		5.78	5.88
Defined Benefit Obligation - Employee turnover - 100 basis points		(6.77)	(6.96)
The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.			

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. 8.31 crores (31 March 2020: Rs.7.11 crores) expected to be paid in exchange for the services recognised as an expense during the year.





Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)  
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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 2021

Investments in equity shares

Name of the entity	As at 1 April 2020	Investment made during the year	Redeemed / Sold during the year	Other Adjustments	As at 31 March 2021
Sterling and Wilson International FZE	1.12	-	-	-	1.12
	<i>1.12</i>	-	-	-	<i>1.12</i>
Range Consultants Private Limited	4.96	-	-	-	4.96
	<i>4.96</i>	-	-	-	<i>4.96</i>
Sterling and Wilson Security Systems Private Limited	0.01	-	-	-	0.01
	<i>0.01</i>	-	-	-	<i>0.01</i>
Sterling and Wilson Nigeria Limited	0.17	-	-	-	0.17
	<i>0.17</i>	-	-	-	<i>0.17</i>
Sterling and Wilson Co-Gen Solutions AG	0.35	-	-	-	0.35
	<i>0.35</i>	-	-	-	<i>0.35</i>
Sterling and Wilson Middle East W.L.L.	0.19	-	-	-	0.19
	<i>0.07</i>	<i>0.11</i>	-	-	<i>0.19</i>
GCO PTY Ltd	0.18	-	-	-	0.18
	-	<i>0.18</i>	-	-	<i>0.18</i>
SW Nigeria FZE	-	0.74	-	-	0.74
	-	-	-	-	-
Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	5.00	-	-	5.00
SWB Power Ltd#	-	-	-	-	-
Monjin Interviews Private Limited	19.91	-	-	-	19.91
	<i>22.52</i>	-	-	<i>(2.61)</i>	<i>19.91</i>
Crompton Greaves Consumer Electrical Limited#	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>
CG Power & Industrial Solution Limited#	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>
Ruchi Soya Limited#	0.00	-	-	-	0.00
	<i>0.00</i>	-	-	-	<i>0.00</i>
Tata Consultancy Services Limited	0.23	-	-	0.17	0.39
	<i>0.25</i>	-	-	<i>(0.02)</i>	<i>0.23</i>
Western India Sugar & Chemical Industries Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	<i>-</i>
Mid East India Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	<i>-</i>
Monari Leather Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	<i>-</i>
Otokin Plants and Equipment's Limited	0.00	-	-	(0.00)	-
	<i>0.00</i>	-	-	<i>(0.00)</i>	<i>-</i>
SIV Limited (South India Viscose Limited)	0.01	-	-	(0.01)	-
	<i>0.01</i>	-	-	<i>(0.01)</i>	<i>-</i>
Sudhiti Hosiery Limited	0.01	-	-	(0.01)	-
	<i>0.01</i>	-	-	<i>(0.01)</i>	<i>-</i>
Arshiya Limited	0.19	-	0.19	-	-
	-	<i>0.90</i>	-	<i>(0.71)</i>	<i>0.19</i>

\* previous year numbers are in Italics

# corresponding values are less than Rs. 1,00,000

Investment in preference shares

Name of the entity	As at 1 April 2020	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2021
Sterling Generators Private Limited	53.56	-	-	(3.09)	50.46
	<i>53.89</i>	-	-	<i>(3.35)</i>	<i>53.54</i>

\* previous year numbers are in Italics

Investment in debentures

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

\* previous year numbers are in Italics



Sterling and Wilson Private Limited

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

(Currency - Indian rupees in crores)

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 2020	Investment made during the year	Redeemed during the year	Other adjustments	As at 31 March 2021
Union Long Bond Growth Fund	0.28	-	-	0.02	0.30
	0.27	-	-	0.01	0.28
	-	-	-	-	-

\* 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 2020	Loans given during the year	Repaid during the year (including foreign exchange)	Foreign exchange during the year	As at 31 March 2021
Sterling and Wilson International FZE (refer note 1 below)	1,232.08	227.93	-	-	1,460.00
	962.56	269.52	-	-	1,232.08
Sterling and Wilson Middle East WLL (refer note 2 below)	66.47	0.13	-	(1.35)	65.25
	23.18	38.99	-	4.29	66.46
Sterling and Wilson Co-Gen Solutions Pvt Ltd (refer note 3 below)	36.55	80.56	19.60	-	97.51
	-	54.35	17.80	-	36.55
Transtel Utilities Ltd, UK (refer note 4 below)	7.41	-	-	0.67	8.07
	-	7.52	-	(0.12)	7.41
GCO Pty Ltd (refer note 5 below)	6.89	1.62	-	1.53	10.04
	-	6.92	-	(0.02)	6.89
Sterling & Wilson Nigeria Ltd (refer note 6 below)	-	-	-	-	-
	-	23.07	23.07	-	-
Sterling & Wilson Solar FZCO (refer note 7 below)	53.48	-	15.40	(0.66)	37.43
	-	49.54	-	3.95	53.48

\* 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%-11.2% p.a.



Sterling and Wilson Private Limited

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

(Currency - Indian rupees in crores)

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

Name of the entity	Purpose	As at 01 April 2020	Adjustment	Guarantees given during the year (including adjustment on account of exchange difference)	Guarantees expired during the year (including adjustment on account of exchange difference)	As at 31 March 2021
<b>Sterling and Wilson International FZE</b>						
Letter of credit	Working Capital	-	-	-	-	-
		55.08	-	-	(55.08)	-
Corporate Guarantees	Working Capital	775.54	-	-	(658.79)	116.75
		752.31	-	368.04	(134.83)	775.54
<b>STC Power S.r.l.</b>						
Bank Guarantee	Working Capital	78.18	-	-	-	78.18
		74.01	-	4.17	-	78.18
<b>Sterling &amp; Wilson CO-Gen</b>						
Corporate Guarantees	Working Capital	80.00	-	-	(80.00)	-
		170.00	-	-	(90.00)	80.00
<b>Sterling &amp; Wilson Middle East W.L.L.</b>						
Bank Guarantee	Working Capital	-	-	-	-	-
		38.60	-	-	(38.60)	-
Letter of credit	Working Capital	-	-	-	-	-
		9.30	-	-	(9.30)	-

\* previous year numbers are in lakhs

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 at 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 2021		
A. Gross amount required to be spent by the Company during the year			
B. Amount spent during the year ended 31 March 2021	In cash	Yet to be paid in cash	Total
	-	-	-

Particulars	31 March 2020		
A. Gross amount required to be spent by the Company during the year			
B. Amount spent during the year ended 31 March 2020	In cash	Yet to be paid in cash	Total
	1.55	-	1.55
	1.55	-	1.55



Sterling and Wilson Private Limited

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

(Currency: Indian rupees in crores)

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 2021	31 March 2020
India	1,777.11	2,780.73
Outside India	581.19	301.02
	<u>2,278.30</u>	<u>3,081.75</u>

b) Revenue from contract with customers :

Particulars	31 March 2021	31 March 2020
Recognised over time	2,048.36	2,803.11
Recognised at a point in time	229.94	278.64
	<u>2,278.30</u>	<u>3,081.75</u>

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

Particulars	31 March 2021	31 March 2020
India	223.45	343.42
Outside India	7.01	5.03
	<u>230.46</u>	<u>348.45</u>

d) Information about major customers

Revenue from one customer of the Company is Rs. Nil (31 March 2020: 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 2021

(Currency : Indian rupees in crores)

45 Earnings per share

Particulars		31 March 2021	31 March 2020
<i>Basic earnings per share</i>			
<b>Numerator:</b>			
(Loss) after tax attributable to equity shareholders	A	(339.20)	(131.56)
<b>Denominator:</b>			
<b>Calculation of weighted average number of equity shares</b>			
Number of equity shares at the beginning of the year		29,369,333	16,036,000
Equity shares issued during the year		-	13,333,333
Number of equity shares outstanding at the end of the year		29,369,333	29,369,333
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	29,369,333	22,099,927
Adjusted weighted average number of equity shares outstanding during the year (based on date of issue of shares)	C	95,551,525	35,119,653
Basic earnings per share (EPS) (Rs.)	A / B	(115.49)	(59.51)
Diluted earnings per share (DEPS) (Rs.)*		(115.49)	(59.53)
Face value per share		10.00	10.00
* 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 2021	31 March 2020
<b>The amounts remaining unpaid to micro and small suppliers as at the end of the year</b>			
- Principal		113.25	111.43
- Interest		6.44	2.81
<b>The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) MSMED</b>		Nil	Nil
<b>The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year</b>		Nil	Nil
<b>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</b>		Nil	Nil
<b>Amount of interest accrued and remaining unpaid at the end of the accounting year</b>		6.44	2.81
<b>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</b>		Nil	Nil



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

as at 31 March 2021

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 Co-Gen Solutions Private Limited (w.e.f. August 03, 2020)                      Sterling and Wilson Middle East WLL                      Sterling and Wilson Nigeria FZE (w.e.f. April 30, 2020)                      Sterling &amp; Wilson Nigeria Ltd.                      Sterling &amp; Wilson Cogen Solution Ltd. (liquidated w.e.f. 19/06/2019)                      Range Consultants Pvt. Ltd.                      Sterling and Wilson Security Systems Pvt. Ltd.                      Enrich-SWPL JV                      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 HIS UK Ltd.                      Sterling and Wilson-JINDUN Consortium                      Sterling and Wilson Middle East Electromechanical (Bahrain) WLL                      Sterling and Wilson Middle East Sanitation, Electrical, Cooling &amp; Conditioning Contracting LLC, Kuwait</p> <p>Sterling and Wilson Cogen Solutions LLC                      Sterling and Wilson Saudi Arabia Ltd.</p>
3) Fellow subsidiaries	<p>Afcos Infrastructure Limited                      Esterlina Solar Engineer Private Limited                      Eureka Forbes Limited                      Evangelos Ventures Private Limited                      Forbes Enviro Solutions Limited                      Forbes Facility Services Private Limited                      Forval International Service Limited                      Global Infra FZCO                      Relationship Properties Private Limited                      Sashwat Energy Private Limited                      Shapoorji Accos Construction Private Limited                      Shapoorji Pallonji Infrastructure Capital company                      Shapoorji Pallonji Lanka Private Limited                      Shapoorji Pallonji Mid East LLC                      Shapoorji Pallonji Nigeria FZE                      Shapoorji Pallonji Nigeria Limited                      SP Fabricators Private Limited                      STC Power S.r.l.                      Sterling and Wilson International Solar FZCO                      Sterling and Wilson Solar Limited                      Sterling and Wilson-Waaree Private Limited (upto March 31, 2020)                      Sterling Generators Private Limited (formerly Sterling and Wilson Powergen Private Limited) (w.e.f. July 02, 2020)                      Sterling Generators Private Limited (upto July 02, 2020)</p>
4) Key Management Personnel	<p>Zarine Y Daruvala, Director                      Khurshed Y. Daruvala, Director                      Pallon Shapoor Mistry, Director                      Ravi Ananthakrishnan, Director                      Parameshwar Hegde, CFO                      K. P. Hariharan, Company Secretary</p>
5) Relatives of Key Management Personnel	<p>Delna K Daruvala - Daughter of Khurshed Y. Daruvala                      Jehan K. Daruvala - Son of Khurshed Y. Daruvala                      Kainaz K. Daruvala - Spouse of Khurshed Y. Daruvala                      Farhad Homi Unwalla - Son-in-law of Zarine Y. Daruvala</p>
6) Entities over which key managerial personnel or their relatives exercise significant control	<p>Delsys Infotech Private Limited                      Sterling and Wilson Energy Systems Private Limited                      Sterling and Wilson Services Private Limited                      Sterling Viking Power Private Limited                      Transtel Utilities Limited, UK                      Transtel Utilities Private Limited</p>
7) Entities over which Holding Company exercise significant influence	<p>Larsen &amp; Toubro Ltd. Shapoorji Pallonji &amp; Co Ltd. Joint Venture                      S. D. Corporation Private Limited</p>



Sterling and Wilson Private Limited

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

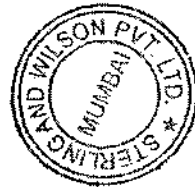
(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
1	Short term borrowings obtained	131.00	584.87	-	1,714.55	-	-	102.70	121.11	-	-
2	Short term borrowings repaid	225.23	253.00	178.52	2,377.26	-	-	95.04	36.80	-	-
3	Loans given during the year	-	-	310.29	354.07	-	-	-	7.41	-	-
4	Loans repaid during the year	-	-	34.51	17.80	-	-	-	-	-	-
5	Remuneration	-	-	-	-	-	-	2.21	3.88	-	-
6	Employee benefits	-	-	-	-	-	-	0.05	0.03	-	-
7	Purchases of construction material	-	-	42.40	63.28	-	-	1.29	0.37	-	-
8	Receiving of Services	0.14	0.24	4.36	13.00	-	-	0.91	0.88	-	-
9	Income from works contracts	48.19	96.71	48.93	87.44	15.35	-	-	-	-	-
10	Guarantee Commission	-	-	3.05	17.68	-	-	-	-	-	-
11	Other Income	-	-	6.29	5.18	-	-	-	-	-	-
12	Advances received from customer	2.46	115.93	-	1.87	-	-	-	6.22	-	-
13	Interest Income	-	-	198.97	149.67	-	-	0.70	0.16	-	-
14	Interest expenses	40.53	6.75	73.72	168.75	-	-	16.25	1.25	-	-
15	Rent expenses	-	-	0.66	0.69	-	-	7.77	7.78	-	-
16	Management Support Fees	-	10.81	-	2.50	-	-	-	-	-	-
17	Reimbursement of expenses	0.30	0.25	1.50	11.30	-	-	-	-	-	-
18	Trade receivables *	27.68	46.88	37.01	23.66	0.28	-	-	-	-	-
19	Advances to supplier	-	-	5.77	-	-	-	-	-	3.81	6.28
20	Interest receivable	-	-	377.66	184.24	-	-	0.87	0.16	-	-
21	Gross amount due from customer	30.23	26.88	2.84	4.17	15.35	-	-	-	-	-
22	Gross amount due to customer	6.52	9.25	0.08	1.85	-	-	-	-	-	-
23	Receivable expenses	-	-	169.48	193.29	8.04	6.43	18.00	13.53	-	-

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



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
24	Recovery towards expenses and others	-	-	28.50	41.31	-	-	-	-	-	-
25	Interest payable	45.94	9.48	0.02	33.49	-	-	8.90	0.44	-	-
26	Trade payable	33.72	41.01	45.15	76.99	-	-	1.83	0.08	-	-
27	Short-term borrowings	277.64	371.87	397.56	576.08	-	-	176.23	118.52	-	-
28	Loan Given	-	-	1,670.29	1,395.47	-	-	8.07	7.41	-	-
29	Advance from customer	54.68	101.88	9.86	6.59	13.00	-	-	-	1.72	-
30	Rent payable	-	-	-	0.06	-	-	0.77	0.77	-	-
31	Other receivables	-	-	23.27	15.30	-	-	-	-	-	-
32	Letter of credits issued	-	-	-	49.54	-	-	-	-	-	-
33	Letter of credits cancelled during the year (including foreign exchange adjustments)	-	-	-	113.91	-	-	-	-	-	-
34	Corporate guarantees issued	-	-	-	368.04	-	-	-	-	-	-
35	Corporate guarantees cancelled	-	-	738.79	434.83	-	-	-	-	-	-
36	Corporate guarantees outstanding	-	-	116.75	855.54	-	-	-	-	-	-
37	Bank guarantees cancelled	-	-	-	38.60	-	-	-	-	-	-
38	Bank guarantees outstanding	-	-	78.18	78.18	-	-	-	-	-	-
39	Equity Capital issued	-	8.93	-	-	-	-	-	-	-	-
40	Preference share capital issued	200.00	750.00	-	-	-	-	100.00	4.40	-	-
41	Sale of intangible asset	-	-	6.28	-	-	-	-	502.50	-	-
42	Investment in subsidiaries	-	-	5.73	-	-	-	-	-	-	-
43	Purchase of shares	-	-	-	-	-	-	-	-	5.00	-





# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020			
1	Short term borrowings obtained									
	Shapoorji Pallonji and Company Private Limited	31.00	584.87	-	-	-	-	-	-	
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	6.85	100.97	
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	7.05	-	
	Ms. Delna K Daruvala	-	-	-	-	-	-	1.70	0.14	
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	15.10	-	
	Farhad Horni Unwalla	-	-	-	-	-	-	0.10	-	
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	-	30.90	
	Sterling & Wilson Powergen Pvt Ltd	-	-	-	41.80	-	-	-	-	
	Sterling & Wilson Solar Ltd	-	-	-	1,662.00	-	-	-	-	
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	26.00	-	
	Jehan. K. Daruvala	-	-	-	-	-	-	10.90	-	
	Transstel Utilities Private Limited	-	-	-	-	-	-	35.00	-	
Sterling and Wilson Waaree Private Limited	-	-	-	10.75	-	-	-	-		
2	Short term borrowings repaid									
	Shapoorji Pallonji and Company Private Limited	225.23	253.00	-	-	-	-	-	-	
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	65.05	5.85	
	Ms. Delna K Daruvala	-	-	-	-	-	-	0.05	0.95	
	Mrs. Kainaz K. Daruvala	-	-	-	-	-	-	0.40	-	
	Sterling & Wilson Powergen Pvt Ltd	-	-	-	41.80	-	-	-	-	
	Sterling & Wilson Solar Ltd	-	-	-	2,309.82	-	-	-	-	
	Transstel Utilities Private Limited	-	-	178.52	-	-	-	-	-	
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	9.54	-	
	Sterling and Wilson Waaree Private Limited	-	-	-	25.64	-	-	20.00	10.00	
	3	Loans given during the year								
		Sterling and Wilson International FZE	-	-	227.93	269.52	-	-	-	-
		Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	80.56	54.35	-	-	-	-
Transstel Utilities Limited, UK		-	-	-	-	-	-	-	7.41	
GCO Pty Ltd		-	-	1.67	6.89	-	-	-	-	
Sterling and Wilson Middle East WLL		-	-	0.13	23.31	-	-	-	-	



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence
		2021	2020	2021	2020	2021	2020		
4	Loan Repaid during the year Sterling & Wilson Co-Gen Solutions Pvt Ltd Sterling and Wilson International Solar FZCO	-	-	19.60 14.91	17.80	-	-	-	-
5	Remuneration Mrs Zarine Y Daruvala Mr. Paramashwar Hegde Mr. K. P. Haritharan Mr. Ravi Ananthakrishnan (wef 10 February, 2020)	-	-	-	-	-	-	0.30 0.64 0.22 1.05	1.87 1.05 0.30 0.26
6	Employee benefits Mrs Zarine Y Daruvala	-	-	-	-	-	-	0.05	0.05
7	Purchases of construction material Sterling Generators Private Limited Sterling and Wilson Powergen Private Limited Sterling and Wilson Security Systems Private Limited Sterling Wilson Solar Limited Sterling Salar Engineer Private Limited Sterling Viking Power Private Limited Delsys Infotech Pvt Ltd Parvata Forbes Ltd.	-	-	42.42	48.74 9.07 0.14	-	-	-	-
		-	-	-0.05	4.38 0.91	-	-	0.05	0.37
		-	-	0.03	0.05	-	-	1.24	-



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

(Currency : Indian rupees in crores)

## 46 Related party disclosures (Continued)

## 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence
		2021	2020	2021	2020	2021	2020		
8	Receiving of Services								
	Shapoorji Pallonji and Company Private Limited	0.14	8.2-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	2.25	0.31	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	0.49	3.96	-	-	-	-
	Sterling Wilson Solar Limited	-	-	-	0.93	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	0.04	-
	Forvol International Services Ltd.	-	-	0.31	6.55	-	-	0.64	-
	SP Fabricators Private Limited	-	-	-	1.26	-	-	-	-
	Eureka Forbes Ltd.	-	-	0.01	0.00	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	1.80	-	-	-	-	-
9	Income from works contracts								
	Shapoorji Pallonji and Company Private Limited	48.19	96.71	-	-	-	-	-	-
	S. D. Corporation Private Limited	-	-	2.55	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	1.23	0.04	-	-	-	-
	Forbes Facility Services Pvt. Ltd	-	-	-	0.04	-	-	-	-
	GLOBAL INFRA FZCO	-	-	0.98	8.86	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	29.60	5.10	-	-	-	-
	Relationship Properties Private Limited	-	-	-0.53	1.65	-	-	-	-
	Sterling and Wilson Jindum Consortium	-	-	-	-	15.35	-	-	-
	Sterling Generators Private Limited	-	-	0.13	8.80	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd	-	-	3.67	6.88	-	-	-	-
	Sterling and Wilson Nigeria Limited	-	-	-0.29	56.07	-	-	-	-
	Sterling and Wilson Nigeria FZE	-	-	7.20	-	-	-	-	-
	Shapoorji Pallonji Lanka (Pvt) Ltd	-	-	4.30	-	-	-	-	-



# Sterling and Wilson Private Lim. J

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
10	<b>Guarantee Commission</b>										
	Sterling and Wilson Middle East WLL	-	-	0.32	1.32	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	0.40	1.43	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	-	3.01	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	-	2.61	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	-	2.33	9.31	-	-	-	-	-	-
11	<b>Other Income</b>										
	Sterling Wilson Solar Limited	-	-	4.29	5.18	-	-	-	-	-	-
	Transact Utilities Limited, UK	-	-	-	-	-	-	-	6.32	-	-
12	<b>Advance received from customers</b>										
	Shapoorji Pallonji and Company Private Limited	2.46	115.93	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Mfa East LLC	-	-	-	1.71	-	-	-	-	-	-
	Global Infra FZCO	-	-	-	0.16	-	-	-	-	-	-
13	<b>Interest Income</b>										
	Sterling and Wilson International FZE	-	-	174.90	138.49	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	8.34	7.15	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	11.19	1.27	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	3.67	2.11	-	-	-	-	-	-
	Transact Utilities Limited, UK	-	-	-	-	-	-	0.70	0.16	-	-
	GCO Pty Ltd	-	-	0.80	0.05	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	0.87	0.59	-	-	-	-	-	-



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

(Currency : Indian rupees in crores)

## 46 Related party disclosures (Continued)

## 46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
14	Interest expenses										
	Shapoorji Pallonji and Company Private Limited	40.53	6.75	-	-	-	-	-	-	-	-
	Mr. Khurshed Y Daruvala	-	-	-	-	-	-	9.89	1.15	-	-
	Ms. Digna K Daruvala	-	-	-	-	-	-	0.07	0.09	-	-
	Ms. Kamaz Daruvala	-	-	-	-	-	-	0.58	-	-	-
	Farhad Hossain Unwalla	-	-	-	-	-	-	0.00	-	-	-
	Delays Infotech Pvt Ltd	-	-	-	-	-	-	0.92	-	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	0.25	-	-	-
	Jehan K. Daruvala	-	-	-	-	-	-	6.12	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	2.50	0.01	-	-
	Transtel Utilities Private Limited	-	-	-	-	-	-	1.96	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	-	3.79	-	-	-	-	-	-
	Sterling and Wilson Solar Limited	-	-	73.70	164.96	-	-	-	-	-	-
	Eureka Forbes Ltd.	-	-	0.03	-	-	-	-	-	-	-
15	Rent expenses										
	Range Consultants Private Limited	-	-	0.66	0.69	-	-	-	-	-	-
	Transtel Utilities Private Limited	-	-	-	-	-	-	7.53	7.54	-	-
	Delays Infotech Pvt Ltd	-	-	-	-	-	-	0.24	0.24	-	-
16	Management Support Fees										
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	2.50	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	-	10.81	-	-	-	-	-	-	-	-
17	Reimbursement of expenses										
	Sterling and Wilson Solar Limited	-	-	1.50	11.30	-	-	-	-	-	-
	Eureka-SWPL JV	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	0.30	0.25	-	-	0.28	-	-	-	-	-



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Follow 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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
18	Trade Receivables										
	Shapoorji Pallonji and Company Private Limited	27.68	46.88	-	-	-	-	-	-	-	-
	S. D. Corporation Private Limited	-	-	5.16	-	-	-	-	-	-	-
	Global Infra FZCO	-	-	2.91	-	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	17.79	3.71	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	0.67	6.35	-	-	-	-	-	-
	Larsen & Toubro Ltd, Shapoorji Pallonji & Co Ltd.	-	-	-	2.58	-	-	-	-	-	-
	Joint Venture	-	-	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd	-	-	1.97	1.68	-	-	-	-	3.81	6.28
	Sterling & Wilson Nigeria Ltd.	-	-	9.17	0.16	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	-	9.18	-	-	-	-	-	-
	Shapoorji Pallonji Lanka (Pvt) Ltd	-	-	1.79	-	-	-	-	-	-	-
	Sterling and Wilson Nigeria FZE	-	-	5.94	-	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	0.62	-	-	-	-	-	-	-
19	Advances to supplier										
	Sterling Generators Private Limited	-	-	5.77	-	-	-	-	-	-	-
20	Interest receivable										
	Sterling and Wilson International FZE	-	-	348.59	173.63	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	9.07	0.29	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	5.74	2.11	-	-	-	-	-	-
	Transtel Utilities Limited, UK	-	-	-	-	-	-	0.87	0.16	-	-
	GCO Pty Ltd	-	-	0.86	0.05	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	0.64	0.59	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	15.76	7.57	-	-	-	-	-	-



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
21	<b>Gross amount due from customer</b>										
	Shapoorji Pallonji and Company Private Limited	30.23	26.83	0.29	0.73	-	-	-	-	-	-
	Global Infra FZCO	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Jindum Consortium	-	-	2.49	3.05	15.35	-	-	-	-	-
	Relationship Properties Private Limited	-	-	0.06	0.24	-	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	-	-	0.04	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	-	-	-	-	-	-	-
22	<b>Gross amount due to customer</b>										
	Shapoorji Pallonji and Company Private Limited	6.52	9.25	0.08	-	-	-	-	-	-	-
	Relationship Properties Private Limited	-	-	-	0.50	-	-	-	-	-	-
	Shapoorji Pallonji Mid East LLC	-	-	-	1.35	-	-	-	-	-	-
	Shapoorji Pallonji Nigeria Ltd	-	-	-	-	-	-	-	-	-	-
23	<b>Recoverable expenses</b>										
	Sterling and Wilson Security Systems Private Limited	-	-	2.17	2.15	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	4.31	3.72	-	-	-	-	-	-
	Sterling and Wilson International PZE	-	-	151.85	175.73	-	-	-	-	-	-
	Sterling and Wilson Nigeria Limited	-	-	4.24	4.33	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	-	0.00	-	-	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	2.55	2.61	-	-	-	-	-	-
	Stadwest Energy Pvt Ltd	-	-	0.56	0.57	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	4.59	4.18	-	-	-	-	-	-
	Transat Utilities Limited, UK	-	-	-	-	7.47	-	18.06	13.53	-	-
	Finch-SWPL JV	-	-	-	-	-	2.46	-	-	-	-
	SPCSWPL JV	-	-	-	-	-	2.14	-	-	-	-
	STC Power S.R.L.	-	-	-	-	-	1.84	-	-	-	-
	Sterling and Wilson Jindum Consortium	-	-	-	-	0.57	-	-	-	-	-



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence
		2021	2020	2021	2020	2021	2020		
24	Recovery towards expenses and others	-	-	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	1.34	-	-	-	-	-	-
	Sterling and Wilson Middle East WLL	-	0.68	0.39	-	-	-	-	-
	Sterling & Wilson Nigeria Ltd.	-	1.32	-	-	-	-	-	-
	Sterling and Wilson International FZE	-	0.12	-	-	-	-	-	-
	Sterling Wilson Solar Limited	-	37.02	28.03	-	-	-	-	-
	Enrich-SWPL JV	-	-	-	5.30	-	-	-	-
Sterling Generators Private Limited	-	-	-	0.08	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	0.82	-	-	-	-	-	-
25	Interest payable	-	-	-	-	-	-	-	-
	Shapoorji Pallonji and Company Private Limited	45.94	9.48	-	-	-	-	-	-
	Sterling and Wilson Solar Limited	-	32.53	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	5.53	-
	Sterling and Wilson Vaarec Private Limited	-	0.96	-	-	-	-	-	0.44
	Ms. Delna K Daruvala	-	-	-	-	-	-	-	0.06
	Ms. Kainaz Daruvala	-	-	-	-	-	-	-	0.31
	Farhad Homi Unwalla	-	-	-	-	-	-	-	0.00
	Delays Infotech Pvt Ltd	-	-	-	-	-	-	-	0.85
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	-	0.22
	Jehan K Daruvala	-	-	-	-	-	-	-	0.11
	Transel Utilities Private Limited	-	-	-	-	-	-	-	1.81
	Eureka Forbes Ltd.	-	-	0.02	-	-	-	-	-





Sterling and Wilson Private Lim. J

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

(Currency : Indian rupees in crores)

46 Related party disclosures (Continued)

46.2 Transactions with related parties (Continued)

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
26	<b>Trade payable</b>										
	Shapoorji Pallonji and Company Private Limited	38.72	41.01	-	-	-	-	-	-	-	-
	Sterling Generators Private Limited	-	-	36.87	56.36	-	-	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	-	14.17	-	-	-	-	-	-
	Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	4.50	2.70	-	-	-	-	-	-
	Sterling and Wilson Services Private Limited	-	-	-	-	-	-	-	-	-	-
	Sterling Viking Power Private Limited	-	-	-	-	-	-	0.20	-	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	0.12	0.08	-	-
	Sterling & Wilson Energy Systems Pvt Ltd	-	-	-	-	-	-	1.46	-	-	-
	Estertina Solar Engineer Private Limited	-	-	2.21	2.21	-	-	0.06	-	-	-
	Fovvel International Service Ltd.	-	-	0.14	0.15	-	-	-	-	-	-
	SP Fabricators Private Limited	-	-	1.36	1.36	-	-	-	-	-	-
	Bureka Forbes Ltd.	-	-	0.07	0.04	-	-	-	-	-	-
27	<b>Short term borrowings</b>										
	Shapoorji Pallonji and Company Private Limited	277.64	371.87	-	-	-	-	-	-	-	-
	Mr Khurshed Y Daruvala	-	-	-	-	-	-	-	40.37	-	-
	Mrs. Kaimaz K. Daruvala	-	-	-	-	-	-	-	14.70	-	-
	Ms. Deina K Daruvala	-	-	-	-	-	-	-	1.65	-	-
	Sterling and Wilson Solar Ltd	-	-	-	-	-	-	-	-	-	-
	Sterling and Wilson Waaree Private Limited	-	-	197.56	555.33	-	-	-	-	-	-
	Evangalos Ventures Pvt Ltd	-	-	-	10.75	-	-	-	-	-	-
	Sterling and Wilson Energy Systems Private Limited	-	-	-	-	-	-	50.00	-	-	-
	Mrs. Zarine Y Daruvala	-	-	-	-	-	-	-	19.95	-	-
	Farhad Homi Unwalla	-	-	-	-	-	-	-	7.05	-	-
	Delsys Infotech Pvt Ltd	-	-	-	-	-	-	-	0.10	-	-
	Jehan.K. Daruvala	-	-	-	-	-	-	-	26.00	-	-
	Transel Utilities Private Limited	-	-	-	-	-	-	-	10.90	-	-
									25.46		



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence
		2021	2020	2021	2020	2021	2020		
28	<b>Loan Given</b>								
	Sterling and Wilson International FZE	-	-	1,460.01	1,232.08	-	-	-	-
	Sterling & Wilson Co-Cen Solutions Pvt Ltd	-	-	97.51	36.55	-	-	-	-
	Transel Utilities Limited, UK	-	-	-	-	-	8.07	7.41	-
	GCO Pty Ltd	-	-	10.04	6.89	-	-	-	-
	Sterling and Wilson International Solar FZCO	-	-	37.49	53.48	-	-	-	-
	Sterling and Wilson Middle East WLL	-	-	65.25	66.46	-	-	-	-
29	<b>Advance from customer</b>								
	Shapoorji Pallonji and Company Private Limited	54.68	101.88	-	-	-	-	-	-
	Sterling and Wilson Jindun Consortium	-	-	-	-	13.00	-	-	-
	Relationship Properties Private Limited	-	-	1.10	1.10	-	-	-	-
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	-	-	-	-	-	-	-	-
	Shapoorji Pallonji Lanka (Pvt) Ltd	-	-	5.40	-	-	-	-	1.72
	Shapoorji Pallonji Mid East LLC	-	-	3.36	5.48	-	-	-	-
30	<b>Rent payable</b>								
	Transel Utilities Private Limited	-	-	-	-	-	-	0.77	-
	Range Consultants Private Limited	-	-	-	0.06	-	0.77	-	-
31	<b>Other receivables</b>								
	Sterling Generators Private Limited	-	-	2.36	0.15	-	-	-	-
	Sterling & Wilson Solar Ltd	-	-	20.90	14.18	-	-	-	-
	Sterling and Wilson Powergen Private Limited	-	-	-	0.97	-	-	-	-
	Sterling & Wilson Waaree Pvt Ltd	-	-	0.01	-	-	-	-	-
32	<b>Letter of credits issued</b>								
	Sterling and Wilson International Solar FZCO	-	-	-	49.54	-	-	-	-



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control		Entities over which Holding Company exercise significant influence	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
33	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	-	-	-	49.54 9.30 55.08	-	-	-	-	-	-
34	Corporate guarantees issued (including foreign exchange adjustments) Sterling and Wilson International FZE	-	-	-	368.04	-	-	-	-	-	-
35	Corporate guarantees cancelled (including foreign exchange adjustments) Sterling and Wilson International FZE Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	658.79 80.00	344.83 90.00	-	-	-	-	-	-
36	Corporate guarantees outstanding Sterling and Wilson International FZE Sterling & Wilson CO-Gen Solutions Pvt Ltd	-	-	116.75	775.54 80.00	-	-	-	-	-	-
37	Bank guarantees cancelled Sterling & Wilson Middle East WLL	-	-	-	38.60	-	-	-	-	-	-
38	Bank guarantees outstanding SIC Power S.R.L.	-	-	28.18	78.18	-	-	-	-	-	-



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 46 Related party disclosures (Continued)

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

Sr. No	Nature of transaction	Holding company		Subsidiaries and Fellow subsidiaries		Joint Venture		Key Management Personnel and their relatives and entities over which key managerial personnel exercise control	Entities over which Holding Company exercise significant influence	2020	2021	2020	2021	2020	2021
		2021	2020	2021	2020	2021	2020								
39	Equity Capital issued Mr Khurshed Y Daruvala Shamoorji Pallonji and Company Private Limited	-	8.93	-	-	-	-	-	-	-	-	-	-	4.40	-
40	Preference share capital issued Mr Khurshed Y Daruvala Shamoorji Pallonji and Company Private Limited	200.00	750.00	-	-	-	-	100.00	-	-	-	-	-	502.50	-
41	Sale of Intangible asset Sterling and Wilson Solar Ltd	-	-	-	6.20	-	-	-	-	-	-	-	-	-	-
42	Investment in subsidiaries Sterling & Wilson Nigeria FZE Sterling & Wilson Co-Gen Solutions Pvt Ltd	-	-	-	0.73	-	-	-	-	-	-	-	-	-	-
43	Purchase of shares Mr Khurshed Y Daruvala Shamoorji Pallonji and Company Private Limited Mrs. Kaimaz K. Daruvala Mrs. Zatine Y Daruvala	-	-	-	-	-	-	-	-	-	-	-	-	-	-
								1.23	-	-	-	-	-	-	-
								2.55	-	-	-	-	-	-	-
								1.22	-	-	-	-	-	-	-
								0.01	-	-	-	-	-	-	-



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores.)

## 47 Income taxes

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

Particulars	31 March 2021	31 March 2020
<b>Current tax expense :</b>		
Current year	0.79	-
Changes in estimate related to prior years	-	0.18
	<u>0.79</u>	<u>0.18</u>
<b>Deferred tax :</b>		
Origination and reversal of temporary differences - P&L	31.73	(57.33)
Origination and reversal of temporary differences - OCI	0.00	0.53
	<u>31.73</u>	<u>(56.80)</u>
<b>Tax expenses</b>	<u><u>32.52</u></u>	<u><u>(56.78)</u></u>

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

Particulars	Before tax	31 March 2021 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	0.72	-	0.72
<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 2020 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	1.51	(0.53)	0.98
<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 2021	31 March 2020
Profit / (loss) before tax	(306.68)	(188.87)
Tax using the Company's domestic tax rate (current year 34.944%)	(107.17)	(66.00)
<b>Tax effect of:</b>		
Expenses that are not deductible in determining taxable profit	6.62	8.09
Income which are exempt from tax	-	0.00
Change in deductible temporary differences	(0.11)	(0.26)
Deductible expenses	0.94	0.04
Ind-AS adjustments	(0.18)	0.53
Items taxed at differential rates	(0.29)	1.59
Changes in estimates related to prior years	(3.82)	(0.77)
Unrecognized Deferred Tax Asset of current year	104.02	-
Reversal of Deferred Tax Asset of previous year	31.73	-
Effect of tax rates in foreign jurisdictions	0.79	-
<b>Tax (income) / expenses as per statement of Profit and Loss</b>	<u><u>32.52</u></u>	<u><u>(56.79)</u></u>



Sterling and Wilson Private Limited

Notes to the standalone financial statement. (Continued)  
for the year ended 31 March 2021

(Currency : Indian rupees in crores)

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 2020	Recognised / (Reversed) in profit or loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March 2021
Difference between written down value / capital work in progress of fixed assets as per the books of accounts and	(12.57)	-	-	(12.57)
Provision for bad and doubtful debts, unbilled receivables	10.73	-	-	10.73
Provision for foreseeable losses	3.22	-	-	3.22
Provision for liquidated damages	(0.26)	-	-	(0.26)
Employee benefits	20.04	-	-	20.04
Carry forward business losses	62.83	(31.73)	-	31.10
Unabsorbed depreciation	19.24	-	-	19.24
Fair valuation of investments	(2.13)	-	-	(2.13)
Retention receivable	0.23	-	-	0.23
	101.34	(31.73)	-	69.60

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	(6.72)	(5.85)	-	(12.57)
Provision for bad and doubtful debts, unbilled receivables	12.09	(1.36)	-	10.73
Provision for foreseeable losses	0.33	2.90	-	3.22
Provision for liquidated damages	0.30	(0.55)	-	(0.26)
Employee benefits	19.23	1.33	(0.53)	20.04
Carry forward business losses	10.86	51.97	-	62.83
Unabsorbed depreciation	6.96	12.28	-	19.24
Fair valuation of investments	(3.12)	0.99	-	(2.13)
Retention receivable	0.04	0.19	-	0.23
Retention payable	(0.12)	0.12	-	-
Security deposits	0.01	(0.01)	-	-
Unfulfilled revenue	4.69	(4.69)	-	-
Net deferred tax asset	44.53	57.33	(0.53)	101.34

Unrecognised deferred tax assets/(liabilities)

Particulars	Amount
Difference between written down value / capital work in	(2.95)
Provision for bad and doubtful debts, unbilled receivables	(0.44)
Provision for foreseeable losses	(1.36)
Provision for liquidated damages	1.10
Employee benefits	(1.99)
Carry forward business losses	99.87
Unabsorbed depreciation	8.86
Fair valuation of investments	0.62
Retention receivable & payable	0.31
Security deposits	(0.01)
	104.02

Since the company has incurred losses in the previous years, the management has decided not to consider the deferred tax assets/(liabilities) arising in the current year.

The Company 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.

Since the 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 2021

(Currency - Indian Rupees in crores)

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 2021	Expiry date
Esprit	2018-19	33.32	2025-26
	2020-21	156.55	2027-28
		<u>189.87</u>	
New Empac	2018-19	19.91	
	2020-21	36.03	
		<u>55.94</u>	



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)  
for the year ended 31 March 2022

(Currency: Indian rupees of crores)

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. Carrying amount is a reasonable approximation of fair value.

31 March 2021	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 and associate partnership firm	-	-	12.72	12.72	-	-	-	-
Investments in preference instruments	50.46	-	-	50.46	-	-	50.46	50.46
Investments in equity instruments	20.29	-	-	20.29	0.19	-	19.96	20.29
Investments in debt instruments	-	-	0.00	0.00	-	-	-	-
Investment in mutual funds	0.30	-	-	0.30	0.30	-	-	0.30
Cash and cash equivalents	-	-	64.34	64.34	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	46.78	46.78	-	-	-	-
Loans	-	-	2,119.01	2,119.01	-	-	-	-
Trade receivables	-	-	1,325.35	1,325.35	-	-	-	-
Other receivables	-	-	224.44	224.44	-	-	-	-
Unbilled receivables	-	-	850.92	850.92	-	-	-	-
Bank Deposits	-	-	5.69	5.69	-	-	-	-
	71.05	-	4,649.25	4,720.30	0.69	-	70.36	71.05
<b>Financial liabilities</b>								
Long term borrowings	-	-	14.97	14.97	-	-	-	-
Short term borrowings	-	-	1,063.46	1,063.46	-	-	-	-
Trade payables	-	-	1,495.83	1,495.83	-	-	-	-
Lease liabilities	-	-	2.41	2.41	-	-	-	-
Other current financial liabilities	-	-	147.37	147.37	-	-	-	-
	-	-	2,724.03	2,724.03	-	-	-	-

31 March 2020	Carrying			Total	Fair value			Total
	FVTPL	FVTOCI	Amortised Cost		Level 1 - Quoted	Level 2 -	Level 3 -	
<b>Financial assets</b>								
Investments in subsidiaries and associate	-	-	6.99	6.99	-	-	-	-
Investments in preference instruments	53.54	-	-	53.54	-	-	53.54	53.54
Investments in equity instruments	20.33	-	-	20.33	0.42	-	19.91	20.33
Investments in debt instruments	-	-	0.00	0.00	-	-	-	-
Investment in mutual funds	0.28	-	-	0.28	-	-	-	-
Cash and cash equivalents	-	-	60.52	60.52	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	58.03	58.03	-	-	-	-
Loans	-	-	1,649.03	1,649.03	-	-	-	-
Trade receivables	-	-	1,676.20	1,676.20	-	-	-	-
Other receivables	-	-	238.82	238.82	-	-	-	-
Interest accrued on receivables	-	-	43.70	43.70	-	-	-	-
Unbilled receivables	-	-	1,135.02	1,135.02	-	-	-	-
Bank Deposits	-	-	4.61	4.61	-	-	-	-
	74.14	-	4,872.92	4,947.06	0.42	-	73.45	73.86
<b>Financial liabilities</b>								
Long term borrowings	-	-	44.68	44.68	-	-	-	-
Short term borrowings	-	-	1,416.95	1,416.95	-	-	-	-
Trade payables	-	-	1,423.85	1,423.85	-	-	-	-
Lease liabilities	-	-	14.86	14.86	-	-	-	-
Other current financial liabilities	-	-	93.87	93.87	-	-	-	-
	-	-	2,994.22	2,994.22	-	-	-	-





Sterling and Wilson Private Limited

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

(Currency: Indian rupees in crore)

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 unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Current investments – in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Non-current investments in unquoted instruments accounted for at fair value through profit or loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Transfers between Levels 1 and 2

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

Level 3 fair values

The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2021 and 31 March 2020 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 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	31 March 2021: 12.85% 31 March 2020: 9.50%	1% (March 2021: 1% increase / decrease) would result in (decrease / increase) in fair value by (Rs 0.87 crores) / (Rs 0.89 crores (March 2020: (Rs 9.49 crores) / Rs 9.45 crores)
Investments in unquoted equity instruments accounted for at fair value through profit or loss	31 March 2021: Price of Recent Investment Method 31 March 2020: Price of Recent Investment Method	31 March 2021: Price of Recent Investment Method 31 March 2020: Price of Recent Investment Method	31 March 2021: Not Applicable 31 March 2020: Not Applicable	The valuation has been done on the basis of the "Price of Recent Investment Method". This method is used in the event there is an investment that is made in the Company. There has been a transfer of 84,997 shares on 26th October 2018 and the valuation at which such transaction has taken place provides a basis for arriving at the fair value



Sterling and Wilson Private Limited

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

(Currency - Indian rupees in crores)

49. 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 01 April 2019	22.77	55.89
Add: Purchased during the year	0.99	-
Less: Change in value of investment in preference shares and equity shares measured at FVTPL	(3.34)	(2.35)
Balance as at 31 March 2020	20.42	53.54
Add: Purchased during the year	-	-
Less: Sale during the year	(0.90)	-
Add: Change in value of investment in preference shares and equity shares measured at FVTPL	1.16	(3.08)
Balance as at 31 March 2021	20.68	50.46

(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.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in crores)

### 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 2021 is Rs. 1,289.17 crores (31 March 2020: Rs. 1,676.20 crores) and unbilled receivable as on 31 March 2021 is Rs. 850.92 crores (31 March 2020: Rs. 1,135.02 crores).

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 2020: 6.67%).

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

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

Particulars	Trade receivables	Unbilled receivables	Loans	Total
Balance as at 01 April 2019	29.35	13.41	0.60	43.36
Provision recognised / (reversed) (net)	(3.90)	(13.41)	-	(17.31)
Balance as at 31 March 2020	25.45	-	0.60	26.05
Provision recognised / (reversed) (net)	(1.26)	-	-	(1.26)
Balance as at 31 March 2021	24.19	-	0.60	24.79

##### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 64.34 crores and Rs. 60.52 crores as at 31 March 2021 and 31 March 2020 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

##### Other bank balances

The Company held other bank balances of Rs. 46.78 crores and Rs. 58.03 crores as at 31 March 2021 and 31 March 2020 respectively with bank with good credit rating.

##### Investment in mutual funds

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2021

(Currency : Indian rupees in crores.)

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

#### i. Credit risk *(Continued)*

##### Derivatives

The derivatives are generally entered with credit worthy banks and financial institutions counter parties. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good. In current year the company has not entered into any derivative contracts.

##### Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries and joint ventures. As at 31 March 2021 and 31 March 2020, the Company has issued the guarantees to certain banks on behalf of its subsidiaries and joint ventures in respect of credit facilities availed by the subsidiaries 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 2021 and 31 March 2020. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

##### Loans, investments in companies

The Company does not perceive any credit risk pertaining to loans provided or investments.

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



# Sterling and Wilson Private Limited

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

(Currency : Indian rupees in crores)

### 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 2021, the Company had working capital demand loan of Rs. 115.15 crores, cash credit loan of Rs. 67.13 crores and loan from related parties of Rs. 851.47 crores including cash and cash equivalents of Rs. 64.34 crores and other bank balances of Rs. 46.78 crores.

As at 31 March 2020, the Company had working capital demand loan of Rs. 279.23 crores, cash credit loan of Rs. 56.74 crores and loan from related parties of Rs. 1,066.52 crores including cash and cash equivalents of Rs. 60.52 crores and other bank balances of Rs. 58.03 crores.

#### 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 2021	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	44.68	44.68	29.71	14.97	-	-
Cash credit loans from banks	67.13	67.13	67.13	-	-	-
Working capital demand loan	115.15	115.15	115.15	-	-	-
Other short-term borrowings	851.47	851.47	851.47	-	-	-
Trade payables	1,495.83	1,495.83	1,495.83	-	-	-
Interest accrued and due	62.12	62.12	62.12	-	-	-
Lease liabilities	2.41	4.63	2.41	0.58	0.88	0.75
Other current financial liabilities	85.24	85.24	85.24	-	-	-

31 March 2020	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loan from banks	59.15	59.15	14.47	29.71	14.97	-
Cash credit loans from banks	56.74	56.74	56.74	-	-	-
Working capital demand loan	279.23	279.23	279.23	-	-	-
Other short-term borrowings	1,066.52	1,066.52	1,066.52	-	-	-
Trade payables	1,423.85	1,423.85	1,423.85	-	-	-
Interest accrued and due	47.40	47.40	47.40	-	-	-
Lease liabilities	14.86	14.86	10.24	2.41	1.14	1.07
Other current financial liabilities	46.48	46.48	46.48	-	-	-

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



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in crores)

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

Amounts in INR crores	31 March 2021						
	USD	EUR	GBP	AED	Peso	ZAR	Others *
<b>Financial assets</b>							
Trade receivables	169.89	-	-	-	-	-	-
Cash and Cash Equivalents	0.17	0.01	0.02	-	-	-	0.00
Loan to subsidiaries and others	124.87	-	8.94	-	-	-	10.90
Recoverable expenses	162.15	-	18.00	-	-	-	-
<b>Exposure to foreign currency assets</b>	<b>457.08</b>	<b>0.01</b>	<b>26.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.90</b>
<b>Financial liabilities</b>							
Trade payables and other payable	19.17	4.68	1.95	-	-	-	0.06
<b>Exposure to foreign currency</b>	<b>19.17</b>	<b>4.68</b>	<b>1.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.06</b>
<b>Net Exposure</b>	<b>437.91</b>	<b>(4.67)</b>	<b>25.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.84</b>

\*others include AUD

Amounts in INR crores	31 March 2020						
	USD	EUR	GBP	AED	Peso	ZAR	Others *
<b>Financial assets</b>							
Trade receivables	133.28	-	-	-	-	-	-
Cash and Cash Equivalents	1.05	0.01	0.00	-	-	-	-
Loan to subsidiaries and others	130.22	-	7.56	-	-	-	6.94
Recoverable expenses	186.39	1.84	13.53	-	-	-	-
<b>Exposure to foreign currency assets</b>	<b>450.94</b>	<b>1.85</b>	<b>21.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.94</b>
<b>Financial liabilities</b>							
Trade payables and other payable	21.11	7.61	0.14	-	-	-	0.26
<b>Exposure to foreign currency</b>	<b>21.11</b>	<b>7.61</b>	<b>0.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.26</b>
<b>Net Exposure</b>	<b>429.82</b>	<b>(5.76)</b>	<b>20.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.69</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 crores	31 March 2021		31 March 2020	
	Profit or loss	Profit or loss	Profit or loss	Profit or loss
	Strengthening	Weakening	Strengthening	Weakening
USD	21.90	(21.90)	21.49	(21.49)
EUR	(0.23)	0.23	(0.29)	0.29
GBP	1.25	(1.25)	1.05	(1.05)
Others *	0.54	(0.54)	0.33	(0.33)

\*others include CHF, AUD



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in crores)

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

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

##### iii Market risk (Continued)

##### (b) Interest rate risk

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

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 17, Note 22, Note 24 and Note 26 of these standalone Ind AS financial statements.

Particulars	31 March 2021	31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	1,892.95	1,432.87
Financial liabilities	(851.47)	(1,226.52)
	<u>1,041.48</u>	<u>206.36</u>
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(226.96)	(235.12)
	<u>(226.96)</u>	<u>(235.12)</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 2021</b>				
Variable-rate instruments	(2.27)	2.27	(1.48)	1.48
Cash flow sensitivity (net)	<u>(2.27)</u>	<u>2.27</u>	<u>(1.48)</u>	<u>1.48</u>

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	(2.35)	2.35	(1.53)	1.53
Cash flow sensitivity (net)	<u>(2.35)</u>	<u>2.35</u>	<u>(1.53)</u>	<u>1.53</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 crores)

### 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 2021	31 March 2020
Non-Current Borrowings	14.97	44.68
Current Borrowings	1,063.46	1,416.95
<b>Gross debt</b>	<b>1,078.43</b>	<b>1,461.63</b>
Less : Cash and cash equivalents	64.34	60.52
<b>Adjusted net debt</b>	<b>1,014.09</b>	<b>1,401.11</b>
Total equity	2,045.22	2,083.69
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.50</b>	<b>0.67</b>





# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

- 50 The Company had entered into the development, supply, civil works, service and operation and maintenance agreements (hereinafter referred to as 'the EPC contracts'), for developing, constructing and commissioning of solar plants for seven Projects in two states namely Telangana and Madhya Pradesh which were under dispute with the Developers (seven Special Purpose Vehicle (SPV) Companies owned by Sky Power Group.) Out of the seven projects, pursuant to negotiations/discussion, disputes for four projects have been resolved and settled prior to March 2021. As on the balance sheet date the value of trade receivables, unbilled receivables and advance related to the balance three projects aggregates Rs. 105.20 crores (previous year Rs. 332.78 crores). Based on the pattern of the settlements, interest receivable amounting to Rs 38.67 crores accrued in earlier years has been foregone and charged to Profit and Loss account during year by the Company.

The Company's subsidiary, Sterling and Wilson International FZE which had supplied imported materials for these projects had filed case before Hon'ble High Court of Delhi in December 2018 for two out of three projects, restraining Skypower Group to alienate, transfer and/or sell the said assets, pending commencement of arbitration proceedings with the Seat of Arbitration in Singapore. The Delhi High Court has, vide its order dated June 22, 2020 interalia directed each respondents of Skypower Group Companies/SPVs in the Delhi High Court proceedings to, within 4 (four) weeks from the date of Delhi High Court Order, furnish bank guarantee equivalent to 50% of the total amounts sought to be secured by Company's Subsidiary with the Registrar General of the High Court. The Developers sought various extensions for furnishing the bank guarantees, the last extension being sought on 22 May 2021 for a period of 12 weeks which was granted by the High Court.

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

Based on above case status and discussions with the Developers, their legal Counsel and the favorable orders passed by various Courts in similar cases, the Management believes that no adjustments/impairments are required to be made in the standalone Ind AS financial statements of the Company towards the total outstanding receivables.

- 51 As on March 31, 2021, the Company's total exposure aggregating Rs. 1,957.76 crores, in Sterling and Wilson International FZE ('SWFZE'), a wholly owned subsidiary is as under :

Investment in Equity Shares – Rs. 1.12 crores  
Loan including interest outstanding - Rs. 1,805.59 crores  
Other Recoverables – Rs. 151.05 crores

As per the aforesaid subsidiary's consolidated financial statements, the accumulated losses exceeded its share capital and its current liabilities exceeded its current assets. Notwithstanding the above facts, the consolidated financial statements of the subsidiary have been prepared under the going concern concept because subsequent to the reporting date, Sterling and Wilson Middle East Electromechanical LLC ("SWMELLC"), a wholly owned subsidiary of SWFZE has entered into a Business Transfer cum Acquisition Agreement, under which SWFZE Group would be transferring its MEP business, related assets, liabilities and accumulated losses effective 1 April 2021 to Oman Shapoorji Company LLC ("OSCO"), a related party. The aforesaid agreement was ratified by resolutions passed by the Board of SWFZE and SWMELLC.

In view of such an arrangement, the Company is of the view that the SWFZE Group will continue to operate as a Going concern for the foreseeable future, and no provision for impairment towards the total exposure aggregating to Rs. 1,957.76 crores is required in the books of the Company.



# Sterling and Wilson Private Limited

## Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

52 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.

### 53 Subsequent events:

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

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

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

### 54 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 conform with financial statements prepared under Ind AS.



SR.NO.	DESCRIPTION	PROJECT	MODE OF TRAVELLING	DATE	AMOUNT IN RS
<b>A)</b>	<b>Travelling to Adani Mundra</b>				
1	Mumbai To Gandhidham		Train	05.04.2023	1475
	Gandhidham To Mumbai		Train	17.04.2023	1275
<b>B)</b>	<b>Travelling to Adani Mundra</b>				
2	Home to Ambivati Stn		Auto		80
	Kurla to Bandra Terminus	Adani Mundra E:21-0007/09	Auto	05.04.2023	240
	Gandhidham to Mundra		Car		250
	Mundra to Guest House Return		Auto		134
	Site to Guest house		Auto	07.12.2022	170
	Geust House to Mundra		Auto		80
	Mundra to Gandhidham		Jeep	17.04.2023	200
	Bandra Terminus to Kurla		Auto		170
	Ambivati Stn to Home		Auto		80
				<b>Total</b>	<b>4164</b>