

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

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **Sterling and Wilson Private Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2023, 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 Bangladesh, Rwanda, Tanzania, Fiji, Dubai, Saudi Arabia 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 and based on the consideration of reports of the branch auditors on separate financial statements/financial information of such branches referred to in the "Other Matters" paragraph below, except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss (including other comprehensive income), changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

- i. As on March 31, 2023, the Company's total exposure towards Sterling and Wilson International FZE (SW FZE), a wholly owned subsidiary of the Company aggregates Rs. 899.80 crores, which comprises of investment in equity shares of the aforesaid subsidiary amounting to Rs. 1.12 crores, loans given including interest outstanding amounting to Rs. 889.68 crores and other recoverable balances amounting to Rs. 9.00 crores. Neither the audited financial statements of the wholly owned subsidiary nor the Group Audit Instructions have been received from the subsidiary's management/component auditors of the wholly owned subsidiary as at the date of this report, as a result of which we are unable to comment whether an impairment provision is required towards these aforesaid exposures. In the absence of such impairment assessment, we are unable to comment on the appropriateness of the carrying value of the aforesaid total balances as at March 31, 2023 and the consequential impact thereof on the accompanying standalone financial statements for the year ended March 31, 2023.
- ii. As on March 31, 2023, the Company's total exposure towards Sterling and Wilson Middle East WLL (SWMEWLL), a wholly owned subsidiary (WOS) of the Company aggregates to Rs. 432.54 crores, which comprises of investment in equity shares of the WOS amounting to Rs. 0.19 crores, loans given including interest outstanding amounting to Rs. 430.43 crores and other recoverable balances amounting to Rs. 1.92 crores. The auditors of the WOS vide their audit report have expressed a material uncertainty related to going concern, since the WOS has accumulated losses and their total liabilities exceeds total assets, which casts a significant doubt on the WOS's ability to continue as a going concern. The Company has not carried out an impairment assessment in accordance with Ind AS 109 towards the aforesaid exposures. In the absence of such impairment assessment, we are unable to comment on the appropriateness of the carrying value of the aforesaid total balances as on March 31, 2023, and the consequential impact thereof on the accompanying standalone Ind AS financial statements for the year ended March 31, 2023.
- iii. We also draw attention to the qualification to the audit opinion on the financial information of Sterling and Wilson Middle East Electromechanical LLC (SWMELL), a Branch of the Company issued by the branch auditors vide their audit report which is as under:



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- a) The trade accounts receivable (related party) balance in the Branch book's as at March 31, 2023 include an amount of AED 14,557,560 (equivalent to Rs.32.57 crores) [March 31, 2022: AED 14,561,021 (equivalent to Rs. 29.97 crores)], which does not agree with the confirmation received from the related party and is overdue as of the reporting date. Consequently, trade accounts receivable (related party) balance is overstated by AED 10,218,041 (equivalent to Rs. 22.86 crores) [March 31, 2022: AED 10,245,101 (equivalent to Rs. 21.08 crores)] in the statement of financial position as at March 31, 2023. Had the branch recorded the trade accounts receivable (related party) balance correctly, its loss for the year would have been increased by AED 10,218,041 (equivalent to Rs. 22.86 crores) [March 31, 2022: AED 10,245,101 (equivalent to Rs. 21.08 crores)] and its accumulated losses would have been increased by AED 10,218,041 (equivalent to Rs. 22.86 crores) [March 31, 2022: AED 10,245,101 (equivalent to Rs. 21.08 crores)].
- b) The Other receivables in the Branch book's as at March 31, 2023 include an amount of AED 12,124,720 (equivalent to Rs. 27.12 crores) [March 31, 2022: AED 12,126,456 (equivalent to Rs. 24.96 crores)] which represents performance guarantee encashed by a customer on termination of the contract. The Branch auditors were not able to satisfy themselves that the Company will be able to recover this amount from the customer. Consequently, they were unable to determine whether any adjustments to this amount were necessary.
- c) The trade accounts receivable (third parties), trade accounts receivable (related party), contract asset and retention receivables in the Branch book's as at March 31, 2023 include an amount of AED 4,543,269 (equivalent to Rs. 10.16 crores), AED 4,339,519 (equivalent to Rs. 9.71 crores), AED 435,875 (equivalent to Rs. 0.98 crores) and AED 1,203,751 (equivalent to Rs. 2.69 crores) respectively which is overdue. The Company did not carry out an impairment assessment in accordance with Ind AS 109 for the aforesaid balances that are subject to the expected credit loss model. In the absence of such impairment assessment, the branch auditors we are unable to determine what should be the carrying value of these financial assets as at the reporting date and the corresponding effect on the statement of comprehensive income for the amount of expected credit losses that should have been recognised for the year ended March 31, 2023.
- d) As mentioned in note 41 to the standalone Ind AS financial statements, there are disputed claims filed against the branch aggregating to AED 12,432,584 (equivalent to Rs. 27.81 crores), pending before relevant authorities in Kingdom of Saudi Arabia. The branch auditors have not been provided with an independent lawyer's opinion on the status and outcome of the dispute. Further, considering the ongoing arbitration, significant degree of management judgement and bias involved in interpreting the outcome of the dispute, the branch auditors are unable reliably conclude whether any liability might arise and its resultant impact on the standalone Ind AS financial statements.

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

Emphasis of Matter

- a) We draw attention to note 51 of the standalone Ind AS financial statements which describes the Scheme of Arrangement, which provides the manner in which reorganization of reserves and reduction of share capital in accordance with section 66 of the Companies Act, 2023 ('the Act') and other applicable provisions and rules made there under. The Scheme also provides accounting for the amalgamation and vesting of business of SWMELLC a wholly owned subsidiary with and into the Company ('the Scheme' or 'business combination'). The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated June 26, 2023, and a certified copy has been filed by the Company with the Registrar of



Companies, Mumbai, Maharashtra, on August 2, 2023. Though the appointed date as per the NCLT approved Scheme is March 31, 2023, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the business combination has been accounted for as if it had occurred from the beginning of the preceding period in the standalone Ind AS financial statements i.e. April 1, 2021. Accordingly, the amounts relating to the financial year ended March 31, 2022, include the impact of the business combination and have been restated by the Company after recognising the effect of the merger as above.

Based on the Scheme, the Company has created a Capital Reduction Reserve of Rs. 1,712.32 crores post payout to the shareholders of Rs. 104.87 crores on account of capital reduction as per the Scheme and set-off the accumulated losses as at March 31, 2022 of SWMELLC of Rs. 1,326.38 crores. The aforesaid note also describes in detail the impact of the business combination on the standalone Ind AS financial statements.

- b) We draw attention to note 53 of the standalone Ind AS financial statements regarding recoverability of trade receivables, unbilled receivables and advance for projects aggregating to Rs. 85.03 crores as at March 31, 2023 which represents contractual dues from Sky Power Group (Developers) in respect of two solar projects in 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 five projects have been resolved and settled prior to March 31, 2023. 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 the Delhi High Court has granted. With regard to one project, the dispute between Sky Power Group and Madhya Pradesh Power Management Company Limited has now been adjudicated by Supreme Court in favour of Sky Power.

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

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

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

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

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

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

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



Management's Responsibilities for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

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

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



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

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

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

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

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

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

Other Matter

We did not audit the financial information of 7 branches included in the standalone Ind AS financial statements of the Company whose financial information reflect total assets of Rs. 614.70 crores as at March 31, 2023, the total revenue of Rs. 87.03 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 matter.



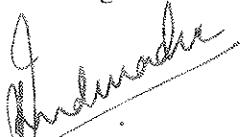
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) Except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches not visited by us.
 - c) The audit report on the accounts of two of the branch offices of the Company audited under Section 143(8) of the Act have not been addressed to us by the branch auditors of the above referred branch, as required pursuant to the provisions of Section 143(8) read with sub-rule (2) of Rule 12 of the Companies (Audit and Auditors) Rules, 2014. The said report on accounts have been addressed to the management of the branch and the same have been provided to us by the Company, which we have considered in the preparing this report.
 - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flow dealt with by this report are in agreement with the books of account.
 - e) Except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards prescribed 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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 41 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 29 to the standalone Ind AS financial statements. The Company did not have any material foreseeable losses on derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)/ entity(ies), including foreign entities



- (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv (a) and iv (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
3. 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.

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


Manshed K. Udawadia
Partner



Membership No: 124658
UDIN No. 23124658861xLXS3249
Mumbai, November 28, 2023

Annexure A to the Independent Auditor's Report

Referred to in Para I '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, 2023:

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

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

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

- (b) According to the information and explanations given to us, the Property, Plant and Equipment were physically verified by the management which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on physical verification of the fixed assets during the year.
- (c) With respect to immovable properties of land and building that are freehold, according to the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment and its intangible assets. Accordingly, the provisions of paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions of paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii) (a) The Management has not conducted physical verification of the inventory during the year. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether material discrepancies, if any, have been properly dealt with in the books of account.
- (b) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below :

(Rs. in crores)

| Quarter ended | Amount as per books of account | Amount as reported in the quarterly return/ statement | Amount of difference | Whether return/ statement subsequently rectified |
|---------------|--------------------------------|---|----------------------|--|
| Q1 | 280.15 | 288.80 | (8.66) | No |
| Q2 | 462.22 | 462.74 | (0.52) | No |
| Q3 | 423.54 | 423.54 | (0.00) | No |
| Q4 | 366.74 | 366.45 | 0.28 | No |

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

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



(Rs in crores)

| | Guarantees | Loans | Investments |
|---|------------|----------|-------------|
| Aggregate amount granted/provided during the year | | | |
| - Subsidiaries | - | 74.84 | 0.01 |
| - Joint venture | - | - | - |
| - Others | - | 0.83 | - |
| Balance Outstanding as at balance sheet date in respect of above cases | | | |
| - Subsidiaries # | 130.87 | 1,438.86 | 12.97 |
| - Joint ventures | - | - | 4.27 |
| - Others | - | 10.60 | - |

includes the loan acquired on account of merger of Rs. 326.71 Crores

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

During the year the Board of Sterling and Wilson Private Limited, have given their consent to grant moratorium for the accrual and payment of interest on the ICDs placed with Sterling and Wilson Cogen Solutions Private Limited, for the period commencing April 01, 2022 to March 31, 2023, with the objective of alleviating the potential stress caused due to severe financial constraints and liquidity crisis impacting the business operations and creating new uncertainties.

- (c) In case of the loans granted to subsidiaries and related parties, there are no stipulations as regards schedule of repayment of principal and interest, since the loans granted are on call.
- (d) According to the information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to the information explanation provided to us, the loan granted to the related party as stated below has fallen due during the year, which has been extended by mutual agreement on terms of repayable on demand.

| | Related Parties |
|--|-----------------|
| Aggregate amount of loan | |
| - Repayable on demand (Rs. in crores) | 10.60 |
| Percentage of loans to the total loans given during the year | 14.01 |

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

| | Related Parties |
|--|-----------------|
| Aggregate amount of loans/ advances in nature of loans | |
| - Repayable on demand (Rs. in crores) | 1,449.46 |
| Percentage of loans to the total loans outstanding | 99.91 |



- iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the granting of loans, investments made and guarantees provided by the Company. The Company has not given any security during the year to the parties covered under section 186 of the Act.
- v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, para 3(v) of the Order is not applicable to the Company.
- vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions of paragraph 3 (vi) of the Order are not applicable to the Company.
- vii) (a) The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, professional tax, goods and service tax, duty of customs and other material statutory dues have not been deposited regularly during the year by the Company with the appropriate authorities, there have been delays in certain cases. As explained to us, the Company did not have any dues on account of duty of excise and cess.

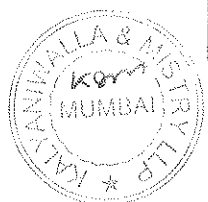
No undisputed amounts payable in respect of provident fund, employees state insurance, profession tax, income tax, goods and service tax, duty of customs and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date the became payables.

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

| Name of Statute | Nature of dues | Demand (Rs. Crores) | Amount paid under protest (Rs. Crores) | Year to which amount relates | Forum where appeal is pending |
|---------------------------------------|--------------------------|---------------------|--|--------------------------------------|--|
| Value Added Tax and Central Sales Tax | Non-Submission of Forms | 0.10 | - | 2015-16 | Assistant Commissioner of Commercial Taxes |
| Value Added Tax and Central Sales Tax | Tax | 5.01 | - | 2012-13 To 2015-16 | Additional Director General DGGSTI, Zonal Unit, Mumbai |
| Value Added Tax and Central Sales Tax | Non-Submission of Forms | 15.23 | 0.22 | 2015-16 to 2016-17 | Appellate Deputy Commissioner |
| Value Added Tax and Central Sales Tax | Tax | 4.23 | 0.81 | 2005-06 to 2007-08, 2017-18, 2018-19 | Assistant Commissioner of Sales Tax |
| Value Added Tax and Central Sales Tax | Tax | 0.51 | - | 2017-18 | Commercial Tax Officer |
| Value Added Tax and Central Sales Tax | Non-Submission of Forms | 0.99 | - | 2013-14, 2014-15, 2016-17 | Commercial Tax Officer |
| Value Added Tax and Central Sales Tax | Non-submission of Forms. | 1.41 | 0.15 | 2011-12, 2012-13, 2013-14 to 2015-16 | Commissioner of Commercial Tax |



| 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 | 1.00 | 0.10 | 2011-12,2015-16 | Commissioner of Commercial Tax |
| Value Added Tax and Central Sales Tax | Non-Submission of Forms | 0.07 | 0.01 | 2013-14 | Deputy Commissioner of Commercial Tax |
| Value Added Tax and Central Sales Tax | Non- Submission of Forms | 62.83 | 0.75 | 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11,2013-14,2016-17,2017-18. 2018-19 | Deputy Commissioner of Sales Tax |
| Value Added Tax and Central Sales Tax | Non-submission of Forms | 4.80 | 0.66 | 2012-13,2013-14,2015-16 | Joint Commissioner of Commercial Tax |
| Value Added Tax and Central Sales Tax | Disallowance of Labour and Service, Non-Submission of Forms | 14.49 | 1.25 | 2012-13 to 2013-14,2015-16, 2016-17,2017-18 | Joint Commissioner of Sales Tax |
| Value Added Tax and Central Sales Tax | Non verification of certificates and Forms | 1.66 | - | 2011-12, 2013-14, 2015-16 to 2016-17 | Excise & Taxation Officer Cum Assessing Authority |
| Value Added Tax and Central Sales Tax | Non-Submission of Forms | 1.59 | 0.34 | 2013-14,2014-15 and 2015-16 | Deputy Commissioner of Commercial Tax |
| Value Added Tax and Central Sales Tax | Non-Submission of Forms | 2.04 | - | 2015-16, 2016-17 | Assistant Commissioner (ST) |
| Value Added Tax and Central Sales Tax | Non-submission of Forms. | 7.89 | 3.18 | 2015-16 | Commerical Tax Officer |
| Goods and Service Tax Act | Tax | 6.57 | 0.43 | 2017-18 | Deputy Commissioner, Abids STU-1 |
| Value Added Tax and Central Sales Tax | Non-submission of Forms. | 2.45 | 0.49 | 2017-18 | Deputy Commissioner of State Tax |
| Value Added Tax and Central Sales Tax | Non-submission of Forms. | 0.22 | - | 2015-16 | Dy. Commissioner of Commercial Tax |
| Central Excise | Non submission of Certificates and Forms | 1.06 | - | 2011-12, 2012-13,2013-14,2014-15,2015-16,2016-17 | Excise & Taxation Officer |
| Value Added Tax and Central Sales Tax | Non-submission of Forms and Certificates | 0.52 | 0.06 | 2009-10,2012-13,2013-14,2017-18 | Asst. Commissioner of Commercial Taxes |
| Service Tax | Tax | 0.91 | - | 2012-13 | The Commissioner of Central Excise |
| Value Added Tax and Central Sales Tax | Non-submission of Forms | 1.39 | - | 2017-18 | High Court |



| 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 |
|---------------------------|------------------------------|---------------------|--|------------------------------|-------------------------------------|
| Goods and Service Tax Act | Tax, Non Submission of Forms | 6.83 | 0.20 | 2018-19 | Additional Commissioner of CT & GST |

- viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision of paragraph 3(viii) of the Order is not applicable to the Company.
- ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year, except as that mentioned below (refer note 60 to the financial statements):

| Nature of borrowing including debt securities | Name of lender | Amount not paid on due date (Rs. in Crores) | Whether principal or interest | No. of days delay or unpaid | Remarks |
|---|-------------------|---|-------------------------------|-----------------------------|---|
| Term Loan Instalment | ICICI Bank Ltd | 7.5 | Principal | 3 | Principal Amount due on April 22, 2022, and paid on April 25, 2022 |
| Cash credit/Working Capital Demand Loan | IndusInd Bank Ltd | Not applicable | Not applicable | 2 | Technical default. There was no default on the part of the company. |
| Working Capital Demand Loan repayment (WCDL) | RBL Bank Ltd | 0.09 | Interest | 2 | Due on April 20, 2022 and paid on May 02, 2022 |
| Working Capital Demand Loan repayment (WCDL) | ICICI Bank Ltd | 2.85 | Principal | 11 | Due on July 16, 2022 and paid on July 27, 2022 |
| Cash credit/Working Capital Demand Loan | IndusInd Bank Ltd | Not applicable | Not applicable | - | Reporting is Technical in nature and Non-Financial default. |

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, the Company has not taken any term loan during the year and hence the provisions of paragraph 3(ix)(c) is not applicable.



- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone Ind AS financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information explanation given to us and on an overall examination of the standalone Ind AS financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of Compulsorily Convertible Non-Cumulative Preference shares partly by converting existing loan from promoter and partly by way of receipt of funds during the year. The Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 and the funds raised have been used for the purposes for which the funds were raised. The Company has not made any private placement of shares or fully, partly or optionally convertible debentures during the year.
- xi) (a) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by the Company or fraud on the Company by its officers or employee has been noticed or reported during the year.
- (b) In view of what is reported above, the provisions of paragraph 3(xi)(b) of the Order is not applicable to the Company.
- (c) We have considered the whistle blower complaints received by the Company during the year.
- xii) (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) (a) According to the information and explanations given to us and based on the documents and records produced before us, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.



- xvi) (a) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the provision of paragraph (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions of paragraph 3 xvi (d) of the Order are not applicable to the Company.

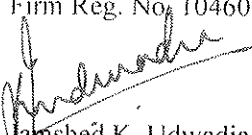
xvii) According to the information explanation provided to us, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. Effect of Unquantified qualifications has not been considered.

(Rs. in crores)

| Particulars | March 31, 2023 | March 31, 2022 |
|-------------|----------------|----------------|
| Cash loss | 311.85 | 108.13 |

- xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions of paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, provision of paragraph 3(xx)(a) of the Order is not applicable to the Company.
- (b) There is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act 2013 pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act. Accordingly, the provisions of paragraph 3(xx)(b) of the Order are not applicable to the Company.
- xxi) The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of paragraph 3(xxii) has been included in the report.

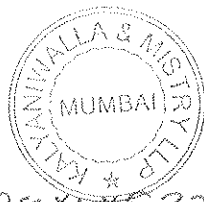
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166


Manshed K. Udawadia
Partner

Membership No: 124658

UDIN: 23124658 801XLXS 3249

Mumbai, November 28, 2023



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, 2023:

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, 2023, 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.

Qualified Opinion

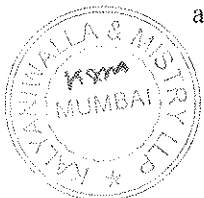
In our opinion, except for the possible effects of the material weaknesses described in the 'Basis for Qualified Opinion' paragraph below, on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2023 standalone Ind AS financial statements of the Company and these material weaknesses does not affect our opinion on the standalone Ind AS financial statements of the Company.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone Ind AS financial statements as at March 31, 2023:

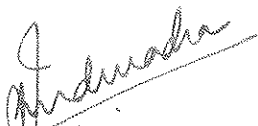
- a) The Company needs improvements in terms of appropriate internal control system to ascertain the net realizable value of financial assets and the system for conducting impairment testing to ascertain the actual value of the financial asset to be carried in the books of accounts.
- b) The Company's overall Financial Closing Reporting Process needs improvement in terms of maker-checker principle and adequate timely reviews of financial information to ensure the accuracy and completeness of account balances forming part of the financial statements and disclosures requirements as per applicable laws.



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

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

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

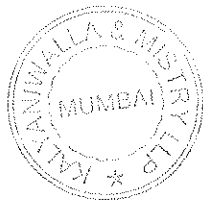

Anshu K. Udawadia

Partner

Membership No: 124658

UDIN No. 23124658B6XLXS3249

Mumbai, November 28, 2023



Sterling and Wilson Private Limited

Standalone Balance Sheet

as at 31 March 2023

(Currency : Indian rupees in crores)

| | <i>Note</i> | 31 March 2023 | 31 March 2022 (Restated) |
|---|-------------|-----------------|-----------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 4 | 130.67 | 141.14 |
| Capital Work-in-Progress | 4 | - | - |
| Right-of-use assets | 4.1 | 21.44 | 28.29 |
| Other intangible assets | 5 | 0.47 | 1.60 |
| Financial assets | | | |
| (i) Investments | 6 | 65.96 | 94.42 |
| (ii) Other financial assets | 7 | 19.34 | 12.93 |
| Deferred tax assets (net) | 8 | - | 43.90 |
| Non-current tax assets (net) | 9 | 64.17 | 65.75 |
| Other non-current assets | 10 | 1.14 | 6.46 |
| Total non-current assets | | 303.19 | 394.49 |
| Current assets | | | |
| Inventories | 11 | 26.98 | 34.40 |
| Financial assets | | | |
| (i) Investments | 12 | 0.73 | 0.79 |
| (ii) Trade receivables | 13 | 1,101.05 | 1,331.52 |
| (iii) Cash and cash equivalents | 14 | 31.16 | 51.51 |
| (iv) Bank balances other than cash and cash equivalents | 15 | 45.56 | 49.86 |
| (v) Loans | 16 | 1,410.71 | 1,595.57 |
| (vi) Other financial assets | 17 | 218.79 | 205.30 |
| Other current assets | 18 | 692.21 | 1,122.49 |
| Asset held-for-sale | 19 | - | 9.39 |
| Total current assets | | 3,527.19 | 4,400.83 |
| Total assets | | 3,830.38 | 4,795.32 |



Sterling and Wilson Private Limited

Standalone Balance Sheet

as at 31 March 2023

(Currency : Indian rupees in crores)

| | Note | 31 March 2023 | 31 March 2022 (Restated) |
|---|------|-----------------|-----------------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 20 | 14.68 | 14.68 |
| Compulsorily convertible non-cumulative preference shares | 20 | 900.00 | - |
| | | <u>914.68</u> | <u>14.68</u> |
| Other equity | | | |
| - Capital reduction reserve | 21 | 386.56 | 386.56 |
| - Capital redemption reserve | | 50.00 | 50.00 |
| - Securities premium account | | 560.04 | 560.04 |
| - Foreign Currency Translation Reserve | | 61.52 | 40.80 |
| - Legal reserve | | 0.93 | 0.93 |
| - Retained earnings | | (1,174.39) | (614.98) |
| - General Reserve | | 13.39 | 13.39 |
| - Other comprehensive income | | 0.07 | 1.09 |
| | | <u>(101.88)</u> | <u>437.83</u> |
| Perpetual Loan | 22 | 271.11 | 958.21 |
| Total equity | | <u>1,083.91</u> | <u>1,410.72</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 23 | - | 750.00 |
| (ii) Lease liabilities | 4.1 | 18.64 | 24.76 |
| Provisions | 24 | 17.34 | 17.29 |
| Total non-current liabilities | | <u>35.98</u> | <u>792.05</u> |



Sterling and Wilson Private Limited

Standalone Balance Sheet

as at 31 March 2023

(Currency : Indian rupees in crores)

| | Note | 31 March 2023 | 31 March 2022 (Restated) |
|--|------|-----------------|-----------------------------|
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 25 | 1,134.66 | 637.26 |
| (ii) Lease liabilities | 4.1 | 6.12 | 5.46 |
| (iii) Trade payables | 26 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 117.39 | 23.34 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 773.51 | 1,128.83 |
| (iv) Other financial liabilities | 27 | 199.40 | 248.92 |
| Other current liabilities | 28 | 363.37 | 493.38 |
| Provisions | 29 | 104.29 | 47.94 |
| Current tax liabilities (net) | 30 | 11.75 | 7.41 |
| Total current liabilities | | 2,710.49 | 2,592.54 |
| Total liabilities | | 2,746.46 | 3,384.59 |
| Total equity and liabilities | | 3,830.38 | 4,795.32 |
| Significant accounting policies | / | | |

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

For Kalyaniwalla & Mistry LLP

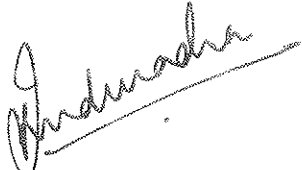
Chartered Accountants

Firm's Registration No: 104607W/W100166

For and on behalf of the Board of Directors of

Sterling and Wilson Private Limited

CIN:U31200MH1974PTC017538



Jamshed K. Udawadia

Partner

Membership No: 124658

Mumbai, 28 November 2023

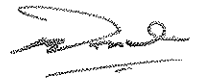


Zarine Daruvala

Director

DIN: 00190585

Mumbai



Khurshed Daruvala

Director

DIN: 00216905

Mumbai



Parameshwar Hegde

Chief Financial Officer

Membership No: 203490

Mumbai



K. P. Hariharan

Company Secretary

Membership No: A-5165

Mumbai

28 November 2023

Sterling and Wilson Private Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

| | Note | 31 March 2023 | 31 March 2022 (Restated) |
|--|------|-----------------|-----------------------------|
| Income | | | |
| Revenue from operations | 31 | 1,368.52 | 2,147.82 |
| Other income | 32 | 135.15 | 638.78 |
| Total income | | 1,503.67 | 2,786.60 |
| Expenses | | | |
| Cost of construction materials, stores and spare parts | 33 | 843.05 | 1,262.75 |
| Changes in inventories of stock-in-trade | 34 | 5.70 | 2.75 |
| Direct project costs | 35 | 731.12 | 839.41 |
| Employee benefits expense | 36 | 152.60 | 188.24 |
| Finance costs | 37 | 122.31 | 97.30 |
| Depreciation and amortisation expense | 38 | 20.33 | 24.67 |
| Other expenses | 39 | 140.22 | 177.30 |
| Total expenses | | 2,015.33 | 2,592.42 |
| (Loss)/Profit before exceptional items and income tax | | (511.66) | 194.18 |
| Exceptional items | | | |
| Provision for impairment of loans to subsidiaries | 55 | - | 40.00 |
| (Loss)/Profit before income tax | | (511.66) | 154.18 |
| Tax expense: | | | |
| Current tax | 47 | 3.96 | 1.87 |
| Prior year tax adjustments | | (0.09) | - |
| Deferred tax charge | | 43.89 | 31.10 |
| | | 47.76 | 32.97 |
| (Loss)/Profit for the year | | (559.41) | 121.21 |



Sterling and Wilson Private Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

| | Note | 31 March 2023 | 31 March 2022 (Restated) |
|---|------|---------------|-----------------------------|
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| (i) Remeasurements of defined benefit liability | | (1.02) | 1.78 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Items that will be reclassified subsequently to profit or loss | | | |
| Exchange differences in translating financial statements of foreign operations | | 20.72 | 42.48 |
| Other comprehensive income for the year, net of income tax | | | |
| | | 19.70 | 44.26 |
| Total comprehensive (loss)/income for the year | | | |
| | | (539.71) | 165.48 |
| Basic earnings per share (EPS) (Rs.) | 46 | (380.95) | 82.54 |
| Diluted earnings per share (DEPS) (Rs.) | 46 | (380.95) | 82.54 |

Significant accounting policies

1

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

As per our report of even date attached.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W/W100166

Jamshed K. Udawadia

Partner

Membership No: 124658

Mumbai, 28 November 2023



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

K. P. Hariharan

Company Secretary

Membership No: A-5165

Mumbai

28 November 2023

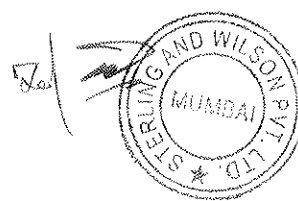
Sterling and Wilson Private Limited

Standalone Statement of Cash Flow

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------------|-----------------------------|
| A) Cash flows from operating activities | | |
| (Loss)/Profit before tax | (511.66) | 154.18 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation expense | 20.33 | 24.67 |
| Supplier balances/other payables written back | (4.93) | (11.41) |
| Unrepresented liabilities written back | - | (471.51) |
| Provision for gratuity | 6.64 | (2.24) |
| Provision for employee terminal benefits | 0.06 | 0.25 |
| Provision for leave encashment | 4.78 | (6.33) |
| Bad debts written off | 44.56 | 27.29 |
| Provision for bad and doubtful debts | 22.85 | 19.33 |
| Provision for bad and doubtful contract assets | - | 33.53 |
| Loans and advances written off | - | 1.88 |
| Loss on sale of property, plant and equipments (net) | (0.62) | (0.36) |
| Property, plant and equipment written off | 1.66 | 6.40 |
| Provision for loss on onerous contracts | 31.00 | 8.60 |
| Provision/(Write back) for liquidated damages (net) | 29.95 | (11.46) |
| Dividend income | (1.82) | (2.00) |
| Guarantee commission | (1.31) | (1.20) |
| Finance costs | 122.31 | 97.30 |
| Interest income | (103.42) | (103.58) |
| Financial assets measured at FVTPL - net change in fair value | 9.13 | (6.90) |
| Loss/(Gain) on sale of investments (net) | (0.60) | - |
| Loss on sale of land | 2.93 | - |
| Provision for doubtful deposits | 0.50 | - |
| Provision for impairment of loan | - | 40.00 |
| Gain on foreclosure of lease rental | - | (0.47) |
| Unrealised foreign exchange loss (net) | (11.47) | 34.65 |
| Operating loss before working capital changes | (339.13) | (169.38) |
| <i>Working capital adjustments</i> | | |
| (Increase) in inventories | 4.49 | 16.75 |
| (Increase) in trade receivables | 168.39 | 108.95 |
| Decrease/(Increase) in loans | 0.37 | (26.39) |
| (Increase) in other financial assets | (3.82) | 13.35 |
| (Increase) in other current and non-current assets | 435.00 | 62.67 |
| Increase in trade payable, other liabilities and provisions (current and non-current) | (452.89) | (447.55) |
| Net change in working capital | 151.54 | (272.22) |
| Cash flows (used in) operating activities | (187.59) | (441.60) |
| Income tax refund received /(paid) (net) | 2.06 | (31.17) |
| Effects of exchange differences on translation of assets and liabilities | (5.25) | (8.45) |
| Net cash (used in) operating activities | (A) (190.78) | (481.22) |
| B) Cash flows from investing activities | | |
| Investment in equity shares of a subsidiary | (0.01) | (4.88) |
| Proceeds from redemption of investment in preference shares | 20.00 | - |
| Purchase of non-current investments | - | (0.02) |
| Purchase of property, plant and equipment and intangible assets | (4.53) | (3.28) |
| Proceeds from sale of property, plant and equipment | 2.86 | 11.92 |
| Proceeds from sale of Asset held for sale | 8.43 | - |
| (Deposits placed)/Redemption of fixed deposits, net | (2.12) | 1.32 |
| Loan given to other than related parties | (5.40) | - |
| Loan repaid by parties other than related parties | 8.40 | - |
| Loan given to subsidiaries(net) | (1.24) | (794.49) |
| Loan repaid by subsidiaries | 266.77 | - |
| Interest received from subsidiaries | 42.17 | 161.45 |
| Interest received from others | 3.82 | - |
| Dividend received on investments | 0.62 | - |
| Net cash from/(used in) investing activities | (B) 339.77 | (627.98) |



Sterling and Wilson Private Limited

Standalone Statement of Cash Flow

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|----------------------------|-----------------------------|
| C) Cash flows from financing activities | | |
| Proceeds from issue of compulsorily convertible preference shares | 205.00 | - |
| Repayment of Perpetual loan | (87.10) | - |
| Proceeds from unsecured loans | 158.35 | 1,715.49 |
| Repayment of unsecured loans | (293.51) | (1,249.61) |
| Increase in cash credit from banks (net) | (20.91) | 9.48 |
| Secured loans obtained | 411.00 | 1,338.59 |
| Repayment of secured loans (net) | (412.52) | (587.56) |
| Interest Lease liabilities | (3.12) | - |
| Repayment of lease liabilities | (8.57) | (8.28) |
| Finance costs paid | (117.96) | (125.18) |
| Net cash (used in)/generated from financing activities | (C) (169.34) | 1,092.93 |
| Net decrease in cash and cash equivalents | (A + B + C) (20.35) | (16.27) |
| Cash and cash equivalents at the beginning of the year | 51.51 | 64.34 |
| Cash and cash equivalents acquired pursuant to Scheme of Arrangement (Refer note 51) | - | 3.44 |
| Cash and cash equivalents at the end of the year | 31.16 | 51.51 |

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.51.87 crore (31 March 2022: Rs. 50.83 crore) against the Bank Guarantees issued on behalf of the Company/Borrowing by the Company.
- Components of cash and cash equivalents**

| | 31 March 2023 | 31 March 2022 (Restated) |
|-----------------------|---------------|-----------------------------|
| Balance with banks | | |
| - in current accounts | 30.38 | 49.88 |
| Cheques in hand | - | 0.08 |
| Cash on hand | 0.78 | 1.55 |
| | 31.16 | 51.51 |



Sterling and Wilson Private Limited

Standard Statement of Cash Flow

for the year ended 31 March 2023

(Currency: Indian rupees in crores)

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

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

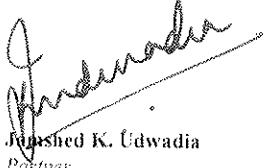
Reconciliation of liabilities arising from financing activities

| Particulars | As at 1 April 2022 | Acquired pursuant to the Scheme of Arrangement (Refer note 51) | Changes considered in the standalone statement of cashflows | Non-cash changes (including foreign exchange adjustment) | As at 31 March 2023 |
|-----------------------|-----------------------|--|---|---|------------------------|
| Long-term borrowings | 750.00 | - | (2.00) | - | 748.00 |
| Short-term borrowings | 637.26 | - | 497.40 | - | 1,134.66 |

| Particulars | As at 1 April 2021 | Acquired pursuant to the Scheme of Arrangement (Refer note 51) | Changes considered in the standalone statement of cashflows | Non-cash changes (including foreign exchange adjustment) | As at 31 March 2022 |
|-----------------------|-----------------------|--|---|---|------------------------|
| Long-term borrowings | 14.97 | 313.60 | 741.33 | (319.90) | 750.00 |
| Short-term borrowings | 1,063.46 | - | 485.80 | (912.00) | 637.26 |

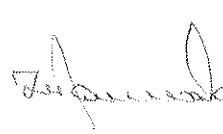
The attached notes are an integral part of these standalone financial statements.
As per our report of even date attached.

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


Khurshed K. Udwadia
Partner

Membership No: 124658
Mumbai, 28 November 2023





Zarine Daruvala
Director
DIN: 00190585
Mumbai

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



Khurshed Daruvala
Director
DIN: 00216905
Mumbai



Parameshwar Hegde
Chief Financial Officer
Membership No: 203490
Mumbai



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

28 November 2023

Sterling and Wilson Private Limited
Standalone Statement of Changes in Equity
for the year ended 31 March 2023
 (Currency - Indian rupees in crores)

A. Share capital

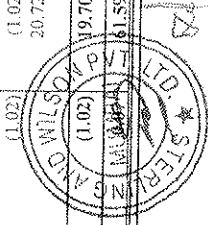
| | Note | Balance as at 1 April 2022 | Changes during the year | Balance as at 31 March 2023 |
|---|------|----------------------------|-------------------------|-----------------------------|
| Equity share capital | 20 | 14.68 | - | 14.68 |
| Preference share capital | | 29.37 | (14.69) | 14.68 |
| * Restated pursuant to the Scheme of Arrangement (Refer Note 51) | | | | |

B. Compulsorily convertible non-cumulative preference shares

| | Note | Balance as at 1 April 2022 | Changes during the year | Balance as at 31 March 2023 |
|---|------|----------------------------|-------------------------|-----------------------------|
| Compulsorily convertible non-cumulative preference shares | 20 | - | 900.00 | 900.00 |
| Preference share numbers are as follows* | | 1,802.50 | (1,802.50) | - |
| * Restated pursuant to the Scheme of Arrangement (Refer Note 51) | | | | |

C. Other equity

| | Reserves and surplus | | | | | | Sub-total | Items of other comprehensive income | | | Sub-total | Total |
|--|----------------------------|-----------------|----------------------------|---------------|-------------------|---------------------------|-----------|--------------------------------------|---|------------|-----------|------------|
| | Securities premium account | General reserve | Capital Redemption reserve | Legal reserve | Retained earnings | Capital Reduction Reserve | | Foreign currency translation reserve | Other items of other comprehensive income | | | |
| | | | | | | | | | | | | |
| Balance as at 1 April 2021 | 560.04 | 13.39 | 50.00 | - | (409.38) | - | - | - | (0.69) | 214.05 | (0.69) | 213.36 |
| Acquired Pursuant to Scheme of Arrangement (Refer note 51) | - | - | - | 0.93 | (22.81) | - | (1.68) | - | - | (21.88) | (1.68) | (23.56) |
| Restated balance as at 1 April 2021 | 560.04 | 13.39 | 50.00 | 0.93 | (432.19) | - | (1.68) | - | (0.69) | 192.17 | (2.37) | 189.80 |
| Total comprehensive income for the period | - | - | - | - | 121.21 | - | - | - | - | 121.21 | - | 121.21 |
| Profit / Loss/ for the year | - | - | - | - | 121.21 | - | - | - | - | 121.21 | - | 121.21 |
| Re-measurement of the net defined benefit liability, net of tax | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange differences in translating financial statements of foreign operations | - | - | - | - | - | 1,712.32 | - | - | - | 1,712.32 | - | 1,712.32 |
| Total comprehensive income for the year | - | - | - | - | (1,629.76) | - | - | - | - | (1,629.76) | - | (1,629.76) |
| Amount transfer from a related party as per BTA between SWMELLC and SWPZE (Refer note 52) | - | - | - | - | - | 0.62 | - | - | - | 0.62 | - | 0.62 |
| Pursuant to the Scheme of Arrangement (Refer note 51) | - | - | - | - | - | - | - | - | - | - | - | - |
| Loss - Adjustment pursuant to Merger (Refer note 51) | - | - | - | - | - | - | - | - | - | - | - | - |
| Set-off of accumulated losses of SWMELLC as at 31 March 2022 (Refer note 51) | - | - | - | - | 1,326.38 | (1,326.38) | - | - | - | - | - | - |
| Cancellation of investment in subsidiary on account of merger (Refer note 51) | - | - | - | - | (0.62) | - | - | - | - | (0.62) | - | (0.62) |
| Balance as at 31 March 2022 | 560.04 | 13.39 | 50.00 | 0.93 | (614.98) | 386.56 | 40.80 | 1.09 | 41.89 | 395.94 | 41.89 | 437.83 |
| Balance as at 1 April 2022 | 560.04 | 13.39 | 50.00 | 0.93 | (614.98) | 386.56 | 40.80 | 1.09 | 41.89 | 395.94 | 41.89 | 437.83 |
| Total comprehensive income for the year | - | - | - | - | (559.41) | - | - | - | - | (559.41) | - | (559.41) |
| Profit / Loss/ for the year | - | - | - | - | (559.41) | - | - | - | - | (559.41) | - | (559.41) |
| Re-measurement of the net defined benefit liability, net of tax | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange differences in translating financial statements of foreign operations | - | - | - | - | - | - | 20.72 | (1.02) | 20.72 | - | (1.02) | (1.02) |
| Total comprehensive income for the year | - | - | - | - | (559.41) | - | 20.72 | (1.02) | 20.72 | (539.71) | 19.70 | (539.71) |
| Balance as at 31 March 2023 | 560.04 | 13.39 | 50.00 | 0.93 | (1,174.39) | 386.56 | 61.52 | (1.02) | 61.59 | (163.47) | 61.59 | (101.88) |



Sterling and Wilson Private Limited
Standalone Statement of Changes in Equity

For the year ended 31 March 2023
 (Currency - Indian rupees in crores)

D. Perpetual Loan

| Note | Balance as at 1 April 2022 | Changes during the year | Balance as at 31 March 2023 |
|---|-------------------------------|----------------------------|--------------------------------|
| Compulsorily convertible non-cumulative preference shares | 958.21 | (687.10) | 271.11 |

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

For Kalyanwala & Mistry LLP
 Chartered Accountants
 Firm's Registration No: 104607W-W199166



Jainshet K. Udvardia
 Partner
 Membership No: 124658
 Mumbai, 28 November 2023





Zarine Daruvala
 Director
 DIN: 00190585
 Mumbai

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



Khurshed Daruvala
 Director
 DIN: 00216905
 Mumbai



Parameshwar Hegde
 Chief Financial Officer
 Membership No: 203490
 Mumbai

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

28 November 2023

Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

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.

During the year the Company has received approval from NCLT vide its order dated 4 July 2023 for its Scheme of Arrangement (the 'Scheme'), which provides manner in which reorganisation of reserves and reduction of share capital in accordance with section 66 of the Companies Act, 2013 ('Act') and other applicable provisions and rules made there under. The Scheme also provides accounting for amalgamation and vesting of business of Sterling and Wilson Middle East Electromechanical LLC (SWMELLC), a wholly owned subsidiary, with and into the Company. The certified copy of the Scheme was filed with Registrar of Companies Mumbai, Maharashtra on 2 August 2023 and the Scheme became effective from the said date with appointed date as at 31 March 2022. The amalgamation is accounted from the beginning of the comparative period i.e. 1 April 2021 as per the requirement of Appendix C- Ind AS 103 – Business Combination. As a result, the financial statements for 31 March 2022 have been restated to give effect to the Scheme.

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 28 November 2023.

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.



Sterling and Wilson Private Limited

Notes to the standalone financial statements as at 31 March 2023

Assets

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

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

All other assets are classified as non-current.

Liabilities

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

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

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 2023 are as follows:

(i) Evaluation of percentage of completion

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

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

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

(iii) Recoverability of deferred income tax assets

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

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

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

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

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

(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.

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

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.

(ix) Determination of Lease term and discount rate

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.

(x) Estimation of provisions and contingencies

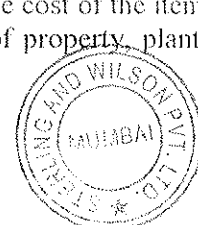
Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities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

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

Capital work in progress and Capital advances:

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

Depreciation

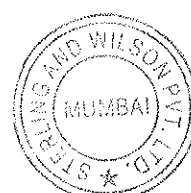
Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated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

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

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

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

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



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Derecognition

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

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*

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

Financial assets and financial liabilities are initially measured at fair value excepting for trade receivables not containing a significant financing component are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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.



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(b) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

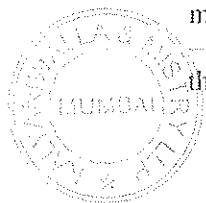
On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

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

Financial assets: Business model assessment

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

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



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– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

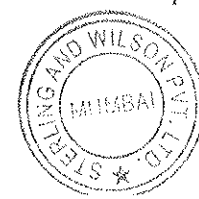
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.

(ii) Financial assets at amortised cost:

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

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and



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loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

(iv) Equity investments at FVOCI:

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

(c) Derecognition

Financial assets

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

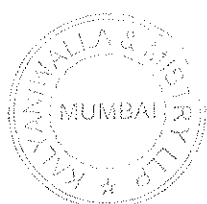
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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

(d) Offsetting

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



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(e) *Derivative financial instruments and hedge accounting*

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

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

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

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

Cash flow hedges

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

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

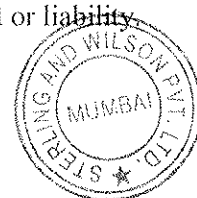
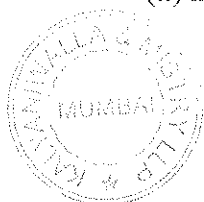
If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity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

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

3.4 *Fair Value*

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

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



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

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

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

Level 3: inputs that are unobservable for the asset or liability that are not based on observable market data (unobservable inputs).

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

Inventories comprise cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Inventory represents (i) material at central stores comprises wiring, cabling and air-conditioning material, components, stores and spares and (ii) stock in trade comprising of land acquired for developing 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-derivative financial assets and contract assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- (i) Trade receivables unbilled receivables; and contract assets
- (ii) Financial assets measured at amortised cost (other than trade receivables, unbilled receivables and contract assets).



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

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

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

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

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

Impairment of non-financial assets

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

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

3.8 *Employee benefits*

Short-term employee benefits

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

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post-employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Company has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the standalone statement of profit and loss in the periods during which the related



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services are rendered by employees. In respect of foreign branch, the Company's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the standalone foreign branch operates.

(ii) Defined benefit plans

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

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

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

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

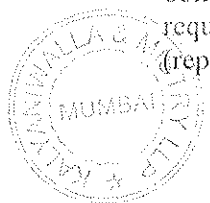
Other long-term employee benefits

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

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

3.9 Provisions and Contingencies

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



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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

Revenue from contracts with customers:

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

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

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

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

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

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

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

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



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3. The Company's performance does not create an asset with an alternative use to the Company 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

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

Operation and maintenance income:

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

Multiple deliverable arrangements

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

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

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

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



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

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

3.12 Leases

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

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

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

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

As a lessee

Right-of-use assets

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

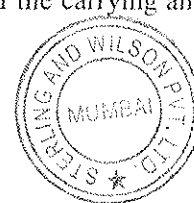
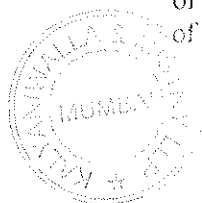
The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted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

Lease liabilities

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

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

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

Short-term lease and leases of low-value assets

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

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

As a Lessor

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

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. Asset held under finance lease is initially recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease.

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

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

3.13 Recognition of dividend income, interest income or expense

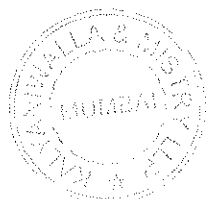
Dividend income is recognised in the standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

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.



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

3.14 Income tax

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

Current tax

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

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

Minimum Alternative Tax ('MAT')

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

Deferred tax

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

Deferred tax is not recognised for:

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

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

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

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

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

3.15 Foreign currency

(i) Foreign currency transactions

- Initial Recognition

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

- Measurement of foreign currency items at the reporting date

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

(ii) Foreign operations

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

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

3.16 Borrowing cost

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

3.17 Investments

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

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

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

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

3.18 Earnings per share

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

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

3.19 Operating segments

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

3.20 Business Combination

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values. The identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is transferred to capital reserve, which is shown separately from other capital reserves.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements irrespective of the actual date of the combination.

3.21 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.

3.22 Recent Pronouncements

On 31 March 2023, Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which becomes effective from 1 April 2023, the said amendments summarised below :



Sterling and Wilson Private Limited

Notes to the standalone financial statements

as at 31 March 2023

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Application of above standards are not expected to have any significant impact on the Company's financial statements.



Sterling and Wilson Private Limited
Notes to the standalone financial statements (Continued)
as at 31 March 2023

(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 (B) | Total (A+B) |
|---|------------------|------------------------|---------------------|------------------------|----------|-------------------|------------------------------------|-------------|
| Gross carrying amount : | | | | | | | | |
| Balance as at 1 April 2021 (Restated) | 121.78 | 18.70 | 87.27 | 7.11 | 0.43 | 20.59 | 0.33 | 260.21 |
| Add: Exchange differences on translation of foreign operations* | - | - | 0.36 | 0.14 | (0.00) | (0.68) | - | 0.42 |
| Add: Additions during the year* | - | 0.60 | 2.69 | 0.00 | 0.19 | 0.14 | - | 3.62 |
| Less: Assets classified as held for sale (refer note 19) | - | - | 11.02 | - | - | - | - | 11.02 |
| Less: Disposals during the year | 0.05 | - | 22.57 | 1.08 | 1.14 | 1.33 | 0.33 | 26.49 |
| Balance as at 31 March 2022 (Restated) | 121.74 | 18.71 | 56.74 | 6.18 | 5.48 | 19.33 | - | 228.17 |
| Balance as at 1 April 2022 (Restated) | 121.74 | 18.71 | 56.74 | 6.18 | 5.48 | 19.33 | - | 228.17 |
| Add: Exchange differences on translation of foreign operations* | - | (0.03) | 0.92 | 0.37 | 0.04 | (0.03) | - | 1.27 |
| Add: Additions during the year | 3.02 | - | 0.71 | 0.02 | 0.49 | 0.24 | - | 4.48 |
| Less: Disposals during the year | 0.99 | - | 15.03 | 0.16 | 0.65 | 1.95 | - | 18.71 |
| Balance as at 31 March 2023 | 123.77 | 18.68 | 43.34 | 6.48 | 5.35 | 17.58 | - | 215.21 |
| Accumulated depreciation: | | | | | | | | |
| Balance as at 1 April 2021 (Restated) | 7.94 | 12.31 | 34.86 | 5.86 | 3.88 | 16.29 | - | 80.14 |
| Add: Exchange differences on translation of foreign operations* | - | (0.00) | 0.14 | 0.14 | 0.01 | 0.06 | - | 0.35 |
| Add: Additions during the year | 1.93 | 2.82 | 8.58 | 0.31 | 0.61 | 2.45 | - | 16.70 |
| Less: Assets classified as held for sale (refer note 19) | - | - | 1.63 | - | - | 1.63 | - | 1.63 |
| Less: Disposals during the year | 0.02 | - | 5.23 | 0.99 | 1.00 | 1.29 | - | 8.53 |
| Balance as at 31 March 2022 (Restated) | 9.85 | 15.13 | 36.73 | 5.33 | 2.49 | 17.51 | - | 87.03 |
| Balance as at 1 April 2022 (Restated) | 9.85 | 15.13 | 36.73 | 5.33 | 2.49 | 17.51 | - | 87.03 |
| Add: Exchange differences on translation of foreign operations* | - | 0.02 | 0.42 | 0.37 | 0.00 | 0.02 | - | 0.83 |
| Add: Additions during the year | 1.97 | 2.51 | 6.42 | 0.21 | 0.62 | 0.60 | - | 12.32 |
| Less: Disposals during the year | 0.11 | - | 13.25 | 0.03 | 0.41 | 1.84 | - | 15.64 |
| Balance as at 31 March 2023 | 11.71 | 17.67 | 30.31 | 5.87 | 2.70 | 16.28 | - | 84.54 |
| At 31 March 2023 | 112.07 | 1.01 | 13.02 | 0.61 | 2.66 | 1.30 | - | 130.67 |
| At 31 March 2022 (Restated) | 111.89 | 3.58 | 20.01 | 0.86 | 2.99 | 1.82 | - | 141.14 |

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

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 2023, properties with a carrying amount of Rs. Nil (31 March 2022: Rs. Nil) and all movable fixed assets with carrying amount of Rs. 17.59 crore (31 March 2022: Rs. 25.67 crore) are subject to first charge to secure bank loans.
- Adjustments includes the exchange fluctuation of Rs. 0.44 crore (31 March 2022 : Rs. 0.07 crore) 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)

as at 31 March 2023

(Currency : Indian rupees in crores)

4.1 Disclosure under Ind AS 116, Leases

A) Right-of-use assets

| | Land and Buildings * | Total |
|--|----------------------|--------------|
| Cost | | |
| Balance as at 1 April 2022 (Restated) | 54.76 | 54.76 |
| Add: Additions during the year | - | - |
| Less: Disposals during the year | - | - |
| Balance as at 31 March 2023 | 54.76 | 54.76 |
| Accumulated depreciation and impairment | | |
| Balance as at 1 April 2022 (Restated) | 26.47 | 26.47 |
| Add: Depreciation for the year | 6.85 | 6.85 |
| Balance as at 31 March 2023 | 33.32 | 33.32 |
| Carrying amounts | | |
| Balance as at 1 April 2022 (Restated) | 28.29 | 28.29 |
| Balance as at 31 March 2023 | 21.44 | 21.44 |

* 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".

The following is the break-up of lease liability as at reporting date

| Particulars | 31 March 2023 | 31 March 2022 |
|-----------------------------|---------------|---------------|
| Current lease liability | 6.12 | 5.46 |
| Non-current lease liability | 18.64 | 24.76 |
| Total | 24.76 | 30.22 |

Following is the movement in Lease liabilities:

| | Amount |
|--|--------------|
| Balance as at 1 April 2021 (Restated) | 4.62 |
| Add: Additions | 34.95 |
| Add: Finance cost accrued during the year | 3.54 |
| Add/Less: Effect of foreign currency translation | - |
| Add/Less: Non cash movements for acquisition and disposals | (4.61) |
| Less: Payments of lease liabilities | (8.28) |
| Balance as at 31 March 2022 (Restated) | 30.22 |
| Add: Additions | - |
| Add: Finance cost accrued during the year | 3.11 |
| Add/Less: Effect of foreign currency translation | - |
| Add/Less: Non cash movements for acquisition and disposals | - |
| Less: Payments of lease liabilities | 8.57 |
| Balance as at 31 March 2023 | 24.76 |

B) Amount recognised in the statement of profit & loss

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| Depreciation on Land and Buildings | 6.85 | 6.66 |
| Interest expense | 3.11 | 3.54 |
| Short-term lease expense | 17.35 | 22.23 |
| Low value lease expense | - | - |
| Expense relating to variable lease payments not included in lease liabilities | - | - |
| Total | 20.46 | 25.77 |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

4.1 Disclosure under Ind AS 116, Leases (Continued)

C) Cash outflow on leases

| | 31 March 2023 | | 31 March 2022 |
|--|---------------|---|---------------|
| Repayment of lease liabilities (Including Interest on lease liabilities) | 8.57 | - | 8.28 |
| Short-term lease expense | 17.35 | | 22.23 |
| Total cash outflow on leases | 25.92 | | 13.95 |

D) Maturity analysis of lease liabilities

| 31 March 2023 | Less than 1 year | Between 1 and 2 years | 2 and 5 years | Over 5 years | Total | Weighted average effective interest rate % |
|-------------------|---------------------|--------------------------|------------------|--------------|-------|--|
| Lease liabilities | 8.57 | 9.43 | 10.65 | 1.50 | 30.14 | 11.50% |
| | 8.57 | 9.43 | 10.65 | 1.50 | 30.14 | |

| 31 March 2022 (Restated) | Less than 1 year | Between 1 and 2 years | 2 and 5 years | Over 5 years | Total | Weighted average effective interest rate % |
|--------------------------|---------------------|--------------------------|------------------|--------------|-------|--|
| Lease liabilities | 8.57 | 8.57 | 19.46 | 2.11 | 38.71 | 11.50% |
| | 8.57 | 8.57 | 19.46 | 2.11 | 38.71 | |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

5 Other intangible assets

| Particulars | Computer software | Total |
|--|-------------------|--------------|
| Gross carrying amount : | | |
| Balance as at 1 April 2021(Restated) | 12.42 | 12.42 |
| Add: Exchange differences on translation of foreign operations | (0.11) | (0.11) |
| Add: Additions during the year | 0.26 | 0.26 |
| Less: Disposals during the year | - | - |
| Balance as at 31 March 2022(Restated) | 12.57 | 12.57 |
| Balance as at 1 April 2022(Restated) | 12.57 | 12.57 |
| Add: Exchange differences on translation of foreign operations | (0.01) | (0.01) |
| Add: Additions during the year | 0.04 | 0.04 |
| Less: Disposals during the year | - | - |
| Balance as at 31 March 2023 | 12.60 | 12.60 |
| Accumulated amortisation and impairment losses: | | |
| Balance as at 1 April 2021(Restated) | 9.56 | 9.56 |
| Add: Exchange differences on translation of foreign operations | 0.10 | 0.10 |
| Add: Amortisation for the year | 1.31 | 1.31 |
| Less: Disposals during the year | - | - |
| Balance as at 31 March 2022(Restated) | 10.97 | 10.97 |
| Balance as at 1 April 2022(Restated) | 10.97 | 10.97 |
| Add: Exchange differences on translation of foreign operations | 0.00 | 0.00 |
| Add: Amortisation for the year | 1.16 | 1.16 |
| Less: Disposals during the year | - | - |
| Balance as at 31 March 2023 | 12.13 | 12.13 |
| At 31 March 2023 | 0.47 | 0.47 |
| At 31 March 2022 (Restated) | 1.60 | 1.60 |

Notes:

- Rs. Nil amount of borrowing cost is capitalised during the current and comparative periods.
- As at 31 March 2023, Rs. Nil (As at 31 March 2022 : Rs. Nil) of impairment loss is recognised.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| 6 Non-current investments | | |
| Investment in equity instruments (fully paid-up) | | |
| (a) Unquoted, in subsidiaries (at cost) | | |
| Sterling and Wilson International FZE | 1.12 | 1.12 |
| 1,000 [31 March 2022: 1,000] shares of AED 1,000 each, fully paid-up | | |
| Range Consultants Private Limited # | 4.96 | 4.96 |
| 150,000 [31 March 2022: 150,000] shares of Rs. 10 each, fully paid-up | | |
| Sterling and Wilson Security Systems Private Limited | 0.01 | 0.01 |
| 10,000 [31 March 2022: 10,000] shares of Rs. 10 each, fully paid-up | | |
| Sterling and Wilson Nigeria Limited | 0.17 | 0.17 |
| 6,375,000 [31 March 2022 : 6,375,000] shares of Naira 1 each, fully paid up | | |
| Sterling and Wilson Co-Gen Solutions AG | 0.35 | 0.35 |
| 50,000 [31 March 2022 : 50,000] shares of CHF 1 each, fully paid up | | |
| Sterling and Wilson Middle East W.L.L. | 0.19 | 0.19 |
| 98 [31 March 2022 : 98] shares of Qatari Riyals 1,000 each, fully paid up | | |
| GCO Australia PTY Ltd | 0.18 | 0.18 |
| 38,000 [31 March 2022 : 38,000] shares of AUD 1 each, fully paid up | | |
| Sterling & Wilson Nigeria FZE | 0.73 | 0.73 |
| 100,000 [31 March 2022: 100,000] shares of USD 1 each, fully paid-up | | |
| Sterling & Wilson Co-Gen Solutions Pvt Ltd | 5.00 | 5.00 |
| 5,000,000[31 March 2022: 5,000,000] shares of Rs 10 each, fully paid-up | | |
| Sterling&Wilson Middle East Sanitation,Cooling and Conditioning Contracting(LLC) ## | 0.08 | 0.08 |
| 49(31 March 2022: 49) shares of KWD 100 each fully paid-up | | |
| Sterling & Wilson Middle East Electro Mechanical (Bahrain) W.L.L.## | 0.17 | 0.17 |
| 98(31 March 2022: 98) shares of BHD 100 each fully paid up | | |
| Sterling & Wilson RDC SAS | 0.01 | - |
| 1,960,000(31 March 2022: Nil) shares of CDF 1 each (w.e.f from 9th February 2023) | | |
| # The Company has pledged 100% of equity shares held by it in the share capital of Range Consultants Private Limited as a collateral security to secure bank loans. | | |
| (b) Unquoted, in Joint Ventures (at cost) | | |
| Sterling and Wilson Enel X e-Mobility Pvt Ltd | 4.27 | 4.27 |
| 4,267,621[31 March 2022: 4,267,621] shares of Rs 10 each, fully paid up | | |
| (c) Unquoted, in others (at fair value through profit or loss) | | |
| Transtel Utilities Ltd,UK*# | 0.00 | 0.00 |
| 10 [31 March 2022 : 10] shares of GBP 1 each, fully paid up | | |
| SWB Power Ltd** | 0.00 | 0.00 |
| 10 [31 March 2022 : 10] shares of GBP 1 each, fully paid up | | |
| Monjin Interviews Private Limited (Refer note 48(b)) | 19.70 | 28.70 |
| 237,037 [31 March 2022: 237,037] shares of Rs 10 each, fully paid-up | | |

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

The Investment value is less than Rs. 1,00,000

Acquired pursuant to the Scheme of Arrangement



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| 6 Non-current investments (Continued) | | |
| Investment in Preference Shares | | |
| (Measured at fair value through Profit and loss) | | |
| (a) Unquoted, in fellow subsidiaries | | |
| Sterling Generators Private Limited | 29.02 | 48.49 |
| 300,000 [31 March 2022: 500,000] 4% redeemable, non-convertible, non-cumulative preference shares of Rs 1,000 each, fully paid-up. The preference shares are redeemable after a period of 8 years from the date of issue either at option of the Company at premium to be fixed based on expert's valuation report. | | |
| Investment in Partnership Firm (at Cost) | | |
| Enrich-SWPL JV | 0.01 | 0.01 |
| Name of the Partners | | |
| Share in Profits (%) | | |
| Sterling and Wilson Private Limited | 49% | |
| Enrich RD Infraprojects Private Limited | 51% | |
| Total Capital of firm : Rs One lakh only. | | |
| | 65.96 | 94.42 |
| The aggregate book value of unquoted non-current investments are as follows: | | |
| Aggregate carrying amount of non-current investments | 65.96 | 94.42 |
| Aggregate amount of impairment in value of investments | 9.00 | - |
| 7 Other non-current financial assets | | |
| Bank deposits* (due to mature after 12 months from reporting date) | 6.31 | 1.25 |
| (Includes interest accrued on bank deposits Rs. 0.00 crore [31 March 2022: Rs. 0.00 crore]) | | |
| Security deposits | 13.03 | 11.68 |
| | 19.34 | 12.93 |

* Bank deposits to the extent of Rs. 6.31 crore (31 March 2022: Rs. 1.25 crore) is held as margin money or security against the borrowings, guarantees, other commitments.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| 8 Deferred tax assets (net) | | |
| Deferred tax assets | | |
| Employee benefits | - | 20.04 |
| Provision for bad and doubtful debts | - | 8.89 |
| Provision for loans and advances | - | 1.83 |
| Provision for loss on onerous contracts | - | 3.22 |
| Unabsorbed depreciation | - | 19.24 |
| Mat credit entitlement | - | 5.40 |
| Others | - | 0.23 |
| | <u>-</u> | <u>58.85</u> |
| Deferred tax liabilities | | |
| Excess of depreciation as per Income tax Act, 1961 over book depreciation | - | 12.57 |
| Fair valuation of investments | - | 2.13 |
| Writeback of Provision for liquidated damages | - | 0.26 |
| | <u>-</u> | <u>14.96</u> |
| Deferred tax assets, net | <u>-</u> | <u>43.90</u> |
| Deferred tax assets recognised, net | <u>-</u> | <u>43.90</u> |
| 9 Non-current tax assets (net) | | |
| Advance tax (net of provision for tax Rs. 117.31 crore [31 March 2022: Rs. 119.9 crore]) | 64.17 | 65.75 |
| | <u>64.17</u> | <u>65.75</u> |
| 10 Other non-current assets | | |
| <i>(Unsecured, considered good)</i> | | |
| <i>To parties other than related parties</i> | | |
| Capital advances | 0.40 | 3.42 |
| Prepayments | 0.74 | 3.04 |
| | <u>1.14</u> | <u>6.46</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| 12 Current investments (Continued) | | |
| Unquoted: | | |
| Western India Sugar & Chemical Industries Limited* 400 [31 March 2022 : 400] Equity shares of Rs. 10 each, fully paid-up | 0.00 | 0.00 |
| Mid East India Limited* 300 [31 March 2022 : 300] Equity shares of Rs. 10 each, fully paid-up | 0.00 | 0.00 |
| Montari Leather Limited* 1,000 [31 March 2022 : 1,000] Equity shares of Rs. 10 each fully paid-up | 0.00 | 0.00 |
| Otoklin Plants and Equipment's Limited* 500 [31 March 2022 : 500] Equity shares of Rs. 10 each, fully paid-up | 0.00 | 0.00 |
| SIV Limited (South India Viscose Limited) 600 [31 March 2022 : 600] Equity shares of Rs. 10 each, fully paid-up | 0.01 | 0.01 |
| Sudhiti Hosiery Limited 2,500 [31 March 2022 : 2,500] Equity shares of Rs. 10 each, fully paid-up | 0.01 | 0.01 |
| Less: Provision for diminution in the value of unquoted current investments | 0.03 | 0.03 |
| Total (a) | 0.40 | 0.47 |
| <i>* The Investment value is less than Rs. 1,00,000</i> | | |
| Investment in debentures (Measured at amortised cost) | | |
| Western India Sugar & Chemical Industries Limited* 300 [31 March 2022 : 300] 15% Debentures of Rs. 50 each, fully paid-up | 0.00 | 0.00 |
| Total (b) | 0.00 | 0.00 |
| <i>* The Investment value is less than Rs. 1,00,000</i> | | |
| Investment in mutual funds (Measured at fair value through profit and loss) | | |
| 250,000 units [31 March 2022 : 250,000 units] Union Long Bond Fund Growth | 0.32 | 0.31 |
| Total (c) | 0.32 | 0.31 |
| Total (a + b + c) | 0.73 | 0.79 |
| Aggregate carrying amount of quoted investments | 0.40 | 0.47 |
| Aggregate market value of quoted investments | 0.40 | 0.47 |
| Aggregate carrying amount of unquoted investments | 0.03 | 0.03 |
| Aggregate amount of impairment in value of investments | 0.03 | 0.03 |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|-----------------|-----------------------------|
| 13. Trade receivables (Refer note 54 for ageing) | | |
| <i>(Unsecured)</i> | | |
| Trade Receivables (refer note below) | | |
| - Considered good | 1,101.05 | 1,331.52 |
| - Considered doubtful | 169.72 | 135.66 |
| | <u>1,270.77</u> | <u>1,467.18</u> |
| Less: Doubtful debts** | 169.72 | 135.66 |
| Net trade receivables | <u>1,101.05</u> | <u>1,331.52</u> |
| Of the above, trade receivables from related parties are as below: | | |
| Total trade receivables from related parties | 94.88 | 139.56 |

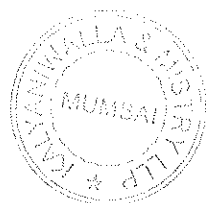
As at 31 March 2023, trade receivables includes retention of Rs. 209.00 crore (31 March 2022 : Rs. 256.79 crore) relating to construction contracts.

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

| | | |
|--|-------|-------|
| Shapoorji Pallonji and Company Private Limited | 10.22 | 24.40 |
|--|-------|-------|

** Allowance for doubtful debts on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low. The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 50 .

Unimpaired receivables and amounts due from related parties are considered collectable based on historic experience. It is not the practice of the Company to obtain collateral over receivables.



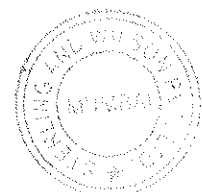
Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|-----------------|-----------------------------|
| 14 Cash and cash equivalents | | |
| Balances with Bank | | |
| - in current accounts | 30.38 | 49.88 |
| Cheques, drafts on hand | - | 0.08 |
| Cash on hand | 0.78 | 1.55 |
| | <u>31.16</u> | <u>51.51</u> |
| 15 Bank balances other than cash and cash equivalents | | |
| Balances with banks | | |
| - in deposit accounts* | 45.56 | 49.86 |
| (with original maturity more than 3 months but less than 12 months) | | |
| (Includes interest receivable of Rs. 0.09 crore (31 March 2022 : Rs. 0.04 crore) | | |
| | <u>45.56</u> | <u>49.86</u> |
| * Bank deposit to the extent of Rs. 45.56 crore (31 March 2022 : Rs. 49.86 crore) is held as margin money or security against the borrowings, guarantees, other commitments. | | |
| 16 Loans | | |
| <i>(Unsecured, considered good)</i> | | |
| <i>To related parties (refer note 1 and 2 below)</i> | | |
| -Loans given to subsidiaries | | |
| - considered good | 1,398.86 | 1,578.16 |
| - credit impaired | 40.00 | 40.00 |
| | <u>1,438.86</u> | <u>1,618.16</u> |
| Less: credit impaired | 40.00 | 40.00 |
| | <u>1,398.86</u> | <u>1,578.16</u> |
| - Other related parties | 10.60 | 9.55 |
| <i>To parties other than related parties</i> | | |
| (i) Loan to others | - | 6.24 |
| (ii) Loan to employees | 1.25 | 1.62 |
| | <u>1,410.71</u> | <u>1,595.57</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| 16 Loans (Continued) | | |
| Dues from firms or private companies in which any director is a partner or a director or member : | | |
| <i>Note 1: Loan given to subsidiaries</i> | | |
| Sterling and Wilson International FZE | 889.68 | 1,110.19 |
| Sterling and Wilson Middle East WLL* | 430.40 | 370.58 |
| Sterling & Wilson Co-Gen Solutions Private Limited* | 105.29 | 124.65 |
| GCO Australia PTY Limited | 12.66 | 12.03 |
| Range Consultants Pvt Ltd # | 0.00 | - |
| Sterling & Wilson Nigeria Limited | 0.83 | 0.71 |
| | 1,438.86 | 1,618.16 |
| <i>Note 2: Loan to other related parties</i> | | |
| Transtel Utilities Ltd UK. | 10.60 | 9.55 |
| | 10.60 | 9.55 |
| # The amount is less than Rs 1,00,000 | | |
| (Loan given to subsidiaries and other related parties carry an interest rate ranging from 7.00% to 11.50% and is repayable on demand) | | |
| *Loan to subsidiaries Sterling and Wilson Co-Gen Solutions Private Limited Rs Nil (31 March 2022: Rs 25.00 crore) and Sterling and Wilson Middle East WLL Rs. Nil (31 March 2022: Rs 15.00 crore) are impaired. | | |
| During the year the Board of Sterling and Wilson Private Limited, have given their consent to grant moratorium for the accrual and payment of interest on the ICDs placed with Sterling and Wilson Cogen Solutions Private Limited, for the period commencing 1 April 2022 to 31 March 2023, with the objective of alleviating the potential stress caused due to severe financial constraints and liquidity crisis impacting the business operations and creating new uncertainties. | | |
| On account of merger of SWMELLC, the Company has acquired long term loan to third party, which is denominated in United States Dollars (USD) is unsecured, carries interest at 3% per annum. During the previous year, pursuant to the BTA agreement (Refer note 52) , SWMELLC has transferred loans receivable from third party amounting to Rs. 42.47 crore (equivalent to AED 20.64 millions) to the related party, SWIFZE. | | |
| 17 Other financial assets | | |
| <i>(Unsecured, considered good)</i> | | |
| <i>To related parties</i> | | |
| (i) Recoverable expenses | 165.89 | 162.92 |
| (ii) Other receivables | 13.91 | 1.46 |
| <i>To parties other than related parties</i> | | |
| (i) Security deposits | | |
| - considered good | 7.97 | 11.08 |
| - considered doubtful | 0.60 | 0.60 |
| | 8.57 | 11.68 |
| Less: Provision for doubtful deposit | 1.10 | 0.60 |
| | 7.47 | 11.08 |
| (ii) Other receivables | 31.52 | 29.84 |
| | 218.79 | 205.30 |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| 17 Other financial assets (Continued) | | |
| Dues from firms or private companies in which any director is a partner or a director or member: | | |
| <i>Recoverable expenses</i> | | |
| Sterling and Wilson International FZE | 9.01 | 1.20 |
| Sterling and Wilson Middle East WLL | 1.92 | 1.80 |
| Sterling and Wilson Security Systems Private Limited | 1.53 | 1.94 |
| Sterling and Wilson Nigeria Limited | 22.70 | 20.85 |
| Sterling and Wilson Nigeria FZE | 0.49 | - |
| Sterling and Wilson Co-Gen Solutions Private Limited | 10.05 | 11.60 |
| Sashwat Energy Private Limited | 0.56 | 0.56 |
| Sterling and Wilson Solar FZCO | 2.86 | 2.63 |
| Transtel Utilities Limited, UK | 12.54 | 12.13 |
| Enrich-SWPL JV | 20.40 | 16.57 |
| STC Power S.R.L. | 6.02 | 1.33 |
| SWPL-Jindun JV | 11.38 | 7.00 |
| Sterling and Wilson Power SYS | 29.97 | 26.86 |
| Sterling and Wilson Co-Gen Solution LLC | 34.38 | 30.08 |
| Sterling and Wilson Power Solution LLC | 0.15 | 0.10 |
| Sterling and Wilson Saudi Arabia Ltd | 1.53 | 1.41 |
| Sterling and Wilson Powergen FZE | 0.37 | 0.34 |
| Sterling and Wilson Middle East Electromechanical (Bahrain) WLL | - | 24.68 |
| Sterling and Wilson Co-Gen Solution UK | - | 1.82 |
| <i>Other receivables</i> | | |
| Sterling Generators Private Limited | 3.26 | 1.45 |
| Sterling and Wilson Renewable Energy Limited (formely Sterling and Wilson Solar Limited) | 10.64 | - |

Pursuant to the BTA agreement (Refer note 52), SWIFZE has transferred due from related parties amounting to Rs.67.62 crore (equivalent to AED 32.86 million) and write off of certain due from related parties to the statement of profit and loss of Rs 0.57 crore (equivalent to AED 0.28 million) to SWMELLCC.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| 18 Other current assets | | |
| <i>(Unsecured, considered good)</i> | | |
| <i>To related parties</i> | | |
| (i) Advances for supply of goods | 2.58 | 1.82 |
| (ii) Unbilled receivables | 32.08 | 57.46 |
| <i>To parties other than related parties</i> | | |
| Advances for supply of goods | | |
| - considered good | 22.25 | 88.46 |
| - considered doubtful | 4.65 | 4.65 |
| | <u>26.90</u> | <u>93.11</u> |
| Less: Provision for doubtful advances | (4.65) | (4.65) |
| | <u>22.25</u> | <u>88.46</u> |
| Unbilled receivables | | |
| - considered good | 456.66 | 751.22 |
| - considered doubtful | - | 58.52 |
| | <u>456.66</u> | <u>809.74</u> |
| Less: Provision for doubtful unbilled receivables | - | (58.52) |
| | <u>456.66</u> | <u>751.22</u> |
| Advance to employees | 4.91 | 5.82 |
| Balance with government authorities | 160.67 | 206.76 |
| Prepayments | 13.06 | 10.95 |
| | <u>692.21</u> | <u>1,122.49</u> |
| 19 Asset held for sale | | |
| Plant & Machinery held for sale | - | 9.39 |
| | <u>-</u> | <u>9.39</u> |

In March 2022 the management had decided to hive off its Rooftop Independent Power Producers Division. The aforementioned sale has been completed during April 2022.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

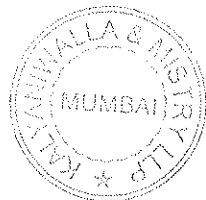
as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| 20 Equity share capital | | |
| Authorised | | |
| 50,000,000 Equity shares (31 March 2022: 50,000,000 shares) of Rs 10 each | 50.00 | 50.00 |
| 215,00,000 (31 March 2022 : 215,00,000) 0% Compulsorily convertible non-cumulative preference shares of Rs 1,000 each | 2,150.00 | 2,150.00 |
| Issued, subscribed and fully paid up: | | |
| 14,684,666 Equity shares (31 March 2022 : 14,684,666 shares) of Rs 10 each, fully paid-up | 14.68 | 14.68 |
| 90,00,000 (31 March 2022 : Nil) 0% Compulsorily convertible non-cumulative preference shares of Rs. 1,000 each, fully paid-up | 900.00 | - |
| | 914.68 | 14.68 |

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

| | 31 March 2023 | | 31 March 2022 (Restated) | |
|--|--------------------|---------------|-----------------------------|--------------|
| | Number | Amount | Number | Amount |
| Equity shares | | | | |
| Balance as at the beginning and end of the year | 1,46,84,666 | 14.68 | 2,93,69,333 | 29.37 |
| Less: Cancellation of equity shares pursuant to scheme of arrangement [(Refer note 51) and (Refer note (a) below)] | - | - | (1,46,84,667) | (14.69) |
| Add: Issued during the year | - | - | - | - |
| Balance as at the end of the year | 1,46,84,666 | 14.68 | 1,46,84,666 | 14.68 |
| 0% Compulsorily convertible non-cumulative preference shares | | | | |
| Balance as at the beginning of the year | - | - | 1,80,25,000 | 1,802.50 |
| Less: Cancellation of CCPS pursuant to scheme of arrangement [(Refer note 51) and (refer note (b) below)] | - | - | (1,80,25,000) | (1,802.50) |
| Add: Issued during the year (refer note (c) below) | 90,00,000 | 900.00 | - | - |
| Less: Repayment during the year | - | - | - | - |
| Balance as at the end of the year | 90,00,000 | 900.00 | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

20 Equity share capital (continued)

(a) Pursuant to the Order passed by NCLT on 26 June 2023, effecting the Scheme of Arrangement between the Company and SW ME LLC, with effect from 31 March 2022 (Appointed Date), 1,46,84,667 number of Equity Shares (having face value of Rs. 10 each) of the Company have been extinguished and cancelled through capital reduction proportionate to percentage of such Equity Shares held by the holders of the Equity Shares, for a consideration of Rs. 11.68 per equity share, as determined vide Valuation Report dated 2 June 2022, issued by an Independent Registered Valuer.

0% Compulsorily convertible non-cumulative preference shares:

(b) Pursuant to the Order passed by NCLT on 26 June 2023, effecting the Scheme of Arrangement, with effect from 31 March 2022 (Appointed Date), 1,80,25,000 number of CCPS (having face value of Rs. 1,000 each) of the Company have been extinguished and cancelled through capital reduction, proportionate to percentage of such CCPS held by the holders of the CCPS, for a consideration of Rs. 11.68 per equity share (as determined on a fully diluted basis), as determined vide Valuation Report dated 2 June 2022, issued by an Independent Registered Valuer.

The amount of cancellation of equity share capital and CCPS as stated above has been transfer to Capital Reduction Reserve post adjustment of payout of cash consideration to the equity shareholders and CCPS holders (Refer note 51).

(c) 90,00,000 Compulsorily convertible non-cumulative preference shares of Rs. 1000 each was issued on 22 November 2022 is convertible before the 240th month after the date of issue into equity shares of the Company at 85 (Eighty-Five) equity shares of Rs. 10/- each, fully paid, for every CCPS of Rs. 1,000/- each, fractional shares to be paid in cash.

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

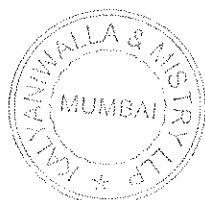
The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. 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.

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

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

| | 31 March 2023 | | 31 March 2022 (Restated) | |
|---|---------------|--------|-----------------------------|--------|
| | Number | Amount | Number | Amount |
| Equity shares | | | | |
| Shapoorji Pallonji and Company Private Limited, the Holding Company | 97,40,000 | 9.74 | 97,40,000 | 9.74 |
| 0% Compulsorily convertible non-cumulative preference shares | | | | |
| Sashwat Energy Private Limited, subsidiary of the Holding Company | 60,00,000 | 600.00 | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

20 Equity share capital (continued)

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

| | 31 March 2023 | | 31 March 2022 (Restated) | |
|---|---------------|-----------|-----------------------------|-----------|
| | Number | % holding | Number | % holding |
| Equity shares | | | | |
| Shapoorji Pallonji and Company Private Limited, the Holding Company | 97,40,000 | 66.33% | 97,40,000 | 66.33% |
| Khurshed Daruvala, Director | 48,72,647 | 33.17% | 48,72,647 | 33.17% |
| 0% Compulsorily convertible non-cumulative preference shares | | | | |
| Transtel Private Limited, the Holding Company | 2,10,000 | 2.33% | - | - |
| Khurshed Daruvala, Director | 27,90,000 | 31.00% | - | - |
| Sashwat Energy Private Limited, subsidiary of the Holding Company | 60,00,000 | 66.67% | - | - |

(E) Percentage change in promoters shareholding during the year:

31 March 2023:

| Promoter name | No of shares | %age of Total shares | %age change during the year | Type of share capital |
|--|--------------------|----------------------|-----------------------------|--|
| Shapoorji Pallonji and Company Private Limited | 97,40,000 | 66% | None | Equity Shares |
| Khurshed Daruvala, Director | 36,000 | 0% | None | |
| Pallon S. Mistry | 36,000 | 0% | None | |
| Khurshed Y. Daruvala | 48,72,646 | 33% | None | |
| Pervin Madan jointly with Khurshed Y. Daruvala | 5 | 0% | None | |
| Kainaz K. Daruvala jointly with Khurshed Y. Daruvala | 10 | 0% | None | |
| Zarine Y. Daruvala | 5 | 0% | None | |
| Total | 1,46,84,666 | | | |
| Sashwat Energy Private Limited | 60,00,000 | 66.67% | 100% | Compulsorily Convertible Preference shares |
| Transtel Utilities Private Limited | 2,10,000 | 2.33% | 100% | |
| Khurshed Y. Daruvala | 27,90,000 | 31.00% | 100% | |
| Total | 90,00,000 | | | |

31 March 2022 (Restated):

| Promoter name | No of shares | %age of Total shares | %age change during the year | Type of share capital |
|--|--------------------|----------------------|-----------------------------|-----------------------|
| Shapoorji Pallonji and Company Private Limited | 97,40,000 | 66% | None | Equity Shares |
| Khurshed Daruvala, Director | 36,000 | 0% | None | |
| Pallon S. Mistry | 36,000 | 0% | None | |
| Khurshed Y. Daruvala | 48,72,647 | 33% | None | |
| Pervin Madan jointly with Khurshed Y. Daruvala | 5 | 0% | None | |
| Kainaz K. Daruvala jointly with Khurshed Y. Daruvala | 5 | 0% | None | |
| Zarine Y. Daruvala | 10 | 0% | None | |
| Total | 1,46,84,667 | | | |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

20 Equity share capital (continued)

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

| | 31 March 2023 | | 31 March 2022 (Restated) | |
|---|---------------|--------|-----------------------------|--------|
| | Number | Amount | Number | Amount |
| Compulsorily convertible non-cumulative preference shares | - | - | - | - |
| 10,00,000 equity shares of Rs 10 each# | - | - | - | - |
| Compulsorily convertible non-cumulative preference shares | - | - | - | - |
| 501,00,000 equity shares of Rs. 10 each# | - | - | - | - |
| Compulsorily convertible non-cumulative preference shares | - | - | - | - |
| 150,00,000 equity shares of Rs. 10 each# | - | - | - | - |
| Compulsorily convertible non-cumulative preference shares | 90,00,000 | 900.00 | - | - |
| 76,50,00,000 equity shares of Rs 10 each | - | - | - | - |

Compulsorily convertible non-cumulative preference shares outstanding in the previous year has been cancelled pursuant to scheme of arrangement (Refer note 51)

- (G) The Company has not made any buy-back, nor there has been an issue of shares by way of bonus share nor issue of share pursuant to contract without payment being received / paid in cash for the period of five years immediately preceding the balance sheet date. However, during the year the Company has issued the compulsory convertible non-cumulative preference shares by converting the outstanding loan payable to promoters and parital amount received in cash as per the agreement entered between promoters and the company during the year.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

21 Other equity

| Particulars | Note | 31 March 2023 | 31 March 2022 (Restated) |
|---|--------|------------------------|-----------------------------|
| Securities premium account | (i) | 560.04 | 560.04 |
| Capital Reduction Reserve | (ii) | 386.56 | 386.56 |
| Foreign Currency Translation Reserve | (iii) | 61.52 | 40.80 |
| Legal Reserve | (iv) | 0.93 | 0.93 |
| Capital Redemption Reserve | (v) | 50.00 | 50.00 |
| General Reserve | (vi) | 13.39 | 13.39 |
| Retained earnings | (vii) | (1,174.39) | (614.98) |
| Remeasurements of defined benefit liability | (viii) | 0.07 | 1.09 |
| | | <u>(101.88)</u> | <u>437.83</u> |
| (i) Securities premium account | | | |
| Balance as at the beginning and end of the year | | 560.04 | 560.04 |
| Balance at end of the year | | <u>560.04</u> | <u>560.04</u> |
| (ii) Capital Reduction Reserves | | | |
| Balance as at the beginning and end of the year | | 386.56 | - |
| Add: Pursuant to the Scheme of Arrangement (Refer note 51) | | - | 1,712.32 |
| Add: On account of Merger (Refer note 51) | | - | 0.62 |
| Less: Set-off of accumulated losses of SWMELLC as at 31 March 2022 (Refer note 51) | | - | (1,326.38) |
| Balance at end of the year | | <u>386.56</u> | <u>386.56</u> |
| (iii) Foreign Currency Translation Reserve | | | |
| Balance as at the beginning and end of the year | | 40.80 | - |
| Add : On account of merger (Refer note 51) | | - | (1.68) |
| Add : transfer from other comprehensive income | | 20.72 | 42.48 |
| Balance at end of the year | | <u>61.52</u> | <u>40.80</u> |
| (iv) Legal Reserve | | | |
| Balance as at the beginning and end of the year | | 0.93 | - |
| Add : On account of merger (Refer note 51) | | - | 0.93 |
| Add : Addition during the year | | - | - |
| Less:Utilization during the year | | - | - |
| Balance at end of the year | | <u>0.93</u> | <u>0.93</u> |
| (v) Capital Redemption Reserve | | | |
| Balance as at the beginning and end of the year | | 50.00 | 50.00 |
| Balance at end of the year | | <u>50.00</u> | <u>50.00</u> |
| (vi) General Reserve | | | |
| Balance as at the beginning and end of the year | | 13.39 | 13.39 |
| Balance at end of the year | | <u>13.39</u> | <u>13.39</u> |
| (vii) Retained earnings | | | |
| Balance as at the beginning and end of the year | | (614.98) | (409.38) |
| Add : On account of merger (Refer note 51) | | - | (22.81) |
| Less : Cancellation of investment in subsidiary on account of merger (Refer note 51) | | - | (0.62) |
| Add : (Loss)/Profit during the year | | (559.41) | 121.21 |
| Add : Amount transfer from a related party as per BTA between SWMELLC and SWIFZE (Refer note 52) | | - | (1,629.76) |
| Less : Set-off of accumulated losses of SWMELLC as at 31 March 2022 (Refer note 51) | | - | 1,326.38 |
| Balance at end of the year | | <u>(1,174.39)</u> | <u>(614.98)</u> |
| (viii) Remeasurements of defined benefit liability | | | |
| Balance as at the beginning and end of the year | | 1.09 | (0.69) |
| Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax | | (1.02) | 1.78 |
| Balance at end of the year | | <u>0.07</u> | <u>1.09</u> |
| Total | | <u><u>(101.88)</u></u> | <u><u>437.83</u></u> |

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.

Capital Reduction Reserve

Capital Reduction Reserve created pursuant to the Scheme of Arrangement (Refer note 51)



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

22 Perpetual Loan

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|--------------------------------------|---------------|-----------------------------|
| Balance at the beginning of the year | 958.21 | - |
| Addition/(Deletion) during the year | (687.10) | 958.21 |
| Balance at the end of the year | <u>271.11</u> | <u>958.21</u> |

Note:

The Company had acquired loans from its Promoter and Promoter Group Companies ("Lender"). The aggregate outstanding balance of the loans as at 31 March 2023, are as under:

| Party Name (Lender) | Shapoorji Pallonji and Company | Sashwat Energy pvt Ltd |
|---------------------|--------------------------------|------------------------|
| Loan Amount | 173.58 | 97.53 |
| Total Amount | <u>173.58</u> | <u>97.53</u> |

The Company had acquired loans from its Promoter and Promoter Group Companies ("Lenders"), aggregating to Rs. 958.21 crore, being Rs. 323.58 crore from Shapoorji Pallonji and Company Private Limited and Rs. 634.63 crore from Evangelos Ventures Private Limited, respectively.

The above loans were converted into perpetual loans, effective 1 April 2021, vide the resolutions passed by the Board of Directors of Evangelos Ventures Private Limited and Shapoorji Pallonji and Company Private Limited, at their meetings held on 31 March 2021 and 30 March 2022, respectively.

Subsequently, during the current financial year, the said perpetual loans were respectively assigned to a group company, Sashwat Energy Private Limited ("SEPL"). The loan balance between the Company and Shapoorji Pallonji and Company Private Limited, aggregated to Rs. 323.58 crore, out of which loans amounting of Rs. 150 crore, were assigned to SEPL, on 1 November 2022. The loan balance between the Company and Evangelos Ventures Private Limited, aggregated to Rs. 634.63 crore, out of which loans amounting to Rs. 20.60 crore were paid and loan balance of Rs. 614.03 crore, were assigned to SEPL, on 31 August 2022. Subsequent to such assignment, the Company paid SEPL an amount of Rs. 66.50 crore, towards repayment of the assigned loan. Furthermore, the Company converted the loan balance of Rs. 600 crore by issuing Compulsorily Convertible Preference Shares for the said value.

Accordingly, the perpetual loan balances of Shapoorji Pallonji and Company Private Limited and Sashwat Energy Private Limited, as at 31 March 2023, amounts of Rs. 173.58 crore and Rs. 97.53 crore, respectively, in the books of the Company.

The Loans shall be perpetual in nature, with no maturity or a defined tenure. The provisions of the Loan Agreement state that the Borrower may, at its discretion, repay a part or all of the outstanding amounts (including any interest due thereon). The Lender shall not have any right whatsoever to cause or require the Borrower to repay any part or all of the amounts outstanding under the Arrangement at any point in time.

The interest on the outstanding amount under the Arrangement shall be payable and at the end of each financial year, calculated on the principal amount of the outstanding amount under the Arrangement up to 11.50% per annum. The payment of interest shall be subject to any surplus cash being available with the Borrower and at the sole discretion of the Borrower, irrespective of the fact that any surplus cash is available with the Borrower.

The said interest shall be on a non-cumulative basis and therefore, the Borrower at its sole discretion can pay the interest for preceding financial years and/or that particular financial year.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--------------------------------|---------------|-----------------------------|
| 23 Long-term Borrowings | | |
| Term Loan | | |
| Secured | | |
| From Others * | - | 750.00 |
| | <u>-</u> | <u>750.00</u> |

* Loan from Reliance Ventures Limited amounting to Rs.750 crore carry an interest rate of 10.5% and are repayable at the expiry of 2 years from the draw down date is secured against the following:

a) pieces and parcels of non agricultural land situated at Mumbai, together with buildings and structures standing thereon held by Shapoorji Pallonji and Company Private Limited.

b) Units 1401 to 1412, 14th floor, Universal Majestic, PL Lokhande Marg, Chembur, Mumbai – 400043, held by the Company. The Company has as per the terms agreement to ensure that on each day the valuation of the Mortgaged Properties (as determined in accordance with the latest applicable Maharashtra Ready Reckoner rate) is greater than the outstanding Secured Obligations.

c) The Promoters (Pledgor) of the Company has also entered into a share pledge agreement for shares held in Sterling and Wilson Renewable Energy with the Reliance Ventures Limited (Lender). As per the agreement the Company is also required to maintain Required Collateral Cover" which stipulates that the Collateral cover is equal to the principal amount of the outstanding loan together with the accrued but unpaid interest on such loans. For the purposes of calculation of the Required Collateral Cover on any Calculation Date and/ or each Trading Day of the relevant Calculation Period, the Share Price shall be assumed to be fixed at Rs. 375 per Share. The Company shall ensure that on each Calculation Date, the number of Shares pledged by the Pledgor in favour of the Lenders pursuant to the Pledge Agreement is such that the Collateral Cover is no less than the Required Collateral Cover. If there is a shortage of such cover on Calculation Date, the Company shall ensure either the Pledgor pledges the additional shares or prepay the shortfall in the required collateral cover. During the year the Company has paid Rs 2.00 crore towards required collateral

On account of merger of SWMELLC (refer note 51), the Company has acquired loan payable to SWIFZE (erstwhile shareholder) by SWMELLC of Rs. 313.60 crore (equivalent to AED 157.15 millions) which was unsecured and interest free. During the previous year on 28 February 2022 prior to transfer of MEP business as per BTA (Note 52) and upon transfer of SWMELLC shareholding by SWIFZE to the Company, the SWMELLC has written back the amount due to SWIFZE balance amounting to Rs. 324.12 crore (AED 159.88 millions) (including the additional loan of Rs. 5.55 crore (AED 2.74 millions) provided during the current year by SWIFZE) to the Statement of Profit and Loss.

The Company has been charged penal interest on delay in submission of stock statement. The company has delayed repayment of secured loans (refer note 60).

24 Long-term provisions

Provision for employee benefits

Gratuity (Refer note 42)

| | | |
|--|--------------|--------------|
| | 17.34 | 17.29 |
| | <u>17.34</u> | <u>17.29</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|------------------------|-----------------------------|
| 25 Current borrowings | | |
| <i>Secured</i> | | |
| (a) Current maturities of long term debt | | |
| (i) Loan from banks** | - | 14.97 |
| (ii) Term loan from others (Refer note 23) | 748.00 | - |
| (b) Loans repayable on demand | | |
| - Cash credit loan from banks (refer note (a) below) | 55.70 | 76.61 |
| (c) Other loans | | |
| - Working capital loan from banks (refer note (a) below) | 159.80 | 138.12 |
| - Buyers credit (refer note (b) below) | 1.82 | 8.06 |
| | <u>965.32</u> | <u>237.76</u> |
| <i>Unsecured</i> | | |
| Loan and deposit from related parties (refer note (c) and (d) below) | 169.34 | 399.50 |
| | <u>169.34</u> | <u>399.50</u> |
| | <u><u>1,134.66</u></u> | <u><u>637.26</u></u> |

** Term Loan from ICICI Bank Limited of Rs. 60 crore is repayable over a period of three years carrying a moratorium of one year commencing from the date of drawdown. The loan has been fully availed is repayable in 8 quarterly 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.

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, IDBI Bank Limited, IDFC First Bank Limited, RBL Bank Limited, India Exim Bank and IndusInd Bank Limited is secured by a first charge by way of hypothecation of all current assets and movable plant and machinery, computers, vehicles and furniture and fixtures with a carrying value of Rs. 17.59 crore (31 March 2022: Rs. 25.67 crore) as a collateral security, term deposit of Rs. 13.50 crore, pledge of 100% paid up equity shares held in the share capital of Range Consultants Private Limited, a subsidiary of the Company and charge on commercial office premises of the company situated at Madiwala,Bangalore, ranking pari passu. Cash credit\Working capital demand loan from the consortium banks carries interest rate ranging from 8.00% to 13.90% p.a., on monthly basis on actual amount utilised, and are
- In the previous year, the company had availed buyers credit facility from ICICI Bank Ltd, Union Bank of India and State Bank of India with interest ranging from 125 bps to 175 bps on 6 months Libor.
- Unsecured loans and deposits from directors , their relatives and entities over which directors and their relatives exercise control amounting to Rs 169.34 crore carry an interest rate of 11.5% p.a and are repayable on demand.
- Loan from parent company Shapoorji Pallonji and Company Private Limited amounting to Rs Nil (31 March 2022 Rs 277.64 crore carrying an interest rate of 11.5% has been converted to perpetual loan).
- On account of merger of SWMELLC (refer note 51), the Company has acquired third party loan which is unsecured, denominated in United States Dollars (USD) and carries interest at 3% per annum. During the previous year, pursuant to the BTA agreement (refer note 52), SWMELLC has transferred loans payable to third parties amounting to Rs.8.76 crore (AED 4.39 million) to a related party, SWIFZE.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| 26 Trade payables (refer note 56 for ageing) | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 49) | 117.39 | 23.34 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 748.27 | 1,057.61 |
| Acceptances * | 25.24 | 71.22 |
| | <u>890.90</u> | <u>1,152.17</u> |
| <p>* Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the company continues to recognise the liability till settlement with the banks which are normally within a period of 120 days amounting to Rs. 25.24 crore (31 March 2022: Rs. 71.22 crore).</p> | | |
| 27 Other financial liabilities | | |
| <i>To related parties</i> | | |
| Interest accrued and due: | | |
| - to director | 5.53 | 5.53 |
| - other related parties | 1.03 | 1.12 |
| Other payables* | | |
| - to shareholders (refer note 51) | 104.87 | 104.87 |
| - to others | 5.72 | 30.00 |
| <i>To parties other than related parties</i> | | |
| Interest accrued and not due : | | |
| - to others | 16.27 | 16.31 |
| Interest accrued and due | | |
| - to banks | 0.32 | 0.21 |
| - to others | | - |
| -to micro enterprises and small enterprises | 8.80 | 7.55 |
| Other payables | 31.87 | 47.08 |
| Employee benefits payable | 24.99 | 36.25 |
| | <u>199.40</u> | <u>248.92</u> |

* Based on an agreement between SWMELLC which operates a Branch in Kingdom of Saudi Arabia and SWIFZE, SWIFZE had agreed to absorb the losses for the years ended 31 March 2020 and 31 March 2021 of the Branch. Accordingly, accumulated losses for the years ended 31 March 2021 amounting to Rs. 41.82 crore (equivalent to AED 20.32 million) and 31 March 2020 amounting to Rs. 105.16 crore (equivalent to AED 51.10 million), including losses for the year ended 31 March 2019 amounting to Rs. 20.54 crore (equivalent to AED 9.98 million) had been set off against the balance due to SWIFZE. On 28 February 2022 prior to transfer of MEP business as per BTA (refer note 52), SWIFZE has transferred the balance amounting to Rs. 155.51 crore (equivalent to AED 71.16 million) which was initially due from branch of SWMELLC, Saudi Arabia to SWMELLC. Thereafter upon transfer of SWMELLC shareholding by SWIFZE to the Company, SWMELLC has written back the balance amounting to Rs. 155.51 crore (equivalent to AED 71.16 million) to the Statement of Profit and Loss. Pursuant to the BTA agreement, SWIFZE has transferred amount due to the Company of Rs. 1,663.91 crore (equivalent to AED 808.55 million) to SWMELLC (Refer note 52). This balance carries interest at 6.75% per annum and is repayable on demand.



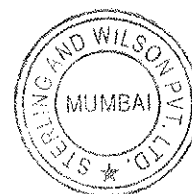
Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| 28 Other current liabilities | | |
| <i>To related parties</i> | | |
| Advances from customers [refer note 40 (C)] | 26.33 | 62.27 |
| Billing in advance of work completed [refer note 40 (C)] | 2.74 | 5.26 |
| <i>To parties other than related parties</i> | | |
| Employee payables | 3.44 | 3.76 |
| Statutory dues payable : | | |
| - Tax deducted at source payable | 10.47 | 10.35 |
| - Provident fund payable | 2.61 | 2.38 |
| - Profession tax payable | 0.09 | 0.10 |
| - Employees State Insurance payable | 0.17 | 0.05 |
| Advances from customers [refer note 40 (C)] | 225.73 | 298.75 |
| Billing in advance of work completed [refer note 40 (C)] | 91.79 | 110.46 |
| | <u>363.37</u> | <u>493.38</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| 29 Short-term provisions | | |
| Provision for employee benefits | | |
| Gratuity (refer note 42) | 2.26 | 0.92 |
| Compensated absences | 19.22 | 24.88 |
| Employees terminal benefits | 3.37 | 3.65 |
| Other provisions | | |
| Provision for liquidated damages or price discount | 34.49 | 4.54 |
| Provision for loss on onerous contracts | 44.95 | 13.95 |
| | <u>104.29</u> | <u>47.94</u> |

Provision for loss on onerous contracts:

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

| Provision for: | 31 March 2023 | 31 March 2022 (Restated) |
|--------------------------------|---------------|-----------------------------|
| Opening balance | 13.95 | 5.35 |
| Add: during the year | 44.95 | 13.95 |
| Less: Utilised during the year | (13.95) | (5.35) |
| Closing balance | 44.95 | 13.95 |

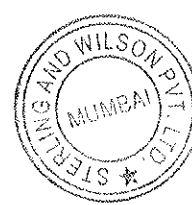
Provision liquidated damages:

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

| Provision for: | 31 March 2023 | 31 March 2022 (Restated) |
|----------------------|---------------|-----------------------------|
| Opening balance | 4.54 | 16.00 |
| Add: during the year | 32.59 | 1.72 |
| Less: Adjustments | (2.64) | (13.18) |
| Closing balance | 34.49 | 4.54 |

30 Current tax liabilities (net)

| | | |
|---|--------------|-------------|
| Provision for current tax [net of advance tax Rs. 12.28 crore (31 March 2022: Rs. 19.52 crore)] | 11.75 | 7.41 |
| | <u>11.75</u> | <u>7.41</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|-----------------|-----------------------------|
| 31 Revenue from operations | | |
| Sale of services | | |
| Income from works contracts | 1,215.15 | 1,940.81 |
| Revenue from operation and maintenance services | 144.10 | 189.96 |
| Sale of products | 1.11 | 3.67 |
| Other operating income | | |
| Sale of scrap | 6.98 | 9.19 |
| Export incentives | 1.18 | 4.19 |
| | <u>1,368.52</u> | <u>2,147.82</u> |
| 32 Other income | | |
| Interest income: | | |
| - deposits with banks | 2.10 | 2.48 |
| - loan to subsidiaries and other related parties | 96.80 | 95.86 |
| - loan to others | 0.35 | 0.72 |
| - loan to employees | 0.07 | 0.26 |
| - income tax refund | 2.62 | 4.26 |
| - retention receivable | 1.48 | - |
| Write back of provision for bad and doubtful debts (net) | - | 14.93 |
| Dividend Income | 1.82 | 2.00 |
| Supplier balances written back | 4.93 | 11.41 |
| Foreign exchange gain (net) | 13.15 | 10.35 |
| Other miscellaneous income | 9.30 | 16.15 |
| Profit on sale of Property, Plant & Equipments (net) | 0.62 | 0.27 |
| Gain on sale of investments (net) | 0.60 | - |
| Financial assets measured at fair value through profit & loss a/c - net change in fair value | - | 6.90 |
| Guarantee commission | 1.31 | 1.20 |
| Unrepresented liabilities written back (Refer note 23 and 27) | | |
| - Due to related party | - | 468.39 |
| - Due to others | - | 3.12 |
| Gain on foreclosure of lease rental | - | 0.48 |
| | <u>135.15</u> | <u>638.78</u> |
| 33 Cost of construction materials, stores and spare parts | | |
| Inventory of materials at the beginning of the year | 3.93 | 17.93 |
| Add: Purchase during the year | 841.33 | 1,248.74 |
| Less : Inventory of materials at the end of the year | 2.21 | 3.92 |
| | <u>843.05</u> | <u>1,262.75</u> |
| 34 Change in inventory of stock-in-trade | | |
| Inventory of stock-in-trade at the beginning of the year | 30.47 | 33.22 |
| Less: Inventory of stock-in-trade at the end of the year | 24.77 | 30.47 |
| Decrease in inventory | <u>5.70</u> | <u>2.75</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| 35 Direct project costs | | |
| Communication expenses | 0.83 | 1.87 |
| Stores and spare parts consumed | 9.09 | 9.41 |
| Commission expenses | 2.34 | 4.62 |
| Legal and professional fees | 17.55 | 15.06 |
| Printing and stationery expenses | 0.79 | 0.98 |
| Insurance costs | 9.57 | 18.16 |
| Repairs and maintenance - others | 10.79 | 13.36 |
| Selling and marketing expenses | 0.09 | 0.29 |
| Traveling and conveyance expenses | 8.06 | 8.78 |
| Rent | 14.10 | 16.43 |
| Rates and taxes | 4.20 | 5.26 |
| Electricity, power and fuel | 2.43 | 3.77 |
| Donation | 0.03 | - |
| Bank charges | 12.99 | 15.68 |
| Provision for loss on onerous contracts | 31.00 | 8.60 |
| Liquidated damages | 4.84 | 1.04 |
| Miscellaneous expenses | 36.52 | 45.34 |
| | <u>165.22</u> | <u>168.65</u> |
| Employee benefits expense | | |
| Salaries, wages and bonus | 146.54 | 187.51 |
| Contribution to provident fund and other funds | 11.14 | 13.27 |
| Staff welfare expenses | 4.94 | 5.01 |
| | <u>162.62</u> | <u>205.79</u> |
| Sub-contractor expenses | 403.28 | 464.97 |
| | <u>731.12</u> | <u>839.41</u> |
| 36 Employee benefits expense | | |
| Salaries, wages and bonus | 127.91 | 163.52 |
| Contribution to provident fund and other funds | 7.30 | 9.77 |
| Gratuity (Refer note 42) | 6.64 | 4.04 |
| Compensated absences | 4.78 | 5.56 |
| Terminal benefits of foreign branch | 0.06 | 0.25 |
| Staff welfare expenses | 5.91 | 5.10 |
| | <u>152.60</u> | <u>188.24</u> |
| 37 Finance costs | | |
| Interest expense | | |
| - on secured loans | 28.05 | 31.60 |
| - on unsecured loans | 79.98 | 45.93 |
| - on dues of micro enterprises and small enterprises | 1.26 | 1.10 |
| - on lease liabilities | 3.11 | 3.54 |
| - on others | 6.61 | 9.70 |
| - on retention payable | 0.10 | 0.21 |
| Other borrowing costs | 3.20 | 5.22 |
| | <u>122.31</u> | <u>97.30</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|----------------|-----------------------------|
| 38 Depreciation and amortisation expense | | |
| Depreciation of property, plant and equipment | 12.32 | 16.70 |
| Depreciation on Right-of-use assets | 6.85 | 6.66 |
| Amortisation of intangible assets | 1.16 | 1.31 |
| | <u>20.33</u> | <u>24.67</u> |
| 39 Other expenses | | |
| Communication expenses | 2.33 | 2.54 |
| Stores and spare parts consumed | 0.91 | 1.08 |
| Commission expenses | 0.01 | 0.40 |
| Legal and professional fees | 20.80 | 28.82 |
| Printing and stationery expenses | 0.46 | 0.47 |
| Insurance costs | 1.91 | 3.85 |
| Repairs and maintenance - others | 8.54 | 7.51 |
| Selling and marketing expenses | 0.46 | 0.46 |
| Traveling and conveyance expenses | 12.96 | 10.15 |
| Rent | 3.25 | 6.67 |
| Rates and taxes | 2.27 | 2.15 |
| Electricity, power and fuel | 2.24 | 2.38 |
| Payment to auditors (refer note (a) below) | 0.37 | 0.34 |
| Property, plant and equipment written off | 1.66 | 6.40 |
| Donation | 0.07 | - |
| Bank charges | 6.63 | 4.77 |
| Loss on sale of land | 2.93 | 1.04 |
| Loans and advances written off | - | 0.84 |
| Bad debts written off | 44.56 | 27.29 |
| Provision for bad and doubtful debts | 22.85 | 34.26 |
| Provision for bad and doubtful contract assets | - | 33.53 |
| Provision for doubtful deposits | 0.50 | - |
| Land development charges | 0.69 | 1.75 |
| Financial assets measured at fair value through profit & loss a/c - net change in fair value | 9.13 | - |
| Miscellaneous expenses | 5.11 | 14.09 |
| | <u>150.64</u> | <u>190.79</u> |
| Allocated expenses | <u>(10.42)</u> | <u>(13.49)</u> |
| | <u>140.22</u> | <u>177.30</u> |
| (a) Payment to auditors | | |
| As auditor | | |
| Statutory audit | 0.31 | 0.29 |
| Tax audit | 0.03 | 0.03 |
| Other services | 0.03 | 0.02 |
| | <u>0.37</u> | <u>0.34</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

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

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

B) 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 45.

C) Reconciliation of contract assets and liabilities

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|--|----------------------|-----------------------------|
| Contract assets* | | |
| Unbilled receivables | | |
| Contract assets at the beginning of the year | 808.68 | 817.85 |
| Add: Pursuant to scheme of arrangement (Refer note 51) | - | 43.57 |
| Contract assets at the beginning of the year (Restated) | <u>808.68</u> | <u>861.42</u> |
| Add: Revenue recognised during the year | 1,359.25 | 2,130.77 |
| Less: Invoiced during the year | (1,620.67) | (2,148.76) |
| Less: Impairment loss on Contract assets | (58.52) | (33.53) |
| Add: Exchange difference | - | (1.22) |
| Contract assets as at end of the year | <u><u>488.74</u></u> | <u><u>808.68</u></u> |
| Contract liabilities** | | |
| Advance from customers and Billing in advance | | |
| Contract liabilities at the beginning of the year | 476.74 | 535.40 |
| Add: Pursuant to scheme of arrangement (Refer note 51) | - | 20.76 |
| Contract liabilities at the beginning of the year (Restated) | <u>476.74</u> | <u>556.16</u> |
| Add: Addition/(Reversal) during the year | (130.16) | (79.42) |
| Contract liabilities as at end of the year | <u><u>346.58</u></u> | <u><u>476.74</u></u> |

*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 based on the agreed contractual terms.

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



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

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

D) Reconciliation of revenue as per Ind AS 115

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 (Restated) |
|--|-------------------------------------|---|
| Income from works contracts | 1,245.10 | 1,942.53 |
| <i>Adjustment on account of:</i> | | |
| Provision for liquidated damages | (29.95) | (1.72) |
| Total | 1,215.15 | 1,940.81 |
| Revenue from operation and maintenance services | 144.10 | 189.96 |
| <i>Adjustment on account of:</i> | | |
| Adjustment during the year | - | - |
| Total | 144.10 | 189.96 |

E) Performance obligation

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

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

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

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

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

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

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2023.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

41 Contingent liabilities and commitments

| Contingent liabilities | 31 March 2023 | 31 March 2022 (Restated) |
|---|---------------|-----------------------------|
| (a) Claims against the company not acknowledged as debts | | |
| (i) Demands raised by Sales tax authorities | 129.25 | 79.66 |
| (ii) Demands raised by Service tax authorities | 5.92 | 5.92 |
| (iii) Demands raised by foreign Income tax authorities (Refer note (b) below) | 27.81 | 30.33 |
| (b) Bank guarantees outstanding | | |
| (i) Foreign branches (Refer note (a) below) | 50.02 | 0.15 |
| (ii) Others | - | 76.52 |
| (c) Corporate guarantees outstanding | 130.87 | 120.49 |
| | 343.87 | 312.35 |
| Capital commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs 0.40 crore [31 March 2022: Rs 3.42 crore]) | 1.61 | 1.40 |
| | 1.61 | 1.40 |
| Other commitments | | |
| The Company has issued letters of undertakings to provide need based financial support to its following wholly owned subsidiaries. | | |
| a) Sterling and Wilson International PZE and its subsidiaries, | | |
| b) Sterling and Wilson Security Systems Private Limited, and | | |
| c) Sterling and Wilson Cogen Solutions Private Limited | | |

Notes:

a) Bank guarantees of Rs 0.15 crore (equivalent to AED 0.66 millions) issued by banks on behalf of the Company are secured by margin money deposits. Unsecured bank guarantees of Rs 49.87 crore (equivalent to AED 22.29 millions) are issued by bank against the advance received from customer for the ongoing project.

b) The Zakat, Tax and Customs Authority (ZATCA) sent a "Notice of Objection" to the branch in the Kingdom of Saudi Arabia regarding their tax returns for the tax year 2015 to 2018. Authorities have demanded Rs. 360.89 crore (equivalent to AED 16.32 million) for the understatement of the returns submitted to ZATCA. The branch in the Kingdom of Saudi Arabia has submitted an appeal against the ZATCA decision for the financial years 2015 to 2018 to the Dispute Resolution Committee of the General Secretariat of Zakat, Tax and Customs Committees (GSTC). The GSTC issued their decision no. JFR-2022-604 to dismiss the case as if it has not been filed. The branch in the Kingdom of Saudi Arabia has filed an appeal against the decision before GSTC under case number 189593-2023-I. Subsequent to the reporting date, the Company has received waiver of penalty amounting to Rs. 14.81 crore (equivalent to AED 6.60 million) and for the balance amount of Rs. 21.69 crore (equivalent to AED 9.69 million), as instructed by ZATCA, the Company agreed to pay Rs. 8.75 crore (equivalent to AED 3.91 million) in advance and balance amount of Rs. 12.94 crore (equivalent to AED 5.78 million) in nine equal monthly instalments starting 29 June 2023 with the understanding that the Company would file for appeal with relevant authorities against the total claim aggregating to Rs. 21.69 crore (equivalent to AED 9.69 million). The matter is currently under arbitration and the amount of demand, if any cannot be determined with sufficient reliability.

The Zakat, Tax and Customs Authority (ZATCA) sent a "Notice of Objection" to the branch in the Kingdom of Saudi Arabia regarding their tax returns for the tax year 2019 to 2020 aggregating to Rs. 6.12 crore (equivalent to AED 2.74 million) against which the Company is under discussions with ZATCA and has filed an appeal against the demand. The matter is currently under arbitration and the amount of demand, if any cannot be determined with sufficient reliability.

42 Employee Benefits

Defined contribution plan:

Contribution to provident fund and other funds aggregating to Rs. 18.44 crore (31 March 2022: Rs. 23.04 crore) is recognised as an expense and included in 'Direct project costs' and 'Employee benefits expenses'.

Defined benefit plan and short-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.

Terminal benefits (Defined benefit plan)

In respect of the overseas branch, during the year, the Company has made provision of Rs 0.06 crore [31 March 2022: Rs 0.25 crore] for employees' terminal benefits on the basis prescribed under the labour laws of the respective countries in which the overseas branch operates and the same is determined based on arithmetic calculation. Accordingly, the Company has not disclosed information related to defined benefits for overseas branch in the table below.

Compensated absences (Short-term employee benefits)

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



For the year ended 31 March 2023

(Currency - Indian rupees in crores)

42 Employee Benefits (Continued)

Change in the present value of the defined benefit obligation

| | 31 March 2023 | 31 March 2022 (Restated) |
|--|--|--|
| I Reconciliation of the present value of defined benefit obligation | | |
| Balance at the beginning of the year | 17.63 | 29.46 |
| Benefits paid | (5.03) | (5.66) |
| Current service cost | 1.94 | 2.63 |
| Past Service Cost- Vested Benefits | 3.42 | - |
| Net Interest cost | 1.28 | 1.41 |
| Liability transferred in / acquisitions | 0.07 | 0.86 |
| Liability transferred out | (0.73) | (0.27) |
| Actuarial (gains) losses recognised in other comprehensive income | | |
| - changes in demographic assumptions | - | (0.05) |
| - changes in financial assumptions | (0.39) | (0.85) |
| - experience adjustments | 1.41 | (0.89) |
| Balance at the end of the year | 19.66 | 17.63 |
| II Amount recognised in the standalone statement of profit and loss under employee benefits expense | | |
| Current service cost | 1.94 | 2.63 |
| Past service cost | 3.42 | - |
| Net interest cost | 1.28 | 1.41 |
| | 6.64 | 4.04 |
| III Remeasurement recognised in other comprehensive income | | |
| Actuarial gains / losses on obligation for the year | 1.02 | (1.78) |
| | 1.02 | (1.78) |
| IV Maturity profile of defined benefit obligation | | |
| Within next 12 months | 2.26 | 0.92 |
| Between 1 and 5 years | 3.48 | 3.19 |
| Above 5 years | 47.34 | 47.93 |
| V Actuarial assumptions: | | |
| Discount rate | 7.48% | 7.29% |
| Salary escalation | 5.00% | 5.00% |
| Employee turnover | Service < 5 : 14% Service >= 5 : 2% | Service < 5 : 14% Service >= 5 : 2% |
| Mortality tables | Indian assured lives mortality (2012-14) | Indian assured lives mortality (2012-14) |
| Weighted average duration of the projected benefit obligation | 15 years | 15 years |
| VI Sensitivity Analysis | | |
| The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. | | |
| Defined Benefit Plan | 31 March 2023 | 31 March 2022 (Restated) |
| Defined Benefit Obligation - Discount rate + 100 basis points | (1.88) | (1.92) |
| Defined Benefit Obligation - Discount rate - 100 basis points | 2.23 | 2.30 |
| Defined Benefit Obligation - Salary escalation rate + 100 basis points | 2.26 | 1.93 |
| Defined Benefit Obligation - Salary escalation rate - 100 basis points | (1.94) | (1.74) |
| Defined Benefit Obligation - Employee turnover + 100 basis points | 0.51 | 0.60 |
| Defined Benefit Obligation - Employee turnover - 100 basis points | (0.58) | (0.60) |
| 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. 4.78 crore (31 March 2022: Rs 5.56 crore) expected to be paid in exchange for the services recognised as an expense during the year.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

For the year ended 31 March 2023

(Currency - Indian rupees in crores)

43 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 (Matters of Interest and its Powers) Rules, 2014 are as follows:

A Details of investments made by the Company as on 31 March 2023

Investments in equity shares

| Name of the entity | As at 1 April 2022 | Pursuant to scheme of arrangement (Refer note 51) | Investment during the year | Redeemed/Sold during the year | Other Adjustments | As at 31 March 2023 |
|--|--------------------|---|----------------------------|-------------------------------|-------------------|---------------------|
| Sterling and Wilson International FZE | 1.12 | - | - | - | - | 1.12 |
| Range Consultants Private Limited | 1.12 | - | - | - | - | 1.12 |
| Range Consultants Private Limited | 4.96 | - | - | - | - | 4.96 |
| | 4.96 | - | - | - | - | 4.96 |
| Sterling and Wilson Security Systems Private Limited | 0.01 | - | - | - | - | 0.01 |
| | 0.01 | - | - | - | - | 0.01 |
| Sterling and Wilson Nigeria Limited | 0.17 | - | - | - | - | 0.17 |
| | 0.17 | - | - | - | - | 0.17 |
| Sterling & Wilson Middle East Electro Mechanical L.L.C. (merged with the Company w.e.f. 01 April 2021) | - | - | - | - | - | - |
| | - | (0.62) | 0.62 | - | - | - |
| Sterling and Wilson Co-Gen Solutions AG | 0.35 | - | - | - | - | 0.35 |
| | 0.35 | - | - | - | - | 0.35 |
| Sterling and Wilson Middle East W.L.L. | 0.19 | - | - | - | - | 0.19 |
| | 0.19 | - | - | - | - | 0.19 |
| GCC PVT. Ltd. | 0.18 | - | - | - | - | 0.18 |
| | 0.18 | - | - | - | - | 0.18 |
| Sterling and Wilson Nigeria FZE | 0.74 | - | - | - | - | 0.74 |
| | 0.74 | - | - | - | - | 0.74 |
| Sterling & Wilson Co-Gen Solutions Pvt Ltd | 5.00 | - | - | - | - | 5.00 |
| | 5.00 | - | - | - | - | 5.00 |
| Sterling and Wilson Fuel & e-Mobility Pvt Ltd | 4.27 | - | - | - | - | 4.27 |
| | - | - | 4.27 | - | - | 4.27 |
| Monjiv Interviews Private Limited | 28.70 | - | - | - | (9.00) | 19.70 |
| | 19.70 | - | - | - | 8.79 | 28.70 |
| Gompton Geaves Consumer Electrical Limited* | 0.00 | - | - | - | - | 0.00 |
| | 0.00 | - | - | - | - | 0.00 |
| CG Power & Industrial Solution Limited* | 0.00 | - | - | - | - | 0.00 |
| | 0.00 | - | - | - | - | 0.00 |
| Ruchi Soya Limited* | 0.00 | - | - | - | - | 0.00 |
| | 0.00 | - | - | - | - | 0.00 |
| Tata Consultancy Services Limited | 0.46 | - | - | - | 0.06 | 0.40 |
| | 0.39 | - | - | - | 0.07 | 0.39 |
| Western India Sugar & Chemical Industries Limited* | 0.00 | - | - | - | (0.00) | - |
| | 0.00 | - | - | - | (0.00) | - |
| Mid East India Limited* | 0.00 | - | - | - | (0.00) | - |
| | 0.00 | - | - | - | (0.00) | - |
| Montari Leather Limited* | 0.00 | - | - | - | (0.00) | - |
| | 0.00 | - | - | - | (0.00) | - |
| Grokin Plants and Equipment's Limited* | 0.00 | - | - | - | (0.00) | - |
| | 0.00 | - | - | - | (0.00) | - |
| SIV Limited (South India Viscose Limited) | 0.01 | - | - | - | (0.01) | - |
| | 0.01 | - | - | - | (0.01) | - |
| Sudhiti Hosiery Limited | 0.01 | - | - | - | (0.01) | - |
| | 0.01 | - | - | - | (0.01) | - |
| Sterling & Wilson RDC SAS (incorporated on 09 February 2023) | - | - | 0.01 | - | - | 0.01 |
| | - | - | - | - | - | - |
| Sterling & Wilson Middle East Sanitation, Cooling and Conditioning Contracting (LLC) | 0.08 | - | - | - | - | 0.08 |
| | - | 0.08 | - | - | - | 0.08 |
| Sterling & Wilson Middle East Electro Mechanical (Bahrain) W.L.L. | 0.17 | - | - | - | - | 0.17 |
| | - | 0.17 | - | - | - | 0.17 |
| Transtel Utilities Ltd, UK* | 0.00 | - | - | - | - | 0.00 |
| | 0.00 | - | - | - | - | 0.00 |
| SWB Power Ltd* | 0.00 | - | - | - | - | 0.00 |
| | 0.00 | - | - | - | - | 0.00 |

* previous year numbers are in italics

* corresponding values are less than Rs. 100,000



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

For the year ended 31 March 2023

Figures in Indian rupees in lakhs

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

A Details of investments made by the Company as on 31 March 2023 (Continued)

Investment in preference shares

| Name of the entity | As at 1 April 2022 | Pursuant to scheme of arrangement (Refer note 51) | Investment made during the year | Redeemed during the year | Other adjustments | As at 31 March 2023 |
|--------------------------------------|--------------------|---|---------------------------------|--------------------------|-------------------|---------------------|
| Sterling Chemicals - Private Limited | 48.42 | - | - | (20.00) | 0.53 | 29.02 |
| | 39.46 | - | - | - | (1.97) | 26.49 |

* previous year numbers are in lakhs

Investment in debentures

| Name of the entity | As at 1 April 2022 | Pursuant to scheme of arrangement (Refer note 51) | Investment made during the year | Redeemed during the year | Other adjustments | As at 31 March 2023 |
|---|--------------------|---|---------------------------------|--------------------------|-------------------|---------------------|
| Western India Sugar & Chemical Industries Limited | 0.00 | - | 0.00 | - | - | 0.00 |
| | 0.00 | - | - | - | - | 0.00 |

* previous year numbers are in lakhs

† corresponding values are less than Rs. 100,000

Investment in mutual fund units

| Name of the fund | As at 1 April 2022 | Pursuant to scheme of arrangement (Refer note 51) | Investment made during the year | Redeemed during the year | Other adjustments | As at 31 March 2023 |
|-----------------------------|--------------------|---|---------------------------------|--------------------------|-------------------|---------------------|
| Union Long Bond Growth Fund | 0.31 | - | - | - | 0.01 | 0.32 |
| | 0.50 | - | - | - | 0.01 | 0.51 |

* previous year numbers are in lakhs

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

| Name of the entity | As at 1 April 2022 | Pursuant to scheme of arrangement (Refer note 51) | Loans Transferred ** | Loans given during the year | Repaid during the year (including foreign exchange adjustment) | Interest Income for the year (net of TDS) | Foreign exchange during the year | As at 31 March 2023 |
|---|--------------------|---|----------------------|-----------------------------|--|---|----------------------------------|---------------------|
| Sterling and Wilson International PZC (refer note 1 below)** | 1,110.19 | - | - | - | (286.28) | 65.77 | - | 889.68 |
| | 1,805.59 | - | (1,479.24) | 658.76 | - | 23.97 | - | 1,110.19 |
| Sterling and Wilson Middle East W.L. (refer note 2 below) | 370.50 | - | - | - | (2.08) | 51.48 | 10.44 | 430.43 |
| | 81.00 | 253.67 | - | - | - | 24.58 | (0.73) | 332.52 |
| Sterling and Wilson Co-Gen Solutions Pvt Ltd (refer note 3 below) | 124.65 | - | - | 1.24 | (20.60) | - | - | 105.29 |
| | 109.39 | - | - | 33.61 | (13.53) | - | - | 129.47 |
| Transel Utilities Ltd, UK (refer note 4 below) | 9.55 | - | - | - | - | 0.83 | 0.23 | 10.61 |
| | 3.94 | - | - | - | - | 0.75 | (0.14) | 4.55 |
| GCO Fry Ltd (refer note 5 below) | 12.03 | - | - | - | - | 0.99 | (0.36) | 12.66 |
| | 10.69 | - | - | - | - | 0.94 | 0.26 | 11.89 |
| Sterling & Wilson Bhopal Ltd (refer note 6 below) | 0.71 | - | - | - | - | 0.05 | 0.06 | 0.83 |
| | 0.60 | - | - | - | - | 0.04 | 0.02 | 0.71 |
| Sterling & Wilson Solar PZC (refer note 7 below) | - | - | - | - | - | - | - | - |
| | 45.25 | - | (46.47) | - | - | 1.89 | 1.36 | - |
| Sar Cylinders Pvt Ltd | 3.71 | - | - | 3.50 | (7.47) | 0.26 | - | 0.00 |
| | 3.43 | - | - | - | (2.00) | 0.28 | - | 1.71 |
| Zimus Fashions Pvt Ltd | - | - | - | 1.90 | (1.97) | 0.07 | - | - |
| Francis Building System PZC | - | - | - | - | - | - | - | - |
| | - | 81.19 | (81.19) | - | - | - | - | - |

* previous year numbers are in lakhs

** pursuant to business transfer agreement(s)



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

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

B Details of loans given by the Company are as follows: (Continued)

Note 1: Sterling and Wilson International FZE

| | |
|--|---------------------|
| Purpose of utilization of loan given to the entities | Working Capital |
| Loan repayment terms | Repayable on demand |
| Rate of Interest | 7.00% p.a. |

Note 2: Sterling and Wilson Middle East W.L.L.

| | |
|--|---------------------|
| Purpose of utilization of loan given to the entities | Working Capital |
| Loan repayment terms | Repayable on demand |
| Rate of Interest | 7.00%-7.50% |

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 | 11.5% 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 Pvt 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 | 7.00% 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 | N.A. |

Note 8: Sai Cylinders Pvt Ltd

| | |
|--|---------------------|
| Purpose of utilization of loan given to the entities | Working Capital |
| Loan repayment terms | Repayable on demand |
| Rate of Interest | 8% p.a. |

Note 9: Zinna Fashions Pvt 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. |

*The Company has given a loan at 7% interest and SWMELLCC at 7.5% to Sterling and Wilson Middle East W.L.L.

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

| Name of the entity | Purpose | As at 01 April 2022 | Pursuant to scheme of arrangement (refer note 51) | 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 2023 |
|--|----------------------|---------------------|---|------------|---|---|---------------------|
| Sterling and Wilson International FZE | | | | | | | |
| Corporate | Working Capital | 120.40 | - | - | 10.47 | - | 130.87 |
| | | 116.75 | - | - | 3.65 | - | 120.40 |
| STC Power S.r.l. | | | | | | | |
| Bank Guarantee | Working Capital | 76.39 | - | - | - | 76.39 | - |
| | | 78.18 | - | - | (1.79) | - | 76.39 |
| Khazas Information Technology Company | | | | | | | |
| Bank Guarantee | Advance mobilization | - | - | - | 50.02 | - | 50.02 |

* previous year numbers are in Indian



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

44 Corporate social responsibility

Pursuant to the provisions of section 135 of the Companies Act, 2013 and the amendments/re-enactments thereto, for the current financial year even though the CSR provisions as per Act are applicable, as the average profits for the last three years is in the negative, the Company has not appropriated any amount to be disbursed on activities as per the CSR policy formulated by the Board in line with the Group Companies

45 Segment reporting

The Company has identified following operating activities as primary segment

- Work Contracts,
- Trading of goods,
- Operation and maintenance service;

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:

- Direct expenses are allocated to the respective segment
- Common allocable costs are consistently allocated amongst the segments on appropriate basis.
- Unallocable income and expenses includes general corporate income and expense items which are not allocated to any business segment.

A. Basis for segmentation

The Company's operating activities primarily pertains to the business of Mechanical, Electricals and Plumbing and Fire-fighting and 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 2023 | 31 March 2022 (Restated) |
|---------------|-----------------|-----------------------------|
| India | 1,248.85 | 1,876.56 |
| Outside India | 119.67 | 271.26 |
| | <u>1,368.52</u> | <u>2,147.82</u> |

b) Revenue from contract with customers :

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|-------------------------------|-----------------|-----------------------------|
| Recognised over time | 1,359.25 | 2,130.77 |
| Recognised at a point in time | 9.27 | 17.05 |
| | <u>1,368.52</u> | <u>2,147.82</u> |

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

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|---------------|---------------|-----------------------------|
| India | 213.89 | 235.84 |
| Outside India | 3.99 | 7.40 |
| | <u>217.88</u> | <u>243.24</u> |

d) Information about major customers

Revenue from one customer of the Company is Rs. 175.01 crore (31 March 2022: 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)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

46 Earnings per share

| Particulars | | 31 March 2023 | 31 March 2022 (Restated) |
|--|-------|---------------|-----------------------------|
| Basic earnings per share | | | |
| Numerator: | | | |
| (Loss)/Profit after tax attributable to equity shareholders | A | (559.41) | 121.23 |
| Denominator: | | | |
| Calculation of weighted average number of equity shares | | | |
| Number of equity shares at the beginning of the year | | 1,46,84,666 | 1,46,84,666 |
| Equity shares issued during the year | | - | - |
| Number of equity shares outstanding at the end of the year | | 1,46,84,666 | 1,46,84,666 |
| Weighted average number of equity shares outstanding during the year (based on date of issue of shares) | B | 1,46,84,666 | 1,46,84,666 |
| Adjusted weighted average number of equity shares outstanding during the year (based on date of issue of shares) | C | 28,71,50,420 | 1,46,84,666 |
| Basic earnings per share (EPS) (Rs.) | A / B | (380.95) | 82.54 |
| Diluted earnings per share (DEPS) (Rs.)* | | (380.95) | 82.54 |
| Face value per share | | 10.00 | 10.00 |

* Current year DEPS is additive



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

47 Income taxes

a) Amount recognised in the Statement of profit and loss

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| Current tax expense : | | |
| Current year | 3.96 | 1.87 |
| Prior year tax adjustments | (0.09) | - |
| | <u>3.87</u> | <u>1.87</u> |
| Deferred tax : | | |
| Origination and reversal of temporary differences Statement of profit and loss | 43.89 | 31.10 |
| | <u>43.89</u> | <u>31.10</u> |
| Tax expenses | <u>47.76</u> | <u>32.97</u> |

b) Income tax recognised in other comprehensive income

| Particulars | 31 March 2023 | | |
|--|---------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain on post employment defined benefit plan | (1.02) | - | (1.02) |
| Items that will be reclassified to profit or loss | | | |
| Exchange differences in translating financial statements of foreign operations | 20.72 | - | 20.72 |

| Particulars | 31 March 2022 (Restated) | | |
|--|--------------------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement (losses) on post employment defined benefit plan | 1.78 | - | 1.78 |
| Items that will be reclassified to profit or loss | | | |
| Exchange differences in translating financial statements of foreign operations | 42.48 | - | 42.48 |

c) Reconciliation of effective tax rate

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| (Loss)/Profit before tax | (511.66) | 154.18 |
| Tax using the Company's domestic tax rate (current year 34.944%) | (178.79) | 53.88 |
| Tax effect of: | | |
| Expenses that are not deductible in determining taxable profit | 3.34 | 9.01 |
| Change in deductible temporary differences | (0.46) | (1.19) |
| Tax effect due to non-taxable income for Indian tax purposes | - | (113.99) |
| Ind-AS adjustments | (4.07) | (1.27) |
| Items taxed at differential rates | - | (0.43) |
| Changes in estimates related to prior years | 13.34 | (3.98) |
| Unrecognized Deferred Tax Asset of current year | 166.64 | 57.97 |
| Reversal of Deferred Tax Asset of previous year | 43.89 | 31.10 |
| Tax pertaining to the prior years | (0.09) | - |
| Effect of tax rates in foreign jurisdictions | 3.96 | 1.87 |
| Tax (income) / expenses as per statement of profit and loss | <u>47.76</u> | <u>32.97</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(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 2022 | Recognised/ (Reversed) in profit or loss during 2022-23 | Recognised in OCI during 2022-23 | Balance as at 31 March 2023 |
|--|-------------------------------|--|---|--------------------------------|
| Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961 | (12.57) | 12.57 | - | - |
| Provision for bad and doubtful debts, unbilled receivables and loans and advances | 10.72 | (10.72) | - | - |
| Provision for loss on onerous contracts | 3.22 | (3.22) | - | - |
| Provision for liquidated damages | (0.26) | 0.26 | - | - |
| Employee benefits | 20.04 | (20.04) | - | - |
| Unabsorbed depreciation | 19.24 | (19.24) | - | - |
| Fair valuation of investments | (2.13) | 2.13 | - | - |
| Mat credit entitlement | 5.40 | (5.40) | - | - |
| Retention receivable | 0.23 | (0.23) | - | - |
| Net deferred tax asset | 43.89 | (43.89) | - | - |

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

| Particulars | Balance as at 1 April 2021 | Recognised in profit or loss during 2021-22 | Recognised in OCI during 2021-22 | Balance as at 31 March 2022 |
|--|-------------------------------|---|---|--------------------------------|
| Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961 | (12.57) | - | - | (12.57) |
| Provision for bad and doubtful debts, unbilled receivables and loans and advances | 10.73 | - | - | 10.73 |
| Provision for loss on onerous contracts | 3.22 | - | - | 3.22 |
| Provision for liquidated damages | (0.26) | - | - | (0.26) |
| Employee benefits | 20.04 | - | - | 20.04 |
| Carry forward business losses | 31.10 | (31.10) | - | - |
| Unabsorbed depreciation | 19.24 | - | - | 19.24 |
| Fair valuation of investments | (2.13) | - | - | (2.13) |
| Mat credit entitlement | 5.40 | - | - | 5.40 |
| Retention receivable | 0.22 | - | - | 0.23 |
| Net deferred tax asset | 75.00 | (31.10) | - | 43.90 |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

47 Income taxes (Continued)

f) Unrecognised deferred tax assets/(liabilities)

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| Difference between written down value / capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961 | (1.62) | 7.61 |
| Provision for bad and doubtful debts, unbilled receivables and loans and advances | 12.07 | (5.22) |
| Provision for loss on onerous contracts | 10.83 | 3.40 |
| Provision for liquidated damages | 10.47 | 0.74 |
| Employee benefits | (3.96) | 2.15 |
| Loan impairment | (13.98) | 13.98 |
| Carry forward business losses | 146.98 | 33.44 |
| Unabsorbed depreciation | 5.13 | 3.64 |
| Fair valuation of investments | 0.81 | (1.36) |
| Retention receivable & payable | (0.04) | (0.45) |
| Security deposits | (0.05) | 0.04 |
| Total | 166.64 | 57.97 |

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.

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

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

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

h) Tax losses carried forward

| Particulars | Assessment Year | 31 March 2023 | Expiry date |
|--------------|-----------------|---------------|-------------|
| Expire | 2018-19 | 33.32 | 2025-26 |
| | 2020-21 | 156.55 | 2027-28 |
| | 2021-22 | 272.96 | 2028-29 |
| | 2022-23 | 111.84 | 2029-30 |
| | | <u>574.67</u> | |
| Never expire | 2018-19 | 12.04 | |
| | 2020-21 | 36.02 | |
| | 2021-22 | 24.52 | |
| | 2022-23 | 18.22 | |
| | | <u>90.80</u> | |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2023

48 Related party disclosures

48.1 List of related parties

1 Holding Company

Shapoorji Pallonji and Company Private Limited

2 Subsidiaries, direct and indirect holding (*including Step-Down Subsidiaries, Joint Ventures and Associates of Direct and Indirect Subsidiaries*)

Sterling and Wilson Security Systems Private Limited

Range Consultants Private Limited

Sterling and Wilson Co-Gen Solutions Private Limited

Sterling and Wilson International FZE

Sterling and Wilson Cogen Solutions AG

Sterling and Wilson Middle East Electromechanical L.L.C (*pursuant to NCLT Order dated June 26, 2023, merged with the Sterling and Wilson Private Limited w.e.f. April 01, 2021*)

Sterling and Wilson Middle East Electromechanical (Bahrain) WLL

Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Conditioning Contracting LLC

Sterling and Wilson Middle East WLL

Sterling and Wilson Nigeria FZE

Sterling and Wilson Nigeria Limited

GCO Australia Pty. Ltd. (*formerly GCO Pty. Limited*)

Sterling and Wilson RDC SAS (*w.e.f. February 09, 2023*)

Sterling and Wilson Jindun Consortium

Enrich-SWPL JV

Sterling and Wilson Power Solutions LLC

Sterling and Wilson Power Systems Inc.

STC Power S.r.l

Sterling and Wilson Cogen Solutions LLC

Sterling & Wilson RDC SAS

3 Fellow Subsidiaries and Associates of Holding Companies

Eureka Forbes Limited

Evangelos Ventures Private Limited

Forvol International Service Limited

Global Infra FZCO

Larsen and Toubro Ltd. Shapoorji Pallonji and Co Ltd. Joint Venture

Sashwat Energy Private Limited

S. D. Corporation Private Limited

Shapoorji Pallonji Lanka (Pvt) Limited

Shapoorji Pallonji Mid East LLC

Shapoorji Pallonji Nigeria Limited

SP Fabricators Private Limited

Sterling and Wilson Renewable Energy Ltd ("SWREL") (*formerly Sterling and Wilson Solar Ltd.*) (*Associate of Holding Company*)

Esterlina Solar Engineer Private Limited (*Wholly owned Subsidiary of SWREL*)

Sterling and Wilson International Solar FZCO (*Wholly owned Subsidiary of SWREL*)

Sterling Generators Private Limited (*formerly Sterling and Wilson Powergen Private Limited*)

Sterling Viking Power Private Limited

Relationship Properties Private Limited



Sterling and Wilson Private Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2023

48 Related party disclosures

48.1 List of related parties

4 **Joint Venture**

Sterling and Wilson Enel X e-Mobility Private Limited

5 **Key Managerial Personnel**

Khurshed Y. Daruvala, Director

Zarine Y Daruvala, Director

Pallon Shapoor Mistry, Director (upto January 18, 2023)

Ravi Ananthkrishnan, Director (upto January 22, 2022)

Parameshwar Hegde, Chief Financial Officer

K. P. Hariharan, Company Secretary

6 **Relatives of Key Managerial Personnel**

Kainaz K. Daruvala

Delna K. Daruvala

Jehan. K. Daruvala

Pervin Madan

Rohiqa C. Mistry

Farhad Homi Unwalla

7 **Entities over which key managerial person or their relatives exercise control**

Delsys Infotech Private Limited

Edville Energy Systems Private Limited *(formerly Sterling and Wilson Energy Systems Private Limited)*

Sterling and Wilson Services Private Limited

Transtel Utilities Private Limited

Transtel Utilities Limited, UK



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

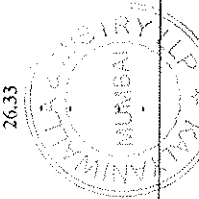
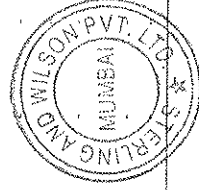
(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|---|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 1 | Short term borrowings obtained | - | - | - | 5.55 | - | - | 156.15 | 1,709.94 | - | - |
| 2 | Short term borrowings repaid | - | - | - | 307.56 | - | - | 291.31 | 852.05 | - | - |
| 3 | Loans given during the year | - | - | 1.24 | 692.39 | - | - | - | - | - | - |
| 4 | Loans repaid during the year | - | - | 268.85 | 15.55 | - | - | - | - | - | - |
| 5 | Loan transfer during the year | - | - | - | (1,467.90) | - | - | - | - | - | - |
| 6 | Remuneration | - | - | - | - | - | - | 3.84 | 4.97 | - | - |
| 7 | Employee benefits | - | - | - | 1.67 | - | - | 0.04 | 0.02 | - | - |
| 8 | Purchases of construction material | - | - | 5.81 | 34.92 | - | - | 8.26 | 11.87 | - | - |
| 9 | Receiving of Services | 0.69 | 2.23 | 2.38 | 5.99 | - | - | 1.33 | 5.82 | - | - |
| 10 | Income from works contracts | 8.76 | 31.86 | 92.21 | 193.06 | - | - | - | - | - | - |
| 11 | Revenue from operation and maintenance services | 0.23 | - | 0.08 | - | - | - | - | 0.07 | - | - |
| 12 | Guarantee Commission | - | - | 1.31 | 1.20 | - | - | - | - | - | - |
| 13 | Other Income | - | - | 5.53 | 472.76 | - | - | - | - | - | - |
| 14 | Advances received from customer | - | 0.40 | - | - | - | - | - | - | - | - |
| 15 | Interest income | 8.71 | - | 95.95 | 95.12 | - | - | 0.83 | 0.75 | - | - |
| 16 | Interest expenses | - | - | - | 94.54 | - | - | 1.24 | 3.70 | - | - |
| 17 | Rent expenses | - | - | 0.39 | 0.66 | - | - | 7.78 | 7.78 | - | - |
| 18 | Reimbursement of expenses | - | - | 2.31 | 4.32 | - | - | - | - | - | - |
| 19 | Other Expenses | - | - | - | 0.12 | - | - | - | - | - | - |
| 20 | Trade receivables * | - | - | - | 115.16 | - | - | - | - | - | - |
| 21 | Advances to supplier | 10.22 | 24.40 | 84.66 | 2.57 | - | - | - | - | - | - |
| 22 | Interest receivable | 0.00 | - | 489.55 | 454.12 | - | - | 2.47 | 1.61 | - | - |
| 23 | Gross amount due from customer | 5.70 | 18.45 | 26.38 | 39.01 | - | - | - | - | - | - |
| 24 | Gross amount due to customer | 2.74 | 5.26 | - | - | - | - | - | - | - | - |
| 25 | Recoverable expenses | - | - | 153.34 | 150.79 | - | - | 12.54 | 12.13 | - | - |
| 26 | Recovery towards expenses and others | - | - | 11.50 | 22.79 | - | - | - | - | - | - |
| 27 | Interest payable | - | - | - | - | - | - | 6.56 | 6.66 | - | - |
| 28 | Trade payable | 39.16 | 39.64 | 36.26 | 48.39 | - | - | 3.00 | 14.75 | - | - |
| 29 | Short-term borrowings | - | - | - | - | - | - | 169.33 | 399.49 | - | - |
| 30 | Loan Given | - | - | 949.34 | 1,164.05 | - | - | 8.13 | 7.94 | - | - |
| 31 | Advance from customer | 26.33 | 28.44 | - | 53.83 | - | - | - | - | - | - |
| 32 | Rent payable | - | - | 0.00 | 0.06 | - | - | - | - | - | - |
| 33 | Interim dividend (on preferences, shares and equity shares) | - | - | 1.81 | 2.00 | - | - | 0.02 | - | - | - |
| 34 | Other receivables | - | - | 13.90 | 1.45 | - | - | - | - | - | - |
| 35 | Other Payables | - | - | 4.56 | 30.00 | - | - | - | - | - | - |

* 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 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 36 | Corporate guarantees outstanding | - | - | 130.87 | 120.40 | - | - | - | - | - | - |
| 37 | Bank guarantees outstanding | - | - | - | 76.39 | - | - | - | - | - | - |
| 38 | Bank guarantees cancelled | - | - | 76.39 | - | - | - | - | - | - | - |
| 39 | Investment in Joint Ventures | - | - | - | - | - | 4.27 | - | - | - | - |
| 40 | Investment in subsidiaries | - | - | 0.01 | - | - | - | - | - | - | - |
| 41 | Borrowings transferred to Perpetual Loan | - | 277.64 | - | 634.63 | - | - | - | - | - | - |
| 42 | Interest payable transferred to Perpetual Loan | - | 45.94 | - | - | - | - | - | - | - | - |
| 43 | Interest Receivable transferred | - | - | - | - | - | - | - | - | - | - |
| 44 | Amount received against CCPS | - | - | - | - | - | - | 205.00 | - | - | - |
| 45 | Perpetual loan (Refer note 22) | - | - | - | - | - | - | - | - | - | - |
| 46 | Perpetual loan balance | 173.58 | 323.58 | 97.53 | - | - | - | - | 634.63 | - | - |
| 47 | Payout to CCPS holders pursuant to the Scheme of Arrangement | 46.72 | 46.72 | 11.68 | 11.68 | - | - | 29.32 | 29.32 | - | - |
| 48 | Payout to Equity holders pursuant to the Scheme of Arrangement | 11.38 | 11.38 | - | - | 5.78 | 5.78 | - | - | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

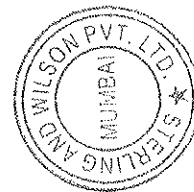
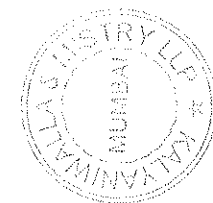
for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 1 | Short term borrowings obtained | - | - | - | - | - | - | - | - | - | - |
| | Mr. Khurshed Y Daruvala | - | - | - | - | - | - | 5.30 | 35.25 | - | - |
| | Mrs. Zarine Y Daruvala | - | - | - | - | - | - | 10.24 | - | - | - |
| | Mrs. Kainaz K. Daruvala | - | - | - | - | - | - | 0.17 | - | - | - |
| | Sterling & Wilson Services Pvt Ltd | - | - | - | - | - | - | - | 0.30 | - | - |
| | Deisys Infotech Pvt Ltd | - | - | - | - | - | - | 140.45 | 548.76 | - | - |
| | Transtel Utilities Private Limited | - | - | - | - | - | - | - | 10.00 | - | - |
| | Sterling and Wilson International PZE | - | - | - | - | - | - | - | - | - | - |
| | Evangelos Ventures Pvt Ltd | - | - | - | 5.55 | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | 1,117.65 | - | - |
| 2 | Short term borrowings repaid | - | - | - | - | - | - | - | - | - | - |
| | Mr. Khurshed Y Daruvala | - | - | - | - | - | - | 4.00 | 0.60 | - | - |
| | Mrs. Delna K Daruvala | - | - | - | - | - | - | - | 1.65 | - | - |
| | Mrs. Kainaz K. Daruvala | - | - | - | - | - | - | 8.97 | 3.20 | - | - |
| | Jehan K. Daruvala | - | - | - | - | - | - | - | 10.90 | - | - |
| | Fahad Homi Unwalla | - | - | - | - | - | - | - | 0.08 | - | - |
| | Evangelos Ventures Pvt Ltd | - | - | - | - | - | - | - | 533.00 | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | - | 307.56 | - | - | - | - | - | - |
| | Sterling & Wilson Services Pvt Ltd | - | - | - | - | - | - | 0.30 | - | - | - |
| | Transtel Utilities Private Limited | - | - | - | - | - | - | - | 12.22 | - | - |
| | Mrs. Zarine Y Daruvala | - | - | - | - | - | - | - | - | - | - |
| | Deisys Infotech Pvt Ltd | - | - | - | - | - | - | 277.68 | 290.41 | - | - |



Sterling and Wilson Private Limited

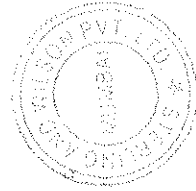
Notes to the standalone financial statements (Continued) for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 3 | Loans given during the year | | | | | | | | | | |
| | Sterling and Wilson International FZE | - | - | - | 658.78 | - | - | - | - | - | - |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 1.24 | 33.61 | - | - | - | - | - | - |
| 4 | Loans repaid during the year | | | | | | | | | | |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 20.60 | 15.55 | - | - | - | - | - | - |
| | Sterling and Wilson International FZE | - | - | 246.17 | - | - | - | - | - | - | - |
| | Sterling and Wilson ME WLL (Qatar) | - | - | 2.98 | - | - | - | - | - | - | - |
| 5 | Loan transfer during the year | | | | | | | | | | |
| | Sterling and Wilson International FZE | - | - | - | (1,429.24) | - | - | - | - | - | - |
| | Sterling & Wilson International FZCO | - | - | - | (38.66) | - | - | - | - | - | - |
| 6 | Remuneration | | | | | | | | | | |
| | Mrs Zarine Y Daruvala | - | - | - | - | - | - | 1.97 | 1.88 | - | - |
| | Mr. Parameshwar Hegde | - | - | - | - | - | - | 1.04 | 1.00 | - | - |
| | Mr. K. P. Hariharan | - | - | - | - | - | - | 0.29 | 0.27 | - | - |
| | Ms. Deha K Daruvala | - | - | - | - | - | - | 0.55 | - | - | - |
| | Mr. Ravi Ananthakrishnan (upto 21 January, 2022) | - | - | - | - | - | - | - | 1.83 | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 7 | Employee benefits | - | - | - | - | - | - | - | - | - | - |
| | Sterling and Wilson Powergen FZE | - | - | - | 1.67 | - | - | - | - | - | - |
| | Mis Zarine Y Daruvala | - | - | - | - | - | 0.04 | - | 0.02 | - | - |
| 8 | Purchases of construction material | - | - | 5.78 | 21.71 | - | - | - | - | - | - |
| | Sterling Generators Private Limited | - | - | 0.03 | 12.25 | - | - | - | - | - | - |
| | Sterling & Wilson International FZCO | - | - | - | 0.95 | - | - | - | - | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | - | - | - | - | 0.21 | 0.13 | - | - |
| | Sterling Viking Power Private Limited | - | - | - | - | - | - | 8.05 | 11.74 | - | - |
| | Dejss Infotech Pvt Ltd | - | - | - | - | - | - | - | - | - | - |
| | Eureka Forbes Ltd. | - | - | - | 0.00 | - | - | - | - | - | - |
| 9 | Receiving of Services | 0.69 | 2.23 | - | - | - | - | - | - | - | - |
| | Shapoorji Pallonji and Company Private Limited | - | - | - | - | - | - | - | - | - | - |
| | Sterling Generators Private Limited | - | - | 1.12 | 1.63 | - | - | - | - | - | - |
| | Dejss Infotech Pvt Ltd | - | - | 0.05 | - | - | - | - | 0.65 | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | - | 0.84 | - | - | - | - | - | - |
| | Sterling Viking Power Private Limited | - | - | - | - | - | - | 0.04 | 0.03 | - | - |
| | Sterling and Wilson Services Private Limited | - | - | - | - | - | - | 1.29 | 1.00 | - | - |
| | Fervel International Service Ltd. | - | - | - | - | - | - | - | - | - | - |
| | Sterling & Wilson Energy Systems Pvt Ltd | - | - | 0.98 | 0.74 | - | - | - | - | - | - |
| | Eureka Forbes Ltd. | - | - | - | 2.74 | - | - | - | - | - | - |
| | Transel Utilities Private Limited | - | - | - | 0.00 | - | - | - | - | - | - |
| | Sterling & Wilson International FZCO | - | - | - | - | - | - | - | 2.15 | - | - |
| | SP Fabricators Private Limited | - | - | 0.23 | 0.03 | - | - | - | - | - | - |



Notes to the stand-alone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|---|-----------------|--------------------|--------------------------------------|--------------------|---------------|--------------------|--|--------------------|--|--------------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 10 | Income from works contracts | | | | | | | | | | |
| | Shapoorji Pallonji and Company Private Limited | 8.76 | 31.86 | - | - | - | - | - | - | - | - |
| | Sterling and Wilson Middle East Electromechanical L.L.C | - | - | - | 2.25 | - | - | - | - | - | - |
| | GLOBAL INFRA FZCO | - | - | (0.67) | 0.09 | - | - | - | - | - | - |
| | Shapoorji Pallonji Mid East LLC | - | - | - | 13.74 | - | - | - | - | - | - |
| | Relationship Properties Private Limited | - | - | - | 0.55 | - | - | - | - | - | - |
| | Sterling and Wilson Jindun Consortium | - | - | - | 163.44 | - | - | - | - | - | - |
| | Shapoorji Pallonji Nigeria Ltd | - | - | 92.72 | 0.14 | - | - | - | - | - | - |
| | Sterling and Wilson Nigeria Limited | - | - | - | 0.05 | - | - | - | - | - | - |
| | Sterling and Wilson Nigeria FZE | - | - | 0.16 | 2.85 | - | - | - | - | - | - |
| | Shapoorji Pallonji Lanka (Pvt) Ltd | - | - | - | 11.13 | - | - | - | - | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | - | 0.04 | - | - | - | - | - | - |
| 11 | Revenue from operation and maintenance services | | | | | | | | | | |
| | M. Khurshed Y Daruvala | - | - | - | - | - | - | - | 0.07 | - | - |
| | Shapoorji Pallonji and Company Private Limited | 0.23 | - | - | - | - | - | - | - | - | - |
| | Relationship Properties Private Limited | - | - | 0.08 | - | - | - | - | - | - | - |
| 12 | Guarantee Commission | | | | | | | | | | |
| | Sterling and Wilson International FZE | - | - | 1.31 | 1.20 | - | - | - | - | - | - |
| 13 | Other Income | | | | | | | | | | |
| | Sterling and Wilson Renewable Energy Ltd | - | - | 5.53 | 5.18 | - | - | - | - | - | - |
| | Sterling and Wilson Powergen FZE | - | - | - | 0.06 | - | - | - | - | - | - |
| | Sterling and Wilson International FZE | - | - | - | 467.52 | - | - | - | - | - | - |
| 14 | Advances received from customer | | | | | | | | | | |
| | Shapoorji Pallonji and Company Private Limited | 8.71 | 0.40 | - | - | - | - | - | - | - | - |



Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 15 | Interest income | | | | | | | | | | |
| | Sterling and Wilson International FZE | - | - | 65.77 | 67.26 | - | - | - | - | - | - |
| | Sterling and Wilson Middle East WLL | - | - | 29.13 | 34.98 | - | - | - | - | - | - |
| | Sterling and Wilson International Solar FZCO | - | - | - | 1.89 | - | - | - | - | - | - |
| | Transstel Utilities UK | - | - | - | - | - | - | 0.83 | 0.75 | - | - |
| | GCC Australia Pty. Ltd. | - | - | 0.99 | 0.94 | - | - | - | - | - | - |
| | Sterling & Wilson Nigeria Ltd. | - | - | 0.05 | 0.04 | - | - | - | - | - | - |
| 16 | Interest expenses | | | | | | | | | | |
| | Sterling and Wilson International FZE | - | - | - | 77.17 | - | - | - | - | - | - |
| | Ms Kainaz Daruvala | - | - | - | - | - | - | - | 1.66 | - | - |
| | Fahad Homi Urwalla | - | - | - | - | - | - | - | 0.01 | - | - |
| | Mrs. Zarine Y Daruvala | - | - | - | - | - | - | 1.24 | 0.81 | - | - |
| | Jehan K. Daruvala | - | - | - | - | - | - | - | 1.22 | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | - | 17.36 | - | - | - | - | - | - |
| | Eureka Forbes Ltd. | - | - | - | 0.02 | - | - | - | - | - | - |
| 17 | Revt expenses | | | | | | | | | | |
| | Reage Consultants Private Limited | - | - | 0.39 | 0.66 | - | - | - | - | - | - |
| | Transstel Utilities Private Limited | - | - | - | - | - | - | 7.54 | 7.54 | - | - |
| | Dejays Infotech Pvt Ltd | - | - | - | - | - | - | 0.24 | 0.24 | - | - |
| 18 | Reimbursement of expenses | | | | | | | | | | |
| | Sterling and Wilson Renewable Energy Ltd | - | - | 0.40 | 4.31 | - | - | - | - | - | - |
| | Sterling and Wilson Powergen FZE | - | - | 1.91 | 0.01 | - | - | - | - | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

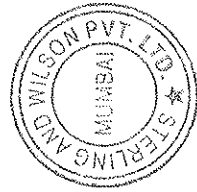
for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 19 | Other Expenses | | | | | | | | | | |
| | Sterling and Wilson Powergen FZE | - | - | - | 0.03 | - | - | - | - | - | - |
| | Sterling Wilson Saudi Arabia Ltd. | - | - | - | 0.09 | - | - | - | - | - | - |
| 20 | Trade receivables * | | | | | | | | | | |
| | Sharoorji Pallonji and Company Private Limited | 10.22 | 24.40 | - | - | - | - | - | - | - | - |
| | Global Infra FZCO | - | - | 2.12 | 2.50 | - | - | - | - | - | - |
| | Sharoorji Pallonji Mid East LLC | - | - | 43.30 | 44.19 | - | - | - | - | - | - |
| | Relationship Properties Private Limited | - | - | 0.12 | 0.08 | - | - | - | - | - | - |
| | Sharoorji Pallonji Nigeria Ltd | - | - | 0.84 | 1.24 | - | - | - | - | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | 0.19 | - | - | - | - | - | - | - |
| | Sterling and Wilson Jindun Consortium | - | - | 37.57 | 64.75 | - | - | - | - | - | - |
| | Sharoorji Pallonji Lanka (Pvt) Ltd | - | - | - | 0.34 | - | - | - | - | - | - |
| | Sterling and Wilson Nigeria FZE | - | - | 0.51 | 2.06 | - | - | - | - | - | - |
| 21 | Advances to supplier | | | | | | | | | | |
| | Sterling Generators Private Limited | - | - | 2.05 | 1.82 | - | - | - | - | - | - |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 0.26 | - | - | - | - | - | - | - |
| | Fervol International Service Ltd. | - | - | 0.03 | - | - | - | - | - | - | - |
| | SP Fabricators Private Limited | - | - | 0.23 | - | - | - | - | - | - | - |
| | Sharoorji Pallonji and Company Private Limited | 0.60 | - | - | - | - | - | - | - | - | - |
| 22 | Interest receivable | | | | | | | | | | |
| | Sterling and Wilson International FZE | - | - | 446.32 | 420.66 | - | - | - | - | - | - |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 9.07 | 9.07 | - | - | - | - | - | - |
| | Transstel Utilities UK | - | - | - | - | - | - | 2.47 | 1.61 | - | - |
| | GCO Pvt Ltd | - | - | 2.76 | 1.82 | - | - | - | - | - | - |
| | Sterling & Wilson Nigeria Ltd. | - | - | 0.83 | 0.71 | - | - | - | - | - | - |
| | Sterling and Wilson Middle East WLL(Qatar) | - | - | 30.58 | 21.86 | - | - | - | - | - | - |



Notes to the standalone financial statements (Continued)

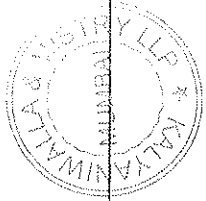
for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|---|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 23 | Gross amount due from customer | | | | | | | | | | |
| | Shanoorji Pallonji and Company Private Limited | 5.70 | 18.45 | - | - | - | - | - | - | - | - |
| | Global Infra FZCO | - | - | - | 0.31 | - | - | - | - | - | - |
| | Sterling and Wilson Jindun Consortium Relationship Properties Private Limited | - | - | 26.38 | 38.71 | - | - | - | - | - | - |
| | | - | - | - | 0.00 | - | - | - | - | - | - |
| 24 | Gross amount due to customer | | | | | | | | | | |
| | Shanoorji Pallonji and Company Private Limited | 2.74 | 5.26 | - | - | - | - | - | - | - | - |
| 25 | Recoverable expenses | | | | | | | | | | |
| | Sterling and Wilson Security Systems Private Limited | - | - | 1.53 | 1.94 | - | - | - | - | - | - |
| | Sterling and Wilson Saudi Arabia Limited | - | - | 1.53 | 1.41 | - | - | - | - | - | - |
| | Sterling and Wilson Middle East Electromechanical (Bahrain) WLL | - | - | - | 24.68 | - | - | - | - | - | - |
| | Sterling and Wilson Nigeria Limited | - | - | 17.09 | 15.72 | - | - | - | - | - | - |
| | Sterling & Wilson Powergen FZE | - | - | 0.37 | 0.34 | - | - | - | - | - | - |
| | Sterling and Wilson Power Solutions LLC | - | - | 0.15 | 0.10 | - | - | - | - | - | - |
| | Sterling and Wilson Middle East WLL | - | - | 1.92 | 1.80 | - | - | - | - | - | - |
| | Sterling and Wilson International FZE | - | - | 9.01 | 1.20 | - | - | - | - | - | - |
| | Sterling and Wilson Nigeria FZE | - | - | 0.49 | - | - | - | - | - | - | - |
| | Sterling and Wilson Nigeria Limited | - | - | 5.61 | 5.13 | - | - | - | - | - | - |
| | Sterling and Wilson International Solar FZCO | - | - | 2.86 | 2.63 | - | - | - | - | - | - |
| | Shashwat Energy Pvt Ltd | - | - | 0.56 | 0.56 | - | - | - | - | - | - |
| | Sterling and Wilson Cogen Solutions UK Branch | - | - | - | 1.82 | - | - | - | - | - | - |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 10.05 | 11.61 | - | - | 12.54 | 12.13 | - | - |
| | Transel Utilities UK | - | - | - | - | - | - | - | - | - | - |
| | Enrich-SWPL JV | - | - | 30.40 | 16.57 | - | - | - | - | - | - |
| | STC Power S.R.L | - | - | 6.01 | 1.33 | - | - | - | - | - | - |
| | Sterling and Wilson Jindun Consortium | - | - | 11.38 | 7.00 | - | - | - | - | - | - |
| | Sterling and Wilson Co-Gen Solution LLC | - | - | 34.38 | 30.08 | - | - | - | - | - | - |
| | Sterling and Wilson Power SYS | - | - | 29.97 | 26.86 | - | - | - | - | - | - |
| 26 | Recovery towards expenses and others | | | | | | | | | | |
| | Sterling and Wilson Nigeria FZE | - | - | 0.49 | - | - | - | - | - | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | 4.69 | 12.36 | - | - | - | - | - | - |
| | Enrich-SWPL JV | - | - | 0.62 | 9.10 | - | - | - | - | - | - |
| | Sterling and Wilson International FZE | - | - | 0.85 | - | - | - | - | - | - | - |
| | STC Power S.R.L | - | - | 4.84 | 1.33 | - | - | - | - | - | - |



Notes to the standalone financial statements (Continued)

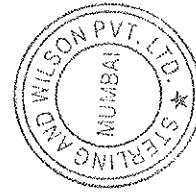
for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|---|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 27 | Interest payable | | | | | | | | | | |
| | Mr Khurshed Y Daruvala | - | - | - | - | - | - | 5.53 | 5.53 | - | - |
| | Ms. Deha K Daruvala | - | - | - | - | - | - | - | 0.06 | - | - |
| | Ms. Kainuz Daruvala | - | - | - | - | - | - | 0.00 | 0.11 | - | - |
| | Farhad Homi Unwalla | - | - | - | - | - | - | - | 0.61 | - | - |
| | Mrs. Zainne Y Daruvala | - | - | - | - | - | - | - | 0.05 | - | - |
| | Jehan K. Daruvala | - | - | - | - | - | - | 0.89 | 0.89 | - | - |
| 28 | Trade payable | | | | | | | | | | |
| | Shanorji Pallonji and Company Private Limited | 39.16 | 39.64 | - | - | - | - | - | - | - | - |
| | Sterling Generators Private Limited | - | - | 16.46 | 28.17 | - | - | - | - | - | - |
| | Sterling and Wilson Renewable Energy Ltd | - | - | 0.79 | 1.36 | - | - | - | - | - | - |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 5.24 | 4.98 | - | - | - | - | - | - |
| | Sterling and Wilson Services Private Limited | - | - | - | - | - | - | - | - | - | - |
| | Sterling Viking Power Private Limited | - | - | - | - | - | - | - | 0.32 | - | - |
| | Delsys Infotech Pvt Ltd | - | - | - | - | - | - | - | 0.04 | - | - |
| | Sterling and Wilson International Solar FZCO | - | - | 12.31 | 12.49 | - | - | - | 11.37 | - | - |
| | Sterling & Wilson Energy Systems Pvt Ltd | - | - | - | - | - | - | - | - | - | - |
| | Formol International Service Ltd. | - | - | 0.09 | 0.02 | - | - | 2.71 | 3.02 | - | - |
| | SP Fabricators Private Limited | - | - | 1.36 | 1.36 | - | - | - | - | - | - |



Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 29 | Short-term borrowings | | | | | | | | | | |
| | Mr Khurshed Y Daruvala | - | - | - | - | - | - | 0.32 | 73.02 | - | - |
| | Mrs. Kainaz K. Daruvala | - | - | - | - | - | - | 2.70 | 11.50 | - | - |
| | Sterling and Wilson Services Private Limited | - | - | - | - | - | - | - | 0.30 | - | - |
| | Mrs. Zarine Y Daruvala | - | - | - | - | - | - | 16.94 | 7.05 | - | - |
| | Farhad Homi Unwalla | - | - | - | - | - | - | - | 0.02 | - | - |
| | Deisys Infotech Pvt Ltd | - | - | - | - | - | - | 147.13 | 284.35 | - | - |
| | Transstel Utilities Private Limited | - | - | - | - | - | - | 2.24 | 23.24 | - | - |
| 30 | Loan Given | | | | | | | | | | |
| | Sterling and Wilson International PZE | - | - | 443.37 | 689.53 | - | - | - | - | - | - |
| | Sterling & Wilson Co-Gen Solutions Pvt Ltd | - | - | 96.22 | 115.57 | - | - | - | - | - | - |
| | Transstel Utilities UK | - | - | - | - | - | - | 8.13 | 7.94 | - | - |
| | GCO Pvt Ltd | - | - | 9.91 | 10.21 | - | - | - | - | - | - |
| | Sterling and Wilson Middle East WLL | - | - | 399.85 | 348.73 | - | - | - | - | - | - |
| 31 | Advance from customer | | | | | | | | | | |
| | Shapoorji Pallonji and Company Private Limited | 26.33 | 28.44 | - | - | - | - | - | - | - | - |
| | Sterling and Wilson Jindun Consortium | - | - | - | 27.20 | - | - | - | - | - | - |
| | Shapoorji Pallonji Mid East LLC | - | - | - | 3.36 | - | - | - | - | - | - |
| | Shapoorji Pallonji Lanka (Pvt) Ltd | - | - | - | 3.27 | - | - | - | - | - | - |



Notes to the standalone financial statements (Continued)

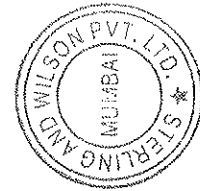
for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|---|-----------------|-----------------|--------------------------------------|---------------------------------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 32 | Rent payable Range Consultants Private Limited Delsys Infotech Pvt Ltd | - | - | 0.00 | 0.06 | - | - | - | - | - | - |
| 33 | Interim dividend (on preference shares and equity shares) Sterling Generators Private Limited | - | - | 1.81 | 2.00 | - | - | - | 0.02 | - | - |
| 34 | Other receivables Sterling Generators Private Limited Sterling and Wilson Renewable Energy Ltd | - | - | 3.26 10.64 | 1.45 | - | - | - | - | - | - |
| 35 | Other Payables Sterling and Wilson Renewable Energy Ltd Shapooji Pallonji Mideast LLC Sterling & Wilson Powergen FZE Sterling Generators PVT Ltd Sterling and Wilson International FZE | - | - | - | 7.92 2.06 10.82 8.98 0.22 | - | - | - | - | - | - |
| 36 | Corporate guarantees outstanding Sterling and Wilson International FZE | - | - | 130.87 | 130.40 | - | - | - | - | - | - |
| 37 | Bank guarantees outstanding STC Power S.R.L | - | - | - | 76.39 | - | - | - | - | - | - |
| 38 | Bank guarantees cancelled STC Power S.R.L | - | - | 76.39 | - | - | - | - | - | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|--------------------|--------------------------------------|--------------------|---------------|--------------------|--|--------------------|--|--------------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 39 | Investment in Joint Ventures Sterling and Wilson Enel X e-Mobility Pvt Ltd | - | - | - | - | - | 4.27 | - | - | - | - |
| 40 | Investment in subsidiaries Sterling & Wilson RDC SAS | - | - | 0.01 | - | - | - | - | - | - | - |
| 41 | Borrowings transferred to Perpetual Loan Shapoorji Pallonji and Company Private Limited Evangeles Ventures Pvt Ltd | - | 277.64 | - | - | - | - | - | - | - | - |
| 42 | Interest payable transferred to Perpetual Loan Shapoorji Pallonji and Company Private Limited | - | 45.94 | - | - | - | - | - | - | - | - |
| 43 | Interest Receivable transferred Sterling and Wilson International FZE Sterling and Wilson International Solar FZCO | - | - | - | 7.81 (7.81) | - | - | - | - | - | - |



Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

48 Related party disclosures (Continued)

48.2 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 | |
|--------|--|-----------------|-----------------|--------------------------------------|-----------------|---------------|-----------------|--|-----------------|--|-----------------|
| | | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) | 2023 | 2022 (Restated) |
| 44 | Amount received against CCPS Mr Khurshed Y Daruvala | - | - | - | - | - | - | 205.00 | - | - | - |
| 45 | Perpetual loan (Refer note 22) | - | - | - | - | - | - | - | - | - | - |
| 46 | Perpetual loan balance Shapoorji Pailonji and Company Private Limited Shashwat Energy Pvt Ltd Evangiles Ventures Pvt Ltd | 173.58 | 323.58 | - | 97.53 | - | - | - | - | - | 634.63 |
| 47 | Payout to CCPS holders pursuant to the Scheme of Arrangement Shapoorji Pailonji And Company Private Limited Sashwat Energy Private Limited Khurshed Y. Daruvala | 46.72 | 46.72 | 11.68 | 11.68 | - | - | 29.32 | - | - | - |
| 48 | Payout to Equity holders pursuant to the Scheme of Arrangement Shapoorji Pailonji And Company Private Limited Khurshed Y. Daruvala Rohina C. Mistry Pailon S. Mistry | 11.38 | 11.38 | - | - | 5.69 | 5.69 | - | - | - | - |
| | | - | - | - | - | 0.04 | 0.04 | - | - | - | - |
| | | - | - | - | - | 0.04 | 0.04 | - | - | - | - |

The transactions with related parties are at arm's length and were in ordinary course of business.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency: Indian rupees in crores)

49 Dues to micro and small suppliers

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

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 117.39 | 23.34 |
| - Interest | 8.80 | 7.55 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | Nil | Nil |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | Nil | Nil |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | 8.80 | 7.55 |
| 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 | 1.26 | 1.10 |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency: Indian rupees in crores)

50 Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

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

| 31 March 2023 | 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 inputs | |
| Financial assets | | | | | | | | |
| Investments in subsidiaries & partnership firm | - | - | 12.97 | 12.97 | - | - | - | - |
| Investments in joint venture | - | - | 4.27 | 4.27 | - | - | - | - |
| Investments in preference instruments | 29.02 | - | - | 29.02 | - | - | 29.02 | 29.02 |
| Investments in equity instruments | 20.10 | - | - | 20.10 | 0.40 | - | 19.70 | 20.10 |
| Investment in mutual funds | 0.32 | - | - | 0.32 | 0.32 | - | - | 0.32 |
| Cash and cash equivalents | - | - | 31.16 | 31.16 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 45.56 | 45.56 | - | - | - | - |
| Loans | - | - | 1,410.71 | 1,410.71 | - | - | - | - |
| Trade receivables | - | - | 1,101.05 | 1,101.05 | - | - | - | - |
| Recoverable expenses and other receivables | - | - | 211.32 | 211.32 | - | - | - | - |
| Deposits | - | - | 26.81 | 26.81 | - | - | - | - |
| | 49.44 | - | 2,843.86 | 2,893.30 | 0.72 | - | 48.72 | 49.44 |
| Financial liabilities | | | | | | | | |
| Long term borrowings | - | - | - | - | - | - | - | - |
| Short term borrowings | - | - | 1,134.66 | 1,134.66 | - | - | - | - |
| Trade payables | - | - | 890.99 | 890.99 | - | - | - | - |
| Lease liabilities | - | - | 24.76 | 24.76 | - | - | - | - |
| Other current financial liabilities | - | - | 199.40 | 199.40 | - | - | - | - |
| | - | - | 2,249.72 | 2,249.72 | - | - | - | - |

| 31 March 2022 (Restated) | 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 inputs | |
| Financial assets | | | | | | | | |
| Investments in subsidiaries & partnership firm | - | - | 12.96 | 12.96 | - | - | - | - |
| Investments in joint venture | - | - | 4.27 | 4.27 | - | - | - | - |
| Investments in preference instruments | 48.49 | - | - | 48.49 | - | - | 48.49 | 48.49 |
| Investments in equity instruments | 29.17 | - | - | 29.17 | 0.47 | - | 28.70 | 29.17 |
| Investment in mutual funds | 0.31 | - | - | 0.31 | 0.31 | - | - | 0.31 |
| Cash and cash equivalents | - | - | 51.51 | 51.51 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 49.86 | 49.86 | - | - | - | - |
| Loans | - | - | 1,595.57 | 1,595.57 | - | - | - | - |
| Trade receivables | - | - | 1,331.52 | 1,331.52 | - | - | - | - |
| Recoverable expenses and other receivables | - | - | 194.21 | 194.21 | - | - | - | - |
| Deposits | - | - | 24.01 | 24.01 | - | - | - | - |
| | 77.97 | - | 3,263.91 | 3,341.88 | 0.78 | - | 77.19 | 77.97 |
| Financial liabilities | | | | | | | | |
| Long term borrowings | - | - | 750.00 | 750.00 | - | - | - | - |
| Short-term borrowings | - | - | 637.26 | 637.26 | - | - | - | - |
| Trade payables | - | - | 1,152.18 | 1,152.18 | - | - | - | - |
| Lease liabilities | - | - | 30.22 | 30.22 | - | - | - | - |
| Other current financial liabilities | - | - | 248.92 | 248.92 | - | - | - | - |
| | - | - | 2,818.58 | 2,818.58 | - | - | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)
for the year ended 31 March 2023

(Currency - Indian rupees in crores)

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

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|--|---|---------------------------------|---|
| Current investments - in mutual funds | The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors | Not applicable | Not applicable |
| Current investments - in equity shares | Quoted prices in the active market | 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 2023 and 31 March 2022 are as shown below:

Description of significant unobservable inputs to valuation:

| Type | Valuation technique | Significant unobservable inputs | Discounting rate | Sensitivity of the input to the fair value |
|---|---|--|---|---|
| Investments in unquoted instruments accounted for as fair value through profit and loss | Discounted cash flow approach. The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate | Average cost of borrowings | 31 March 2023: 16.43% 31 March 2022: 12.85% | 1% (March 2023) 1% increase / (decrease) would result in (decrease) / increase in fair value by (Rs 0.48 crore) / Rs 0.49 crore (March 2022: (Rs 0.83 crore) / Rs 0.86 crore) |
| Investments in unquoted equity instruments accounted for at fair value through profit or loss | 31 March 2023: Discounted Cash Flow approach 31 March 2022: Current Transaction Method(CTM) | 31 March 2023: Discounted Cash Flow approach 31 March 2022: Current Transaction Method(CTM) | 31 March 2023: 12% 31 March 2022: Not Applicable | The valuation has been done on the basis of the "Discounted Cash Flow Approach" which expresses the present value as a function of its future cash earnings capacity. In the previous year, the valuation has been done on the basis of the "Current Transaction Method" based on the valuation report issued in August 2021 for 31 March 2021. 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 26 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 2023

(Currency - Indian rupees in crores)

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

(b) Measurement of fair values (Continued)

Reconciliation of Level 3 Fair Value Measurements:

| | Equity instruments | Preference instruments |
|--|--------------------|------------------------|
| Balance as at 31 March 2021 | 19.91 | 50.46 |
| Add: Purchased during the year | - | - |
| Less: sold during the year | - | - |
| Add/(Less): Change in value of investment in preference shares and equity shares measured at FVTPL | 8.79 | (1.97) |
| Balance as at 31 March 2022 (Restated) | 28.70 | 48.49 |
| Add: Purchased during the year | - | - |
| Less: sold during the year | - | 20.00 |
| Add/(Less): Change in value of investment in preference shares and equity shares measured at FVTPL | (9.00) | 0.53 |
| Balance as at 31 March 2023 | 19.70 | 29.02 |

(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 2023

(Currency : Indian rupees in crores)

50 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 2023 is Rs. 1,101.05 crore (31 March 2022: Rs. 1,331.52 crore) and unbilled receivable as on 31 March 2023 is Rs. 488.74 crore (31 March 2022: Rs. 808.68 crore).

The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in receivables 7.01% (31 March 2022: 5.74%).

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 | Other Financial Assets | Total |
|---|-------------------|----------------------|-------|------------------------|---------|
| Balance as at 31 March 2021(Restated) | 24.19 | - | - | 0.60 | 24.79 |
| Add: Acquired pursuant to Scheme of Arrangement (Refer note 51) | 88.93 | 23.77 | - | - | 112.70 |
| Balance as at 31 March 2021(Restated) | 113.12 | 23.77 | - | 0.60 | 137.49 |
| Provision recognised / (reversed) (net) | 22.54 | 33.53 | 40.00 | - | 96.07 |
| Translation adjustment | - | 1.22 | - | - | 1.22 |
| Balance as at 31 March 2022 (Restated) | 135.66 | 58.52 | 40.00 | 0.60 | 234.78 |
| Provision recognised / (reversed) (net) | 34.06 | (58.52) | - | 0.50 | (23.96) |
| Balance as at 31 March 2023 | 169.72 | - | 40.00 | 1.10 | 210.82 |

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 30.38 crore and Rs. 49.96 crore as at 31 March 2023 and 31 March 2022 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. 51.87 crore and Rs. 51.11 crore as at 31 March 2023 and 31 March 2022 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 2023

(Currency - Indian rupees in crores)

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

(c) Financial risk management *(Continued)*

i. Credit risk *(Continued)*

Derivatives

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

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries and joint ventures. As at 31 March 2023 and 31 March 2022, 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 2023 and 31 March 2022. 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. The Company has made provision for perceived credit risk pertaining to the loans provided.

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 2023

(Currency : Indian rupees in crores)

50 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 2023, the Company had working capital demand loan of Rs. 159.80 crore, current maturities of long term loans of Rs. 748.00 crore, cash credit loan of Rs. 55.70 crore, buyer's credit of Rs. 1.82 crore and loan from related parties of Rs. 169.34 crore including cash and cash equivalents of Rs. 31.16 crore and other bank balances of Rs. 51.87 crore.

As at 31 March 2022, the Company had term loan of Rs. 750.00 crore, current maturities of long term debt of Rs. 14.97 crore, working capital demand loan of Rs. 138.12 crore, cash credit loan of Rs. 76.61 crore, buyer's credit of Rs. 8.06 crore and loan from related parties of Rs. 399.50 crore including cash and cash equivalents of Rs. 51.51 crore and other bank balances of Rs. 51.11 crore.

Exposure to liquidity risk

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

| 31 March 2023 | Carrying amount | Total | Contractual cash flows | | | |
|---|-----------------|--------|------------------------|-----------|-----------|-------------------|
| | | | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Cash credit loans from banks | 55.70 | 55.70 | 55.70 | - | - | - |
| Working capital demand loan | 159.80 | 159.80 | 159.80 | - | - | - |
| Current maturities of long term loan | 748.00 | 748.00 | 748.00 | - | - | - |
| Other short-term borrowings | 169.34 | 169.34 | 169.34 | - | - | - |
| Buyer's credit | 1.82 | 1.82 | 1.82 | - | - | - |
| Trade payables | 890.90 | 890.90 | 890.90 | - | - | - |
| Interest accrued and due | 31.96 | 31.96 | 31.96 | - | - | - |
| Lease liabilities | 24.76 | 30.14 | 8.57 | 9.43 | 10.65 | 1.50 |
| Other current financial liabilities | 56.86 | 56.86 | 56.86 | - | - | - |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

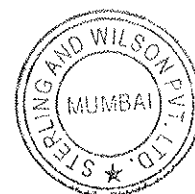
50 Financial instruments – Fair values and risk management (Continued)

(e) Financial risk management (Continued)

ii Liquidity risk (Continued)

| 31 March 2022 (Restated) | Carrying amount | Total | Contractual cash flows | | | |
|---|-----------------|----------|------------------------|-----------|-----------|-------------------|
| | | | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Term loan from banks | 14.97 | 14.97 | 14.97 | - | - | - |
| Cash credit loans from banks | 76.61 | 76.61 | 76.61 | - | - | - |
| Working capital demand loan | 138.12 | 138.12 | 138.12 | - | - | - |
| Term loan from others | 750.00 | 750.00 | 750.00 | - | - | - |
| Other short-term borrowings | 399.50 | 399.50 | 399.50 | - | - | - |
| Buyer's credit | 8.06 | 8.06 | 8.06 | - | - | - |
| Trade payables | 1,152.17 | 1,152.17 | 1,152.17 | - | - | - |
| Interest accrued and due | 30.72 | 30.72 | 30.72 | - | - | - |
| Lease liabilities | 30.21 | 38.71 | 8.57 | 8.57 | 19.46 | 2.11 |
| Other current financial liabilities | 83.33 | 218.20 | 218.20 | - | - | - |

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)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

50 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 2023 and 31 March 2022 are as below:

| | 31 March 2023 | | | | |
|-------------------------------------|---------------|----------------|--------------|---------------|--------------|
| | USD | EUR | GBP | AED | Others * |
| Financial assets | | | | | |
| Trade receivables | 142.14 | - | - | 197.30 | - |
| Cash and Cash Equivalents | - | - | - | 6.72 | - |
| Loan to subsidiaries and others | 89.54 | - | 10.60 | 326.71 | 12.66 |
| Recoverable expenses | 14.41 | 3.53 | 15.02 | 91.98 | - |
| Other receivables | - | - | - | 27.34 | - |
| Exposure to foreign currency assets | 246.09 | 3.53 | 25.62 | 650.05 | 12.66 |
| Financial liabilities | | | | | |
| Trade payables and other payable | 20.78 | 36.76 | 2.18 | 49.96 | 0.08 |
| Exposure to foreign currency | 20.78 | 36.76 | 2.18 | 49.96 | 0.08 |
| Net Exposure | 225.31 | (33.23) | 23.44 | 600.09 | 12.58 |

*others include AUD

| | 31 March 2022 (Restated) | | | | |
|-------------------------------------|--------------------------|---------------|--------------|---------------|--------------|
| | USD | EUR | GBP | AED | Others * |
| Financial assets | | | | | |
| Trade receivables | 138.12 | - | - | 209.32 | - |
| Cash and Cash Equivalents | - | - | - | 2.93 | - |
| Loan to subsidiaries and others | 136.35 | - | 3.81 | 281.44 | 12.03 |
| Recoverable expenses | 10.77 | 0.63 | 12.95 | 103.81 | - |
| Other receivables | - | - | - | 25.15 | - |
| Exposure to foreign currency assets | 285.24 | 0.63 | 16.76 | 622.65 | 12.03 |
| Financial liabilities | | | | | |
| Trade payables and other payable | 40.36 | 3.44 | 1.68 | 66.47 | 0.06 |
| Exposure to foreign currency | 40.36 | 3.44 | 1.68 | 66.47 | 0.06 |
| Net Exposure | 244.88 | (2.81) | 15.08 | 556.18 | 11.97 |

*others include AUD



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

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

(c) Financial risk management (Continued)

iii Market risk (Continued)

(a) Currency Risk (Continued)

Sensitivity analysis

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

| Effect in INR million | 31 March 2023 | | 31 March 2022 (Restated) | |
|-----------------------|----------------|-----------|-----------------------------|-----------|
| | Profit or loss | | Profit or loss | |
| | Strengthening | Weakening | Strengthening | Weakening |
| USD | 11.27 | (11.27) | 20.10 | (20.10) |
| EUR | (1.66) | 1.66 | (0.17) | 0.17 |
| AED | 30.00 | (30.00) | 27.81 | (27.81) |
| GBP | 1.17 | (1.17) | 0.99 | (0.99) |
| Others * | 0.63 | (0.63) | 0.60 | (0.60) |

*others include AUD



Sterling and Wilson Private Limited

Note 5 to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency: Indian rupees in crores)

50 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, loans given and borrowings from financial institutions.

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 16, Note 23, Note 25 and Note 27 of these standalone Ind AS financial statements.

| Particulars | 31 March 2023 | 31 March 2022 (Restated) |
|----------------------------------|-----------------|-----------------------------|
| Fixed rate instruments | | |
| Financial assets | 1,462.58 | 1,646.68 |
| Financial liabilities | (917.34) | (1,149.50) |
| | <u>545.24</u> | <u>497.18</u> |
| Variable rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | (217.32) | (237.76) |
| | <u>(217.32)</u> | <u>(237.76)</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

| INR | Profit or loss | | Equity, net of tax | |
|------------------------------------|-----------------|-----------------|--------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| 31 March 2023 | | | | |
| Variable-rate instruments | (2.17) | 2.17 | (1.41) | 1.41 |
| Cash flow sensitivity (net) | <u>(2.17)</u> | <u>2.17</u> | <u>(1.41)</u> | <u>1.41</u> |

| INR | Profit or loss | | Equity, net of tax | |
|------------------------------------|-----------------|-----------------|--------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| 31 March 2022 (Restated) | | | | |
| Variable-rate instruments | (2.38) | 2.38 | (1.55) | 1.55 |
| Cash flow sensitivity (net) | <u>(2.38)</u> | <u>2.38</u> | <u>(1.55)</u> | <u>1.55</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)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

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

(e) 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. The 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 2023 | 31 March 2022 (Restated) |
|--|---------------|-----------------------------|
| Non-Current Borrowings | - | 750.00 |
| Current Borrowings | 1,134.66 | 637.26 |
| Lease liabilities | 24.76 | 30.22 |
| Gross debt | 1,159.42 | 1,417.48 |
| Less : Cash and cash equivalents | 31.16 | 51.51 |
| Adjusted net debt | 1,128.26 | 1,365.97 |
| Total equity | 1,083.91 | 1,410.72 |
| Adjusted net debt to adjusted equity ratio | 1.04 | 0.97 |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

51 Description of Scheme of Arrangement:

The Board of Directors of the Company at its meeting held on June 06, 2022 had approved the Scheme of Arrangement (the 'Scheme') of Sterling and Wilson Private Limited ("SWPL" or "Transferee Company"/ "The Company") for reorganisation of reserves and reduction of share capital in accordance with Section 66 of the Companies Act, 2013 ("the Act"), and other applicable provisions and rules made thereunder. This Scheme also provides for the merger of Sterling and Wilson Middle East Electromechanical LLC ("Transferor Company") a foreign Limited Liability Company incorporated in the Emirates of Dubai, wholly owned subsidiary with and into the Transferee Company in accordance to the provision of Section 234 read with Section 230 and 232 of the Act. Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 31, 2022.

The Scheme was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated June 26, 2023. The Scheme has become effective on August 2, 2023 with the appointed date as March 31, 2022 post filing the certified copy of the Order with Registrar of Companies, Mumbai. Accordingly, the Board has approved the financial statements after giving effect to the Scheme.

A) REORGANISATION OF RESERVES AND REDUCION OF SHARE CAPITAL OF TRANSFEREE COMPANY IN THE MANNER SET OUT IN THE SCHEME :

- 1) With effect from the Appointed Date, 1,80,25,000 number of Compulsorily Convertible Preference Shares (CCPS) (having face value of INR 1,000 each) of the Company stand extinguished and cancelled through capital reduction proportionate to percentage of such CCPS held by the holders of the CCPS as on the Effective Date, for a consideration of Rs. 11.68 per equity share (as determined on a fully diluted basis), amounting to a total payout of Rs. 87.72 crore.
- 2) With effect from the Appointed Date, 1,46,84,667 number of Equity Shares (having face value of INR 10 each) of the Company (50% of the Equity Shares of the Company as on 28 February 2022) stand extinguished and cancelled through capital reduction proportionate to percentage of such Equity Shares held by the holders of the Equity Shares as on the Effective Date, for a consideration of Rs. 11.68 per equity share, amounting to a total payout of Rs. 17.15 crore.
- 3) With effect from the Appointed Date, the difference between the aggregate of face value of CCPS and Equity Shares so extinguished and cancelled through capital reduction as stated in para 1 and 2 above, on the one hand, and the amount of consideration payable on such extinguishment and cancellation, has been transferred to and recorded as credit to the Capital Reduction Reserve.
- 4) With effect from the Appointed date, such Capital Reduction Reserve shall be utilized for set-off the debit balance in the profit and loss account of the Transferee Company.

Accordingly, the Company has given the following impact as on March 31, 2022

| Particular | (Rs. in crores) | |
|--|------------------|-----------------|
| | Capital Reserves | Reduction |
| Extinguishment and Cancellation of 1,80,25,000 number of CCPS | | 1,802.50 |
| Extinguishment and Cancellation of 1,46,84,667 number of Equity Shares | | 14.69 |
| Total Credited (A) | | 1,817.19 |
| Payout to CCPS holders | | 87.72 |
| Payout to Equity Share holders | | 17.15 |
| Total Debited (B) | | 104.87 |
| Net Credit to Capital Reduction Reserve (A-B) | | 1,712.32 |
| Add : Difference between Assets, Liabilities and Reserves acquired pursuant to the merger [refer note (B) below] | | 0.62 |
| Less – Set-off of accumulated losses of SWMELLC as at March 31, 2022 | | 1,326.38 |
| Adjusted Capital Reduction Reserve | | 386.56 |

B) AMALGAMATION OF THE STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC (SWMELLC) IN TO THE COMPANY

Upon the Scheme becoming effective the amalgamation stated in the Part III of the Scheme is accounted in accordance with Appendix C of Ind AS 103: Business Combination (Accounting for Business Combinations under common control) being common control business combination and the effect was given as required by the Appendix C - Ind AS 103 - Business Combination w.e.f. April 1, 2021 as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual appointed date i.e. March 31, 2022 approved by the NCLT.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

51 Description Of Scheme Of Arrangement: (Contd.)

B) AMALGMATION OF THE STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC (SWMELL.C) IN TO THE COMPANY (Contd.)

Accounting treatment of the Amalgamation of Transferor Company in the books the Company

- 1) All the assets and liabilities of Transferor Company have been recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Company as on the April 1, 2021.
- 2) The identity of the reserves pertaining to the Transferor Company have been preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it has aggregated with the corresponding balance appearing in the financial statements of Transferee Company.
- 3) The investments in shares of the Transferor Company, as appearing, inter alia, in the books of the Transferee Company shall stand cancelled.
- 4) To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect have been given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.
- 5) The surplus / deficit of the value of the assets over the value of liabilities and reserves of the Transferor Company, pursuant to Amalgamation of Transferor Company with and into the Transferee Company, and as recorded in the books of account of the Transferee Company shall, after adjusting for cancellation of inter-company investments and other adjustments for intercompany balances as stated above, be recorded as "Capital Reduction Reserve" in the books of the Transferee Company.
- 6) In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies and the difference till the Appointed Date will be quantified and adjusted in the Capital Reduction Reserve mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 7) Comparative financial information in the financial statements of the Transferee Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

51 Description Of Scheme Of Arrangement: (Contd.)

B) AMALGMATION OF THE STERLING AND WILSON MIDDLE EAST ELECTROMECHANICAL LLC (SWMELLC) IN TO THE COMPANY (Contd.)

Details of assets and liabilities of SWMELLC added to the opening balances of the Company (i.e., 1 April 2021) and consequential adjustment to Capital Redemption Reserve:

| Particulars | (Rs in crores) 1 April 2021 |
|--|--------------------------------|
| I. ASSETS | |
| Non-current assets | |
| Property, Plant and Equipment | 1.19 |
| Financial assets : | |
| Investments | 0.24 |
| Loans | 41.19 |
| Total non current assets (A) | <u>42.62</u> |
| Current assets | |
| Financial assets : | |
| Trade receivables (net of provision of Rs. 88.93 crore) | 163.08 |
| Cash and cash equivalents | 3.33 |
| Bank balances other than cash and cash equivalents | 0.13 |
| Loans | 253.87 |
| Other financial assets | 62.09 |
| (b) Other current assets | 48.60 |
| Total current assets (B) | <u>531.10</u> |
| TOTAL ASSETS (A+B) | <u>573.72</u> |
| II. OTHER EQUITY AND LIABILITIES | |
| Other equity | |
| Foregin Currency Translation Reserve | (1.68) |
| Legal reserve | 0.93 |
| Retained earnings | (22.81) |
| Total equity (C) | <u>(23.56)</u> |
| Liabilities | |
| Non current liabilities | |
| Borrowings | |
| Related party | 313.60 |
| Provisions | 5.15 |
| Total non current liabilities (D) | <u>318.75</u> |
| Current liabilities | |
| (a) Financial liabilities | |
| Borrowings | |
| Third party | 8.76 |
| Trade payables | 91.97 |
| Other financial liabilities | |
| Related party | 156.42 |
| Other current liabilities | 20.76 |
| Total current liabilities (E) | <u>277.91</u> |
| Total liabilities (D+E) | <u>596.66</u> |
| TOTAL EQUITY AND LIABILITIES (C+D+E) | <u>573.10</u> |
| Net Assets adjusted against Capital Reduction Reserve | <u>0.62</u> |



Sterling and Wilson Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in crores)

52 Transfer of MEP business by a related party as per the Business Transfer Agreement (BTA) :

On 20 May 2022, Sterling and Wilson Middle East Electromechanical LLC (SWMELLC) and the related party, Sterling and Wilson International FZE (SWIFZE) entered into a BTA agreement to transfer MEP business of SWIFZE to SWMELLC as part of restructuring of its businesses with effect from the appointed date, 28 February 2022. As a result, all assets, liabilities and accumulated losses related to MEP business as at the appointed date were transferred to SWMELLC at their respective carrying value. Management has determined the carrying value represents a reasonable approximation of fair value and as such no adjustments to the carrying value was considered necessary. This transfer being transaction between common control entities, the assets and liabilities are recorded at existing carrying values (refer accounting policy 3.20 for Business Combination).

Identifiable assets, liabilities and accumulated losses transferred by a related party :

The following table summarises the appointed date carrying value of class of assets, liabilities and accumulated lossess transferred by SWIFZE to the SWMELLC

| | (Rs. in crores) |
|--|----------------------------|
| | As at February 28, 2022 |
| a) Assets transferred: | |
| - Due from subsidiaries | 3.22 |
| - Due from related parties | 64.40 |
| b) Liabilities transferred: | |
| - Due to related party | (0.02) |
| c) Shareholder's funds transferred: | |
| - Accumulated losses | 1,629.76 |
| - Due to earstwhile Shareholder | (1,663.91) |
| Total net identifiable assets, liabilities and shareholder's fund transferred by related party, SWIFZE -(A) | 33.45 |
| In lieu of the above transfer of assets, liabilities and accumulated losses related to MEP business as at the appointed date, SWMELLC has transferred following identifiable assets and liabilities to SWIFZE: | |
| a) Assets transferred: | |
| - Loans receivable from third parties | 42.48 |
| b) Liabilities transferred: | |
| - Loans payable to third parties | (9.03) |
| Net assets and liabilities transferred by SWMELLC - (B) | 33.45 |
| Gain or loss arising on transfer of MEP business (A-B) | - |



Sterling and Wilson Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

53 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. Out of three projects in Madhya Pradesh, one project could not come up due to problems in land acquisition. As on the balance sheet date the value of trade receivables, unbilled receivables and advance related to the balance two projects in Madhya Pradesh aggregates Rs. 85.03 crore (previous year Rs 94.04 crore).

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 the two projects in Madhya Pradesh, restraining Skypower Group to alienate, transfer and/or sell the said assets, pending commencement of arbitration proceedings with the Seat of Arbitration in Singapore. The Delhi High Court has, vide its order dated 22 June 2020 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 one of the Madhya Pradesh project, there was a dispute 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 had appealed in Supreme Court & even there, verdict was in favour of the Developer.

Based on above case status and discussions with the Developers, their legal Counsel and the favorable orders passed by various Courts in similar cases including finally in Supreme Court, 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.

54 Trade Receivables Ageing as on 31 March 2023

| Particulars | Outstanding for following periods from the date of transaction | | | | | | Total |
|--|--|--------------------|-------------------|--------------|---------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables | | | | | | | |
| Considered good | 234.68 | 400.89 | 87.06 | 88.69 | 103.32 | 137.19 | 1,051.83 |
| Considered good which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | 168.33 | 168.33 |
| Disputed trade receivables | | | | | | | |
| Considered good | 4.82 | 0.73 | 0.94 | 0.61 | 0.04 | 42.08 | 49.22 |
| Considered good which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | 1.39 | 1.39 |
| Total | 239.50 | 401.62 | 88.00 | 89.30 | 103.36 | 348.99 | 1,270.77 |
| Less: Allowance for expected credit loss | - | - | - | - | - | (169.72) | (169.72) |
| Total | 239.50 | 401.62 | 88.00 | 89.30 | 103.36 | 179.27 | 1,101.05 |

Trade Receivables Ageing as on 31 March 2022 (Restated)

| Particulars | Outstanding for following periods from the date of transaction | | | | | | Total |
|--|--|--------------------|-------------------|---------------|---------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables | | | | | | | |
| Considered good | 176.31 | 536.78 | 111.89 | 214.81 | 198.60 | 93.13 | 1,331.52 |
| Considered good which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | 112.61 | 23.06 | 135.67 |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Considered good which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| Total | 176.31 | 536.78 | 111.89 | 214.81 | 311.21 | 116.19 | 1,467.19 |
| Less: Allowance for expected credit loss | - | - | - | - | (112.61) | (23.06) | (135.67) |
| Total | 176.31 | 536.78 | 111.89 | 214.81 | 198.60 | 93.13 | 1,331.52 |



Sterling and Wilson Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(Currency - Indian rupees in crores)

- 55 Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. During the year there are no exceptional items in the statement of profit and loss account. In the previous year items included in the statement of profit and loss are impairment loss pertaining to the loan to subsidiaries Sterling and Wilson Co-Gen Solutions Private Limited Rs. 25 crore and Sterling and Wilson Middle East WLL Rs. 15 crore.

56 Trade Payables Ageing as on 31 March 2023

| Particulars | Outstanding for following periods from the date of transaction | | | | | | Total |
|---|--|------------------|--------------|--------------|-----------|-------------------|---------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | 102.07 | 10.26 | 2.67 | 1.47 | - | 0.86 | 117.33 |
| Others | 568.92 | 128.40 | 24.34 | 15.39 | - | 36.10 | 773.15 |
| Disputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | 0.05 | - | - | - | - | - | 0.05 |
| Others | 0.05 | - | 0.24 | 0.08 | - | - | 0.37 |
| Total | 671.09 | 138.66 | 27.25 | 16.94 | - | 36.96 | 890.90 |

Trade Payables Ageing as on 31 March 2022 (Restated)

| Particulars | Outstanding for following periods from the date of transaction | | | | | | Total |
|---|--|------------------|--------------|--------------|--------------|-------------------|-----------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | 8.34 | 11.43 | 2.57 | 0.95 | - | 0.06 | 23.34 |
| Others | 778.18 | 170.00 | 42.08 | 48.28 | 31.36 | 58.94 | 1,128.83 |
| Disputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | 786.52 | 181.42 | 44.64 | 49.23 | 31.36 | 59.00 | 1,152.17 |

57 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The company is not declared a willful defaulter by any bank or financial Institution or other lender.
- (vii) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

- 58 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

- 59 The Board of Directors of the Company have not recommended any dividend for the financial year ended 31 March 2023.



Sterling and Wilson Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(Currency: Indian rupees in crores)

60 Delay in repayment of loans:

The following are the delays in repayment of principal and interest during the year ended 31 March 2023:

| Name of lender | Nature of borrowing including debt securities | Amount not paid on due date | Whether principal or interest | No. of days delay or unpaid | Amount | Remarks |
|-------------------|---|-----------------------------|-------------------------------|-----------------------------|--------|---|
| ICICI bank | Term loan instalment | 7.50 | Principal | 3 | 7.50 | Principal amount due on 22-April 2022, recovery done on 25-April 2022 |
| ICICI bank | Term loan interest | 0.11 | Interest | 1 | 0.11 | |
| IndusInd Bank Ltd | Cash credit/Working capital demand loan | | | 2 | - | Technical default. There was no default on the part of the company |
| RBL Bank Ltd | Working capital | 0.09 | Interest | 2 | 0.09 | |
| ICICI bank | Working capital demand loan | 2.85 | Principal | 11 | 2.85 | |
| IndusInd Bank Ltd | Cash credit/Working capital demand loan | | | | - | Technical default. There was no default on the part of the company. |

| 61.1 Type of Borrower | 31 March 2023 | | 31 March 2022 (Restated) | |
|---|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Promoters | - | - | - | - |
| Directors | - | - | - | - |
| Key managerial personnel | - | - | - | - |
| Related parties (without specifying any terms or period of repayment) | - | - | - | - |
| Related parties (Repayable on Demand) | 1,449.46 | 99.92 | 1,627.71 | 99.52 |

61.2 There are no ultimate beneficiary transactions during the year.

61.3 Comparison of returns submitted to bank vis-à-vis books of accounts

The Company has been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below:

| Quarter ended | Amount as per books of account | Amount as reported in the quarterly return/statement | Amount of difference | Whether return/statement subsequently rectified |
|---------------|--------------------------------|--|----------------------|---|
| Q1 | 280.15 | 288.8 | (8.66) | No |
| Q2 | 462.22 | 462.74 | (0.52) | No |
| Q3 | 423.54 | 423.54 | - | No |
| Q4 | 366.74 | 366.45 | 0.28 | No |

62 TRANSFER PRICING

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2022. Management believes that the Company's international transactions with related parties post 31 March 2022 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.



Sterling and Wilson Private Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2023

63 Disclosure of Ratios

| Ratio | Numerator | Denominator | 31 March 2023 | 31 March 2022 (Restated) | % Variation | Reason for variation |
|--|---|---|---------------|-----------------------------|----------------|--|
| Current Ratio (in times) | Current Assets | Current Liabilities | 1.30 | 1.70 | (23.34)% | |
| Debt-Equity Ratio | Total Debt | Total Equity (Including Non Controlling Interest) | 1.05 | 0.98 | 7.14% | |
| Debt Service Coverage Ratio | Earning for Debt Service | Debt service | (0.45) | 0.14 | (421.43)% | On account of losses incurred and decrease in loan repayments. |
| Return on Equity Ratio (in %) | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | (44.85)% | 7.06% | (735.27)% | On account of losses incurred in the current year because of reduction in turnover and margins. |
| Trade Receivables turnover ratio | Revenue from operations | Average Debtors | 1.13 | 1.52 | (25.66)% | On account of reduction in revenue from operations. |
| Trade payables turnover ratio (in times) | Expenses | Average Trade Payables | 1.52 | 1.52 | 0.59% | |
| Net capital turnover ratio | Revenue from operations | Average Working Capital | 1.68 | 1.19 | 41.08% | Change in working capital (decrease) is on account of decrease in loan to subsidiaries, increase in current borrowings (reclassification of loan from Reliance Ventures Pvt Ltd) and decrease in vendor payables. Revenue from operations has also fallen. |
| Net profit ratio | Net Profit after tax | Net Sales | (40.88)% | 5.64% | (824.82)% | On account of decrease in revenue from operations and reduction in margin on jobs. |
| Return on Capital employed (in %) | Earning before interest and taxes | Capital Employed | (17.55)% | 10.42% | (268.43)% | On account of reduction in net worth due to losses incurred and reduction in borrowings on account of repayments and conversion of loans to CCPS. |
| Return on Investment (in %) | Income generated from invested funds | Average invested funds in investments | (32.00)% | 69.00% | 115.38% | Due to impairment of Monjin Interviews Pvt Ltd. |

64 Previous period figures have been re-grouped / re-classified pursuant to the Scheme of Arrangement (refer note 51), wherever necessary.

