

Limited review report on unaudited quarterly consolidated financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To the Board of Directors of
Sterling and Wilson Solar Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Sterling and Wilson Solar Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 June 2020 ("the Statement"), attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Morocco, Namibia, Philippines, Vietnam and Zambia, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes results of the following entities:

Name of the Entity	Relationship
Sterling & Wilson – Waaree Private Limited	Wholly owned subsidiary
Esterlina Solar Engineers Private Limited	Wholly owned subsidiary
Sterling and Wilson International Solar FZCO	Wholly owned subsidiary
Sterling and Wilson Singapore Pte. Ltd.	Wholly owned subsidiary
Sterling and Wilson Kazakhstan LLP	Wholly owned subsidiary
Sterling and Wilson International LLP	Wholly owned subsidiary
Sterling and Wilson Solar Solutions Inc	Wholly owned subsidiary
Sterling and Wilson Solar Solutions LLC	Wholly owned subsidiary
Sterling and Wilson Brasil Servicos Ltda (upto 26 August 2019)	Wholly owned subsidiary



Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly consolidated financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

4. The Statement includes results of the following entities: (Continued)

Name of the Entity	Relationship
Sterling and Wilson (Thailand) Limited	Wholly owned subsidiary
Sterling and Wilson Saudi Arabia Limited	Wholly owned subsidiary
Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. 16 April 2019)	Wholly owned subsidiary
Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. 4 June 2019)	Subsidiary
Sterling Wilson-SPCPL-Chint Moroccan Venture	Subsidiary
Sterling and Wilson Middle East Solar Energy LLC	Subsidiary
GCO Solar Pty Ltd. (formerly known as GCO Electrical Pty Ltd.)	Subsidiary
Sterling and Wilson Engineering (Pty) Ltd	Subsidiary
Renovable Energia Contracting S.L.	Subsidiary
Sterling and Wilson Solar LLC	Subsidiary

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Basis for Qualified Conclusion

6. We draw attention to the following matters:
- (i) note 5 to the unaudited consolidated financial results relating to extension in repayment period of outstanding inter-corporate deposits of Rs 1,765.02 crores (including interest accrued thereon of Rs 173.56 crores) that were outstanding as on 30 September 2019 made to fellow subsidiaries by the Group from the 90 days period from the date of listing as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of the Parent's shares by the Selling Shareholders. The Group has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Group has submitted its replies or is in the process thereof. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Group. Although the Group has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Group in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

The Selling Shareholders have facilitated repayment of Rs 1,485.44 crores from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the revised schedule approved by the Board of Directors.




Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly consolidated financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Basis for Qualified Conclusion

As per the revised repayment schedule approved by the Board of Directors in 2019, instalment of Rs 500.00 crores was due in the quarter ended 30 June 2020 which had remained unpaid till 30 June 2020. The Group has received a payment of Rs 87.38 crores from 1 July 2020 to 15 September 2020 and the balance of inter-corporate deposits outstanding (including interest accrued upto 30 June 2020) as at 15 September 2020 aggregate to Rs 538.77 crores.

The Parent has obtained partial security and efforts are being made to obtain security for the remaining amount after obtaining necessary approvals and the repayment timelines have been extended till September 2021. In view of the steps taken/being taken by the Parent as discussed in the said note, management believes that no provision towards expected credit losses is required as at 30 June 2020. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment of inter-corporate deposits in the earlier quarters and default in repayment of instalments due in the current quarter in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits by the borrowers; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the unaudited consolidated financial results of the Group for the quarter.

- (ii) the following qualification included in the review report on the unaudited consolidated financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Parent, for the quarter ended 30 June 2020 issued by the independent auditors vide their report dated 15 September 2020 is reproduced by us as under:

The unaudited consolidated financial results of the overseas subsidiary of the Parent includes a loan due from a related party in the amount of AED 305,181,699 (net) equivalent to Rs 624.87 crores (net), which was repayable on demand. The overseas subsidiary has, during the current year, demanded that the loan to be repaid together with interest accrued and unpaid (up to date of repayment) no later than 30 September 2020. The Board of the overseas subsidiary has received a request from the ultimate promoters of the related party to extend the repayment timeline, in lieu of obtaining security to cover the amount outstanding and also levy penal interest. Considering the steps proposed to be taken by the overseas subsidiary, the management of the overseas subsidiary believes that no provision for expected credit losses is required as at 30 June 2020. In view of the uncertainty, we were unable to determine whether any adjustment on account of expected credit losses to the amount of loan due from the related party were necessary.



Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly consolidated financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Qualified Conclusion

7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 8 below, except for the effects of the matters described in the *Basis for Qualified Conclusion* section above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

8. We did not review the interim financial information of 14 branches included in the unaudited standalone interim financial information of the entities included in the Group, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs 188.71 crores, total net profit after tax (before consolidation adjustments) of Rs 31.59 crores and total comprehensive income (before consolidation adjustments) of Rs 20.42 crores for the quarter ended 30 June 2020, as considered in the respective unaudited standalone interim financial information of the entities included in the Group. The interim financial information of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in paragraph 3 above.

We did not review the interim financial information of nine subsidiaries included in the Statement, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs 1,242.20 crores, total net profit after tax (before consolidation adjustments) of Rs 58.08 crores and total comprehensive income (before consolidation adjustments) of Rs 36.76 crores for the quarter ended 30 June 2020, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Certain of these branches and subsidiaries referred to above are located outside India whose interim financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been reviewed by the branch auditors and other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial information of such branches and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches and subsidiaries located outside India is based on the report of such branch auditors and other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion on the Statement is not modified in respect of the above matters.



Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly consolidated financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Other Matters (Continued)


9. The Statement includes the interim financial information of six subsidiaries which have not been reviewed, whose interim financial information reflect total revenue (before consolidation adjustments) of Rs Nil crores, total net (loss) after tax (before consolidation adjustments) of Rs 0.39 crores and total comprehensive (loss) (before consolidation adjustments) of Rs 0.49 crores for the quarter ended 30 June 2020, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

Mumbai
15 September 2020



For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022


Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAFO9900

STERLING & WILSON

Sterling and Wilson Solar Limited

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

Statement Of Unaudited Consolidated Financial Results For The Quarter Ended June 30, 2020

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 7)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
1	Income				
	Revenue from operations	1,067.90	2,060.63	1,244.95	5,575.29
	Other income	31.48	59.87	64.39	303.49
	Total Income	1,099.38	2,120.50	1,309.34	5,878.78
2	Expenses				
	Cost of construction materials, stores and spare parts	635.75	1,396.63	672.35	3,589.30
	Direct project costs	317.93	410.82	389.10	1,270.99
	Employee benefits expense	49.68	69.34	48.32	240.27
	Finance costs	24.63	30.93	50.81	194.93
	Depreciation and amortisation expense	3.89	3.43	3.14	14.23
	Other expenses	47.96	50.25	69.15	170.56
	Total expenses	1,079.84	1,961.40	1,232.87	5,480.28
3	Profit before tax	19.54	159.10	76.47	398.50
4	Tax expense				
	- Current tax	1.19	40.60	31.23	98.51
	- Current tax relating to earlier period	-	0.24	-	(0.04)
	- Deferred tax charge/ (credit)	1.13	(10.33)	(0.77)	(4.24)
5	Profit for the period / year	17.22	128.59	46.01	304.27
6	Other comprehensive income for the period / year				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit liability	(0.46)	(2.80)	(0.13)	(3.25)
	- Income tax relating to items that will not be reclassified to profit or loss	0.11	0.34	0.04	0.46
	Items that will be reclassified to profit or loss				
	- Exchange differences in translating financial statements of foreign operations	0.84	36.14	(0.18)	49.71
	- Effective portion of (losses) on hedging instruments in cash flow hedges	(63.41)	-	-	-
	- Income tax relating to items that will be reclassified to profit or loss	11.87	-	-	-
	Other comprehensive (loss) / income for the period / year (net of tax)	(51.05)	33.68	(0.27)	46.92
7	Total comprehensive (loss) / income for the period / year	(33.83)	162.27	45.74	351.19
8	Profit / (loss) for the period / year attributable to:				
	- Owners of the Company	16.42	132.28	48.14	310.06
	- Non-controlling interests	0.80	(3.69)	(2.13)	(5.79)
9	Other comprehensive (loss) / income for the period / year (net of tax) attributable to:				
	- Owners of the Company	(50.37)	32.28	(0.18)	46.01
	- Non-controlling interests	(0.68)	1.40	(0.09)	0.91
10	Total comprehensive (loss) / income for the period / year attributable to:				
	- Owners of the Company	(33.95)	164.56	47.96	356.07
	- Non-controlling interests	0.12	(2.29)	(2.22)	(4.88)
11	Paid-up equity share capital (face value ₹ 1/-)	16.04	16.04	16.04	16.04
12	Other equity				1,064.92
13	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)				
	(a) Basic	1.02	8.25	3.00	19.33
	(b) Diluted	1.02	8.25	3.00	19.33
	See accompanying notes to the unaudited consolidated financial results				



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Sterling and Wilson Solar Limited

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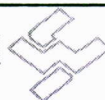
Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

Unaudited Consolidated Segment-Wise Revenue, Assets, Liabilities and Capital Employed for the Quarter Ended June 30, 2020

(₹ in crore)

Particulars	For the quarter ended			Year ended
	30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 7)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
Segment Revenue				
Solar EPC business	1,004.44	2,012.53	1,208.99	5,391.28
Operation and maintenance service	63.46	51.84	35.81	183.54
Total	1,067.90	2,064.37	1,244.80	5,574.82
Other operating income	-	(3.74)	0.15	0.47
Revenue from operations	1,067.90	2,060.63	1,244.95	5,575.29
Segment Results				
Solar EPC business	83.45	252.91	163.33	657.28
Operation and maintenance service	30.38	35.48	20.02	88.73
Total	113.83	288.39	183.35	746.01
Add: Unallocable income	30.03	7.27	64.54	255.09
Less: Unallocable expenditure	(124.32)	(136.56)	(171.42)	(602.60)
Total profit before tax	19.54	159.10	76.47	398.50
Segment Assets				
Solar EPC business	2,655.80	2,898.68	3,025.29	2,898.68
Operation and maintenance service	129.61	116.79	66.52	116.79
Unallocated	2,072.11	2,019.01	3,339.31	2,019.01
Total	4,857.52	5,034.48	6,431.12	5,034.48
Segment Liabilities				
Solar EPC business	2,335.43	2,528.75	2,423.77	2,528.75
Operation and maintenance service	74.20	24.07	37.94	24.07
Unallocated	1,409.15	1,409.05	3,088.89	1,409.05
Total	3,818.78	3,961.87	5,550.60	3,961.87
Capital Employed (Segment Assets - Segment Liabilities)				
Solar EPC business	320.37	369.93	601.52	369.93
Operation and maintenance service	55.41	92.72	28.58	92.72
Unallocated	662.96	609.96	250.42	609.96
Total	1,038.74	1,072.61	880.52	1,072.61



STERLING & WILSON**Sterling and Wilson Solar Limited**

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

Statement Of Unaudited Consolidated Financial Results For The Quarter Ended June 30, 2020**Notes :**

- The above unaudited consolidated financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on September 15, 2020. These unaudited consolidated financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The above unaudited consolidated financial results have been subjected to "limited review" by the statutory auditors of the Parent Company. There are qualifications in the review report for the quarter ended June 30, 2020.
- Financial results of Sterling and Wilson Solar Limited (Standalone information):

Particulars	For the quarter ended			(₹ in crore)
	30-Jun-20	31-Mar-20 (Refer Note 7)	30-Jun-19	31-Mar-20
Total Income	653.89	1,633.81	1,281.78	4,900.33
(Loss) / Profit before tax	(16.79)	228.68	66.12	424.43
(Loss) / Profit for the period / year	(13.35)	178.39	36.00	311.44

- The Group is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Solar Power projects. The Parent Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Solar EPC business and Solar Operation and maintenance service. Accordingly, the Group has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:
 - Engineering, Procurement and Construction (Solar EPC) business; and
 - Operation and maintenance service.

The financial information of these segments has been provided in the unaudited consolidated financials results as per Ind AS 108.

- The Red Herring Prospectus dated 29 July 2019 stated that Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala ("Selling Shareholders") shall use a portion of net offer proceeds towards funding full repayment of the outstanding inter-corporate deposits/loans payable by two fellow subsidiaries to the Group within a period of 90 days from the date of listing of equity shares i.e. by 18 November 2019. The Selling Shareholders pursuant to their letter dated 14 November 2019 however requested the Board of Directors of the Parent Company to consider a revised payment schedule for the outstanding inter-corporate deposits/loans of Rs. 2,341.53 crore (net) (including interest thereon of Rs. 249.37 crore) as at 30 September 2019 with additional interest of 50 basis points per annum.

The Board of Directors in their meeting held on 31 December 2019 had considered the revised payment schedule of the outstanding inter-corporate deposits/loans of Rs 1,650.84 crore (net) (including accrued interest thereon of Rs. 115.53 crore) as at that date, in three quarterly instalments of Rs. 500.00 crore by 31 March 2020, Rs. 500.00 crore by 30 June 2020 and balance amount by 30 September 2020 (which would include further accruals of interest beyond 31 December 2019). The Selling Shareholders have already facilitated the repayment of inter-corporate deposits/loans amounting to Rs 1,512.24 crore by the fellow subsidiaries to the Parent Company and its subsidiary, from the date of listing i.e. 20 August 2019 till 30 June 2020. The inter-corporate deposits/loans (including interest accrued) outstanding as at 30 June 2020 aggregate to Rs 1,251.03 crore (net) (including an amount outstanding of overseas subsidiary amounting to Rs 624.87 crore (net)). Further, the Selling Shareholders has facilitated a repayment of Rs 103.47 crores (including a repayment of Rs 16.09 crore at overseas subsidiary) from 1 July 2020 to 15 September 2020. The current outstanding for the June instalment is Rs. 396.53 crore for which the Selling Shareholders have provided immovable properties as a securities worth about Rs. 460 crore. The promoters have offered further securities of Rs. 740 crore to cover the September 2020 instalment, which needs to be perfected after obtaining necessary approvals, making the total security package of Rs. 1,200 crore.

Considering the current economic slowdown and the challenges which the promoter group are facing due to their business being significantly impacted by COVID, the Board of Directors has also taken a decision to extend the repayment timelines till September 2021 and levy additional interest spread of 400 basis points over and above the average borrowing rate. In view of the steps taken/being taken by the Parent Company, management believes that no provision towards expected credit losses is required as at 30 June 2020.

The Parent Company has also responded/ is in the process of responding to queries (including from Shareholders, SEBI and ROC)/media reports. The Parent Company, based on independent opinions from legal experts, has determined that there is no non-compliance with any provisions of the Companies Act, 2013 and/or SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 by the Parent Company, in respect of this transaction.



STERLING & WILSON

Sterling and Wilson Solar Limited

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.



Statement Of Unaudited Consolidated Financial Results For The Quarter Ended June 30, 2020

Notes : (Continued)

- 6 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. During the quarter, the construction activities at various sites in India and outside India were stalled as per the directives issued by various regulatory authorities. Subsequently, the construction activities have resumed at various sites gradually in a phased manner based on the directives issued by regulatory authorities and by ensuring compliance with preventive measures in terms of various guidelines issued by such regulatory authorities.

The Parent believes that the current level of operations are temporary in nature and therefore this may not result in any significant financial impact on the Group. The management has considered internal and external sources up to the date of approval of these unaudited consolidated financial results, in assessing the assets, liquidity, financial position and operations of the Group including impact on estimated cost to be incurred towards projects under execution and believes that carrying value of all assets are fully recoverable.

Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may differ from those estimated as on the date of approval of these unaudited consolidated financial results, and this will continue to be monitored in future periods.
- 7 The figures for the quarter ended March 31, 2020 are the balancing figure between audited figures in respect of full financial year and the unaudited published year to date figures up to the third quarter of the financial year ended March 31, 2020.
- 8 The Board of Directors of the Parent Company at their meeting held on 16 March 2020 has approved the "Scheme of Arrangement" ("the Scheme") for merger of the Sterling & Wilson - Warree Private Limited ("SWWPL") with the Parent Company subject to obtaining necessary approvals from the applicable statutory authorities. Subsequently, the Parent Company has completed e-filing of the application for the said Scheme with National Company Law Tribunal ("NCLT") on 5 August 2020 and is awaiting admission of the application by NCLT.
- 9 The results of the Group are available for investors at www.sterlingandwilsonsolar.com, www.nseindia.com and www.bseindia.com.

BY ORDER OF THE BOARD OF DIRECTORS

For Sterling and Wilson Solar Limited



Mr. Khurshed Daruvala

Chairman

DIN: 00216905

Date : September 15, 2020

Place : Mumbai



Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
Sterling and Wilson Solar Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Sterling and Wilson Solar Limited ('the Company') for the quarter ended 30 June 2020 ('the Statement'), attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Namibia, Philippines, Vietnam and Zambia.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Basis for Qualified Conclusion

5. We draw attention to note 4 to the unaudited standalone financial results relating to extension in repayment period of outstanding inter-corporate deposits of Rs 1,727.18 crores (including interest accrued thereon of Rs 170.82 crores) that were outstanding as on 30 September 2019 made to a fellow subsidiary by the Company from the 90 days period from the date of listing as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of the Company's shares by the Selling Shareholders. The Company has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Company has submitted its replies or is in the process thereof. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Company. Although the Company has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Company in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

B S R & Co. is partnership firm with Registration No. SA01623 converted into
B S R & Co. LLP (a Limited Liability Partnership) with LLP Registration No. AAB81511
with effect from October 14, 2013.

Registered Office:
14th Floor, Central Wing, Tower 4, Nesco Center,
Western Express Highway, Goregaon (East), Mumbai - 400 063



Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Basis for Qualified Conclusion (Continued)

The Selling Shareholders have facilitated repayment of Rs 1,457.62 crores from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the revised schedule approved by the Board of Directors.

As per the revised repayment schedule approved by the Board of Directors in 2019, an instalment was due in the quarter ended 30 June 2020 which had remained unpaid till 30 June 2020. The Company has received a payment of Rs 87.38 crores from 1 July 2020 to 15 September 2020 and the balance of inter-corporate deposits outstanding (including interest accrued upto 30 June 2020) as at 15 September 2020 aggregate to Rs 526.89 crores.

The Company has obtained partial security and efforts are being made to obtain security for the remaining amount after obtaining necessary approvals and the repayment timelines have been extended till September 2021. In view of the steps taken/being taken by the Company as discussed in the said note, management believes that no provision towards expected credit losses is required as at 30 June 2020. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment of inter-corporate deposits in the earlier quarters and default in repayment of instalments due in the current quarter in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits by the borrowers; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the unaudited standalone financial results of the Company for the quarter.

Qualified Conclusion

6. Based on our review conducted as above and based on the consideration of the review reports of the branch auditors referred to in paragraph 7 below, except for the effects of the matters described in the *Basis for Qualified Conclusion* section above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

7. We did not review the interim financial information of 13 branches included in the unaudited standalone financial results of the Company, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs 188.71 crores, total net profit after tax (before consolidation adjustments) of Rs 27.28 crores and total comprehensive income (before consolidation adjustments) of Rs 19.25 crores for the quarter ended 30 June 2020, as considered in the unaudited standalone financial results of the Company. The interim financial information of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in paragraph 3 above.



Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Other Matters (Continued)

Certain of these branches referred to above are located outside India whose interim financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been reviewed by the branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the interim financial information of such branches located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches located outside India is based on the report of such branch auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our conclusion on the Statement is not modified in respect of the above matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Mumbai
15 September 2020

Aniruddha Godbole
Partner

Membership No: 105149
UDIN: 20105149AAAAFN2352

STERLING & WILSON



Sterling and Wilson Solar Limited

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

Statement Of Unaudited Standalone Financial Results For The Quarter Ended June 30, 2020

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 5)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
1	Income				
	Revenue from operations	623.16	1,474.86	1,222.86	4,535.10
	Other income	30.73	158.95	58.92	365.23
	Total Income	653.89	1,633.81	1,281.78	4,900.33
2	Expenses				
	Cost of construction materials, stores and spare parts	390.34	1,094.31	657.34	2,718.91
	Purchase of stock-in-trade	0.62	(3.45)	60.52	408.99
	Direct project costs	183.15	205.19	377.81	920.88
	Employee benefits expense	26.28	45.64	27.86	138.37
	Finance costs	18.70	18.47	32.13	146.18
	Depreciation and amortisation expense	1.86	1.39	1.01	6.32
	Other expenses	49.73	43.58	58.99	136.25
	Total expenses	670.68	1,405.13	1,215.66	4,475.90
3	(Loss) / profit before tax	(16.79)	228.68	66.12	424.43
4	Tax expense				
	- Current tax	-	53.64	30.79	109.95
	- Current tax relating to earlier period	-	-	-	(0.28)
	- Deferred tax (credit) / charge	(3.44)	(3.35)	(0.67)	3.32
5	(Loss) / profit for the period / year	(13.35)	178.39	36.00	311.44
6	Other comprehensive income for the period / year				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit liability	(0.46)	(1.37)	(0.13)	(1.82)
	- Income tax relating to items that will not to reclassified to profit or loss	0.11	0.34	0.05	0.46
	Items that will be reclassified to profit or loss				
	- Exchange differences in translating financial statements of foreign operations	3.23	8.96	0.01	14.84
	- Effective portion of (losses) on hedging instruments in cash flow hedges	(47.17)	-	-	-
	- Income tax relating to items that will be reclassified to profit or loss	11.87	-	-	-
	Other comprehensive (loss) / income for the period / year (net of tax)	(32.42)	7.93	(0.07)	13.48
7	Total comprehensive (loss)/ income for the period / year	(45.77)	186.32	35.93	324.92
8	Paid-up equity share capital (face value ₹ 1/-)	16.04	16.04	16.04	16.04
9	Other equity				645.19
10	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)				
	(a) Basic	(0.83)	11.12	2.25	19.42
	(b) Diluted	(0.83)	11.12	2.25	19.42
	See accompanying notes to the unaudited standalone financial results				



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Sterling and Wilson Solar Limited

CIN:U74999MH2017PLC292281

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Unaudited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter Ended June 30, 2020

Particulars	For the quarter ended			(₹ in crore)
	30-Jun-20	31-Mar-20	30-Jun-19	Year ended
	(Unaudited)	(Audited) (Refer Note 5)	(Unaudited)	31-Mar-20 (Audited)
Segment Revenue				
Solar EPC business	564.58	1,424.68	1,192.12	4,365.44
Operation and maintenance service	58.58	50.18	30.74	169.62
Total	623.16	1,474.86	1,222.86	4,535.06
Other operating income	-	0.00	-	0.04
Revenue from operations	623.16	1,474.86	1,222.86	4,535.10
Segment Results				
Solar EPC business	24.36	199.28	110.40	466.83
Operation and maintenance service	24.33	11.42	16.80	51.34
Total	48.69	210.70	127.20	518.17
Add: Unallocable income	29.28	111.76	58.92	318.09
Less: Unallocable expenditure	(94.76)	(93.78)	(120.00)	(411.83)
Total (loss) / profit before tax	(16.79)	228.68	66.12	424.43
Segment Assets				
Solar EPC business	1,739.43	2,041.55	2,572.53	2,041.55
Operation and maintenance service	127.49	116.69	68.82	116.69
Unallocated	1,739.60	1,716.60	2,973.16	1,716.60
Total	3,606.52	3,874.84	5,614.51	3,874.84
Segment Liabilities				
Solar EPC business	2,138.59	2,438.78	3,263.81	2,438.78
Operation and maintenance service	77.34	72.63	24.21	72.63
Unallocated	775.11	702.20	1,851.49	702.20
Total	2,991.04	3,213.61	5,139.51	3,213.61
Capital Employed (Segment Assets - Segment Liabilities)				
Solar EPC business	(399.16)	(397.23)	(691.28)	(397.23)
Operation and maintenance service	50.15	44.06	44.61	44.06
Unallocated	964.49	1,014.40	1,121.67	1,014.40
Total	615.48	661.23	475.00	661.23





Sterling and Wilson Solar Limited

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Statement Of Unaudited Standalone Financial Results For The Quarter Ended June 30, 2020

Notes :

- 1 The Unaudited standalone financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on September 15, 2020. These unaudited standalone financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The above results have been subjected to "limited review" by the statutory auditors of the Company. There are qualifications in the review report for the quarter ended June 30, 2020.
- 3 The Company is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Solar Power projects. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Solar EPC business and Solar Operation and maintenance service. Accordingly, the Company has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:
 - Engineering, Procurement and Construction (Solar EPC) business; and
 - Operation and maintenance service.

The financial information of these segments has been provided in the unaudited standalone financials results as per Ind AS 108.

- 4 The Red Herring Prospectus dated 29 July 2019 stated that Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala ("Selling Shareholders") shall use a portion of net offer proceeds towards funding full repayment of the outstanding inter-corporate deposits payable by a fellow subsidiary to the Company within a period of 90 days from the date of listing of equity shares i.e. by 18 November 2019. The Selling Shareholders pursuant to their letter dated 14 November 2019 however requested the Board of Directors of the Company to consider a revised payment schedule for the outstanding inter-corporate deposits of Rs 1,727.18 crore (including interest thereon of Rs. 170.82 crore) as at 30 September 2019 with additional interest of 50 basis points per annum.

The Board of Directors in their meeting held on 31 December 2019 had considered the revised payment schedule of the outstanding inter-corporate deposits of Rs 1,045.78 crore (including accrued interest thereon of Rs. 49.92 crore) as at that date, in three quarterly installments by 31 March 2020, by 30 June 2020 and balance amount by 30 September 2020 (which would include further accruals of interest beyond 31 December 2019). The Selling Shareholders have already facilitated the repayment of inter-corporate deposits amounting to Rs 1,457.62 crore by the fellow subsidiary to the Company, from the date of listing i.e. 20 August 2019 till 30 June 2020. The inter-corporate deposits outstanding (including interest accrued) as at 30 June 2020 aggregate to Rs 614.27 crore. Further, the Selling Shareholders has facilitated a repayment of Rs 87.38 crores (including interest) from 1 July 2020 to 15 September 2020. The current outstanding for the June instalment is Rs. 396.53 crore (after considering repayment at Group level) for which the Selling Shareholders have provided immovable properties as a securities worth about Rs. 460 crore. The promoters have offered further securities of Rs. 740 crore to cover the September 2020 instalment, which needs to be perfected after obtaining necessary approvals, making the total security package of Rs. 1,200 crore.

Considering the current economic slowdown and the challenges which the promoter group are facing due to their business being significantly impacted by COVID, the Board of Directors has also taken a decision to extend the repayment timelines till September 2021 and levy additional interest spread of 400 basis points over and above the average borrowing rate. In view of the steps taken/being taken by the Company, management believes that no provision towards expected credit losses is required as at 30 June 2020.



STERLING & WILSON



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Statement Of Unaudited Standalone Financial Results For The Quarter Ended June 30, 2020

Notes : (Continued)

- 4 The Company has also responded/ is in the process of responding to queries (including from Shareholders, SEBI and ROC)/media reports. The Company, based on independent opinions from legal experts, has determined that there is no non-compliance with any provisions of the Companies Act, 2013 and/or SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 by the Company, in respect of this transaction.
- 5 The figures for the quarter ended March 31, 2020 are the balancing figure between audited figures in respect of full financial year and the unaudited published year to date figures up to the third quarter of the financial year ended March 31, 2020.
- 6 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. During the quarter, the construction activities at various sites in India and outside India were stalled as per the directives issued by various regulatory authorities. Subsequently, the construction activities have resumed at various sites gradually in a phased manner based on the directives issued by regulatory authorities and by ensuring compliance with preventive measures in terms of various guidelines issued by such regulatory authorities.

The Company believes that the current level of operations are temporary in nature and therefore this may not result in any significant financial impact on the Company. The management has considered internal and external sources up to the date of approval of these unaudited standalone financial results, in assessing the assets, liquidity, financial position and operations of the Company including impact on estimated cost to be incurred towards projects under execution and believes that carrying value of all assets are completely recoverable.

Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may differ from those estimated as on the date of approval of these unaudited standalone financial results, and this will continue to be monitored in future periods.
- 7 The Board of Directors of the Company at their meeting held on 16 March 2020 has approved the "Scheme of Arrangement" ('the Scheme') for merger of the Sterling & Wilson - Warree Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals from the applicable statutory authorities. Subsequently, the Company has completed e-filing of the application for the said Scheme with National Company Law Tribunal ('NCLT') on 5 August 2020 and is awaiting admission of the application by NCLT.
- 8 The results of the Company are available for investors at www.sterlingandwilsonsolar.com, www.nseindia.com and www.bseindia.com.

BY ORDER OF THE BOARD OF DIRECTORS
For Sterling and Wilson Solar Limited

Mr. Khurshed Daruvala
Chairman
DIN: 00216905

Date : September 15, 2020
Place : Mumbai

