

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditors' Report

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

#### Report on the audit of the Consolidated Annual Financial Results

#### Qualified Opinion

We have audited the accompanying consolidated annual financial results of Sterling and Wilson Solar Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as listed in Annexure I, for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 other auditors on separate / consolidated audited financial results of the subsidiaries, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities listed in Annexure I;
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

#### Basis for Qualified Opinion

We draw attention to:

- (i) note 5 to the consolidated annual financial results relating to outstanding inter-corporate deposits and loans of Rs. 397.55 crores and Rs 487.70 crores (net) respectively (including interest accrued on inter-corporate deposits of Rs. Nil crores and on loans of Rs Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of Rs 1,765.02 crores (including interest accrued thereon of Rs 173.56 crores) and loans of Rs 576.51 crores (net) (including interest accrued thereon of Rs 75.81 crores) that were outstanding as on 30 September 2019 made to fellow subsidiaries by the Group which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Holding Company's shares by the Selling Shareholders. The Board of Directors of the Holding Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the respective entities of the Group.

Registered Office:

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

#### **Basis for Qualified Opinion (Continued)**

The Holding 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 and loans by the Selling Shareholders on which the Holding Company has submitted its replies. 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 Holding Company. Although the Holding 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 Group in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

The Group has obtained partial security for the outstanding amount as at the year- end and has obtained balance security towards the outstanding amount subsequent to the year-end. In view of the steps taken/being taken by the Holding Company and its overseas subsidiary as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. 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 by borrowers of inter- corporate deposits and loans in the earlier quarters and default in repayment of instalments of inter- corporate deposits and loans due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits and loans 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 consolidated annual financial results of the Group for the year ended 31 March 2021.

- (ii) the following qualification included in the audit report on the consolidated annual financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 is reproduced by us as under:

The consolidated annual financial results of the overseas subsidiary of the Holding Company include a loan from a related party in the amount of AED 244,662,085 (net) equivalent to Rs 487.70 crores (net), which was repayable on demand. 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. Accordingly, the Board of the overseas subsidiary had taken a decision to extend the repayment timelines till September 2021 and levy additional penal interest. Further, on behalf of the overseas subsidiary, the Holding Company in India has obtained security against immovable property for the aforesaid amount due to the overseas subsidiary and subsequent to the reporting date, the overseas subsidiary has obtained additional security by assignment of certain project receivables. Considering the steps taken/being taken by the overseas subsidiary, the management believes that no provision for expected credit losses is required as at 31 March 2021. 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 uncertainty relating to timing of repayment of the outstanding balance we are unable to quantify the impact of adjustments that may arise from non-measurement of expected credit losses on the consolidated financial results of the overseas subsidiary for the year ended 31 March 2021.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

#### **Basis for Qualified Opinion (Continued)**

- (iii) As more fully explained in note 9 to the consolidated annual financial results, the Holding Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Holding Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Holding Company, management believes that the current expected credit loss provision of Rs 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Holding Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the consolidated annual financial results, if any.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 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 obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated annual financial results.

#### **Emphasis of matter**

We draw attention to:

- (i) note 6 to the consolidated annual financial results, which explains the management's assessment of going concern assumption and its assertion that based on best estimates made by it, the Holding Company and the Group will continue as a going concern and will be able to discharge its liabilities and realise its assets, for the foreseeable future, despite the factors which continue to evolve and is therefore highly dependent on future circumstances.
- (ii) the audit report on the consolidated annual financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 includes an emphasis of matter which is reproduced by us as under:

we draw attention to note 7 and 8 to the consolidated annual financial results which describes the uncertainty related to the outcome of the contractual exchanges with two customers and claim levied by a subcontractor.

Our opinion is not modified in respect of the above matters.

## **Independent Auditors' Report (*Continued*)**

### **Sterling and Wilson Solar Limited**

#### **Management's and Board of Directors'/ Designated Partners Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies / Designated Partners of the Partnership Firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company / partnership firm and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies/ Designated Partners of the Partnership Firm included in the Group is responsible for overseeing the financial reporting process of each company / partnership firm.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

#### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated annual financial results, 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 through a separate report on the complete set of consolidated financial statements on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such other entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

#### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)**

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- (a) The consolidated annual financial results include the audited financial results of 10 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs 2,684.93 crores as at 31 March 2021, total revenue (before consolidation adjustments) of Rs 2,746.66 crores and total net (loss) after tax (before consolidation adjustments) of Rs 151.75 crores, and net cash outflows of Rs 177.74 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial results of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of these subsidiaries 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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The consolidated annual financial results include the unaudited financial results of six subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 13.95 crores as at 31 March 2021, total revenue (before consolidation adjustments) of Rs. Nil crores and total net (loss) after tax (before consolidation adjustments) of Rs. 8.59 crores, and net cash outflows of Rs 2.16 crores for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial information have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such annual unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

**Independent Auditors' Report (Continued)**  
**Sterling and Wilson Solar Limited**

**Other Matters (Continued)**

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.

- (c) The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For BSR & Co. LLP**

*Chartered Accountants*

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

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SHREEKANT  
GODBOLE

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**Aniruddha Godbole**

*Partner*

Membership No: 105149

UDIN: 21105149AAAADZ9046

Mumbai  
29 June 2021

## Independent Auditors' Report (*Continued*)

### Sterling and Wilson Solar Limited

#### Annexure I

List of entities consolidated as at 31 March 2021:

Name of the Entity	Relationship
Sterling & Wilson – Waaree Private Limited (merged with the Holding Company w.e.f. 1 April 2020)	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 (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
GCO Solar Pty Ltd. ( <i>formerly known as GCO Electrical Pty Ltd.</i> )	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
Sterling and Wilson Engineering (Pty) Ltd	Subsidiary
Sterling and Wilson Solar Spain S.L. ( <i>formerly known as Renovable Energia Contracting S.L.</i> )	Subsidiary
Sterling and Wilson Solar LLC	Subsidiary



# STERLING & WILSON



## Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

### Statement Of audited Consolidated Financial Results For The Quarter And Year Ended March 31, 2021

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended	
		31-Mar-21 (Audited) Refer Note 10	31-Dec-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 10	31-Mar-21 (Audited)	31-Mar-20 (Audited)
1	<b>Income</b>					
	Revenue from operations	1,364.54	1,311.73	2,060.63	5,080.80	5,575.29
	Other income	51.79	35.91	59.87	158.49	303.49
	<b>Total Income</b>	<b>1,416.33</b>	<b>1,347.64</b>	<b>2,120.50</b>	<b>5,239.29</b>	<b>5,878.78</b>
2	<b>Expenses</b>					
	Cost of construction materials, stores and spare parts	1,069.27	605.06	1,396.63	3,069.10	3,589.30
	Direct project costs	536.43	612.93	410.82	1,928.35	1,270.99
	Employee benefits expense	55.42	49.73	69.34	208.48	240.27
	Finance costs	22.93	23.11	30.93	93.09	194.93
	Depreciation and amortisation expense	5.01	3.88	3.43	16.51	14.23
	Other expenses	127.73	29.57	50.25	263.80	170.56
	<b>Total expenses</b>	<b>1,816.79</b>	<b>1,324.28</b>	<b>1,961.40</b>	<b>5,579.33</b>	<b>5,480.28</b>
3	<b>(Loss) / Profit before tax</b>	<b>(400.46)</b>	<b>23.36</b>	<b>159.10</b>	<b>(340.04)</b>	<b>398.50</b>
4	<b>Tax expense</b>					
	- Current tax	(6.09)	3.94	40.60	1.88	98.51
	- Current tax relating to earlier period / year	9.52	(0.00)	0.24	9.63	(0.04)
	- Deferred tax (credit) / charge	(59.09)	(3.03)	(10.33)	(61.51)	(4.24)
5	<b>(Loss) / Profit for the period / year</b>	<b>(344.80)</b>	<b>22.45</b>	<b>128.59</b>	<b>(290.04)</b>	<b>304.27</b>
6	<b>Other comprehensive income for the period / year</b>					
	Items that will not be reclassified to profit or loss					
	- Remeasurements of defined benefit liability	1.95	(0.46)	(2.80)	0.58	(3.25)
	- Income tax relating to items that will not be reclassified to profit or loss	(0.41)	0.11	0.34	(0.07)	0.46
	Items that will be reclassified to profit or loss					
	- Effective portion of gain / (losses) on hedging instruments in cash flow hedges	9.29	(104.06)	-	(159.95)	-
	- Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss	63.10	-	-	63.10	-
	- Income tax relating to items that will be reclassified to profit or loss	(11.27)	15.56	-	22.77	-
	- Exchange differences in translating financial statements of foreign operations	(10.72)	(24.95)	36.14	(51.21)	49.71
	<b>Other comprehensive income for the period / year (net of tax) (net of tax)</b>	<b>51.94</b>	<b>(113.80)</b>	<b>33.68</b>	<b>(124.78)</b>	<b>46.92</b>
7	<b>Total comprehensive (loss) / income for the period / year</b>	<b>(292.86)</b>	<b>(91.35)</b>	<b>162.27</b>	<b>(414.82)</b>	<b>351.19</b>
8	<b>(Loss) / Profit for the period / year attributable to:</b>					
	- Owners of the Company	(346.85)	21.63	132.28	(285.38)	310.06
	- Non-controlling interests	2.05	0.82	(3.69)	(4.66)	(5.79)
9	<b>Other comprehensive income for the period / year (net of tax) attributable to:</b>					
	- Owners of the Company	51.91	(113.36)	32.28	(122.80)	46.01
	- Non-controlling interests	0.03	(0.44)	1.40	(1.98)	0.91
10	<b>Total comprehensive (loss) / income for the period / year attributable to:</b>					
	- Owners of the Company	(294.94)	(91.73)	164.56	(408.18)	356.07
	- Non-controlling interests	2.08	0.38	(2.29)	(6.64)	(4.88)
11	Paid-up equity share capital (face value ₹ 1/-)	16.04	16.04	16.04	16.04	16.04
12	Other equity				645.84	1,064.92
13	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)					
	(a) Basic	(21.63)	1.35	8.25	(17.80)	19.33
	(b) Diluted	(21.63)	1.35	8.25	(17.80)	19.33
	See accompanying notes to the audited consolidated financial results					

# STERLING & WILSON

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

## Audited Consolidated Statement Of Assets And Liabilities As At March 31, 2021

(₹ in crore)

Particulars	As at	
	31-Mar-21 (Audited)	31-Mar-20 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	28.29	29.38
(b) Capital work-in-progress	0.07	3.26
(c) Right-of-use assets	9.67	10.32
(d) Goodwill	-	3.36
(e) Other intangible assets	8.38	2.43
(f) Intangible assets under development	0.32	0.32
(g) Financial Assets		
(i) Loans	0.77	1.44
(ii) Other financial assets	5.17	-
(h) Deferred tax assets, net	120.58	36.37
(i) Other income tax assets (net)	36.60	0.14
(j) Other non-current assets	14.45	3.81
<b>Total non-current assets</b>	<b>224.30</b>	<b>90.83</b>
<b>Current assets</b>		
(a) Inventories	3.09	14.51
(b) Financial Assets		
(i) Investments	-	0.46
(ii) Trade receivables	848.86	2,030.31
(iii) Cash and cash equivalents	219.82	463.28
(iv) Bank balances other than (iii) above	71.13	36.07
(v) Loans	904.57	1,185.32
(vi) Derivatives	1.92	-
(vii) Other financial assets	207.89	233.03
(c) Current tax assets (net)	0.88	0.79
(d) Other current assets	1,226.91	979.88
<b>Total current assets</b>	<b>3,485.07</b>	<b>4,943.65</b>
<b>TOTAL ASSETS</b>	<b>3,709.37</b>	<b>5,034.48</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	16.04	16.04
(b) Other Equity	645.84	1,064.92
Total equity attributable to owners of the Company	661.88	1,080.96
(c) Non-controlling interests	(4.10)	(8.36)
<b>Total equity</b>	<b>657.78</b>	<b>1,072.60</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	0.00	0.00
(ii) Lease liabilities	9.11	6.79
(b) Provisions	26.12	13.61
<b>Total non-current liabilities</b>	<b>35.23</b>	<b>20.40</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	468.35	1,224.04
(ii) Lease liabilities	1.57	3.21
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	83.74	39.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,772.99	2,181.25
(iv) Derivatives	98.68	6.23
(v) Other financial liabilities	68.08	96.98
(b) Other current liabilities	356.48	253.39
(c) Provisions	152.88	113.67
(d) Current tax liabilities, net	13.59	22.82
<b>Total current liabilities</b>	<b>3,016.36</b>	<b>3,941.48</b>
<b>Total liabilities</b>	<b>3,051.59</b>	<b>3,961.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,709.37</b>	<b>5,034.48</b>

# STERLING & WILSON



## Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

### Audited Consolidated Statement Of Cash flows For The Year Ended March 31, 2021

(₹ in crore)

Particulars	For The Year Ended	
	31-Mar-21 (Audited)	31-Mar-20 (Audited)
<b>Cash flows from operating activities</b>		
<b>(Loss) / Profit before tax</b>	(340.04)	398.50
<i>Adjustments for:</i>		
Depreciation and amortisation expense	16.51	14.23
Expected credit loss on financial assets	29.77	7.52
Bad debts written off	0.32	3.64
Write back of provision for bad and doubtful debts	(2.08)	(5.80)
Supplier balances/ liabilities written back	(5.49)	(1.66)
Loans and advances written off	2.33	-
Loss / (Profit) on sale of property, plant and equipments (net)	0.26	(0.06)
Property, plant and equipment written off	1.52	-
Provision for liquidated damages	63.04	-
Provision for foreseeable losses	13.19	-
Other provisions	11.00	-
Profit on sale of mutual funds	-	(0.30)
Impairment of goodwill	3.36	-
Finance costs	93.09	194.93
Interest income	(131.87)	(224.11)
Provision for mark-to-market (gain) / loss on derivative instruments (net)	(0.09)	6.23
Unrealised foreign exchange loss (net)	33.66	16.54
Liabilities no longer required written back	(10.29)	(34.84)
<b>Operating (loss) / profit before working capital changes</b>	<b>(221.81)</b>	<b>374.82</b>
<i>Working capital adjustments:</i>		
Decrease / (increase) in inventories	11.42	(1.36)
Decrease / (increase) in trade receivables	1,130.95	(98.79)
Decrease / (increase) in loans and advances	9.22	(10.33)
(Increase) in other financial assets and derivative assets	(87.69)	(27.67)
(Increase) in other current assets	(250.58)	(223.13)
(Increase) / decrease in restricted cash	(2.19)	6.36
(Decrease) / increase in trade payable, derivatives, other financial liabilities, other liabilities and provisions	(316.82)	398.37
(Increase) in other non-current assets	(10.64)	(1.36)
<b>Net change in working capital</b>	<b>483.67</b>	<b>42.08</b>
<b>Cash flows generated from operating activities</b>	<b>261.86</b>	<b>416.90</b>
Income tax (paid) (net)	(60.88)	(128.27)
Effects of exchange differences on translation of assets and liabilities	-	49.11
<b>Net cash flows generated from operating activities</b>	<b>200.98</b>	<b>337.74</b>
<b>Cash flows from investing activities</b>		
(Purchase) of property, plant and equipment, capital work in progress and intangible assets	(16.45)	(17.54)
(Investment) in short term fixed deposits (net)	(33.65)	(8.66)
(Investment) in long term fixed deposits	(4.39)	-
Proceeds from sale of property, plant and equipment	0.59	2.35
(Investment) in mutual funds / treasury bills	0.19	(190.00)
Proceeds from redemption of mutual funds	0.27	190.03
Interest received	244.13	264.40
Inter-corporate deposits/loans given to fellow subsidiaries	-	(503.73)
Inter-corporate deposits/loans repaid by fellow subsidiaries	218.52	1,279.78
Acquisition of subsidiary	-	(3.15)
<b>Net cash flows generated from investing activities</b>	<b>409.21</b>	<b>1,013.49</b>
<b>Cash flows from financing activities</b>		
Proceeds from cash credit borrowings (net)	77.18	20.61
(Repayment) of secured and unsecured short-term borrowings (net)	(832.88)	(1,024.35)
Finance costs paid	(92.81)	(188.23)
Dividend and dividend distribution tax paid	-	(116.11)
Repayment of lease liabilities	(4.74)	(5.20)
<b>Net cash flows (used in) financing activities</b>	<b>(853.25)</b>	<b>(1,313.29)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(243.06)</b>	<b>37.93</b>
Cash and cash equivalents - Opening balance	463.28	420.77
Net movement in currency translation	(0.40)	4.58
<b>Cash and cash equivalents - Closing balance</b>	<b>219.82</b>	<b>463.28</b>

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

CIN:L74999MH2017PLC292281

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

**Audited Consolidated Statement Of Cash flows For The Year Ended March 31, 2021 (Continued)**

(₹ in crore)

Particulars	For the Year ended	
	31-Mar-21 (Audited)	31-Mar-20 (Audited)
<b>Reconciliation of cash and cash equivalents as per the Consolidated Statement of Cash Flows</b>		
Cash and cash equivalents as per the above comprise of the following:		
Cash and cash equivalents as per the Consolidated Balance Sheet	219.82	463.28
Less: Bank overdrafts repayable on demand	-	-
<b>Cash and cash equivalents as per the Consolidated Statement of Cash Flows</b>	<b>219.82</b>	<b>463.28</b>

**STERLING & WILSON**

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Audited Consolidated Segment-Wise Revenue, Assets, Liabilities And Capital Employed For The Quarter And Year Ended March 31, 2021**

(₹ in crore)

Particulars	For the quarter ended			Year ended	
	31-Mar-21 (Audited) Refer Note 10	31-Dec-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 10	31-Mar-21 (Audited)	31-Mar-20 (Audited)
<b>Segment Revenue</b>					
Solar EPC business	1,291.63	1,250.91	2,012.53	4,825.75	5,391.28
Operation and maintenance service	71.83	58.94	51.84	252.07	183.54
<b>Total</b>	<b>1,363.46</b>	<b>1,309.85</b>	<b>2,064.37</b>	<b>5,077.82</b>	<b>5,574.82</b>
Other operating income	1.08	1.88	(3.74)	2.98	0.47
<b>Revenue from operations</b>	<b>1,364.54</b>	<b>1,311.73</b>	<b>2,060.63</b>	<b>5,080.80</b>	<b>5,575.29</b>
<b>Segment Results</b>					
Solar EPC business	(316.52)	68.07	252.91	(81.52)	657.28
Operation and maintenance service	33.32	19.84	35.48	99.79	88.73
<b>Total</b>	<b>(283.20)</b>	<b>87.91</b>	<b>288.39</b>	<b>18.27</b>	<b>746.01</b>
Add: Unallocable income	34.84	35.15	7.27	136.60	255.09
Less: Unallocable expenditure	(152.10)	(99.70)	(136.56)	(494.91)	(602.60)
<b>Total (loss) / profit before tax</b>	<b>(400.46)</b>	<b>23.36</b>	<b>159.10</b>	<b>(340.04)</b>	<b>398.50</b>
<b>Segment Assets</b>					
Solar EPC business	1,887.96	2,030.73	2,898.68	1,887.96	2,898.68
Operation and maintenance service	150.39	139.42	116.79	150.39	116.79
Unallocated	1,671.02	2,085.95	2,019.01	1,671.02	2,019.01
<b>Total</b>	<b>3,709.37</b>	<b>4,256.10</b>	<b>5,034.48</b>	<b>3,709.37</b>	<b>5,034.48</b>
<b>Segment Liabilities</b>					
Solar EPC business	2,358.01	2,116.32	2,528.76	2,358.01	2,528.76
Operation and maintenance service	53.84	78.87	24.07	53.84	24.07
Unallocated	639.74	1,110.19	1,409.05	639.74	1,409.05
<b>Total</b>	<b>3,051.59</b>	<b>3,305.38</b>	<b>3,961.88</b>	<b>3,051.59</b>	<b>3,961.88</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>					
Solar EPC business	(470.05)	(85.59)	369.92	(470.05)	369.92
Operation and maintenance service	96.55	60.55	92.72	96.55	92.72
Unallocated	1,031.28	975.76	609.96	1,031.28	609.96
<b>Total</b>	<b>657.78</b>	<b>950.72</b>	<b>1,072.60</b>	<b>657.78</b>	<b>1,072.60</b>

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CIN:L74999MH2017PLC292281

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

**Statement Of Audited Consolidated Financial Results For The Quarter And Year Ended March 31, 2021****Notes :**

- The above audited 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 June 29, 2021. These audited 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 Statutory auditors have carried out audit of consolidated financials results for the year ended 31 March 2021.
- Financial results of Sterling and Wilson Solar Limited ('the Holding Company') (Standalone information):

(₹ in crore)

Particulars	For the quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
Total Income	1,348.16	825.98	1,635.20	3,330.12	4,908.51
(Loss)/ Profit before tax	(134.77)	37.44	229.68	(142.67)	431.48
(Loss)/ Profit for the period / year	(98.60)	25.41	179.14	(111.44)	316.70

- The Group 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 and Solar Operation and maintenance service based on analysis of various performance indicators viz. Profit after tax. Accordingly, the Group has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:
  - Engineering, Procurement and Construction (Solar EPC); and
  - Operation and maintenance service.

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

- The Red Herring Prospectus dated 29 July 2019 stated that the 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 fellow subsidiaries to the Holding Company and its subsidiary company by 18 November 2019. The Selling Shareholders pursuant to their letter dated 14 November 2019, however, requested the Board of Directors of the Holding Company and its subsidiary 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 installments 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).

Considering the current economic slowdown and the challenges which the selling shareholders (promoter group) are facing due to their business being significantly impacted by COVID-19, the selling shareholders made a further request to extend the time lines for payment of the outstanding of Rs. 1,167.36 (net) (including principal and interest and an amount outstanding of overseas subsidiary amounting to Rs 607.07 crore (net)) as at 30 September 2020 till 30 September 2021. The Board of Directors had taken a decision to extend the repayment timelines till 30 September 2021 and levy additional interest spread of 400 basis points over and above the average interest rate and requested that securities be provided to cover the outstanding inter-corporate deposits / loans. The Selling Shareholders have provided security by way of immovable properties during the year and hypothecation of receivables from certain customers of a fellow subsidiary subsequent to the year-end, amounting to Rs. 460.17 crore and Rs 345.00 crores, respectively, making the total security package of about Rs 805.17 crore, covering the value of outstanding inter-corporate deposits / loans of Rs. 728.55 crore (before accrual of interest post 31 March 2021) as on date.

The Selling Shareholders have already facilitated the repayment of inter-corporate deposits/ loans amounting to Rs 1,959.02 crore by the fellow subsidiaries to the Holding Company and its subsidiary company, from the date of listing i.e. 20 August 2019 till 31 March 2021 and an additional Rs. 156.70 crore from 1 April 2021 till date. In view of the steps taken/being taken by the Holding Company, management believes that no provision towards expected credit losses is required as at 31 March 2021 for inter-corporate deposits / loans outstanding aggregating to Rs 885.25 crore (with all interest upto 31 March 2021 serviced) which, as on date stands reduced to Rs. 728.55 crore (before accrual of interest post 31 March 2021).

The Holding Company has also responded to queries on this matter (including from Shareholders, SEBI, ROC and media reports). The Holding 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 Holding Company, in respect of this matter.

**Statement Of Audited Consolidated Financial Results For The Quarter And Year Ended March 31, 2021****Notes : (Continued)**

- 6 The outbreak of the Coronavirus (COVID-19) pandemic globally continues to cause significant disturbance and slowdown of economic activity. During the year ended 31 March 2021, the construction activities at various sites witnessed a slowdown as per the directives issued by various regulatory authorities which has led to an increased cost of construction (including rise in module and commodity costs) as well as overheads due to extended time. Further, a significant subcontractor in a particular geography filed for bankruptcy causing enhanced replacement costs for a project. All the above has contributed in the Group incurring a loss for the year ended 31 March 2021. Also, during the year Shapoorji Pallonji and Company Private Limited ('the Parent Company'), being in the construction and real estate sector was severely affected due to the COVID-19 pandemic, and had filed for One Time Restructuring ("OTR") under the prescribed guidelines of the Reserve Bank of India. Owing to these factors, the Group had also faced liquidity challenges for part of the year.

The Group continues to have a strong order book, a positive net-worth and favorable net current asset position. The Group's management and the Board of Directors of the Company have also made an assessment, of the Group's ability to continue as a going concern, its projected cash flows for the next 12 months, as well as financing arrangements to fulfil its working capital requirements and necessary capital expenditure. The Parent Company's OTR has also been approved as at 31 March 2021.

The Group has used the principles of prudence in applying judgements, estimates and assumption and based on the current estimates' management has assessed the impact of existing and anticipated impact of COVID-19 on future projected cash-flows. Based on all the above the Management believes that the Group will continue its business in the foreseeable future, so as to be able to realise its assets and discharge its liabilities in the normal course. Accordingly, the audited consolidated financial results of the Group have been prepared on a going concern basis.

- 7 A subsidiary company has received intimation for liquidated damages from two of its customers for an amount of approximately Rs 87.39 crore. The Subsidiary Company has sent its responses refuting such liquidated damages and has sought extension of time due to various circumstances (including but not limited to the impact of the COVID-19 pandemic). Further, the Subsidiary Company has also made a counter claim of Rs 99.63 crore for additional cost incurred mainly due to the impact of the COVID 19 pandemic. Contractual documentation is being exchanged and based on management's best estimate, no provision for liquidated damages is required to be made.
- 8 During the year, a significant subcontractor in a particular geography filed for bankruptcy. The subcontractor has levied a claim on a Subsidiary Company for approximately Rs 92.15 crore which has been refuted by the management. The Subsidiary Company is in the process of levying a counter claim on the subcontractor for an amount of Rs 84.04 crore for noncompliance with contractual obligations. In the opinion of the management, the subcontractor's claim is not tenable and accordingly, based on management's best estimate, no provision is required to be made for the same.
- 9 The Holding Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company ("customer") to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer ("developer"). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018, the National Company Law Tribunal ("NCLT") actions were initiated against the customer group and the Holding Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Holding Company, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Holding Company that they would make the payment if the customer failed to pay. As on date the customer owes the Holding Company Rs 92.45 crore. In addition, an amount of Rs 64.10 crore under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by the Holding Company, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer's bank refused to make the payment to the Holding Company's bank citing prevention against doing the same due to the NCLT order, and the Holding Company had to return the amount back to its bank. During the year ended 31 March 2020, the Holding Company had initiated legal proceedings in both these matters: the matter in respect of the customer / developer which is currently pending with the NCLT and the matter in respect of the customers bank is currently pending with the National Company Law Appellate Tribunal. The Holding Company had sought legal opinions regarding the amount due from the developer as per their assurance letter and from the customer's bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are recoverable. The amount of Rs 92.45 crore and Rs 64.10 crore is shown under the head Trade Receivables and Other Financial Assets, respectively. Basis the aforementioned legal opinions and the management assessment, inspite of being confident of full recovery, considering the expected credit loss requirement of Ind AS 109 "Financial Instruments", the management has recognised the provision to the extent of Rs 31.33 crore (31 March 2020: Rs 21.33 crore) as at 31 March 2021, based on management's best estimate of collection of the aforementioned receivables as at 31 March 2021.
- 10 The figures for the last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years.
- 11 The results of the Group are available for investors at [www.sterlingandwilsonsolar.com](http://www.sterlingandwilsonsolar.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

**BY ORDER OF THE BOARD OF DIRECTORS**

For Sterling and Wilson Solar Limited

**Khurshed** Digitally signed  
by Khurshed  
**Yazdi** Yazdi Daruvala  
Date: 2021.06.29  
17:13:51 +05'30'

**Mr. Khurshed Daruvala**

Chairman

DIN: 00216905

**ANIRUDDHA** Digitally signed by  
**SHREEKANT** ANIRUDDHA  
**GODBOLE** SHREEKANT GODBOLE  
Date: 2021.06.29  
18:18:42 +05'30'

Date : June 29, 2021

Place : Mumbai

## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021</b> <i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (Rs. in Crore)	Audited Figures (as reported before adjusting for qualification) (Rs. in Crore)*
	1	Turnover / Total income	5,239.29	5,239.29
	2	Total Expenditure	5,579.33	5,579.33
	3	Net (Loss)/ Profit	(340.04)	(340.04)
	4	Earnings Per Share	(17.80)	(17.80)
	5	Total Assets	3,709.37	3,709.37
	6	Total Liabilities	3,051.59	3,051.59
	7	Net Worth	657.78	657.78
	8	Any other financial item(s) (as felt appropriate by the management)	None	None
<p>* Audit qualification is in respect of items, the impact of which is not quantifiable, Accordingly, we have kept the figures in (as reported after adjusting for qualification) column the same (as before adjustment of qualification) column.</p>				
<b>II. Audit Qualification (each audit qualification separately):</b>				
	<p>a. Details of Audit Qualification:</p> <p>i. note 5 to the consolidated annual financial results relating to outstanding inter-corporate deposits and loans of Rs. 397.55 crores and Rs 487.70 crores (net) respectively (including interest accrued on inter-corporate deposits of Rs. Nil crores and on loans of Rs Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of Rs 1,765.02 crores (including interest accrued thereon of Rs 173.56 crores) and loans of Rs 576.51 crores (net) (including interest accrued thereon of Rs 75.81 crores) that were outstanding as on 30 September 2019 made to fellow subsidiaries by the Group which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Holding Company's shares by the Selling Shareholders. The Board of Directors of the Holding Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the respective entities of the Group.</p> <p>The Holding 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 and loans by the Selling Shareholders on which the Holding Company has submitted its replies. 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 Holding Company. Although the Holding Company has represented to us that, based on independent legal opinions</p>			



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 Group has obtained partial security for the outstanding amount as at the year-end and has obtained balance security towards the outstanding amount subsequent to the year-end. In view of the steps taken/being taken by the Holding Company and its overseas subsidiary as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. 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 by borrowers of inter- corporate deposits and loans in the earlier quarters and default in repayment of instalments of inter- corporate deposits and loans due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits and loans 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 consolidated annual financial results of the Group for the year ended 31 March 2021.

- ii. the following qualification included in the audit report on the consolidated annual financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 is reproduced by us as under:

The consolidated annual financial results of the overseas subsidiary of the Holding Company include a loan from a related party in the amount of AED 244,662,085 (net) equivalent to Rs 487.70 crores (net), which was repayable on demand. 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. Accordingly, the Board of the overseas subsidiary had taken a decision to extend the repayment timelines till September 2021 and levy additional penal interest. Further, on behalf of the overseas subsidiary, the Holding Company in India has obtained security against immovable property for the aforesaid amount due to the overseas subsidiary and subsequent to the reporting date, the overseas subsidiary has obtained additional security by assignment of certain project receivables. Considering the steps taken/being taken by the overseas subsidiary, the management believes that no provision for expected credit losses is required as at 31 March 2021. 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 uncertainty relating to timing of repayment of the outstanding balance we are unable to quantify the impact of adjustments that may arise from non-measurement of expected credit losses on the consolidated financial results of the overseas subsidiary for the year ended 31 March 2021.

	<p>iii. As more fully explained in note 9 to the consolidated annual financial results, the Holding Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Holding Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Holding Company, management believes that the current expected credit loss provision of Rs 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Holding Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the consolidated annual financial results, if any.</p>
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: <del>Whether appeared first time / repetitive /</del> since how long continuing</p> <p>Qualification (i) and (ii) since March 2020 and Qualification (iii) in March 2021</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Not applicable</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NIL</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Not Applicable</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>Impact not determinable</p>
<b>III.</b>	<b>Signatories</b>
	<p>Mr. Khurshed Daruvala, Chairman</p> <p><b>Khurshed Yazdi Daruvala</b></p> <p>Digitally signed by Khurshed Yazdi Daruvala Date: 2021.06.29 17:14:16 +05'30'</p>

	<p>Mr. Chandra Kishore Thakur, Manager</p> <p><b>CHANDRA KISHORE THAKUR</b></p>  <p>Digitally signed by CHANDRA KISHORE THAKUR DN: cn=, o=STERLING AND WILSON SOLAR LIMITED, 2.5.4.20:f499039bfc67bc8b87c8af5135ae570d6b6794773f55f6cfcfebb7ca8c72817, ou=CEO-Asia #India Europe Latam.CID = 6781744, postalCode=400043, st=Maharashtra, serialNumber=ba5d5d608524e1211c800b770ef8 57808a2726c3b99eb9e681ebf018c004b9, cn=CHANDRA KISHORE THAKUR Date: 2021.06.29 17:57:24 +05'30'</p>
	<p>Mr. Bahadur Dastoor, Chief Financial Officer</p> <p><b>Bahadur Sam Dastoor</b></p>  <p>Digitally signed by Bahadur Sam Dastoor Date: 2021.06.29 17:21:36 +05'30'</p>
	<p>Ms. Rukhshana Mistry, Chairperson of Audit Committee</p> <p><b>Rukhshana Jina Mistry</b></p>  <p>Digitally signed by Rukhshana Jina Mistry DN: cn=, o=Personal, 2.5.4.20:f7497e6678ae3b3d84c7969932ee6a118568bae81569938648896a95f21, postalCode=400050, st=Maharashtra, serialNumber=aa601a7d56df8b9c2b1a295919107c4a94e9 96c398ba495672b10227c, cn=Rukhshana Jina Mistry Date: 2021.06.29 17:47:09 +05'30'</p>
	<p>Statutory Auditors For <b>BSR &amp; Co. LLP</b> <i>Chartered Accountants</i> Firm's Registration No: 101248W/W-100022</p> <p><b>ANIRUDDHA SHREEKANT GODBOLE</b></p>  <p>Digitally signed by ANIRUDDHA SHREEKANT GODBOLE Date: 2021.06.29 18:19:10 +05'30'</p> <p><b>Aniruddha Godbole</b> <i>Partner</i> Membership No: 105149</p> <p>Place: Mumbai Date: June 29, 2021</p>

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai - 400 063

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## Independent Auditors' Report

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

#### Report on the audit of the Standalone Annual Financial Results

#### Qualified Opinion

We have audited the accompanying standalone annual financial results of Sterling and Wilson Solar Limited (hereinafter referred to as "the Company") for the year ended 31 March 2021, attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Namibia, Philippines, Vietnam and Zambia, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 branch auditors on audited financial results of the branches, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52(4) of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31 March 2021.

#### Basis for Qualified Opinion

- (i) We draw attention to note 4 to the standalone annual financial results relating to outstanding inter-corporate deposits of Rs 397.55 crores (including interest accrued thereon of Rs Nil crores) as at 31 March 2021. This amount is the balance of 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 a fellow subsidiary by the Company which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Company's shares by the Selling Shareholders. The Board of Directors of the Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the Company.

Registered Office:

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

#### **Basis for Qualified Opinion (Continued)**

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. 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.

The Company has obtained full security for the outstanding amount as at the year end. 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 31 March 2021. 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 by borrower of inter-corporate deposits in the earlier quarters and default in repayment of instalments of inter-corporate deposits due during the year ended 31 March 2021 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 borrower; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the standalone annual financial results of the Company for the year ended 31 March 2021.

- (ii) As more fully explained in note 7 to the standalone annual financial results, the Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Company, management believes that the current expected credit loss provision of Rs 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the standalone annual financial results, if any.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 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 obtained by us and branch auditors in terms of their reports referred to in paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the standalone annual financial results.

## **Independent Auditors' Report (*Continued*)**

### **Sterling and Wilson Solar Limited**

#### **Emphasis of matter**

We draw attention to:

- (i) note 6 to the standalone annual financial results which explains the management's assessment of going concern assumption and its assertion that based on best estimates made by it, the Company will continue as a going concern and will be able to discharge its liabilities and realise its assets, for the foreseeable future, despite the factors which continue to evolve and is therefore highly dependent on future circumstances.
- (ii) note 9 of the standalone annual financial results which describes the accounting for the Scheme of Amalgamation between the Company and Sterling & Wilson – Waaree Private Limited, a wholly owned subsidiary ('the Scheme' or 'business combination'). The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 29 January 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Mumbai, Maharashtra, on 7 April 2021. Though the appointed date as per the NCLT approved Scheme is 1 April 2020, 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 financial statements. Accordingly, the amounts relating to the financial year ended 31 March 2020 include the impact of the business combination and the corresponding amounts for the previous quarter ended 31 March 2020 and the amounts for the quarter ended 31 December 2020, have been restated by the Company after recognising the effect of the amalgamation as above. The aforesaid note (Note 9) also describes in detail the impact of the business combination on the standalone annual financial results.

Our opinion is not modified in respect of the above matters.

#### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Independent Auditors' Report (*Continued*)**

### **Sterling and Wilson Solar Limited**

#### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results (*Continued*)**

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 standalone annual financial results, 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 through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (Continued)**

- Obtain sufficient appropriate audit evidence regarding the financial results of the branches of the Company to express an opinion on the standalone annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such branches included in the standalone annual financial results of which we are the independent auditors. For the other branches included in the standalone annual financial results, which have been audited by branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

#### **Other Matters**

- (a) The standalone annual financial results include the audited financial results of 14 branches, whose financial results reflect total assets (before consolidation adjustments) of Rs 953.23 crores as at 31 March 2021, total revenue (before consolidation adjustments) of Rs 1,384.89 crores and total net profit after tax (before consolidation adjustments) of Rs 5.17 crores, and net cash inflows of Rs 7.35 crores for the year ended on that date, as considered in the standalone annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial results of these branches have been furnished to us by the management and our opinion on the standalone annual financial results, 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 are as stated in paragraph above.

Certain of these branches are located outside India whose financial results and other financial information have been prepared in accordance with 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's management has converted the financial results of these branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the standalone annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors.



**Independent Auditors' Report (*Continued*)**  
**Sterling and Wilson Solar Limited**

**Other Matters (*Continued*)**

- (b) The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

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

ANIRUDDHA  
SHREEKANT  
GODBOLE

 Digitally signed by ANIRUDDHA  
SHREEKANT GODBOLE  
Date: 2021.06.29 18:15:09  
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**Aniruddha Godbole**

*Partner*

Membership No: 105149

UDIN: 21105149AAAADX4531

Mumbai  
29 June 2021

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2021**

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended	
		31-Mar-21 (Audited) (Refer Note 5)	31-Dec-20 (Unaudited) (Restated) (Refer note 9)	31-Mar-20 (Audited) (Restated) (Refer note 5 and 9)	31-Mar-21 (Audited)	31-Mar-20 (Audited) (Restated) (Refer note 9)
1	<b>Income</b>					
	Revenue from operations	1,300.81	791.04	1,475.11	3,176.17	4,536.79
	Other income	47.35	34.94	160.09	153.95	371.72
	<b>Total Income</b>	<b>1,348.16</b>	<b>825.98</b>	<b>1,635.20</b>	<b>3,330.12</b>	<b>4,908.51</b>
2	<b>Expenses</b>					
	Cost of construction materials, stores and spare parts	1,013.20	440.66	1,094.34	2,029.83	2,719.08
	Purchase of stock-in-trade	0.01	0.01	(3.45)	0.79	408.99
	Changes in inventories of stock-in-trade	-	-	-	-	-
	Direct project costs	362.73	273.25	205.49	1,049.47	921.68
	Employee benefits expense	38.56	26.51	45.64	122.34	138.37
	Finance costs	17.00	15.93	18.49	67.59	146.24
	Depreciation and amortisation expense	2.34	2.18	1.40	8.20	6.33
	Other expenses	49.09	30.00	43.61	194.57	136.34
	<b>Total expenses</b>	<b>1,482.93</b>	<b>788.54</b>	<b>1,405.52</b>	<b>3,472.79</b>	<b>4,477.03</b>
3	<b>(Loss) / Profit before tax</b>	<b>(134.77)</b>	<b>37.44</b>	<b>229.68</b>	<b>(142.67)</b>	<b>431.48</b>
4	<b>Tax expense</b>					
	- Current tax	(6.11)	5.76	53.89	-	111.74
	- Current tax relating to earlier period / year	-	-	-	-	(0.28)
	- Deferred tax charge / (credit)	(30.06)	6.27	(3.35)	(31.23)	3.32
5	<b>(Loss) / Profit for the period / year</b>	<b>(98.60)</b>	<b>25.41</b>	<b>179.14</b>	<b>(111.44)</b>	<b>316.70</b>
6	<b>Other comprehensive income for the period / year</b>					
	Items that will not be reclassified to profit or loss					
	- Remeasurements of defined benefit liability	1.64	(0.46)	(1.37)	0.27	(1.82)
	- Income tax relating to items that will not to reclassified to profit or loss	(0.41)	0.11	0.34	(0.07)	0.46
	Items that will be reclassified to profit or loss					
	- Effective portion of (losses) on hedging instruments in cash flow hedges	(18.32)	(61.84)	-	(153.59)	-
	- Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss	63.10	-	-	63.10	-
	- Income tax relating to items that will be reclassified to profit or loss	(11.27)	15.56	-	22.77	-
	- Exchange differences in translating financial statements of foreign operations	(3.13)	(10.28)	8.95	(11.46)	14.84
	<b>Other comprehensive income for the period / year (net of tax)</b>	<b>31.61</b>	<b>(56.91)</b>	<b>7.92</b>	<b>(78.98)</b>	<b>13.48</b>
7	<b>Total comprehensive (loss) / income for the period / year</b>	<b>(66.99)</b>	<b>(31.50)</b>	<b>187.06</b>	<b>(190.42)</b>	<b>330.18</b>
8	Paid-up equity share capital (face value ₹ 1/-)	16.04	16.04	16.04	16.04	16.04
9	Other equity				495.94	686.36
10	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)					
	(a) Basic	(6.15)	1.58	11.17	(6.95)	19.75
	(b) Diluted	(6.15)	1.58	11.17	(6.95)	19.75
11	Outstanding redeemable preference shares				-	-
12	Debt equity ratio (Refer note 8(a) below)				0.75	-
13	Capital redemption reserve				0.00	-
14	Debenture redemption reserve				-	-
15	Debt service coverage ratio (Refer note 8(b) below)				(0.51)	-
16	Interest service coverage ratio (Refer note 8(c) below)				(1.30)	-
17	Net worth (Refer note 8(d) below)				511.98	-
	See accompanying notes to the audited standalone financial results					

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Audited Standalone Statement Of Assets And Liabilities As At March 31, 2021**

(₹ in crore)

Particulars	As at	
	31-Mar-21	31-Mar-20
	(Audited)	(Audited) (Restated) (Refer note 9)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	19.95	18.21
(b) Capital work-in-progress	0.01	2.42
(c) Right-of-use assets	5.72	8.25
(d) Other intangible assets	7.84	1.76
(e) Intangible assets under development	0.32	0.32
(f) Financial Assets		
(i) Investments	371.21	3.68
(ii) Loans	0.77	1.44
(iii) Other financial assets	5.17	-
(g) Deferred tax assets, net	80.86	26.93
(h) Other income tax assets (net)	36.60	0.08
(i) Other non-current assets	1.85	3.81
<b>Total non-current assets</b>	<b>530.30</b>	<b>66.90</b>
<b>Current assets</b>		
(a) Inventories	3.09	14.51
(b) Financial Assets		
(i) Investments	-	0.46
(ii) Trade receivables	769.99	1,539.94
(iii) Cash and cash equivalents	122.69	182.12
(iv) Bank balances other than (iii) above	45.85	10.47
(v) Loans	560.19	987.58
(vi) Derivatives	1.92	-
(vii) Other financial assets	702.97	352.79
(c) Other current assets	1,039.29	761.34
<b>Total current assets</b>	<b>3,245.99</b>	<b>3,849.21</b>
<b>TOTAL ASSETS</b>	<b>3,776.29</b>	<b>3,916.11</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	16.04	16.04
(b) Other Equity	495.94	686.36
<b>Total equity</b>	<b>511.98</b>	<b>702.40</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Lease liabilities	6.08	6.48
(b) Provisions	20.56	9.05
<b>Total non-current liabilities</b>	<b>26.64</b>	<b>15.53</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	385.73	597.81
(ii) Lease liabilities	0.40	2.18
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	83.74	39.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,296.01	2,266.73
(iv) Derivatives	92.39	6.23
(v) Other financial liabilities	63.96	37.95
(b) Other current liabilities	219.95	157.29
(c) Provisions	93.16	67.38
(d) Current tax liabilities, net	2.33	22.72
<b>Total current liabilities</b>	<b>3,237.67</b>	<b>3,198.18</b>
<b>Total liabilities</b>	<b>3,264.31</b>	<b>3,213.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,776.29</b>	<b>3,916.11</b>

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Audited Standalone Statement Of Cash flows For The Year Ended March 31, 2021**

(₹ in crore)

Particulars	For The Year Ended	
	31-Mar-21	31-Mar-20
	(Audited)	(Audited) (Restated) (Refer note 9)
<b>Cash flows from operating activities</b>		
<b>(Loss) / Profit before tax</b>	(142.67)	431.48
<i>Adjustments for:</i>		
Depreciation and amortisation expense	8.20	6.33
Supplier balances written back	(0.49)	(1.66)
Liabilities no longer required written back	(10.17)	(33.16)
Bad debts written off	0.32	3.63
Write back of expected credit loss on financial assets	(1.01)	(5.80)
Expected credit loss on financial assets	19.75	6.45
Loans and advances written off	2.33	-
Provision for mark-to-market (gain) / loss on derivative instruments (net)	(0.02)	6.23
Share of loss in partnership firm	4.22	14.71
Dividend income	-	(78.10)
Profit on sale of property, plant and equipments (net)	0.26	-
Property, plant and equipment written off	0.76	-
Profit on sale of mutual funds	-	(0.30)
Fair value gain on investment in mutual funds measured at FVTPL	-	(0.01)
Provision for liquidated damages	51.31	-
Provision for foreseeable loss	0.22	-
Other provisions	11.00	-
Finance costs	67.59	146.24
Interest income	(122.72)	(211.91)
Provision for impairment loss on loans and investment in subsidiary	-	1.78
Unrealised foreign exchange loss (net)	98.49	99.46
<b>Operating (loss) / profit before working capital changes</b>	<b>(12.63)</b>	<b>385.37</b>
<i>Working capital adjustments:</i>		
Decrease / (Increase) in inventories	11.42	(2.48)
Decrease in trade receivables	753.02	220.38
Decrease / (Increase) in loans and advances	2.87	(6.89)
(Increase) in restricted cash	(2.16)	(0.07)
(Increase) in other financial assets	(453.23)	(134.52)
(Increase) in other current and non-current assets	(245.53)	(107.81)
Increase / (Decrease) in trade payable, derivatives, other financial liabilities, other liabilities and provisions	(2.85)	(504.96)
<b>Net change in working capital</b>	<b>63.54</b>	<b>(536.35)</b>
<b>Cash flows generated from / (used in) operating activities</b>	<b>50.91</b>	<b>(150.98)</b>
Income tax (paid) (net)	(60.47)	(136.39)
Effects of exchange differences on translation of assets and liabilities	-	14.85
<b>Net cash flows (used in) operating activities</b>	<b>(9.56)</b>	<b>(272.52)</b>
<b>Cash flows from investing activities</b>		
(Investment) in equity shares of a subsidiary	-	(1.92)
Proceeds from sale of treasury bills	0.19	-
(Purchase) of property, plant and equipment, capital work in progress and intangible assets	(12.93)	(13.77)
Proceeds from sale of property, plant and equipment	0.59	-
(Investment) in short term fixed deposits (net)	(33.97)	(5.50)
(Investment) in long term fixed deposits	(4.39)	-
Dividend received from subsidiary	-	78.10
(Purchase) of mutual funds	-	(190.00)
Proceeds from sale of mutual funds	0.27	190.02
Inter-corporate deposits/ Loans given to subsidiaries and fellow subsidiaries	(26.48)	(632.45)
Inter-corporate deposits/ Loans repaid by subsidiaries and fellow subsidiaries	186.78	1,298.78
Interest received	115.43	241.16
<b>Net cash flows generated from investing activities</b>	<b>225.49</b>	<b>964.42</b>

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Audited Standalone Statement Of Cash flows For The Year Ended March 31, 2021 (Continued)**

(₹ in crore)

Particulars	For The Year Ended	
	31-Mar-21	31-Mar-20
	(Audited)	(Audited) (Restated) (Refer note 9)
<b>Cash flows from financing activities</b>		
Proceeds from cash credit borrowings (net)	77.19	20.61
(Repayment of) secured and unsecured short-term borrowings (net)	(289.27)	(597.41)
Dividend paid	-	(96.18)
Dividend distribution tax paid	-	(6.53)
Repayment of lease liabilities	(2.99)	(2.24)
Finance costs paid	(59.93)	(138.82)
<b>Net cash flows (used in) financing activities</b>	<b>(275.00)</b>	<b>(820.57)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(59.07)</b>	<b>(128.67)</b>
<b>Cash and cash equivalents - Opening balance</b>	<b>182.12</b>	<b>309.88</b>
Cash and cash equivalents acquired during the year pursuant to scheme of arrangement	-	0.95
Net movement in currency translation	(0.36)	(0.04)
<b>Cash and cash equivalents - Closing balance</b>	<b>122.69</b>	<b>182.12</b>
<b>Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows</b>		
Cash and cash equivalents as per the above comprise of the following:		
Cash and cash equivalents as per the Standalone Balance Sheet	122.69	182.12
Less: Bank overdrafts repayable on demand	-	-
<b>Cash and cash equivalents as per the Standalone Statement of Cash Flows</b>	<b>122.69</b>	<b>182.12</b>

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Audited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter And Year Ended March 31, 2021**

(₹ in crore)

Particulars	For the quarter ended			Year ended	
	31-Mar-21 (Audited) (Refer Note 5)	31-Dec-20 (Unaudited) (Restated) (Refer Note 9)	31-Mar-20 (Audited) (Restated) (Refer note 5 and 9)	31-Mar-21 (Audited)	31-Mar-20 (Audited) (Restated) (Refer note 9)
<b>Segment Revenue</b>					
Solar EPC business	1,233.20	735.56	1,424.68	2,941.41	4,365.44
Operation and maintenance service	66.53	53.60	50.43	231.80	171.31
<b>Total</b>	<b>1,299.73</b>	<b>789.16</b>	<b>1,475.11</b>	<b>3,173.21</b>	<b>4,536.75</b>
Other operating income	1.08	1.88	0.00	2.96	0.04
<b>Revenue from operations</b>	<b>1,300.81</b>	<b>791.04</b>	<b>1,475.11</b>	<b>3,176.17</b>	<b>4,536.79</b>
<b>Segment Results</b>					
Solar EPC business	(134.33)	58.20	200.94	(33.10)	468.49
Operation and maintenance service	22.05	13.09	11.36	69.03	52.06
<b>Total</b>	<b>(112.28)</b>	<b>71.29</b>	<b>212.30</b>	<b>35.93</b>	<b>520.55</b>
Add: Unallocable income	35.46	34.22	111.24	137.16	322.92
Less: Unallocable expenditure	(57.95)	(68.07)	(93.86)	(315.76)	(411.99)
<b>Total (loss) / profit before tax</b>	<b>(134.77)</b>	<b>37.44</b>	<b>229.68</b>	<b>(142.67)</b>	<b>431.48</b>
<b>Segment Assets</b>					
Solar EPC business	1,372.55	1,410.60	2,041.55	1,372.55	2,041.55
Operation and maintenance service	143.35	128.33	116.94	143.35	116.94
Unallocated	2,260.39	2,040.31	1,757.62	2,260.39	1,757.62
<b>Total</b>	<b>3,776.29</b>	<b>3,579.24</b>	<b>3,916.11</b>	<b>3,776.29</b>	<b>3,916.11</b>
<b>Segment Liabilities</b>					
Solar EPC business	2,681.01	2,407.91	2,438.78	2,681.01	2,438.78
Operation and maintenance service	77.31	77.22	73.62	77.31	73.62
Unallocated	505.99	515.13	701.31	505.99	701.31
<b>Total</b>	<b>3,264.31</b>	<b>3,000.26</b>	<b>3,213.71</b>	<b>3,264.31</b>	<b>3,213.71</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>					
Solar EPC business	(1,308.46)	(997.31)	(397.23)	(1,308.46)	(397.23)
Operation and maintenance service	66.04	51.11	43.32	66.04	43.32
Unallocated	1,754.40	1,525.18	1,056.31	1,754.40	1,056.31
<b>Total</b>	<b>511.98</b>	<b>578.98</b>	<b>702.40</b>	<b>511.98</b>	<b>702.40</b>

**Sterling and Wilson Solar Limited**

CIN:L74999MH2017PLC292281

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

**Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2021**

**Notes :**

- 1 The audited standalone financial results which are published in accordance with Regulation 33 and Regulation 52(4) 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 June 29, 2021. These audited 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 Statutory Auditors have carried out audit of the standalone financial results for the year ended March, 31 2021.
- 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 and Solar Operation and maintenance service based on analysis of various performance indicators viz. Profit after tax. 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 audited standalone financials results as per Ind AS 108.

- 4 The Red Herring Prospectus dated 29 July 2019 stated that the 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 fellow subsidiaries to the Company 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 1,765.02 crore (including interest thereon of Rs. 173.56 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 1,083.76 crore (including accrued interest thereon of Rs. 52.81 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).

Considering the current economic slowdown and the challenges which the selling shareholders (promoter group) are facing due to their business being significantly impacted by COVID-19, the selling shareholders made a further request to extend the time lines for payment of the outstanding of Rs. 560.35 (including interest accrued) as at 30 September 2020 till 30 September 2021. The Board of Directors has taken a decision to extend the repayment timelines till 30 September 2021 and levy additional interest spread of 400 basis points over and above the average interest rate and requested that securities be provided to cover the outstanding inter-corporate deposits. The Selling Shareholders have provided security by way of immovable properties during the year amounting to Rs. 460.17 crore, covering the value of outstanding inter-corporate deposits Rs 240.85 crore (before accrual of interest post 31 March 2021) as on date.

The Selling Shareholders have already facilitated the repayment of inter-corporate deposits amounting to Rs 1,774.05 crore by the fellow subsidiary to the Company, from the date of listing i.e. 20 August 2019 till 31 March 2021 and an additional Rs 156.70 crore from 1 April 2021 till date. In view of the steps taken/being taken by the Company, management believes that no provision towards expected credit losses is required as at 31 March 2021 for inter-corporate deposits outstanding aggregating to Rs 397.55 crore (with all interest upto 31 March 2021 serviced) which, as on date stands reduced to Rs. 240.85 crore (before accrual of interest post 31 March 2021).

The Company has also responded to queries on this matter (including from Shareholders, SEBI, ROC and 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 matter.

**Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2021**

**Notes : (Continued)**

- 5 The figures for the last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years.
- 6 The outbreak of the Coronavirus (COVID-19) pandemic globally continues to cause significant disturbance and slowdown of economic activity. During the year ended March 31, 2021, the construction activities at various sites witnessed a slowdown as per the directives issued by various regulatory authorities which has led to an increased cost of construction (including rise in module and commodity cost) as well as overheads due to extended time. Further, a significant subcontractor in a particular geography filed for bankruptcy causing enhanced replacement costs for a project. All the above has contributed in the Company incurring a loss for the year ended March 31, 2021. Also, during the year Shapoorji Pallonji and Company Private Limited (the Parent Company), being in the construction and real estate sector was severely affected due to the COVID-19 pandemic, and had filed for One Time Restructuring (“OTR”) under the prescribed guidelines of The Reserve Bank of India. Owing to these factors, the Company had also faced liquidity challenges for part of the year.

The Company continues to have a strong order book, a positive net-worth and favourable net current asset position. The Company’s management and the Board of Directors have also made an assessment, of the Company’s ability to continue as a going concern, its projected cash flows for the next 12 months, as well as financing arrangements to fulfil its working capital requirements and necessary capital expenditure. The Parent Company’s OTR has also been approved as at March 31, 2021.

The Company has used the principles of prudence in applying judgements, estimates and assumption and based on the current estimates’ management has assessed the impact of existing and anticipated impact of COVID-19 on future projected cash-flows. Based on all the above the Management believes the Company will continue its business in the foreseeable future, so as to be able to realise its assets and discharge its liabilities in the normal course. Accordingly, the standalone financial results of the Group have been prepared on a going concern basis.

- 7 The Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company (“customer”) to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer (“developer”). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018, the National Company Law Tribunal (“NCLT”) actions were initiated against the customer group and the Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Company, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Company that they would make the payment if the customer failed to pay. As on date the customer owes the Company Rs 92.45 crore. In addition, an amount of Rs 64.10 crore under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by the Company, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer’s bank refused to make the payment to the Company’s bank citing prevention against doing the same due to the NCLT order, and the Company had to return the amount back to its bank.

During the year ended 31 March 2020, the Company had initiated legal proceedings in both these matters: the matter in respect of the customer / developer is currently pending with the NCLT and the matter in respect of the customers bank is currently pending with the National Company Law Appellate Tribunal.

The Company has sought legal opinions regarding the amount due from the developer as per their assurance letter and from the customer’s bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are recoverable. The amount of Rs 92.45 crore and Rs 64.10 crore is shown under the head Trade Receivables and Other Financial Assets, respectively.

Basis the aforementioned legal opinions and the management assessment, inspite of being confident of full recovery, considering the expected credit loss requirement of Ind AS 109 "Financial Instruments", the management has recognised the provision to the extent of Rs 31.33 crore (31 March 2020: Rs 21.33 crore) as at 31 March 2021, based on management's best estimate of collection of the aforementioned receivables as at 31 March 2021.

- 8 The formula used for calculating ratios disclosed above and other details relating to listed commercial paper are as under:
- (a) Debt equity ratio = Current borrowings / Net worth
  - (b) Debt service coverage ratio = Profit before depreciation and amortisation, Interest on secured and unsecured loans, other borrowing costs and Tax / ((Interest on secured and unsecured loans + other borrowing cost) + (Unsecured current borrowings, excluding loan from related parties + Secured commercial paper))
  - (c) Interest service coverage ratio = Profit before depreciation and amortisation, Interest on secured and unsecured loans, other borrowing costs and Tax / (Interest on secured and unsecured loans + other borrowing cost)
  - (d) Net worth = Equity share capital + Other equity



**Sterling and Wilson Solar Limited**

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**Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2021**

**Notes : (Continued)**

- 8 The credit rating for the Commercial paper is ACUITE A1+

The Company has secured commercial paper which are Listed on BSE Limited. Details of due date of interest and principal of Listed Commercial Paper is as follows:

International securities identification number code	Due date	Principal and Interest (Rs. in crore)
INE00M214172	23-Dec-21	40.00

The commercial paper is secured by charge on Inter corporate deposit receivable from Sterling and Wilson Private Limited, a fellow subsidiary of the Company, amounting to Rs 397.55 crore as at 31 March 2021.

The commercial paper was issued in the current year and hence, ratios for the previous year have not been disclosed.

- 9 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. The final hearing on petition for sanction of the Scheme before the Mumbai bench of NCLT took place on 29 January 2021 and the Scheme was approved by the NCLT. The Company has received the final order on 29 March 2021. Accordingly, the impact for merger of SWWPL with the Company as required under Para 9(iii) of Appendix C of Ind AS 103 has been given in the audited standalone financial results for the quarter and Year ended March 31, 2021. Increase /(decrease) in previous periods/ year published numbers are as below:

(₹ in crore)

Particulars	For the quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
Total income	-	1.35	1.40	-	8.18
Profit before tax for the period / year	-	4.08	1.03	-	7.05
Profit after tax for the period / year	-	2.71	0.77	-	5.26
Net worth	-	37.10	41.17	-	41.17
Total assets	-	36.97	41.27	-	41.27

- 10 The results of the Company are available for investors at [www.sterlingandwilsonsolar.com](http://www.sterlingandwilsonsolar.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

**BY ORDER OF THE BOARD OF DIRECTORS**

For Sterling and Wilson Solar Limited

**Khurshed** Digitally signed  
by Khurshed  
**Yazdi** Yazdi Daruvala  
**Daruvala** Date: 2021.06.29  
17:12:46 +05'30'

**Mr. Khurshed Daruvala**

Chairman

DIN: 00216905

Date : June 29, 2021

Place : Mumbai

**ANIRUDDHA  
SHREEKANT  
GODBOLE**

Digitally signed by  
ANIRUDDHA SHREEKANT  
GODBOLE  
Date: 2021.06.29 18:15:58  
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## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021</b> <i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (Rs. in Crore)	Audited Figures (as reported before adjusting for qualification) (Rs. in Crore)*
	1	Turnover / Total income	3,330.12	3,330.12
	2	Total Expenditure	3,472.79	3,472.79
	3	Net (Loss)/ Profit	(142.67)	(142.67)
	4	Earnings Per Share	(6.95)	(6.95)
	5	Total Assets	3,776.29	3,776.29
	6	Total Liabilities	3,264.31	3,264.31
	7	Net Worth	511.98	511.98
	8	Any other financial item(s) (as felt appropriate by the management)	None	None
<p>* Audit qualification is in respect of items, the impact of which is not quantifiable, Accordingly, we have kept the figures in (as reported after adjusting for qualification) column the same (as before adjustment of qualification) column.</p>				
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<p>a. Details of Audit Qualification:</p> <p>i. We draw attention to note 4 to the standalone annual financial results relating to outstanding inter- corporate deposits of Rs 397.55 crores (including interest accrued thereon of Rs Nil crores) as at 31 March 2021. This amount is the balance of 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 a fellow subsidiary by the Company which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Company's shares by the Selling Shareholders. The Board of Directors of the Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the Company.</p> <p>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. 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.</p>			

	<p>The Company has obtained full security for the outstanding amount as at the year end. 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 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.</p> <p>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 by borrower of inter-corporate deposits in the earlier quarters and default in repayment of instalments of inter-corporate deposits due during the year ended 31 March 2021 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 borrower; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the standalone annual financial results of the Company for the year ended 31 March 2021.</p> <p>ii. As more fully explained in note 7 to the standalone annual financial results, the Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Company, management believes that the current expected credit loss provision of Rs 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the standalone annual financial results, if any.</p>
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
	<p>c. Frequency of qualification: <del>Whether appeared first time / repetitive /</del> since how long continuing</p> <p>Qualification (i) since March 2020 and Qualification (ii) in March 2021</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Not applicable</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NIL</p>

	(ii) If management is unable to estimate the impact, reasons for the same:  Not Applicable
	(iii) Auditors' Comments on (i) or (ii) above:  Impact not determinable

**III. Signatories**

Mr. Khurshed Daruvala, Chairman

**Khurshed Yazdi Daruvala** Digitally signed by Khurshed Yazdi Daruvala  
Date: 2021.06.29 17:13:17 +05'30'

Mr. Chandra Kishore Thakur, Manager

**CHANDRA KISHORE THAKUR** Digitally signed by CHANDRA KISHORE THAKUR  
DN: cn=IN, o=STERLING AND WILSON SOLAR LIMITED, 2.5.4.20=4499030b/c7bc887c8af5135ae570d6b679473f55f6f6eb7ca8c72817, ou=CEO-Asia Africa Europe Latam,CID =6781744, postalCode=400043, st=Maharashtra, serialNumber=b65d5608524e1211c800b7770ef857808a02f8c3b99e8e6f6b1eb01dc004b9, cn=CHANDRA KISHORE THAKUR, Date: 2021.06.29 17:55:42 +05'30'

Mr. Bahadur Dastoor, Chief Financial Officer

**Bahadur Sam Dastoor** Digitally signed by Bahadur Sam Dastoor  
Date: 2021.06.29 17:20:17 +05'30'

Ms. Rukhshana Mistry, Chairperson of Audit Committee

**Rukhshana Jina Mistry** Digitally signed by Rukhshana Jina Mistry  
DN: cn=IN, o=Personal, 2.5.4.20=194076667f5ae3b584c746d952ae40a1305688ab615699386468916a995321, postalCode=400056, st=Maharashtra, serialNumber=aa6d018a765df6db962b171d2091667c989a996c98ab490672bc10227c, cn=Rukhshana Jina Mistry, Date: 2021.06.29 17:49:02 +05'30'

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

**ANIRUDDHA SHREEKANT GODBOLE** Digitally signed by ANIRUDDHA SHREEKANT GODBOLE  
Date: 2021.06.29 18:16:25 +05'30'

**Aniruddha Godbole**  
*Partner*  
Membership No: 105149

Place: Mumbai  
Date: June 29, 2021