

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 – 400063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

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

To the Board of Directors of Sterling and Wilson Solar Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Sterling and Wilson Solar Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 June 2021 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes results of the following entities:

Name of the Entity	Relationship
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 Solar Limited

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

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

Name of the Entity	Relationship
Sterling and Wilson (Thailand) Limited	Wholly owned subsidiary
Sterling and Wilson Saudi Arabia Limited	Wholly owned subsidiary
Sterling and Wilson Solar Australia Pty. Ltd.	Wholly owned subsidiary
GCO Solar Pty Ltd. (formerly known as GCO Electrical Pty Ltd.)	Wholly owned subsidiary
Sterling and Wilson Solar Malaysia Sdn. Bhd.	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. (formerly known as Renewable Energia Contracting S.L.)	Subsidiary
Sterling and Wilson Solar LLC	Subsidiary

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Basis for Qualified Conclusion

6. We draw attention to the following matters:

- (i) note 5 to the unaudited consolidated financial results relating to outstanding inter-corporate deposits and loans of Rs. 235.46 crores and Rs 505.87 crores (net) respectively (including interest accrued on inter-corporate deposits of Rs. Nil crores and on loans of Rs 11.50 crores) as at 30 June 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 Parent's shares by the Selling Shareholders. The Board of Directors of the Parent 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.

The Parent 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 Parent has submitted its replies or is in the process thereof. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Parent. Although the Parent 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.

Sterling and Wilson Solar Limited

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

Basis for Qualified Conclusion (Conclusion)

The Group has obtained full security for the outstanding amount as at 30 June 2021. In view of the steps taken/being taken by the Parent and its overseas subsidiary as discussed in the said note, management believes that no provision towards expected credit losses is required as at 30 June 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 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 unaudited consolidated financial results of the Group for the quarter ended 30 June 2021.

- (ii) the following qualification included in the review report on the unaudited consolidated financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Parent, for the quarter ended 30 June 2021 issued by the independent auditors vide their report dated 12 August 2021 is reproduced by us as under:

The unaudited consolidated financial results of the overseas subsidiary of the Parent include a loan from a related party of the amount of AED 250,399,017 (net) equivalent to Rs 505.87 crores (net), which was repayable on demand. The Board of Directors 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 Directors 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 Parent in India has obtained security against immovable property for the aforesaid amount due to the overseas subsidiary and the overseas subsidiary has also 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 30 June 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 unaudited consolidated financial results of the overseas subsidiary for the quarter ended 30 June 2021.

Sterling and Wilson Solar Limited

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

Basis for Qualified Conclusion (Continued)

- (iii) As more fully explained in note 9 to the unaudited consolidated financial results, the Parent has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 30 June 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 Parent'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 Parent, 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 Parent, 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 unaudited consolidated financial results, if any.

Qualified Conclusion

- 7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below, except for the effects of the matters described in the *Basis for Qualified Conclusion* section above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

- 8. We draw attention to:
 - (i) note 6 to the unaudited consolidated financial results, which explains the management's assessment of going concern assumption and its assertion that based on best estimates made by it, the Parent 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 review report on the unaudited consolidated financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Parent, for the quarter ended 30 June 2021 issued by the independent auditors vide their report dated 12 August 2021 includes an emphasis of matter which is reproduced by us as under:

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

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

Sterling and Wilson Solar Limited

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

Other Matters

9. We did not review the interim financial information of 10 subsidiaries included in the Statement, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs 584.26 crores, total net (loss) after tax (before consolidation adjustments) of Rs 19.03 crores and total comprehensive (loss) (before consolidation adjustments) of Rs 28.97 crores for the quarter ended 30 June 2021, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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

10. The Statement includes the interim financial information of six subsidiaries which have not been reviewed, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs Nil crores, total net (loss) after tax (before consolidation adjustments) of Rs 0.94 crores and total comprehensive (loss) (before consolidation adjustments) of Rs 1.13 crores for the quarter ended 30 June 2021, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

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

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: 2021.08.14 17:23:24
+05'30'

Aniruddha Godbole

Partner

Membership No: 105149

UDIN: 21105149AAAES4498

Mumbai
14 August 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 Unaudited Consolidated Financial Results For The Quarter Ended June 30, 2021

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended
		30-Jun-21 (Unaudited)	31-Mar-21 (Audited) (Refer Note 10)	30-Jun-20 (Unaudited)	31-Mar-21 (Audited)
1	Income				
	Revenue from operations	1,194.63	1,364.54	1,067.90	5,080.80
	Other income	32.57	51.79	31.48	158.49
	Total Income	1,227.20	1,416.33	1,099.38	5,239.29
2	Expenses				
	Cost of construction materials, stores and spare parts	460.30	1,069.27	635.75	3,069.10
	Direct project costs	674.92	536.43	317.93	1,928.35
	Employee benefits expense	54.60	55.42	49.68	208.48
	Finance costs	12.52	22.93	24.63	93.09
	Depreciation and amortisation expense	3.08	5.01	3.89	16.51
	Other expenses (Refer note 11)	108.52	127.73	47.96	263.80
	Total expenses	1,313.94	1,816.79	1,079.84	5,579.33
3	(Loss) / Profit before tax	(86.74)	(400.46)	19.54	(340.04)
4	Tax expense				
	- Current tax	0.25	(6.09)	1.19	1.88
	- Current tax relating to earlier period / year	(0.93)	9.52	-	9.63
	- Deferred tax (credit) / charge	(10.04)	(59.09)	1.13	(61.51)
5	(Loss) / Profit for the period / year	(76.02)	(344.80)	17.22	(290.04)
6	Other comprehensive income for the period / year				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit liability	0.07	1.95	(0.46)	0.58
	- Income tax relating to items that will not be reclassified to profit or loss	(0.02)	(0.41)	0.11	(0.07)
	Items that will be reclassified to profit or loss				
	- Effective portion of gain / (losses) on hedging instruments in cash flow hedges	9.84	9.29	(63.41)	(159.95)
	- Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss	80.44	63.10	-	63.10
	- Income tax relating to items that will be reclassified to profit or loss	(22.30)	(11.27)	11.87	22.77
	- Exchange differences in translating financial statements of foreign operations	1.58	(10.72)	0.84	(51.21)
	Other comprehensive income for the period / year (net of tax)	69.61	51.94	(51.05)	(124.78)
7	Total comprehensive (loss) / income for the period / year	(6.41)	(292.86)	(33.83)	(414.82)
8	(Loss) / Profit for the period / year attributable to:				
	- Owners of the Company	(76.12)	(346.85)	16.42	(285.38)
	- Non-controlling interests	0.10	2.05	0.80	(4.66)
9	Other comprehensive income for the period / year (net of tax) attributable to:				
	- Owners of the Company	70.12	51.91	(50.37)	(122.80)
	- Non-controlling interests	(0.51)	0.03	(0.68)	(1.98)
10	Total comprehensive (loss) / income for the period / year attributable to:				
	- Owners of the Company	(6.00)	(294.94)	(33.95)	(408.18)
	- Non-controlling interests	(0.41)	2.08	0.12	(6.64)
11	Paid-up equity share capital (face value ₹ 1/-)	16.04	16.04	16.04	16.04
12	Other equity				645.84
13	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)				
	(a) Basic	(4.75)	(21.63)	1.02	(17.80)
	(b) Diluted	(4.75)	(21.63)	1.02	(17.80)
	See accompanying notes to the unaudited consolidated financial results				



Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

Unaudited Consolidated Segment-Wise Revenue, Assets, Liabilities And Capital Employed For The Quarter Ended June 30, 2021

(₹ in crore)

Particulars	For the quarter ended			Year ended
	30-Jun-21 (Unaudited)	31-Mar-21 (Audited) (Refer Note 10)	30-Jun-20 (Unaudited)	31-Mar-21 (Audited)
Segment Revenue				
Solar EPC business	1,133.40	1,291.63	1,004.44	4,825.75
Operation and maintenance service	61.22	71.83	63.46	252.07
Total	1,194.62	1,363.46	1,067.90	5,077.82
Other operating income	0.01	1.08	-	2.98
Revenue from operations	1,194.63	1,364.54	1,067.90	5,080.80
Segment Results				
Solar EPC business	(39.22)	(316.52)	83.45	(81.52)
Operation and maintenance service	21.39	33.32	30.38	99.79
Total	(17.83)	(283.20)	113.83	18.27
Add: Unallocable income	29.35	34.84	30.03	136.60
Less: Unallocable expenditure	(98.26)	(152.10)	(124.32)	(494.91)
Total profit before tax	(86.74)	(400.46)	19.54	(340.04)
Segment Assets				
Solar EPC business	1,662.32	1,887.96	2,655.80	1,887.96
Operation and maintenance service	169.88	150.39	129.61	150.39
Unallocated	1,577.74	1,671.02	2,072.11	1,671.02
Total	3,409.94	3,709.37	4,857.52	3,709.37
Segment Liabilities				
Solar EPC business	2,076.42	2,358.01	2,335.43	2,358.01
Operation and maintenance service	80.21	53.84	74.20	53.84
Unallocated	601.91	639.74	1,409.15	639.74
Total	2,758.54	3,051.59	3,818.78	3,051.59
Capital Employed (Segment Assets - Segment Liabilities)				
Solar EPC business	(414.10)	(470.05)	320.37	(470.05)
Operation and maintenance service	89.67	96.55	55.41	96.55
Unallocated	975.83	1,031.28	662.96	1,031.28
Total	651.40	657.78	1,038.74	657.78



Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

Statement Of Unaudited Consolidated Financial Results For The Quarter Ended June 30, 2021

Notes :

- The above unaudited consolidated financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 14, 2021. These unaudited consolidated financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The above unaudited consolidated financial results have been subjected to "limited review" by the statutory auditors of Sterling and Wilson Solar Limited ('the Parent'). There are qualifications in the review report for the quarter ended June 30, 2021.
- Financial results of Sterling and Wilson Solar Limited (Standalone information):

Particulars	For the quarter ended			Year ended
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
Total Income	879.65	1,348.16	655.36	3,330.12
(Loss)/ Profit before tax	(45.10)	(134.77)	(23.87)	(142.67)
(Loss)/ Profit for the period / year	(35.16)	(98.60)	(18.66)	(111.44)

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

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

- The Red Herring Prospectus dated 29 July 2019 stated that Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala ("Selling Shareholders") shall use a portion of net offer proceeds towards funding full repayment of the outstanding inter-corporate deposits/ loans payable by fellow subsidiaries to the Parent 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 Parent 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 crore (net) (including principal and interest and includes 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 ended 31 March 2021 worth about Rs. 460.17 crore and security by way of hypothecation of receivables from certain customer of fellow subsidiary amounting to Rs 345.00 crores during the quarter ended 30 June 2021, making the total security package of about Rs 805.17 crore, covering the value of outstanding inter-corporate deposits / loans of Rs. 741.33 crore (before accrual of interest post 30 June 2021) as on date.

The Selling Shareholders have already facilitated the repayment of inter-corporate deposits/ loans amounting to Rs 2,130.63 crore by the fellow subsidiaries to the Parent and its subsidiary company, from the date of listing i.e. 20 August 2019 till 30 June 2021. In view of the steps taken/being taken by the Parent, management believes that no provision towards expected credit losses is required as at 30 June 2021 for inter-corporate deposits / loans outstanding aggregating to Rs 741.33 crore (including interest accrued thereon).

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



Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

Statement Of Unaudited Consolidated Financial Results For The Quarter Ended June 30, 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 quarter ended 30 June 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. Owing to these factors, the Group has faced liquidity challenges during the quarter.

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 on going concern, after considering the Group's projected cash flows for the next 12 months, as well as financing arrangements to fulfil its working capital requirements and necessary capital expenditure.

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.

- 7 A Subsidiary Company has received intimation for liquidated damages from two of its customers for an amount of approximately Rs 88.57 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 100.97 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 ended 31 March 2021, a significant subcontractor in a particular geography filed for bankruptcy. The subcontractor has levied a claim on a Subsidiary Company for approximately Rs 93.40 crore which has been refuted by the management. The Subsidiary Company has filed a counter claim on the subcontractor for an amount of Rs 85.17 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 Parent, 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 Parent issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Parent, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Parent that they would make the payment if the customer failed to pay. As on date the customer owes Parent 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 Parent, 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 Parent's bank citing prevention against doing the same due to the NCLT order, and the Parent had to return the amount back to its bank.

During the year ended 31 March 2020, the Parent has 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 Parent had sought legal opinion 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 as at 30 June 2021, based on management's best estimate of collection of the aforementioned receivables as at 30 June 2021.

- 10 The figures of the quarter ended March 31, 2021 are the balancing figure between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year ended March 31, 2021.
- 11 Other expenses during the quarter ended 30 June 2021 include forward contract cancellation charges aggregating to Rs 80.46 crores. A few of these contracts, with a corresponding cost of Rs 49.15 crores, have been re-booked during the quarter, as the corresponding revenue against such forward contracts is to be accrued in subsequent periods.
- 12 The results of the Group are available for investors at www.sterlingandwilsonsolar.com, www.nseindia.com and www.bseindia.com.

BY ORDER OF THE BOARD OF DIRECTORS

For Sterling and Wilson Solar Limited

Khurshed
Yazdi Daruvala

Digitally signed by
Khurshed Yazdi Daruvala
Date: 2021.08.14 17:11:23
+05'30'

Mr. Khurshed Daruvala
Chairman
DIN: 00216905

Date : August 14, 2021
Place : Mumbai

ANIRUDDHA
SHREEKANT
GODBOLE

Digitally signed by
ANIRUDDHA SHREEKANT
GODBOLE
Date: 2021.08.14 17:25:02
+05'30'

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 – 400063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 and Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Sterling and Wilson Solar Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Sterling and Wilson Solar Limited ('the Company') for the quarter ended 30 June 2021 ('the Statement'), attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Namibia, Philippines, Vietnam and Zambia.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations and Regulation 52(4) as per SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, as amended. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Basis for Qualified Conclusion

5. We draw attention to note 4 to the unaudited standalone financial results relating to outstanding inter- corporate deposits of Rs 235.46 crores (including interest accrued thereon of Rs Nil crores) as at 30 June 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.

Registered Office:

Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 and Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

Basis for Qualified Conclusion (*Continued*)

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.

The Company has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter- corporate deposits by the Selling Shareholders on which the Company has submitted its replies or is in the process thereof. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Company. Although the Company has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non- compliance with any laws and regulations by the Company in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

The Company has obtained full security for the outstanding amount as at 30 June 2021. In view of the steps taken/being taken by the Company as discussed in the said note, management believes that no provision towards expected credit losses is required as at 30 June 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 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 unaudited standalone financial results of the Company for the quarter ended 30 June 2021.

6. As more fully explained in note 7 to the unaudited standalone financial results, the Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 30 June 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 unaudited standalone financial results, if any.

Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 and Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

Qualified Conclusion

7. Based on our review conducted as above and based on the consideration of the review reports of the branch auditors referred to in paragraph 9 below, except for the effects of the matters described in the *Basis for Qualified Conclusion* section above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 52(4) as per SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

8. We draw attention to:
 - (i) note 6 to the unaudited standalone 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 unaudited standalone 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 corresponding amounts for the previous quarter ended 30 June 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 unaudited standalone financial results.

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

Sterling and Wilson Solar Limited

Limited review report on unaudited quarterly standalone financial results of Sterling and Wilson Solar Limited under Regulation 33 and Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

Other Matters

9. We did not review the interim financial information of 15 branches included in the unaudited standalone financial results of the Company, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs 633.30 crores, total net (loss) after tax (before consolidation adjustments) of Rs 22.36 crores and total comprehensive (loss) (before consolidation adjustments) of Rs 22.36 crores for the quarter ended 30 June 2021, as considered in the unaudited standalone financial results of the Company. The interim financial information of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in paragraph 3 above.

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

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

For B S R & Co. LLP

Chartered Accountants

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

**ANIRUDDHA
SHREEKANT
GODBOLE**

 Digitally signed by ANIRUDDHA
SHREEKANT GODBOLE
Date: 2021.08.14 17:35:42
+05'30'

Aniruddha Godbole

Partner

Mumbai
14 August 2021

Membership No: 105149
UDIN: 21105149AAAAER3004



Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

Statement Of Unaudited Standalone Financial Results For The Quarter Ended June 30, 2021

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended
		30-Jun-21 (Unaudited)	31-Mar-21 (Audited) (Refer Note 5)	30-Jun-20 (Unaudited) (Restated) (Refer note 9)	31-Mar-21 (Audited)
1	Income				
	Revenue from operations	846.39	1,300.81	623.45	3,176.17
	Other income	33.26	47.35	31.91	153.95
	Total Income	879.65	1,348.16	655.36	3,330.12
2	Expenses				
	Cost of construction materials, stores and spare parts	367.38	1,013.20	390.34	2,029.83
	Purchase of stock-in-trade	-	0.01	0.62	0.79
	Direct project costs	395.65	362.73	183.28	1,049.47
	Employee benefits expense	30.29	38.56	26.28	122.34
	Finance costs	11.98	17.00	18.64	67.59
	Depreciation and amortisation expense	1.62	2.34	1.86	8.20
	Other expenses (Refer note 10)	117.83	49.09	58.21	194.57
	Total expenses	924.75	1,482.93	679.23	3,472.79
3	(Loss) / Profit before tax	(45.10)	(134.77)	(23.87)	(142.67)
4	Tax expense				
	- Current tax	-	(6.11)	0.35	-
	- Deferred tax (credit) / charge	(9.94)	(30.06)	(5.56)	(31.23)
5	(Loss) / Profit for the period / year	(35.16)	(98.60)	(18.66)	(111.44)
6	Other comprehensive income for the period / year				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit liability	0.07	1.64	(0.46)	0.27
	- Income tax relating to items that will not be reclassified to profit or loss	(0.02)	(0.41)	0.11	(0.07)
	Items that will be reclassified to profit or loss				
	- Effective portion of gain / (losses) on hedging instruments in cash flow hedges	8.16	(18.32)	(47.17)	(153.59)
	- Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss	80.44	63.10	-	63.10
	- Income tax relating to items that will be reclassified to profit or loss	(22.30)	(11.27)	11.87	22.77
	- Exchange differences in translating financial statements of foreign operations	4.57	(3.13)	3.23	(11.46)
	Other comprehensive income for the period / year (net of tax)	70.92	31.61	(32.42)	(78.98)
7	Total comprehensive income / (loss) for the period / year	35.76	(66.99)	(51.08)	(190.42)
8	Paid-up equity share capital (face value ₹ 1/-)	16.04	16.04	16.04	16.04
9	Other equity				495.94
10	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)				
	(a) Basic	(2.19)	(6.15)	(1.16)	(6.95)
	(b) Diluted	(2.19)	(6.15)	(1.16)	(6.95)
11	Outstanding redeemable preference shares	-	-	-	-
12	Debt equity ratio (Refer note 8(a) below)	0.75			0.75
13	Capital redemption reserve	0.00			0.00
14	Debenture redemption reserve	-			-
15	Debt service coverage ratio (Refer note 8(b) below)	(0.40)			(0.51)
16	Interest service coverage ratio (Refer note 8(c) below)	(3.28)			(1.30)
17	Net worth (Refer note 8(d) below)	547.73			511.98
	See accompanying notes to the unaudited 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.

Unaudited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter Ended June 30, 2021

(₹ in crore)

Particulars	For the quarter ended			Year ended
	30-Jun-21 (Unaudited)	31-Mar-21 (Audited) (Refer Note 5)	30-Jun-20 (Unaudited) (Restated) (Refer note 9)	31-Mar-21 (Audited)
Segment Revenue				
Solar EPC business	790.15	1,233.20	564.58	2,941.41
Operation and maintenance service	56.24	66.53	58.87	231.80
Total	846.39	1,299.73	623.45	3,173.21
Other operating income	-	1.08	-	2.96
Revenue from operations	846.39	1,300.81	623.45	3,176.17
Segment Results				
Solar EPC business	(12.94)	(134.33)	24.36	(33.10)
Operation and maintenance service	14.22	22.05	24.49	69.03
Total	1.28	(112.28)	48.85	35.93
Add: Unallocable income	30.03	35.46	30.45	137.16
Less: Unallocable expenditure	(76.41)	(57.95)	(103.17)	(315.76)
Total (loss) / profit before tax	(45.10)	(134.77)	(23.87)	(142.67)
Segment Assets				
Solar EPC business	1,359.07	1,372.55	1,739.43	1,372.55
Operation and maintenance service	160.32	143.35	127.67	143.35
Unallocated	2,050.60	2,260.39	1,775.26	2,260.39
Total	3,569.99	3,776.29	3,642.36	3,776.29
Segment Liabilities				
Solar EPC business	2,405.09	2,681.01	2,138.59	2,681.01
Operation and maintenance service	98.06	77.31	78.00	77.31
Unallocated	519.11	505.99	774.46	505.99
Total	3,022.26	3,264.31	2,991.05	3,264.31
Capital Employed (Segment Assets - Segment Liabilities)				
Solar EPC business	(1,046.02)	(1,308.46)	(399.16)	(1,308.46)
Operation and maintenance service	62.26	66.04	49.67	66.04
Unallocated	1,531.49	1,754.40	1,000.80	1,754.40
Total	547.73	511.98	651.31	511.98



Sterling and Wilson Solar Limited

CIN:L74999MH2017PLC292281

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

Unaudited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter Ended June 30, 2021

Notes :

- 1 The unaudited 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 August 14, 2021. These unaudited standalone financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The above unaudited standalone financial results have been subjected to "limited review" by the statutory auditors of the Company. There are qualifications in the review report for the quarter ended June 30, 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 unaudited 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 amounting to Rs. 460.17 crore, covering the value of outstanding inter-corporate deposits Rs 235.46 crore (before accrual of interest post 30 June 2021) as on date.

The Selling Shareholders have already facilitated the repayment of inter-corporate deposits amounting to Rs 1,945.65 crore by the fellow subsidiary to the Company, from the date of listing i.e. 20 August 2019 till 30 June 2021. In view of the steps taken/being taken by the Company, management believes that no provision towards expected credit losses is required as at 30 June 2021 for inter-corporate deposits outstanding aggregating to Rs 235.46 crore (with all interest upto 30 June 2021 serviced).

The Company has also responded/ is in the process of responding 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.

Unaudited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter Ended June 30, 2021

Notes : (Continued)

- 5 The figures for the quarter ended 31 March 2021 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 financial year.
- 6 The outbreak of the Coronavirus (COVID-19) pandemic globally continues to cause significant disturbance and slowdown of economic activity. During the quarter ended 30 June 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. Owing to these factors, the Company has faced liquidity challenges during the quarter.

The Company continues to have a strong order book, a positive net-worth and favorable net current asset position. The Company's management and the Board of Directors of the Company have also made an assessment on going concern, after considering the Company's projected cash flows for the next 12 months, as well as financing arrangements to fulfil its working capital requirements and necessary capital expenditure.

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 that 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.

- 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 in 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 as at 30 June 2021, based on management's best estimate of collection of the aforementioned receivables as at 30 June 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

CIN:L74999MH2017PLC292281

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

Unaudited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter Ended June 30, 2021

Notes : (Continued)

- 8 The credit rating for the Commercial paper is ACUTE A2

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 235.46 crore as at 30 June 2021 (31 March 2021: Rs 397.55 crore).

The commercial paper was issued during the year ended 31 March 2021 and hence, ratios for the previous period ended 30 June 2020 have not been disclosed.

- 9 The Board of Directors of the Company at their meeting held on 16 March 2020 had approved the "Scheme of Arrangement" ('the Scheme') for merger of Sterling & Wilson - Warree Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals from the applicable statutory authorities. Subsequently, the Company 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. In accordance with the requirements of Para 9(iii) of Appendix C of Ind AS 103, the unaudited standalone financial results of the Company in respect of prior periods have been restated from effective date of the Scheme i.e. April 1, 2020. Increase/ (Decrease) in previous period published numbers are as below:

Particulars	For the quarter ended
	30-Jun-20 (Unaudited)
Total income	1.46
(Loss) / Profit before tax for the period	(7.10)
(Loss) / Profit after tax for the period	(5.34)
Net worth	35.83
Total assets	35.84

- 10 Other expenses during the quarter ended 30 June 2021 include forward contract cancellation charges aggregating to Rs 80.46 crores. A few of these contracts, with a corresponding cost of Rs 51.76 crores, have been re-booked during the quarter, as the corresponding revenue against such forward contracts is to be accrued in subsequent periods.
- 11 The results of the Company are available for investors at www.sterlingandwilsonsolar.com, www.nseindia.com and www.bseindia.com.

BY ORDER OF THE BOARD OF DIRECTORS

For Sterling and Wilson Solar Limited

Khurshed
Yazdi
Daruvalla

Digitally signed by
Khurshed Yazdi
Daruvalla
Date: 2021.08.14
17:23:18 +05'30'

Mr. Khurshed Daruvalla
Chairman

DIN: 00216905

Date : August 14, 2021
Place : Mumbai

ANIRUDDHA
SHREEKANT
GODBOLE

Digitally signed by
ANIRUDDHA SHREEKANT
GODBOLE
Date: 2021.08.14 17:36:49
+05'30'