

**INDEPENDENT AUDITORS' REPORT**

For the year ended 31 March 2021

Component Name	Sterling and Wilson Solar LLC ("the Component")
----------------	---

**From: PKF LLC****Date: 3rd June 2021****Subject: Component Audit of < Sterling and Wilson Solar LLC >for the year ended 31 March 2021**

To: Aniruddha Godbole, B S R &amp; Co. LLP, Mumbai

**Independent Auditors' Report on Sterling and Wilson Solar LLC ('the entity')****Report on the Group reporting pack**

We have audited the accompanying Group reporting pack of **Sterling and Wilson Solar LLC** ("the Component") ("the Entity", "the Company") which comprise the balance sheet as at 31 March 2021, the statement of profit and loss, the statement of changes in equity and the statement of cash flows (collectively referred to as 'the Group reporting pack') for the year then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information, prepared in accordance with the group accounting policies followed by Sterling and Wilson Solar Limited ('SWSL') ('the holding company of the SWSL Group'). The Group reporting pack has been prepared solely to enable the holding company, to prepare its consolidated financial statements as at and for the year ended 31 March 2021.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid group reporting pack of the entity as of 31 March 2021 and for the year then ended has been prepared, in all material respects, as established by you, in accordance with group accounting policies followed by SWSL and is suitable for inclusion in the consolidated financial statements of the SWSL Group.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Group reporting pack 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Group reporting pack.

Tel +968 24563196 . Fax +968 24563194 . Email muscat@pkfoman.com . www.pkfoman.com  
PKF LLC . P.O. Box 1171 . Ruwi PC 112 . Hatat Complex A . Suite 108A . Wadi Adai . Muscat . Sultanate of Oman

PKF L.L.C. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any other individual member or correspondent firm or firms.

C.R. No. 1118751 . License No. L537777

• Tax Card No.8063494

**Responsibility of management for the Group reporting pack**

The Company's Management and Board of Directors is responsible for the preparation and presentation of the Group reporting pack in terms of the requirements of the Act that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with group accounting policies followed by the holding company of the SWSL Group. The Management and the Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the group reporting pack 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 Group reporting pack by the Management and Directors of the Company, as aforesaid.

In preparing the Group reporting pack, the Management and 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 Group reporting pack has been prepared by the management on the basis of instructions received in this regard from SWSL solely for the use by SWSL in preparation of its consolidated financial statements in accordance with the group accounting policies followed by SWSL.

**Auditors' Responsibility for the Group reporting pack**

Our objectives are to obtain reasonable assurance about whether the Group reporting pack as whole is 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 ISAs / 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Group reporting pack.

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

- Identify and assess the risks of material misstatement of the Group reporting pack, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of 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 Group reporting pack 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group reporting pack, including the disclosures, and whether the Group reporting pack represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group reporting pack.

We communicate with those charged with governance of the Company 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 have communicated all matters of significance to you in the communications you requested in your Group referral instructions.

#### **Limitation of Use**

This report is intended solely for use by B S R & Co. LLP, India in connection with its audit of consolidated financial statements of the SWSL Group as at and for the year ended 31 March 2021 and should not be used for any other purpose.

For **PKF** L.L.C.

Chartered Accountants



Muscat

Sultanate of Oman

Date: 3rd June 2021

# STERLING AND WILSON SOLAR L.L.C

## Standalone Statement of Assets and Liabilities as at 31 March 2021

(Currency : OMR)

	Note	31 March 2021	31 March 2020
<b>Assets</b>			
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Trade receivables	3	326,706	1,198,587
(ii) Cash and cash equivalent	4	44,753	1,537,052
(iii) Loans	5	49,280	49,550
(iv) Other financial assets	6	558,559	40,459
Other current assets	7	20,772	101,344
<b>Total current assets</b>		<b>1,000,070</b>	<b>2,926,992</b>
<b>Total assets</b>		<b>1,000,070</b>	<b>2,926,992</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	150,000	150,000
Other equity	9		
Legal reserve		50,000	-
Accumulated profit/ (loss)		414,420	(68,290)
<b>Total equity</b>		<b>614,420</b>	<b>81,710</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables	10	171,467	1,229,711
(ii) Other financial liabilities	11	1,454	412,066
Other current liabilities	12	-	98,799
Provisions	13	130,684	1,104,706
Current tax liabilities (net)	14	82,045	-
<b>Total current liabilities</b>		<b>385,650</b>	<b>2,845,282</b>
<b>Total equity and liabilities</b>		<b>1,000,070</b>	<b>2,926,992</b>

As per our report of even date attached.

For PKF LLC  
Chartered Accountants

*PKF LLC*

Place: Muscat  
Date: 3rd June 2021



For and on behalf of the Board of Directors of  
STERLING AND WILSON SOLAR L.L.C

*Neville Madan*

Neville Madan

Date: 3rd June 2021

# STERLING AND WILSON SOLAR L.L.C

## Standalone statement of profit and loss

For the year ended 31 March 2021

(Currency : OMR)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	15	2,709,993	8,191,830
<b>Total income</b>		<b>2,709,993</b>	<b>8,191,830</b>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	16	117,858	1,485,121
Direct project costs	17	1,938,929	6,743,865
(Provision written back)/provision of foreseeable losses		(3,108)	3,108
Other expenses	18	41,559	20,000
<b>Total expenses</b>		<b>2,095,238</b>	<b>8,252,094</b>
<b>Profit before income tax</b>		<b>614,755</b>	<b>(60,264)</b>
<b>Tax expenses:</b>			
Current tax	19	82,045	-
<b>Profit for the year after income tax</b>		<b>532,710</b>	<b>(60,264)</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<b>532,710</b>	<b>(60,264)</b>

As per our report of even date attached.

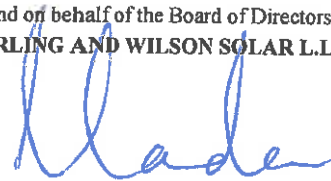
For PKF LLC  
Chartered Accountants

For and on behalf of the Board of Directors of  
STERLING AND WILSON SOLAR L.L.C

PKF LLC

Place: Muscat  
Date: 3rd June 2021





Neville Madan

Date: 3rd June 2021

## STERLING AND WILSON SOLAR L.L.C

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

(Currency : OMR)

#### A. Equity share capital

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	150,000	150,000
Balance at the end of the year period	150,000	150,000

#### B. Other equity

	Attributable to the Owners of the Company		Total
	Reserves and Surplus		
	Legal Reserve	Retained earnings	
Balance as at 1 April 2020		(68,290)	(68,290)
Total comprehensive profit for the year			
Profit for the year		532,710	532,710
<i>Items of OCI for the year, net of tax:</i>			
Transfer to legal reserve	50,000	(50,000)	-
	50,000	482,710	532,710
Balance as at 31 March 2021	50,000	414,420	464,420

# STERLING AND WILSON SOLAR L.L.C

for the year ended 31 March 2021

## Statement of changes in equity (Continued)

for the year ended 31 March 2021

(Currency : OMR)

### B. Other equity (Continued)

	Attributable to the Owners of the Company		Total
	Reserves and Surplus		
	Legal Reserve	Retained earnings	
Balance as at 1 April 2019		(8,026)	(8,026)
Total comprehensive loss for the year			
Loss for the year	-	(60,264)	(60,264)
		(60,264)	(60,264)
Balance as at 31 March 2019	-	(68,290)	(68,290)

The attached notes 1 to 25 are an integral part of these financial statements.  
As per our report of even date attached.

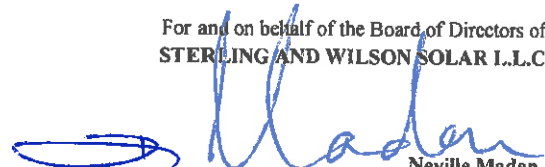
For PKF LLC  
Chartered Accountants



Place: Muscat  
Date: 3rd June 2021



For and on behalf of the Board of Directors of  
STERLING AND WILSON SOLAR L.L.C



Neville Madan  
Management Representative

Place: Muscat  
Date: 3rd June 2021

# STERLING AND WILSON SOLAR L.L.C

## Standalone statement of cash flows

For the year ended 31st March 2021

(Currency : OMR)

	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A) Cash flows from operating activities</b>		
Profit(Loss) for the year ended	614,755	(60,264)
<i>Adjustments for:</i>		
Provisions for foreseeable losses	(3,108)	3,108
Operating profit/(loss) before working capital changes	<u>611,647</u>	<u>(57,156)</u>
<i>Working capital adjustments</i>		
Change in trade receivables	871,881	(1,198,587)
Change in loans and advances	270	100,450
Change in other financial assets	(518,100)	(11,689)
Change in other current assets	80,572	(100,241)
Change in trade payable, other current liabilities and provisions	(2,538,569)	2,515,808
Net change in working capital	<u>(2,103,946)</u>	<u>1,305,741</u>
Net cash out flows from operating activities (A)	<u>(1,492,299)</u>	<u>1,248,585</u>
Net decrease in cash and cash equivalents (A)	<u>(1,492,299)</u>	<u>1,248,585</u>
Cash and cash equivalents at the beginning of the year	<u>1,537,052</u>	<u>288,467</u>
Cash and cash equivalents at the end of the year	<u>44,753</u>	<u>1,537,052</u>

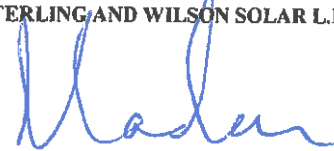
For PKF LLC  
Chartered Accountants

For and on behalf of the Board of Directors of  
STERLING AND WILSON SOLAR L.L.C



Place: Muscat  
Date: 3rd June 2021





Neville Madan  
Date: 3rd June 2021



# STERLING AND WILSON SOLAR L.L.C

## **Notes to the financial statements**

*as at 31 March 2021*

(Currency : OMR)

### **1 FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are prepared in Rial Omani, which is the functional and presentation currency.

### **2 GOING CONCERN CONCEPT**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management shall make an assessment of the company's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Company's management has assessed the impact of COVID 19 on its liquidity, disruption of business operations, supply chains and demand drivers, impairment of its assets, etc which may lead to solvency issue and have concluded that inspite of the challenges, the company will remain solvent and continue as going concern in future.

## STERLING AND WILSON SOLAR L.L.C

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

as at 31 March 2021

(Currency - OMR)

	31 March 2021	31 March 2020
<b>3. Trade receivables</b>		
<i>(Unsecured)</i>		
Trade Receivables		
- Considered good	326,706	1,198,587
Net trade receivables	<u>326,706</u>	<u>1,198,587</u>

\* The Company uses an expected credit loss allowance matrix to measure the expected credit losses of trade and other receivables. Accordingly, no allowance for expected credit loss has been recognized as at the year end. Any actual credit losses that would be known/incurred in future would be charged to profit or loss in the future years in which the actual credit losses are incurred.

## STERLING AND WILSON SOLAR L.L.C

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

(Currency : CMR)

	31 March 2021	31 March 2020
<b>4 Cash and cash equivalent</b>		
Balances with Bank		
- in current accounts	44,753	1,534,017
Cash on hand	-	3,035
	<u>44,753</u>	<u>1,537,052</u>
<b>5 Loans</b>		
<i>To related parties</i>		
Member of the company*	45,000	45,000
<i>To parties other than related parties (Unsecured, considered good)</i>		
Security deposits	4,280	4,550
	<u>49,280</u>	<u>49,550</u>
*Loans given to member are unsecured, repayable before 1st April 2022 and are interest free.		
<b>6. Other financial assets</b>		
<i>To related parties</i>		
Other receivables*	527,497	-
Unbilled receivables	31,062	40,459
	<u>558,559</u>	<u>40,459</u>
* Receivable from fellow subsidiaries towards funding and reimbursement of expenses etc.		
<b>7 Other current assets</b> <i>(Unsecured, considered good)</i>		
Advances for supply of goods	20,772	94,391
Advance to employees	-	6,953
	<u>20,772</u>	<u>101,344</u>

## STERLING AND WILSON SOLAR L.L.C

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

(Currency: OMR)

	31 March 2021	31 March 2020
<b>8 Equity share capital</b>		
Authorized 150,000 equity shares of RO 1 each (31 March 2020: 150,000 equity shares of RO 1 each)	150,000	150,000
Issued, subscribed and fully paid up: 150,000 equity shares of RO 1 each (31 March 2020: 150,000 equity shares of RO 1 each, fully paid-up)	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning of the year	150,000	150,000	150,000	150,000
Balance as at end of the year	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

(B) Shares held by holding company:

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Sterling and Wilson Solar L.L.C, the holding company	105,000	105,000	105,000	105,000

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

	31 March 2021		31 March 2020	
	Number	% holding	Number	% holding
Equity shares				
Sterling and Wilson Solar L.L.C, the holding company	105,000	70%	105,000	70%
Mohammed Mohamed Hassan	45,000	30%	45,000	30%

## 9 Other equity

Particulars	31 March 2021	31 March 2020
Legal reserve	50,000	-
Accumulated profit/(losses)	414,420	(65,290)
	<u>464,420</u>	<u>(65,290)</u>

(i) Legal reserve		
Balance as at the beginning of the year		-
Add: Transfer from profit for the year	50,000	-
Balance as at end of the year	<u>50,000</u>	-
(ii) Accumulated profit/(losses)		
At the beginning of the year	(65,290)	(65,290)
Add: profit/(loss) for the year	532,710	(60,264)
Transfer to legal reserve	(50,000)	-
Balance as at the end of the year	<u>414,420</u>	<u>(65,290)</u>

(i) Accumulated profit/(losses)

Retained earnings are the profits that the Company has earned till date, less any transfers to legal reserve.

(ii) Legal reserve

Legal reserve is created by 10% of the net profit for the year as required by the Commercial Companies Law of Oman. The company is obliged to discontinue such annual transfer to the reserve to total 33.33% of the net upturning profits. The reserve is not available for distribution.

## STERLING AND WILSON SOLAR L.L.C

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

(Currency : QMR)

	31 March 2021	31 March 2020
<b>10 Trade payables</b>		
Trade Payable (including retention)	171,467	1,229,711
	<u>171,467</u>	<u>1,229,711</u>

	31 March 2021	31 March 2020
<b>11 Other financial liabilities</b>		
<i>To related parties</i>		
Other payables *	1,454	412,066
	<u>1,454</u>	<u>412,066</u>

\* Payable to parent company and fellow subsidiary towards reimbursement of expenses, etc.

	31 March 2021	31 March 2020
<b>12 Other current liabilities</b>		
<i>To parties other than related parties</i>		
Amount due to a customer	-	98,799
	<u>-</u>	<u>98,799</u>

	31 March 2021	31 March 2020
<b>13 Provisions</b>		
<b>Other provisions</b>		
Provision for Accrued Expenses	130,684	1,101,598
Provision for foreseeable loss/ onerous contracts	-	3,108
	<u>130,684</u>	<u>1,104,706</u>

*Provision for foreseeable loss/ onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Particulars	Onerous contracts Foreseeable Loss
As at 1 April 2020	3,108
Additions during the period	-
Utilisation/ Write back during the period	-
As at 31 March 2021	<u>3,108</u>
As at 1 April 2019	-
Additions during the year	3,108
Utilisation/ Write back during the period	-
As at 31 March 2020	<u>3,108</u>

	31 March 2021	31 March 2020
<b>14 Current tax liabilities (net)</b>		
Provision for current tax	82,045	-
	<u>82,045</u>	<u>-</u>

## STERLING AND WILSON SOLAR L.L.C

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

For the year ended 31 March 2021

(Currency : OMR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>15 Revenue from operations</b>		
Sale of services		
Income from works contracts	2,258,798	8,191,830
Revenue from operation and maintenance services	451,195	-
	<b>2,709,993</b>	<b>8,191,830</b>
<b>16 Cost of construction materials, stores and spare parts</b>		
Purchase during the year	117,858	1,485,121
	<b>117,858</b>	<b>1,485,121</b>
<b>17 Direct project costs</b>		
Job work Charges	1,109,096	5,756,539
Legal and professional fees	60,337	131,208
Printing and stationery expenses	1,234	4,548
Insurance charges for project	12,547	33,022
Traveling and conveyance expenses	115,158	145,666
Rent	4,060	1,920
Rates and taxes	195,001	7,534
Bank charges	7,333	13,842
Site expenses	136,309	253,847
Miscellaneous expenses	17,315	68,838
	<b>1,658,390</b>	<b>6,416,964</b>
Employee benefits expense		
Salaries, wages and bonus	223,738	247,216
Visa Expenses	56,801	79,685
	<b>280,539</b>	<b>326,901</b>
	<b>1,938,929</b>	<b>6,743,865</b>
<b>18 Other expenses</b>		
Payment to auditors (refer note (a) below)	5,600	5,000
Management support fees	10,500	15,000
Foreign exchange loss (net)	25,459	-
	<b>41,559</b>	<b>20,000</b>
(a) Payment to auditors		
As auditor		
Statutory audit	2,200	2,200
In other capacity		
Tax consultancy fees	250	-
Certification services	3,150	2,800
	<b>5,600</b>	<b>5,000</b>

# STERLING AND WILSON SOLAR L.L.C

## Notes to the financial statements (Continued)

For the year ended 31 March 2021

(Currency - OMR)

### 19 Income taxes

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense:		
Current year	82,045	-
Adjustment of tax relating to earlier years		
	82,045	-
<b>Tax expenses for the year</b>	<b>82,045</b>	<b>-</b>

#### b) Reconciliation of effective tax rate

Particulars	For the year 31 March 2021	For the year ended 31 March 2020
Profit before tax	614,755	
Tax on the Company's profit @ 15%	92,213	
Tax effect of:		
Tax losses utilised on which deferred tax was not created earlier	(9,740)	
Reversal of provision adjusted	(466)	
Non-deductible expenses	38	
<b>Total tax expense</b>	<b>82,045</b>	<b>-</b>

#### c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised during the year in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	31 March 2021		31 March 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	-	-	64,932	9,740
<b>Total</b>	<b>-</b>	<b>-</b>	<b>64,932</b>	<b>9,740</b>

#### d) Tax losses carried forward

Particulars	Year ended 31 March 2021	Expiry date	Year ended 31 March 2020	Expiry date
	Expire		-	
	<b>-</b>		<b>64,932</b>	

# STERLING AND WILSON SOLAR L.L.C

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

(Currency : OMR)

### 20 Earnings per share

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
<i>Basic and diluted earnings per share</i>			
<b>Numerator:</b>			
Profit (loss) after tax attributable to equity shareholders	A	532,710	-60,264
<b>Denominator:</b>			
<i>Calculation of weighted average number of equity shares</i>			
Number of equity shares at the beginning of the year		150,000	150,000
Number of equity shares outstanding at the end of the year		150,000	150,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	150,000	150,000
Basic and diluted earnings per share (Rs)	A / B	3.55	-0.40
Face value per share		1.00	1.00



# STERLING AND WILSON SOLAR L.L.C

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

(Currency OMR)

### 21 Contingent liabilities and commitments (to the extent not provided for)

#### A. Contingent Liabilities

Particulars	31 March 2021	31 March 2020
(s) Letters of guarantee	903,733	2,230,428
<b>Total</b>	<b>903,733</b>	<b>2,230,428</b>

The above letters of guarantee are issued by a bank of a related party i.e. Sterling and Wilson International Solar FZCO.

## STERLING AND WILSON SOLAR L.L.C

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

(Currency : OMR)

#### 22 Revenue from Contracts with Customers

A) The company is engaged in engineering, procurement and commissioning of solar power plant.

B) **Disaggregation of revenue from contracts with customers**  
The Company recognises revenue from the transfer of goods and services over time.

#### C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Contract assets*</b>		
<b>Unbilled receivables</b>		
Contract assets at the beginning of the year	40,459	28,770
Less: Billing during the year	174,415	7,891,479
Add: Revenue recognised during the year	165,018	7,903,368
Contract assets as at end of the year	31,062	40,459
<b>Contract liabilities**</b>		
<b>Advance from customers</b>		
Contract liabilities at the beginning of the year	98,799	288,462
Add: Billing during the year	1,994,981	98,799
Less: Revenue recognised during the year	2,095,780	288,462
Contract liabilities as at end of the year	-	98,799

\*The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are issued to the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

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

#### D) Reconciliation of revenue

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income from work contracts</b>	<b>2,258,798.00</b>	<b>8,191,830.00</b>
<i>Adjustment on account of:</i>		
Liquidated Damages	-	-
Reversal of provision for liquidated damages	-	-
Deferralment of revenue pertaining to free operation and maintenance period	-	-
<b>Total</b>	<b>2,258,798.00</b>	<b>8,191,830.00</b>
<b>Revenue from operation and maintenance services</b>		
<i>Adjustment on account of:</i>		
Recognition of revenue towards free operation and maintenance period	-	-
<b>Total</b>	<b>2,258,798.00</b>	<b>8,191,830.00</b>

# STERLING AND WILSON SOLAR L.L.C

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: GMR)

### 22 Revenue from Contracts with Customers (Continued)

#### E) Performance obligation

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

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

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

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

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

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

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2021 and 31 March 2020.

#### F) Practical expedients:

The Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the year between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

#### Practical expedient for contract costs with amortisation period within a year:

Applying the practical expedient the Company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognised in one year or less.

STERLING AND WILSON SOLAR L.L.C

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

(Currency: OMR)

23 Related Party Transactions (Continued)

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2021

Sr. No.	Nature of transaction	Holding company	Follow-up/Offices	Key Management Personnel and their relatives	Total
I	Income from works contracts	-	-	-	-
II	Sale of traded goods	-	-	-	-
III	Purchases of services	-	-	-	-
III	Purchases of construction material	5,174	-	-	5,174
IV	Advances received from customers	-	-	-	-
V	Management support fees	-	-	-	-
VI	Interest income	-	-	-	-
VII	Remuneration paid	-	-	-	-
VIII	Recovery of Expenses (net)	-	17,381	-	17,381
IX	Reimbursement of expenses	1,451	-	-	1,451
X	Short term borrowings received	-	-	-	-
XI	Short term borrowings repaid	-	-	-	-
XII	Loans given	-	-	-	-
XIII	Loans repaid	-	-	-	-
XIV	Interest receivable	-	-	-	-
XV	Advances from customer	-	-	-	-
XVI	Trade Receivables	-	-	-	-
XVII	Trade payable	5,174	-	-	5,174
XVIII	Recoverable expenses	-	-	-	-
XIX	Other receivables	-	527,497	-	527,497
XX	Other Payables	1,451	-	-	1,451
XXI	Gross amount due from customer	-	-	-	-
XXII	Loans receivable	-	-	-	-
XXIII	Corporate Guarantees outstanding	-	-	-	-

Sr. No.	Nature of transaction	Holding company	Follow-up/Offices	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company (Private) Limited				-
	Shapoorji Pallonji Group Paypa S.A.F.				-
	Green Infrastructure Limited				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Shapoorji Pallonji Education L.L.C				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Power Private Limited				-
	Uniform Sun Energy Private Limited				-
II	Sale of traded goods				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
III	Purchases of services				
	Sterling and Wilson Middle East Mechanical L.L.C				-
	Percol International Service Limited				-

III	Purchases of construction material Sterling and Wilson Private Limited Sterling and Wilson Powergen Ltd Sterling Construction Private Limited	5,174		5,174
IV	Advances received from customer: Shapcoji Pallonji and Company Private Limited Shapcoji Pallonji Energy Egypt S.A.S Shapcoji Pallonji Infrastructure Capital Co. Private Limited Sterling and Wilson - (P.F.) - China Infrastructure Venture Tata Energy Limited Private Limited			-
V	Management support fees Shapcoji Pallonji and Company Private Limited			-
VI	Interest income: Shapcoji Pallonji Infrastructure Capital Co. Private Limited Sterling and Wilson Powergen Private Limited Sterling and Wilson Private Limited Sterling and Wilson International Ltd.			-
VII	Remuneration paid: Mr. Anand V. Duraisami, Director Mr. Anand V. Duraisami, Chairman Mr. Pallab Shyam, Senior Director Ms. Indira Datta, Non Executive Director Mr. Pradeep Datta, CFO Mr. J. Karan, Manager			-
VIII	Recovery of Expenses (net) Sterling and Wilson Solar Australia P/L (16) Sterling and Wilson International Solar P/L (15)		9,092 8,289	9,092 8,289
IX	Reimbursement of expenses Sterling and Wilson Solar Limited Sterling and Wilson International Solar P/L (15)	1,454		1,454
X	Short term borrowings received Shapcoji Pallonji and Company Private Limited			-
XI	Short term borrowings repaid Shapcoji Pallonji and Company Private Limited			-
XII	Loan given Sterling and Wilson Powergen Private Limited Sterling and Wilson Private Limited			-
XIII	Loan repaid Sterling and Wilson International Ltd. (net) Sterling and Wilson Powergen Private Limited Sterling and Wilson Private Limited			-

As the liabilities for defined benefit plans are provided on actuarial basis for the Company and a whole life annuity premium to Key Management Personnel are not

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
XIV	Interest receivable Shapcoji Pallonji Infrastructure Capital Co. Private Limited Sterling and Wilson Private Limited Sterling and Wilson Powergen Private Limited Sterling and Wilson International P/L				-
XV	Advances from customer Sterling and Wilson Private Limited Sterling and Wilson Private Limited Tata Energy Limited Private Limited				-
XVI	Trade receivables Shapcoji Pallonji and Company Private Limited Shapcoji Pallonji Energy Egypt S.A.S Sterling and Wilson Private Limited Shapcoji Pallonji Infrastructure Capital Co. Private Limited Sterling and Wilson Powergen Private Limited				-

<b>XVII Trade payable</b>			
Sterling and Wilson Private Limited	5,174		5,174
Percol Infrastructure Services Limited			-
Shreyas Financial Infrastructure Capital Co. Private Limited			-
Sterling Concrete Private Limited			-
Sterling and Wilson Private Limited			-
Sterling and Wilson PowerGen Private Limited			-
<b>XVIII Recoverable expenses</b>			
Sterling and Wilson Solar Australia Pty Ltd			-
P. S. Chartered Y. Derivats			-
Sterling and Wilson PowerGen Pvt. Ltd.			-
Sterling and Wilson PowerGen Pvt.			-
<b>XIX Other receivables</b>			
Sterling and Wilson Solar Australia Pty Ltd		7,092	7,092
Sterling and Wilson PowerGen Private Limited			-
Sterling and Wilson Solar International P/CO	518,405		518,405
<b>XX Other payables</b>			
Sterling and Wilson Solar Limited	1,454		1,454
Sterling and Wilson Middle East Projects International L.L.C			-
Sterling and Wilson PowerGen Pvt.			-
<b>XXI Gross amount due from customer</b>			
Shreyas Fintech and Company Private Limited			-
Sterling and Wilson Private Limited			-
<b>XXII Loan receivable</b>			
Sterling and Wilson Private Limited			-
Sterling and Wilson PowerGen Private Limited			-
Sterling and Wilson Infrastructure L.L.C			-
<b>XXIII Corporate Guarantee outstanding</b>			
Sterling and Wilson Private Limited			-

**B Transactions and balances with related parties**

*Related party disclosures for the year ended 31 March 2020*

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				-
II	Sale of traded goods				-
III	Purchase of services				-
IV	Purchase of construction material		9,200		9,200
V	Advance received from customers				-
VI	Management support fees				-
VII	Interest income				-
VIII	Remuneration paid				-
IX	Interest expense				-
X	Reimbursement of expenses	9,013	404,053		412,066
XI	Short term borrowings received				-
XII	Short term borrowings repaid				-
XIII	Loan given				-
XIV	Loan repaid				-
XV	Interest receivable				-
XVI	Advance from customer				-
XVII	Trade Receivable				-
XVIII	Trade payable				-
XIX	Recoverable expenses				-
XX	Other receivables				-
XXI	Other Payables	8,013	404,053		412,066
XXII	Gross amount due from customer				-
XXIII	Loan receivable				-
XXIV	Corporate Guarantee outstanding				-

B Transactions and balances with related parties (Continued)

Related party disclosures for the period ended 31 March 2020 (Continued)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from order contracts				
	Shapoorji Pallonji and Company Private Limited				-
	Shapoorji Pallonji Energy Egypt S.A.E.				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited				-
	Transform Sun Energy Private Limited				-
II	Sale of traded goods				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
III	Purchases of services				
	Sterling and Wilson Middle East Electro Mechanical FZE				-
	Force International Services Limited				-
III	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Powergen FZE		9,209		9,209
	Sterling Operations Private Limited				-
IV	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited				-
	Shapoorji Pallonji Energy Egypt S.A.E.				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling Wilson (SPL) - Client Services Venture				-
	Transform Sun Energy Private Limited				-
V	Management support fees				
	Shapoorji Pallonji and Company Private Limited				-
VI	Interest income				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited				-
	Sterling and Wilson International FZE				-
VII	Remuneration paid <sup>5</sup>				
	Mr. Zameer Yousufi, Director				-
	Mr. Khurshed Y Dawood, Chairman				-
	Mr. Pallonji Shapoorji, Director				-
	Mr. Mahesh Chagga, Non Executive Director				-
	Mr. Subodh Dattaraj, CEO				-
	Mr. K. Kamal, Manager				-
VIII	Interest expense				
	Shapoorji Pallonji and Company Private Limited				-
IX	Reimbursement of expenses				
	Sterling and Wilson India Limited	8,013			8,013
	Sterling and Wilson International Sole FZCO		404,052		404,052
	Sterling and Wilson Private Limited				-
X	Short term borrowings received				
	Shapoorji Pallonji and Company Private Limited				-
XI	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited				-
XII	Loans given				
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited				-
XIII	Loans repaid				
	Sterling and Wilson International FZE (100)				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited				-

<sup>5</sup> The liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole. The amounts pertaining to Key Management Personnel are not included.

**B Transactions and balances with related parties (Continued)**

**Related party disclosures for the period ended 31 March 2021 (Continued)**

Sr. No.	Nature of transaction	Holding company	Yellow subsidiaries	Key Management Personnel and their relatives	Total
<b>XIV</b>	<b>Interest receivable</b>				
	Shapoorji Pallonji Infrastructure Capital Co. Private Limited				-
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Construction Private Limited				-
	Sterling and Wilson International FZE				-
<b>XV</b>	<b>Advances from customers</b>				
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Private Limited				-
	Transaction Real Estate Private Limited				-
<b>XVI</b>	<b>Trade receivables</b>				
	Shapoorji Pallonji and Company Private Limited				-
	Shapoorji Pallonji Energy Capital Pvt. Ltd.				-
	Sterling and Wilson Private Limited				-
	Shapoorji Pallonji Infrastructure Capital Co. Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
<b>XVII</b>	<b>Trade payable</b>				
	Shapoorji Pallonji and Company Private Limited				-
	Global International Services Limited				-
	Shapoorji Pallonji Infrastructure Capital Co. Private Limited				-
	Sterling Construction Private Limited				-
	Sterling and Wilson Powergen FZE				-
	Sterling and Wilson Powergen Private Limited				-
<b>XVIII</b>	<b>Recoverable expenses</b>				
	Shapoorji Pallonji and Company Private Limited				-
	M/s. Kunal Reddy Charities				-
	Sterling and Wilson Powergen FZE				-
	Sterling and Wilson Powergen FZE				-
<b>XIX</b>	<b>Other receivables</b>				
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson International FZE				-
<b>XX</b>	<b>Other payables</b>				
	Sterling and Wilson Solar Limited	KR15			8,013
	Sterling and Wilson International Solar L.P.		464,253		464,253
	Sterling and Wilson Powergen FZE				-
<b>XXI</b>	<b>Gross amount due from customer</b>				
	Shapoorji Pallonji and Company Private Limited				-
	Sterling and Wilson Private Limited				-
<b>XXII</b>	<b>Loan receivable</b>				
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson International FZE				-
<b>XXIII</b>	<b>Corporate Guarantee outstanding</b>				
	Sterling and Wilson Private Limited				-



## STERLING AND WILSON SOLAR L.L.C

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

(Currency: OMR)

#### 24 Segment reporting

##### A. Basis for segmentation

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. Accordingly, company has determined its reportable segments under Ind AS 108 "Operating Segments" as follows.

- Engineering, Procurement and Construction (Solar EPC); and
- Operation and maintenance service

##### Information about reportable segments

31 March 2021

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	2,258,798	451,195	-	2,709,993
Total revenue	2,258,798	451,195	-	2,709,993
Segment Result	569,632	86,682		656,314
Unallocable Expense				
Interest expense	-	-	-	-
Depreciation	-	-	-	-
Other expenses	-	-	41,559	41,559
Total unallocated expenses	-	-	41,559	41,559
Unallocable Income				
Interest income	-	-	-	-
Other income	-	-	-	-
Total unallocated income	-	-	-	-
Profit before tax	569,632	86,682	(41,559)	614,755
Tax expense (credit)	-	-	82,045	82,045
Consolidated profit after tax	569,632	86,682	(123,604)	532,710
Other information				
Segment assets	193,906	188,915	617,250	1,000,070
Segment liabilities	262,251	39,600	83,499	385,350
Capital Expenditure	-	-	-	-
Depreciation and amortisation	-	-	-	-

24 Segment reporting (Continued)

B. Business Segment (Continued)

Information about reportable segments (Continued)

31 March 2020				
Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	8,191,830			8,191,830
<b>Total revenue</b>	<b>8,191,830</b>			<b>8,191,830</b>
Segment Results	(60,264)			(60,264)
Unallocable Expense				
Interest expense	-	-	-	-
Depreciation	-	-	-	-
Other expenses	-	-	-	-
<b>Total unallocated expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unallocable Income				
Interest income	-	-	-	-
Other income	-	-	-	-
<b>Total unallocated income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss before tax	(60,264)	-	-	(60,264)
Tax expense (credit)	-	-	-	-
<b>Profit after tax</b>	<b>(60,264)</b>	<b>-</b>	<b>-</b>	<b>(60,264)</b>
Other information				
Segment assets	2,926,992			2,926,992
Segment liabilities	2,845,282			2,845,282
Capital Expenditure				
Depreciation and amortisation				

C. Geographical information

a) Revenue from external customers

31 March 2021			
Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India			
South East Asia			
Middle East and North Africa	2,258,798	451,195	-
Rest of Africa			
United States of America and Latin America			
Australia			
	<b>2,258,798</b>	<b>451,195</b>	<b>-</b>

31 March 2020			
Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India			
South East Asia			
Middle East and North Africa	8,191,830		
Rest of Africa			
United States of America and Latin America			
Australia			
	<b>8,191,830</b>	<b>-</b>	<b>-</b>

b) Revenue from external customers (continue)

Business in Oman, the company country of domicile, represented approximately 100% during the year ended 31 March 2021 (31 March 2020: 100%) of its net revenues.

c) Information about major customers

As at 31st March 2021, Revenue from two customer of the company is RO.2,706,993 (31 March 2020: two customer of the company is RO.8,191,830) which is 100% of the company's revenue.

STERLING AND WILSON SOLAR L.L.C

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

(Currency: OMR)

25 Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

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

31 March 2021	FVTPL	Carrying amount		Total	Fair value			Total
		FVTOCI	Amortised Cost		Level 1 - Quoted prices in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial assets</b>								
<b>Non-current</b>								
(i) Loans	-	-	-	-	-	-	-	-
<b>Current</b>								
(i) Receivables	-	-	-	-	-	-	-	-
(ii) Trade receivables	-	-	236,706.00	236,706.00	-	-	-	-
(iii) Cash and cash equivalents	-	-	44,753.00	44,753.00	-	-	-	-
(iv) Bank balances, other than cash and cash equivalents	-	-	-	-	-	-	-	-
(v) Loans	-	-	49,240.00	49,240.00	-	-	-	-
(vi) Other financial assets	-	-	58,559.00	58,559.00	-	-	-	-
(vii) Derivatives	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>999,298.00</b>	<b>999,298.00</b>	-	-	-	-
<b>Financial liabilities</b>								
<b>Non-current</b>								
(i) Borrowings	-	-	-	-	-	-	-	-
<b>Current</b>								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	171,467.00	171,467.00	-	-	-	-
(iii) Other financial liabilities	-	-	1,454.00	1,454.00	-	-	-	-
<b>Total</b>	-	-	<b>172,921.00</b>	<b>172,921.00</b>	-	-	-	-

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

(a) Accounting classification and fair values (Continued)

31 March 2020	FVTPL	Carrying amount		Total	Fair value			Total
		FVTOCI	Amortised Cost		Level 1 - Quoted prices in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial Assets</b>								
<b>Current</b>								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Receivables	-	-	1,190,297.00	1,190,297.00	-	-	-	-
(iii) Cash and cash equivalents	-	-	1,537,052.00	1,537,052.00	-	-	-	-
(iv) Bank balances, other than cash and cash equivalents	-	-	-	-	-	-	-	-
(v) Loans	-	-	49,250.00	49,250.00	-	-	-	-
(vi) Other financial assets	-	-	40,459.00	40,459.00	-	-	-	-
<b>TOTAL</b>	-	-	<b>2,825,648.00</b>	<b>2,825,648.00</b>	-	-	-	-
<b>Financial liabilities</b>								
<b>Non-current</b>								
(i) Borrowings	-	-	-	-	-	-	-	-
<b>Current</b>								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	1,229,211.00	1,229,211.00	-	-	-	-
(iii) Other financial liabilities	-	-	412,066.00	412,066.00	-	-	-	-
(iv) Derivatives	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>1,641,777.00</b>	<b>1,641,777.00</b>	-	-	-	-

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

### (b) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- i) Credit risk
- ii) Liquidity risk and
- iii) Market risk

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by external audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors of the Company.

## STERLING AND WILSON SOLAR L.L.C

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

for the year ended 31 March 2021

(Currency - OMR)

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

##### (e) Financial risk management *(Continued)*

###### 1. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities. The carrying amounts of financial assets represent the maximum credit exposure.

###### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debt and impairments that represent its estimates of incurred losses in respect of trade and other receivable and investment.

As at 31st March 2021, amount aggregating to RO.357,768 constitutes 100% of the contract receivable and amount due to customer was due from two parties.

###### Cash and bank balances

As at 31st March 2020, amount placed with a bank constitutes 4.45% (previous year 52.41%) of the current assets.

## STERLING AND WILSON SOLAR L.L.C

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

(Currency: OMR)

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

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

##### ii Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As at 31 March 2021, cash and cash equivalents of Rs 44,753 (31 March 2020: Rs 1,537,058).

##### Exposure to liquidity risk

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

31 March 2021	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Trade payables	171,467.00	171,467.00	171,467.00	-	-	-
Other current financial liabilities	1,454.00	1,454.00	1,454.00	-	-	-
	<b>172,921.00</b>	<b>172,921.00</b>	<b>172,921.00</b>	-	-	-

31 March 2020	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Trade payables	1,229,711.00	1,229,711.00	1,229,711.00	-	-	-
Other current financial liabilities	412,066.00	412,066.00	412,066.00	-	-	-
	<b>1,641,777.00</b>	<b>1,641,777.00</b>	<b>1,641,777.00</b>	-	-	-

# STERLING AND WILSON SOLAR L.L.C

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

(Currency : OMR)

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

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

##### iii Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### (a) Currency Risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Rials Omani or UAE Dirhams/US Dollars to which the Rial Omani is fixed.

#### (b) Interest rate risk

There are no significant interest rate risks as most of the financial assets and financial liabilities are non-interest bearing.

#### (c) Capital management

The company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

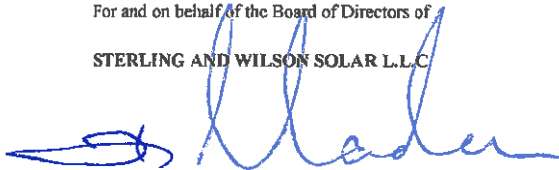
As per our report of even date attached.

For PKF LLC  
Chartered Accountants



Place: Muscat  
Date: 3rd June 2021

For and on behalf of the Board of Directors of  
STERLING AND WILSON SOLAR L.L.C



Neville Madan

Date: 3rd June 2021

