

**STERLING AND WILSON
SOLAR LLC**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

YEAR ENDED 31ST MARCH 2022

Registered Office
P.O. Box 1886
Postal Code – 133
Sultanate of Oman

INDEPENDENT AUDITORS' REPORT

1 For the year ended March 31, 2022

Component Name	Sterling and Wilson Solar LLC ("the Component")
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From: PKF LLC**Date:** 1st April 2022**Subject:** Audit of Sterling and Wilson Solar LLC for the year ended March 31, 2022**To:** Daraius Z. Fraser, Kalyaniwalla & Mistry LLP, Mumbai**Independent Auditors' Report on Sterling and Wilson Solar LLC the Component****Report on the Group reporting pack**

In accordance with your instructions dated 28th March 2022, we have audited the accompanying Group reporting pack of Sterling and Wilson Solar LLC ('the Entity', 'the Company') which comprise the Balance Sheet as at March 31, 2022, 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', 'Financial Statements') 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 Renewable Energy Limited ('SWREL') (formerly known as Sterling and Wilson Solar Limited) ('the holding company of the SWREL 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 March 31, 2022, of the Holding Company and its subsidiaries collectively known as the SWREL group.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Group reporting pack as of March 31, 2022, and for the year then ended has been prepared, in all material respects, as established by you give a true and fair view in conformity with group accounting policies followed by SWREL and is suitable for inclusion in the Consolidated Financial Statements of the SWREL 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.

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Management's Responsibility 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 financial position, financial performance, changes in equity and the cash flows of the Company in accordance with accounting policies followed by the SWREL 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 Management and 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 the SWREL solely for the use in the preparation of its Consolidated Financial Statements in accordance with the accounting policies followed by the SWREL Group.

Auditors' Responsibility for the Group reporting pack

Our objectives are to obtain reasonable assurance about whether the Group reporting pack as a 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 SAs / ISA's 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 SAs / ISAs, 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.

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

We communicate with those charged with governance 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 audit instructions.

Limitation of Use

This report is intended solely for use by Kalyaniwalla & Mistry LLP, India in connection with its audit of Consolidated Financial Statements of the SWREL as at and for the year ended March 31, 2022 and should not be used for any other purpose.

For PKF L.L.C.

Chartered Accountants



Muscat
Sultanate of Oman
Date: 1st April 2022



STERLING AND WILSON SOLAR L.L.C

Standalone Statement of Assets and Liabilities as at 31 March 2022

(Currency : OMR)

	Note	31 March 2022	31 March 2021
Assets			
Current assets			
Financial assets			
(i) Trade receivables	3	104,886	326,706
(ii) Cash and cash equivalent	4	70,600	44,753
(iii) Loans	5	49,280	49,280
(iv) Other financial assets	6	463,073	558,559
Other current assets	7	50,271	20,772
Total current assets		738,110	1,000,070
Total assets		738,110	1,000,070
Equity and liabilities			
Equity			
Equity share capital	8	150,000	150,000
Other equity	9		
Legal reserve		50,000	50,000
Accumulated profit		26,975	414,420
Total equity		226,975	614,420
Liabilities			
Current liabilities			
Financial liabilities			
(i) Trade payables	10	27,733	171,467
(ii) Other financial liabilities	11	403,770	1,454
Other current liabilities	12	3,040	-
Provisions	13	52,239	130,684
Current tax liabilities (net)	14	24,353	82,045
Total current liabilities		511,135	385,650
Total equity and liabilities		738,110	1,000,070

As per our report of even date attached.

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

For PKF LLC
Chartered Accountants

PKF LLC

Place: Muscat
Date: 01st April 2022



Neville Madan

Neville Madan

Date: 01st April 2022

STERLING AND WILSON SOLAR L.L.C

standalone statement of profit and loss

For the year ended 31 March 2022

(Currency : OMR)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	15	652,387	2,709,993
Other income	16	16,944	-
Total income		669,331	2,709,993
Expenses			
Cost of construction materials, stores and spare parts	17	68,152	117,858
Direct project costs	18	1,035,430	1,938,929
Provision written back of foreseeable losses		-	(3,108)
Other expenses	19	10,886	41,559
Total expenses		1,114,468	2,095,238
(Loss)/Profit before income tax		(445,137)	614,755
Tax expenses:			
Income tax (Reversal)/Provision		(57,692)	82,045
		(57,692)	82,045
(Loss)/Profit for the year after income tax		(387,445)	532,710
Other comprehensive income			
Total comprehensive (loss)/income for the year		(387,445)	532,710

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



Neville Madan

Neville Madan

Place: Muscat

Date: 01st April 2022

Date: 01st April 2022

STERLING AND WILSON SOLAR L.L.C

Standalone statement of cash flows

For the year ended 31 March 2022

(Currency : OMR)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A) Cash flows from operating activities		
(Loss)/Profit for the year ended	(445,137)	614,755
<i>Adjustments for:</i>		
Provision for foreseeable losses	-	(3,108)
Operating (loss)/profit before working capital changes	(445,137)	611,647
<i>Working capital adjustments</i>		
Change in trade receivables	221,820	871,881
Change in loans and advances	-	270
Change in other financial assets	95,486	(518,100)
Change in other current assets	(10,271)	80,572
Change in trade payable, other current liabilities and provisions	183,177	(2,538,569)
Net change in working capital	490,212	(2,103,946)
Cash from/(used in) operating activities	45,075	(1,492,299)
Income tax paid	(19,228)	-
Net cash from/(used in) operating activities	25,847	(1,492,299)
Net increase/(decrease) in cash and cash equivalents	25,847	(1,492,299)
Cash and cash equivalents at the beginning of the year	44,753	1,537,052
Cash and cash equivalents at the end of the year	70,600	44,753

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: 01st April 2022



Neville Madan

Neville Madan
Date: 01st April 2022

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements

as at 31 March 2022

(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 in spite 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 2022

(Currency : OMR)

31 March 2022

31 March 2021

3. Trade receivables *(Unsecured)*

Trade Receivables
- Considered good

104,886

326,706

Net trade receivables

104,886

326,706

* 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 will be incurred.

The above trade receivables are less than six months.

STERLING AND WILSON SOLAR L.L.C

Notes to the standalone financial statements *(Continued)* as at 31 March 2022

(Currency : OMR)

	31 March 2022	31 March 2021
4 Cash and cash equivalent		
Balances with Bank		
- in current accounts	70,600	44,753
	<u>70,600</u>	<u>44,753</u>
5 Loans		
<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	4,280
	<u>49,280</u>	<u>49,280</u>
*Loans given to member are unsecured, repayable before 1st April 2023 and are interest free.		
6. Other financial assets		
<i>To related parties</i>		
Other receivables *	463,073	527,497
<i>(Unsecured, considered doubtful)</i>		
Less: Provision for doubtful receivables		
Unbilled receivables	-	31,062
	<u>463,073</u>	<u>558,559</u>
* Receivable from fellow subsidiaries towards reimbursement of expenses etc.		
7 Other current assets		
<i>(Unsecured, considered good)</i>		
Advances for supply of goods	21,683	20,772
Advance to employees	2,956	-
Prepayments	6,344	-
Advance Tax	19,288	-
	<u>50,271</u>	<u>20,772</u>

STERLING AND WILSON SOLAR L.L.C

Notes to the standalone financial statements (Continued) as at 31 March 2022

(Currency : OMR)

	31 March 2022	31 March 2021
8 Equity share capital		
Authorised		
150,000 equity shares of RO 1 each (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 (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 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning of the period/ year	150,000	150,000	150,000	150,000
Balance as at the end of the period/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 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
Sterling and Wilson Solar Limited, 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 2022		31 March 2021	
	Number	% holding	Number	% holding
Equity shares				
Sterling and Wilson Solar Limited, the holding company	105,000	70%	105,000	70%
Mukhtar Mohammed Hasan	45,000	30%	45,000	30%

9 Other equity

Particulars	31 March 2022	31 March 2021
Legal reserve	50,000	50,000
Accumulated profit	26,975	414,420
Retained earnings	-	-
	<u>76,975</u>	<u>464,420</u>

(i) Legal reserve		
Balance as at the beginning of the year	50,000	
Add: Transfer from profit for the year	-	50,000
Balance at end of the year	<u>50,000</u>	<u>50,000</u>
(ii) Accumulated profit		
At the beginning of the year	414,420	(68,290)
Add: (Loss)/profit for the year	(387,445)	532,710
Transfer to legal reserve	-	(50,000)
Balance at the end of the year	<u>26,975</u>	<u>414,420</u>

(i) Accumulated profit

Retained earnings are the profits that the Company has earned till date, less any transfers to legal reserve, dividends or other distributions paid to shareholders.

(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 resolve to discontinue such annual transfers as the reserve totals 33.33% of the paid up share capital. 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 2022

(Currency : OMR)

	31 March 2022	31 March 2021
10 Trade payables		
Trade Payable (including retention)*	27,733	171,467
	<u>27,733</u>	<u>171,467</u>
11 Other financial liabilities	31 March 2022	31 March 2021
<i>To related parties</i>		
Other payables *	403,770	1,454
<i>To parties other than related parties</i>		
Other payables	-	-
	<u>403,770</u>	<u>1,454</u>
<i>*Payable to parent company and fellow subsidiary towards reimbursement of expenses etc.</i>		
12 Other current liabilities	31 March 2022	31 March 2021
To parties other than related parties		
- Value added tax payable	3,040	-
	<u>3,040</u>	<u>-</u>
13 Provisions	31 March 2022	31 March 2021
Other provisions		
Provision for Accrued Expenses	52,239	130,684
	<u>52,239</u>	<u>130,684</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 2021	-	
Addition during the period	-	
Utilisation/ Write back during the period	-	
As at 31 March 2022	-	
As at 1 April 2020	3,108	
Additions during the year	-	
Utilisation/ Write back during the period	(3,108)	
As at 31 March 2021	-	
14 Current tax liabilities (net)	31 March 2022	31 March 2021
Provision for current tax	24,353	82,045
	<u>24,353</u>	<u>82,045</u>

STERLING AND WILSON SOLAR L.L.C
Notes to the standalone financial statements (Continued)
For the year ended 31 March 2022
(Currency : OMR)

	For the year ended 31 March 2022	For the year ended 31 March 2021
15 Revenue from operations		
Sale of services		
Income from works contracts	-	2,258,798
Revenue from operation and maintenance services	652,387	451,195
	<u>652,387</u>	<u>2,709,993</u>
16 Other income		
Liabilities no longer required written back	16,944	-
	<u>16,944</u>	<u>-</u>
17 Cost of construction materials, stores and spare parts		
Purchase during the year	68,152	117,858
	<u>68,152</u>	<u>117,858</u>
18 Direct project costs		
Job work Charges	232,501	1,109,096
Legal and professional fees	2,516	60,337
Printing and stationery expenses	111	1,234
Insurance charges for project	0	12,547
Traveling and conveyance expenses	23,431	115,158
Rent	1,800	4,060
Rates and taxes	0	195,001
Bank charges	950	7,333
Site expenses	45,003	136,309
Miscellaneous expenses	44,596	17,315
Liquidated Damages	596,143	-
	<u>947,051</u>	<u>1,658,390</u>
Employee benefits expense		
Salaries, wages and bonus	88,379	223,738
Visa Expenses	-	56,801
	<u>88,379</u>	<u>280,539</u>
	<u>1,035,430</u>	<u>1,938,929</u>

STERLING AND WILSON SOLAR L.L.C
Notes to the standalone financial statements (Continued)
For the year ended 31 March 2022
(Currency : OMR)

	For the year ended 31 March 2022	For the year ended 31 March 2021
19 Other expenses		
Payment to auditors (refer note (a) below)	4,500	5,600
Management support fees	6,386	10,500
Foreign exchange loss (net)	-	25,459
	<u>10,886</u>	<u>41,559</u>
(a) Payment to auditors		
As auditor		
Statutory audit	2,200	2,200
In other capacity		
Tax consultancy fees	250	250
Certification services	2,050	3,150
	<u>4,500</u>	<u>5,600</u>

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : OMR)

20 Income taxes

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current tax expense :		
Current year	0	82,045
Adjustment of tax relating to earlier years	(57,692)	
	<u>(57,692)</u>	<u>82,045</u>
Tax expenses for the year	<u>(57,692)</u>	<u>82,045</u>

b) Reconciliation of effective tax rate

Particulars	For the year	
	31 March 2022	31 March 2021
(Loss)/profit before tax	445,137	614,755
Tax using the Company's 15%	(66,771)	92,213
Tax effect of:		
Tax losses utilised on which deferred tax was not created earlier	-	(9,740)
Provision disallowed		(466)
Non-deductible expenses	38	38
Other adjustments	57,692	-
Adjustment relating to carry forward of loss	9,041	-
Total tax expense	<u>-</u>	<u>82,045</u>

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : OMR)

20 Income taxes (Continued)

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 2022		31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	(60,272)	(9,041)	-	-
Unabsorbed depreciation				
Total	(60,272)	(9,041)	-	-

d) Tax losses carried forward

Particulars	Year ended 31 March 2022	Expiry date	Year ended 31 March 2021	Expiry date
Expire	(60,272)	31.03.2027	-	
	<u>(60,272)</u>		<u>-</u>	

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : OMR)

21 Earnings per share

Particulars		For the year ended 31 March 2022	For the year ended 31-Mar-21
<i>Basic and diluted earnings per share</i>			
Numerator:			
(Loss)/profit after tax attributable to equity shareholders	A	(387,445)	532,710
Denominator:			
Calculation of weighted average number of equity shares			
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	(2.58)	3.55
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 2022

(Currency : OMR)

22 Contingent liabilities and commitments *(to the extent not provided for)*

A. Contingent Liabilities

Particulars	31 March 2022	31 March 2021
(a) Letters of guarantee		903,733
Total	-	903,733

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 2022

(Currency : OMR)

23 Disclosure under Ind AS 115, 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 2022	For the year ended 31 March 2021
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	31,062	40,459
Less: Billing during the year	(31,062)	(174,415)
Add: Revenue recognised during the past years / current year	-	165,018
Contract assets as at end of the year	-	31,062
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	-	98,799
Add: Addition during the year	-	1,994,981
Less: Applied during the year	-	(2,093,780)
Contract liabilities as at end of the year	-	-

*The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected 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 as per Ind AS 115

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from works contracts	-	2,258,798
<i>Adjustment on account of:</i>		
Liquidated damages		
Reversal of provision for liquidated damages		
Deferment of revenue pertaining to free operation and maintenance year		
Total	-	2,258,798
Revenue from operation and maintenance services	652,387	451,195
<i>Adjustment on account of:</i>		
Recognition of revenue towards free operation and maintenance year		
Total	652,387	451,195

STERLING AND WILSON SOLAR L.L.C

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency : OMR)

23 Disclosure under Ind AS 115, 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 2022 and 31 March 2021.

F) Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, 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/period 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 in paragraph 121 of Ind AS 115 and 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 in paragraph 94 of Ind AS 115, the SWPL Solar Company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the SWPL Solar 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 2022

(Currency : OMR)

24 Related Party Transactions (Continued)

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2022

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	346	-	-	346
V	Advance received from customers	-	-	-	-
VI	Management support fees	-	-	-	-
VII	Interest income	-	-	-	-
VIII	Remuneration paid	-	-	-	-
IX	Interest expense	-	-	-	-
X	Reimbursement of expenses	-	-	-	-
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 Receivables	-	-	-	-
XVIII	Trade payable	346	-	-	346
XIX	Recoverable expenses	-	463,073	-	463,073
XX	Other receivables	-	-	-	-
XXI	Other Payables	403,770	-	-	403,770
XXII	Gross amount due from customer	-	-	-	-
XXIII	Loan receivable	-	-	-	-
XXIV	Corporate Guarantee outstanding	-	-	-	-

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited				
	Shapoorji Pallonji Energy Egypt S.A.E				
	Aftcons Infrastructure Limited				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				
	Shapoorji Pallonji Mideast LLC				
	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 L.L.C				
	Forvol International Services Limited				
IV	Purchases of construction material				
	Sterling and Wilson Renewable Energy (formally known as Sterling & Wilson Solar Ltd)	346			346
	Sterling and Wilson Powergen FZE				
	Sterling Generators Private Limited				

V 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 - SPCPL - Chint Moroccan Venture				-
	Transform Sun Energy Private Limited				-
VI Management support fees					
	Shapoorji Pallonji and Company Private Limited				-
VII 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				-
VIII Remuneration paid*					
	Mrs Zarine Y Daruvala, Director				-
	Mr. Khurshed Y Daruvala, Chairman				-
	Mr. Pallon Shapoor Mistry, Director				-
	Mr. Bikesh Ogra, Non Executive Director				-
	Mr. Bahadur Dastoor, CFO				-
	Mr. K. Kannan, Manager				-
IX Interest expense					
	Shapoorji Pallonji and Company Private Limited				-
X Reimbursement of expenses					
	Sterling and Wilson Private Limited				-
XI Short term borrowings received					
	Shapoorji Pallonji and Company Private Limited				-
XII Short term borrowings repaid					
	Shapoorji Pallonji and Company Private Limited				-
XIII Loan given					
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited				-
XIV Loan repaid					
	Sterling and Wilson International FZE (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 as a whole, the amounts pertaining to Key Management Personnel are not

Sr. No	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
XV Interest receivable					
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson International FZE				-
XVI Advance from customer					
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Private Limited				-
	Transform Sun Energy Private Limited				-
XVII Trade receivables					
	Shapoorji Pallonji and Company Private Limited				-
	Shapoorji Pallonji Energy Egypt S.A.E				-
	Sterling and Wilson Private Limited				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling and Wilson Powergen Private Limited				-

XVIII Trade payable				
Shapoorji Pallonji and Company Private Limited				-
Sterling and Wilson Renewable Energy Ltd. (formerly known as Sterling and Wilson Solar Ltd.)	346			346
Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
Sterling Generators Private Limited				-
Sterling and Wilson Powegen FZE				-
Sterling and Wilson Powergen Private Limited				-
XIX Recoverable expenses				
Shapoorji Pallonji and Company Private Limited				-
Mr. Khurshed Y Daruvala				-
Sterling and Wilson Powergen FZE				-
Sterling and Wilson Powegen FZE				-
XX Other receivables				
Sterling and Wilson Solar Australia PTY Ltd.		9,092		9,092
Sterling and Wilson Powergen Private Limited		-		-
Sterling and Wilson Solar International FZCO		453,981		453,981
XXI Other payables				
Sterling & Wilson Renewal Energy (Sterling and Wilson Solar Limited)	403,770			403,770
Sterling and Wilson Middle East Electro Mechanical L.L.C				-
Sterling and Wilson Powergen FZE				-
XXII Gross amount due from customer				
Shapoorji Pallonji and Company Private Limited				-
Sterling and Wilson Private Limited				-
XXIII Loan receivable				
Sterling and Wilson Private Limited				-
Sterling and Wilson PowerGen Private Limited				-
Sterling and Wilson International FZE				-
XXIV Corporate Guarantee outstanding				
Sterling and Wilson Private Limited				-

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2021

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	5,174			5,174
V	Advance received from customers				-
VI	Management support fees				-
VII	Interest income				-
VIII	Remuneration paid				-
IX	Recovery of Expenses (net)		17,381		17,381
X	Reimbursement of expenses	1,454			1,454
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 Receivables				-
XVIII	Trade payable	5,174			5,174
XIX	Recoverable expenses				-
XX	Other receivables		527,497		527,497
XXI	Other Payables	1,454			1,454
XXII	Gross amount due from customer				-
XXIII	Loan receivable				-
XXIV	Corporate Guarantee outstanding				-
XXIII	Corporate Guarantee outstanding				-

B	Sr. No	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
	I	Income from works contracts				
		Shapoorji Pallonji and Company Private Limited				-
		Shapoorji Pallonji Energy Egypt S.A.E				-
		Afcons Infrastructure Limited				-
		Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
		Shapoorji Pallonji Mideast LLC				-
		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				-
	II	Purchases of services				
		Sterling and Wilson Middle East Electro Mechanical L.L.C				-
		Forvol International Services Limited				-
	III	Purchases of construction material				
		Sterling and Wilson Solar Limited	5,174			5,174
		Sterling and Wilson Powergen FZE				-
		Sterling Generators 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 - SPCPL - Chint Moroccan 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*				
		Mrs Zarine Y Daruvala, Director				-
		Mr. Khurshed Y Daruvala, Chairman				-
		Mr. Pallon Shapoor Mistry, Director				-
		Mr. Bikesh Ogra, Non Executive Director				-
		Mr. Bahadur Dastoor, CFO				-
		Mr. K. Kannan, Manager				-
	VIII	Recovery of Expenses				
		Sterling and Wilson International Solar FZCO		8,289		8,289
		Sterling and Wilson Solar Australia PTE Ltd		9,092		9,092
	IX	Reimbursement of expenses				
		Sterling and Wilson Solar Limited	1,454			1,454
		Sterling and Wilson International Solar FZCO				-
	X	Short term borrowings received				
		Shapoorji Pallonji and Company Private Limited				-
	XI	Short term borrowings repaid				
		Shapoorji 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 FZE (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 as a whole, the amounts pertaining 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				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson International FZE				-
XV	Advance from customer				
	Sterling and Wilson Private Limited				-
	Sterling and Wilson Private Limited				-
	Transform Sun Energy Private Limited				-
XVI	Trade receivables				
	Shapoorji Pallonji and Company Private Limited				-
	Shapoorji Pallonji Energy Egypt S.A.E				-
	Sterling and Wilson Private Limited				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling and Wilson Powergen Private Limited				-
XVII	Trade payable				
	Sterling and Wilson Solar Limited	5,174			5,174
	Forvol International Services Limited				-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited				-
	Sterling Generators Private Limited				-
	Sterling and Wilson Powegen FZE				-
	Sterling and Wilson Powergen Private Limited				-
XVIII	Recoverable expenses				
	Shapoorji Pallonji and Company Private Limited				-
	Mr. Khurshed Y Daruvala				-
	Sterling and Wilson Powergen FZE				-
	Sterling and Wilson Powegen FZE				-
XIX	Other receivables				
	Sterling and Wilson Solar Australia PTY Ltd.		9,092		9,092
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Solar International FZCO		518,405		518,405
XX	Other payables				
	Sterling and Wilson Solar Limited	1,454			1,454
	Sterling and Wilson Middle East Electro Mechanical L.L.C				-
	Sterling and Wilson Powergen FZE				-
XXI	Gross amount due from customer				
	Shapoorji Pallonji and Company Private Limited				-
	Sterling and Wilson Private Limited				-
XXII	Loan receivable				
	Sterling and Wilson Private Limited				-
	Sterling and Wilson PowerGen Private Limited				-
	Sterling and Wilson International FZE				-
XXIII	Corporate Guarantee outstanding				
	Sterling and Wilson Private Limited				-

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : OMR)

25 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 2022

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Income		652,387	16,944	669,331
Total revenue		652,387	16,944	669,331
Segment Results	(596,143)	144,948	16,944	(434,251)
Unallocable Expense				
Interest expense	-	-	-	-
Depreciation	-	-	-	-
Other expenses	-	-	10,886	10,886
Total unallocated expenses			10,886	10,886
Unallocable Income				
Interest income	-	-	-	-
Other income	-	-	-	-
Total unallocated income				
Profit before tax	(596,143)	144,948	6,058	(445,137)
Tax expense/ (credit)			(57,692)	(57,692)
Consolidated profit after tax	(596,143)	144,948	63,750	(387,445)
Other information				
Segment assets	-	159,437	578,673	738,110
Segment liabilities	-	30,773	428,953	459,726
Capital Expenditure	-	-	-	-
Depreciation and amortisation	-	-	-	-

25 Segment reporting (Continued)

B. Business Segment (Continued)

Information about reportable segments (Continued)

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 Results	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	-	-	-	-
Loss before tax	569,632	86,682	(41,559)	614,755
Tax expense/ (credit)	-	-	82,045	82,045
Profit after tax	569,632	86,682	(123,604)	532,710
Other information				
Segment assets	193,905	188,915	617,250	1,000,070
Segment liabilities	262,551	39,600	83,499	385,650
Capital Expenditure				
Depreciation and amortisation				

C. Geographical information

a) Income from external customers

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India			
South East Asia			
Middle East and North Africa		652,387	16,944
Rest of Africa			
United States of America and Latin America			
Australia			
	-	652,387	16,944

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			
	2,258,798	451,195	-

a) Revenue from external customers (continue)

Business in Oman, the company country of domicile, represented approximately 100% during the year ended 31 March 2022 (31 March 2021: 100%) of its net revenues.

b) Information about major customers

As at 31 March 2022, Revenue from three customer of the company is RO.652,387 (31 March 2021: two customer of the company is RO2,709,993) 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 2022

(Currency : OMR)

26 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 2022	FVTPL	Carrying amount		Total	Fair value			Total
		FVTOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Non-current								
(i) Loans	-	-	-	-	-	-	-	-
Current								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade receivables	-	-	104,886	104,886	-	-	-	-
(iii) Cash and cash equivalents	-	-	70,600	70,600	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
(v) Loans	-	-	49,280	49,280	-	-	-	-
(vi) Other financial assets	-	-	463,073	463,073	-	-	-	-
(vii) Derivatives	-	-	-	-	-	-	-	-
Total	-	-	687,839	687,839	-	-	-	-
Financial liabilities								
Non Current								
(i) Borrowings	-	-	-	-	-	-	-	-
Current								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	27,733	27,733	-	-	-	-
(iii) Other financial liabilities	-	-	403,770	403,770	-	-	-	-
Total	-	-	431,503	431,503	-	-	-	-

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

(a) Accounting classification and fair values (Continued)

31 March 2021	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amortised Cost		Level 1 - Quoted prices in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial Assets								
Current								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade receivables	-	-	326,706	326,706	-	-	-	-
(iii) Cash and cash equivalents	-	-	44,753	44,753	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
(v) Loans	-	-	49,280	49,280	-	-	-	-
(vi) Other financial assets	-	-	558,559	558,559	-	-	-	-
TOTAL	-	-	979,298	979,298	-	-	-	-
Financial Liabilities								
Non Current								
(i) Borrowings	-	-	-	-	-	-	-	-
Current								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	171,467	171,467	-	-	-	-
(iii) Other financial liabilities	-	-	1,454	1,454	-	-	-	-
(iv) Derivatives	-	-	-	-	-	-	-	-
TOTAL	-	-	172,921	172,921	-	-	-	-

26 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 internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors of the Company.

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements *(Continued)*

for the year ended 31 March 2022

(Currency : OMR)

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

(c) Financial risk management *(Continued)*

i. Credit risk

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

Trade and other receivables

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

As at 31st March 2022, amount aggregating to RO.104,836 (previous year RO.357,768) constitutes 100% of the contract receivable and amount due to customer was due from two parties (previous year two parties).

Cash and bank balances

As at 31st March 2020, amount placed with a bank constitutes 9.56% (previous year 4.45%) of the current assets.

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : OMR)

26 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 reputation.

As at 31 March 2022, cash and cash equivalents of Rs 70,600 (31 March 2021: Rs 44,753).

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 2022	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	27,733	27,733	27,733	-	-	-
Other current financial liabilities	403,770	403,770	403,770	-	-	-
	431,503	431,503	431,503	-	-	-

31 March 2021	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	171,467	171,467	171,467	-	-	-
Other current financial liabilities	1,454	1,454	1,454	-	-	-
	172,921	172,921	172,921	-	-	-

STERLING AND WILSON SOLAR L.L.C

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : OMR)

26 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

For and on behalf of the Board of Directors of

STERLING AND WILSON SOLAR L.L.C

PKF LLC



Neville Madan

Neville Madan

Place: Muscat
Date: 1st April 2022



Date: 1st April 2022