

## INDEPENDENT AUDITORS' REPORT

For the year ended March 31, 2022

Component Name	Sterling and Wilson Solar Solutions Inc. & LLC
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**From:** Bajwa CPA & Associates LLC

**Date:** 5-April-2022

**Subject:** Audit of Sterling and Wilson Solar Solutions Inc. & LLC for the year ended March 31, 2022

To: Mr. Farad Lakadwala, Moore Stephens, UAE

### Independent Auditors' Report on Name of the Component

#### Report on the Component reporting pack

In accordance with your instructions dated 24-Mar-2022 we have audited the accompanying Component reporting pack of Sterling and Wilson Solar Solutions Inc. & LLC (hereinafter referred to as the 'Component'), which comprise the Statement of Financial Position 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 Component 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 International Solar FZCO ('SWFZCO or the Holding Company'). The Component 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 SWFZCO group.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Component 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 SWFZCO and is suitable for inclusion in the Consolidated Financial Statements of the SWFZCO group.

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Component reporting Pack* section of our report. We are independent of the Component in accordance with the IFAC Code of Ethics for Professional Accountants, 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 Component reporting pack.

### **Management's Responsibility for the Component reporting pack**

The Component's Management and Board of Directors is responsible for the preparation and presentation of the Component reporting pack that give a true and fair view of the financial position, financial performance, changes in equity and the cash flows of the Component in accordance with accounting policies followed by the SWFZCO Group. The Management and the Board of Directors of the Company are responsible for maintenance of adequate accounting records 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 Component 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 Component reporting pack by the Management and Directors of the Company, as aforesaid.

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

The Component reporting pack has been prepared by the Management on the basis of instructions received in this regard from the SWFZCO solely for the use in the preparation of its Consolidated Financial Statements in accordance with the accounting policies followed by the SWFZCO Group.

### **Auditors' Responsibility for the Component reporting pack**

Our objectives are to obtain reasonable assurance about whether the Component 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 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 Component reporting pack.

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

- Identify and assess the risks of material misstatement of the Component 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 Component 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 Component reporting pack, including the disclosures, and whether the Component 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 Component 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 Component 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.

### **Outstanding Item**

Outstanding Item (if any)

{The following areas of our audit that are more than inconsequential to our opinion and that may have an impact on the Component are incomplete at the date of this report and, as such, our opinion is qualified in this regard:

- [insert outstanding items].

We acknowledge that it is our responsibility to finalise these outstanding matters, and we anticipate completing them by 5-April 2022 and will advise you as to the status at that time. }

**Limitation of Use**

This report is intended solely for use by Moore Stephens, UAE in connection with its audit of Consolidated Financial Statements of the SWFZCO as at and for the year ended March 31, 2022 and should not be used for any other purpose.

*Waqar Bajwa*

Waqar Bajwa (Apr 5, 2022 10:38 EDT)

**Waqar A. Bajwa CPA**  
**Bajwa CPA & Associates LLC**  
**13895 Hedgewood Drive #333**  
**Woodbridge, VA 22193**  
*5-April-2022*

# Sterling and Wilson Solar Solutions Inc.

## Balance sheet

as at 31 March 2022

(Currency : USD)

	31-Mar-22 (Audited)	31 March 2021 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	0.07	0.14
Capital work-in-progress	-	-
Investment in equity instruments	0.57	0.57
Other intangible assets	-	-
Right-of-use assets	0.32	0.44
Deferred tax assets (net)	-	1.25
<b>Total non-current assets</b>	<b>0.97</b>	<b>2.40</b>
<b>Current assets</b>		
Inventories	-	-
Financial assets		
(i) Trade receivables	10.97	-
(ii) Cash and cash equivalents	6.25	3.50
(iv) Loans	0.03	0.08
(vi) Other financial assets	-	-
Current tax asset (net)	-	-
Other current assets	10.83	3.39
<b>Total current assets</b>	<b>28.07</b>	<b>6.97</b>
<b>Total assets</b>	<b>29.04</b>	<b>9.38</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	0.00	0.00
Retained Earnings	(21.83)	(13.98)
<b>Total equity attributable to owners of the Company</b>	<b>(21.83)</b>	<b>(13.98)</b>
Shareholder's loan	-	-
Non-controlling interest	-	-
<b>Total equity</b>	<b>(21.83)</b>	<b>(13.98)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Lease liabilities	0.26	0.41
Provisions	-	1.57
<b>Total non-current liabilities</b>	<b>0.26</b>	<b>1.99</b>

# Sterling and Wilson Solar Solutions Inc.

## Balance sheet

as at 31 March 2022

(Currency : USD)

	31-Mar-22	31 March 2021
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	-	-
(ii) Lease liabilities	0.15	0.06
(iii) Trade payables	35.63	12.68
(iv) Derivatives	-	-
(v) Other financial liabilities	14.09	5.84
Other current liabilities	-	2.54
Provisions	0.74	0.24
Current tax liabilities (net)	-	-
<b>Total current liabilities</b>	<b>50.60</b>	<b>21.37</b>
<b>Total liabilities</b>	<b>50.87</b>	<b>23.35</b>
<b>Total equity and liabilities</b>	<b>29.04</b>	<b>9.38</b>

For and on behalf of the Board of Directors of  
**Sterling and Wilson Solar Solutions Inc.**

Gaurav Bhandari  
Gaurav Bhandari (Apr 4, 2022 11:19 PDT)

**Director**

Place:

Date:

# Sterling and Wilson Solar Solutions Inc.

## Statement of profit and loss

for the Eleven months ended 31 March 2022

(Currency : USD)

Particulars	Quarter			Year	
	For the quarter ended 31 March 2022 (3 months)	For the quarter ended 31 December 2021 (3 months)	For the quarter ended 31 March 2021 (3 months)	For the year ended 31 March 2022	For the year ended 31 March 2021
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Income</b>					
Revenue from operations	41.75	47.87	6.57	147.67	25.29
Other income	-	-	-	1.57	-
<b>Total income</b>	<b>41.75</b>	<b>47.87</b>	<b>6.57</b>	<b>149.25</b>	<b>25.29</b>
<b>Expenses</b>					
Cost of construction materials, stores and spare parts	16.05	17.30	1.84	50.79	13.23
Purchase of traded goods	-	-	-	-	-
Direct project costs	25.98	29.09	4.46	98.61	11.79
Employee benefits expense	1.14	1.05	0.95	4.08	3.57
Finance costs	0.01	0.01	0.05	0.03	0.03
Depreciation and amortisation expense	0.12	0.03	0.02	0.21	0.24
Other expenses	0.47	0.40	0.27	2.10	1.27
<b>Total expenses</b>	<b>43.75</b>	<b>47.88</b>	<b>7.60</b>	<b>155.81</b>	<b>30.12</b>
<b>(Loss) / Profit before income tax</b>	<b>(2.01)</b>	<b>(0.02)</b>	<b>(1.04)</b>	<b>(6.57)</b>	<b>(4.83)</b>
<b>Tax expenses:</b>					
Current tax	0.00	0.03	-	0.03	0.00
Current tax relating to earlier period	-	-	-	-	0.02
Deferred tax (credit) / charge	1.25	-	-	1.25	(1.25)
	1.25	0.03	-	1.28	(1.23)
<b>(Loss) / Profit for the period after income tax</b>	<b>(3.26)</b>	<b>(0.05)</b>	<b>(1.04)</b>	<b>(7.85)</b>	<b>(3.60)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
<b>Other comprehensive income for the period, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(3.26)</b>	<b>(0.05)</b>	<b>(1.04)</b>	<b>(7.85)</b>	<b>(3.60)</b>

*Gaurav Bhandari*

Gaurav Bhandari (Apr 4, 2022 11:19 PDT)

Director

Place:

Date:

# Sterling and Wilson Solar Solutions Inc.

## Balance sheet

as at 31 March 2022

(Currency : USD)

	<i>Note</i>	31-Mar-22	31 March 2021
<b>Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	74,934.81	135,464
(b) Capital work-in-progress	3		
(c) Investment in equity instruments	7	572,550.00	572,550
(d) Other intangible assets	4		
(e) Right-of-use assets	5	319,842.44	443,652
(f) Deferred tax assets (net)	6	-	1,250,000
<b>Total non-current assets</b>		<u>967,327.25</u>	<u>2,401,667</u>
<b>2 Current assets</b>			
(a) Inventories			
(b) Financial assets			
(i) Trade receivables	8	10,966,440.63	-
(ii) Cash and cash equivalents	9	6,252,657.17	3,502,782
(iv) Loans	11	28,050.00	82,588
(vi) Other financial assets	12	-	-
(c) Current tax asset (net)			
(d) Other current assets	13	10,827,173.29	3,389,308
<b>Total current assets</b>		<u>28,074,321.09</u>	<u>6,974,678</u>
<b>Total assets</b>		<u>29,041,648.34</u>	<u>9,376,345</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	14	100.00	100
(b) Share holder current account			
(c) Other equity			
- Retained earnings	15	(21,826,391.74)	(13,977,142)
- Legal reserve			
<b>Total equity attributable to owners of the Company</b>	-	21,826,291.74	(13,977,042)
Shareholder's loan			
Non-controlling interest			
<b>Total equity</b>		<u>- 21,826,291.74</u>	<u>(13,977,042)</u>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	16	263,983.94	413,897
(b) Provisions	17	-	1,572,862
<b>Total non-current liabilities</b>		<u>263,983.94</u>	<u>1,986,759</u>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Lease liabilities	19	149,913.28	61,859
(iii) Trade payables	20	35,628,840.13	12,682,374
(iv) Derivatives	21	-	-
(v) Other financial liabilities	22	14,088,262.34	5,836,869
(b) Other current liabilities	23	-	2,541,602
(c) Provisions	24	736,940.39	243,924
(d) Income tax liabilities (net)			
<b>Total current liabilities</b>		<u>50,603,956.14</u>	<u>21,366,628</u>
<b>Total liabilities</b>		<u>50,867,940.08</u>	<u>23,353,387</u>
<b>Total equity and liabilities</b>		<u>29,041,648.34</u>	<u>9,376,345</u>

# Sterling and Wilson Solar Solutions Inc.

## Statement of profit and loss

for the Eleven months ended 31 March 2022

(Currency : USD)

	<i>Note</i>	Twelve months ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	25	147,672,148	25,288,008
Other income	26	1,572,862	-
<b>Total income</b>		<b>149,245,010</b>	<b>25,288,008</b>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	27	50,793,818	13,227,472
Purchase of traded goods	28	-	-
Direct project costs	29	98,609,307	11,787,157
Employee benefits expense	30	4,075,264	3,565,885
Finance costs	31	26,210	34,501
Depreciation and amortisation expense	32	208,657	237,538
Other expenses	33	2,099,704	1,266,581
<b>Total expenses</b>		<b>155,812,960</b>	<b>30,119,134</b>
<b>Consolidated profit before income tax</b>		<b>(6,567,949)</b>	<b>(4,831,126)</b>
<b>Tax expense:</b>			
Current tax		31,300	1,422
Current tax relating to earlier period			15,000
Deferred tax (credit)		1,250,000	(1,250,000)
		<b>1,281,300</b>	<b>(1,233,578)</b>
<b>Consolidated profit after income tax</b>		<b>(7,849,249)</b>	<b>(3,597,548)</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<b>(7,849,249)</b>	<b>(3,597,548)</b>

# Sterling and Wilson Solar Solutions Inc.

## Statement of cash flow

for the Eleven months ended 31 March 2022

(Currency : USD)

	For the year ended 31-Mar-22	For the year ended 31 March 2021
<b>A) Cash flow from operating activities</b>		
Consolidated (loss) / profit before tax	(6,567,949)	(4,831,126)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	208,657	237,538
Impairment of Goodwill		
Provision for bad and doubtful debts		
Bad debts written off		
Supplier balances/ liabilities written back		
Loss / (profit) on sale of property, plant and equipments (net)		
Provision for foreseeable losses (net)	280,985	28,911
Finance costs	26,210	34,501
Interest income		
Unrealised foreign exchange loss / (gain) (net)		
Provision for mark-to-market (gain) / loss on derivative instruments		
Operating (loss) / profit before working capital changes	<u>(6,052,097)</u>	<u>(4,530,176)</u>
<i>Working capital adjustments:</i>		
(Increase)/ decrease in inventories		
Decrease in trade receivables	(10,966,441)	274,596
Decrease / (increase) in loans and advances	54,538	
(Increase) in other current financial assets		
(Increase) in other current assets	(7,437,866)	(1,705,045)
(Increase)/ Decrease in restricted cash		
Increase in trade payables, other current liabilities and provisions	28,868,289	8,337,100
Decrease in other non-current assets		-
<b>Net change in working capital</b>	<u>10,518,521</u>	<u>6,906,652</u>
<b>Net cash flows generated from operating activities</b>	<u>4,466,423</u>	<u>2,376,476</u>
Income tax (paid) (net)	(31,300)	(16,422)
Effects of exchange differences on translation of assets and liabilities		
<b>Net cash flows generated from operating activities</b>	<u>(A) 4,435,123</u>	<u>2,360,054</u>
<b>B) Cash flow from investing activities</b>		
(Purchase) of property, plant and equipment, capital work-in-progress and intangible assets	(24,317)	(126,277)
(Investment) in fixed deposits (net)		
Proceeds from sale of property, plant and equipment		
Interest received		
Loans repaid by related parties (net)		
Movement in escrow account		
(Investment) in subsidiary		
<b>Net cash flows generated from investing activities</b>	<u>(B) (24,317)</u>	<u>(126,277)</u>
<b>C) Cash flow from financing activities</b>		
(Repayment of) / proceeds from Secured Short-term borrowings (net)		
(Repayment of) unsecured short-term borrowings (net)		
PPP Forgiveness	(1,572,862)	
Lease payments	(88,069)	(6,814)
Proceeds from shareholder's loan		
Dividend paid		
<b>Net cash flows (used in) financing activities</b>	<u>(C) (1,660,931)</u>	<u>(6,814)</u>
<b>Net movement in currency translation</b>	<u>(D)</u>	
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(A+B+C+D) 2,749,875</u>	<u>2,226,963</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>3,502,782</u>	<u>1,275,819</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>6,252,657</u>	<u>3,502,782</u>

# Sterling and Wilson Solar Solutions Inc.

## Statement of cash flow

for the Eleven months ended 31 March 2022

(Currency : USD)

### Notes :

- 1 Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

	For the year ended 31-Mar-22	For the year ended 31 March 2021
<b>2 Components of cash and cash equivalents</b>		
Balance with banks		
- in current accounts	6,252,657	3,502,782
- in fixed deposit (with original maturity of less than 3 months)	-	-
Cheques on hand	-	-
Cash on hand	-	-
Less: Bank over draft	-	-
	<u>6,252,657</u>	<u>3,502,782</u>

- 3 Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes

### Reconciliation of liabilities arising from financing activities

Particulars	At beginning of the period/year	Changes considered in statement of cash- flow	Non-cash changes on account of acquisition	At end of the period/year
Short-term bank borrowings (including interest accrued)	-	-	-	-
<b>31 March 2021</b>	-	-	-	-
Short-term bank borrowings (including interest accrued)	-	-	-	-
<b>31 March 2020</b>	-	-	-	-

Sterling and Wilson Solar Solutions Inc.

**Statement of changes in equity**

for the Eleven months ended 31 March 2022

(Currency : USD)

**A. Equity share capital**

	31-Mar-22	31 March 2021
Balance at the beginning of the year	100	100
Add: Issued during the year		-
Balance at the end of the year	<u>100</u>	<u>100</u>

**B. Other equity**

	Attributable to the shareholder of the Parent Company							Subtotal	Attributable to non-controlling interests	Shareholder's loan	Total
	Share capital	Legal reserve	Capital reserve	Foreign currency translation reserve	Retained earnings	Effective portion of cash flow hedge	Shareholder's current account				
Balance as at 1 April 2021					(13,977,142)			(13,977,142)			(13,977,142.27)
<b>Adjustments:</b>											
<b>Total comprehensive income for the year</b>											
Profit for the year					(7,849,249)			(7,849,249)			(7,849,249.48)
<i>Items of OCI for the year, net of tax:</i>											
Remeasurement of the defined benefit liability								-			-
Effective portion of loss on hedging instruments in cash flow hedges								-			-
Exchange differences in translating financial statements of foreign operations								-			-
<b>Total comprehensive income</b>	-	-	-	-	(7,849,249)	-	-	(7,849,249)	-	-	(7,849,249)
<i>Transactions with owners, recorded directly in equity</i>											
Arising on change in ownership									-		-
Dividend paid									-		-
Movement during the year									-		-
<b>Balance as at 31 March 2021</b>	-	-	-	-	(21,826,392)	-	-	(21,826,392)	-	-	(21,826,392)

Sterling and Wilson Solar Solutions Inc.

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : USD)

3 Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount

Particulars	Land	Office equipment	Furniture and fixtures	Plant and machinery	Motor vehicles	Tools and equipment	Leasehold improvements	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying amount :</b>										
Balance as at 1 April 2021		216,812	49,325	-	-	143,668		409,806		409,806
Add: Additions during the year		24,317						24,317		24,317
Less: Disposals during the year								-		-
Add: Adjustments								-		-
Add: Exchange differences on translation of foreign operations								-		-
<b>Balance as at 31 March 2022</b>	-	<b>241,129</b>	<b>49,325</b>	-	-	<b>143,668</b>	-	<b>434,123</b>	-	<b>434,123</b>
<b>Accumulated depreciation and impairment losses:</b>										
Balance as at 1 April 2021		185,220	27,903	-	-	61,218		274,341		274,341
Add: Depreciation for the year		27,092	9,865			47,889		84,847		84,847
Less: Disposals during the year								-		-
Add: Adjustments								-		-
Add: Exchange differences on translation of foreign operations								-		-
<b>Balance as at 31 March 2022</b>	-	<b>212,313</b>	<b>37,768</b>	-	-	<b>109,107</b>	-	<b>359,188</b>	-	<b>359,188</b>
<b>Carrying amounts (net)</b>										
At 1 April 2021	-	31,591	21,423	-	-	82,450	-	135,464	-	135,464
At 31 March 2021	-	28,816	11,557	-	-	34,561	-	74,935	-	74,934.81

# Sterling and Wilson Solar Solutions Inc.

## Notes to the financial statements (Continued)

for the Eleven months ended 31 March 2022

(Currency : USD)

### 5 Disclosure under Ind AS 116, Leases

#### A) Right-of-use assets

	Land and Buildings	Total
<b>Cost</b>		
Balance as at 1 April 2021	691,272	691,272
Additions	-	-
Disposals	-	-
Balance at 31 March 2022	<b>691,272</b>	<b>691,272</b>
<b>Accumulated depreciation and impairment</b>		
Balance as at 1 April 2021	247,620	247,620
Depreciation	123,810	123,810
Impairment loss	-	-
Eliminated on disposals of assets	-	-
Balance at 31 March 2022	<b>371,430</b>	<b>371,430</b>
<b>Carrying amounts</b>		
Balance as at 1 April 2021	443,652	443,652
Balance at 31 March 2022	<b>319,842</b>	<b>319,842</b>

#### B) Breakdown of lease expenses

	For the year ended 31-Mar-22	For the year ended 31 March 2021
Short-term lease expense		12,390
Low value lease expense	13,749	14,725
<b>Total lease expense</b>	<b>13,749</b>	<b>27,115</b>

### 5 Disclosure under Ind AS 116, Leases (Continued)

#### C) Cash outflow on leases

	For the year ended 31-Mar-22	For the year ended 31 March 2021
Repayment of lease liabilities	48,110	106,314
Interest on lease liabilities	26,210	34,501
Short-term lease expense		12,390
Low value lease expense	13,749	14,725
<b>Total cash outflow on leases</b>	<b>88,068.74</b>	<b>167,930</b>

#### D) Maturity analysis of lease liabilities

31 December 2021	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
Lease liabilities	149,913	162,995	100,989		
	149,913	162,995	100,989	-	

# Sterling and Wilson Solar Solutions Inc.

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

(Currency : USD)

### 6 Deferred tax assets (net)

#### Movement in deferred tax balances for the quarter ended 31 December 2021

Particulars	Net asset/ (liability) 1 April 2021	Recognised in profit or loss during the period	Other adjustments/ Forex	Net asset/ (liability) 31 March 2022
Provision for interest not recoverable				
Provision for doubtful debts and advances				
Trade payables				
Income in advance				
Employee benefits				
Tax losses available for set off against future taxable income	1,250,000		(1,250,000)	-
Deductible temporary difference on prepayments				
Financial assets at fair value				
Trade receivables				
<b>Net deferred tax asset</b>	<b>1,250,000</b>	<b>-</b>	<b>(1,250,000)</b>	<b>-</b>

# Sterling and Wilson Solar Solutions Inc.

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

as at 31 March 2022

(Currency : USD)

	31-Mar-22	31 March 2021
<b>7 Non-current investments</b>		
<b>Investment in equity instruments</b>		
<i>MOU Investment</i>		
Tangent-Development fee \$16,550, Interconnection application \$56,000	72,550	72,550
NCRE Deposit \$500,000	<u>500,000</u>	<u>500,000</u>
	<u>572,550</u>	<u>572,550</u>
<b>8 Trade receivables</b>		
<i>(Unsecured)</i>		
Trade receivables		
- Considered Service	10,966,440.63	
	<u>10,966,441</u>	<u>-</u>
Loss allowance *		
- Doubtful		
	<u>-</u>	<u>-</u>
Trade receivables	<u>10,966,441</u>	<u>-</u>

# Sterling and Wilson Solar Solutions Inc.

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

as at 31 March 2022

(Currency : USD)

	31-Mar-22	31 March 2021
<b>9 Cash and cash equivalents</b>		
Balances with Bank		
- in current accounts	6,252,657	3,502,782
- in fixed deposit (with original maturity of more than 3 months)		
Cheques on hand		
Cash on hand		
Cash and cash equivalents in the consolidated balance sheet	<u>6,252,657</u>	<u>3,502,782</u>
<b>10 Bank balances other than cash and cash equivalents</b>		
<b>11 Loans</b>		
<i>To parties other than related parties</i>		
Security deposits	28,050	82,588
	<u>28,050</u>	<u>82,588</u>
<b>12 Other financial assets</b>		
<i>(Unsecured, considered good)</i>		
<b>13 Other current assets</b>		
<i>From parties other than related parties</i>		
Unbilled receivables from Avandgrid (LundHill)	6,994,792	11,178
Advances for supply of goods	1,723,392	1,794,964
Advances for projects		126,821
Prepaid payroll	15,019	
Sales Tax receivable	627,116	
Prepayments and deposits	1,466,854	1,456,345
Other		
	<u>10,827,173</u>	<u>3,389,308</u>

# Sterling and Wilson Solar Solutions Inc.

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : USD)

	31-Mar-22	31 March 2021
<b>14 Share capital</b>		
<b>Authorised</b>		
1,000 shares of common stock, \$.01 par value	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<b>Issued, subscribed and fully paid-up:</b>		
100 common stock shares	100	100
	<u>100</u>	<u>100</u>

### Reconciliation of shares outstanding at the beginning and at the end of year :

	31-Mar-22		31 March 2021	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance as at the beginning and end of the year	100	100	100	100
Add: Issued during the year			-	-
<b>Balance as at the end of the year</b>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# Sterling and Wilson Solar Solutions Inc.

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

as at 31 March 2022

(Currency : USD)

### 15 Other equity

	<i>Note</i>	<b>31-Mar-22</b>	31 March 2021
Retained earnings	<i>(i)</i>	<b>(21,826,392)</b>	(13,977,142)
		<u><b>(21,826,392)</b></u>	<u>(13,977,142)</u>

#### Notes:

	<b>31-Mar-22</b>	31 March 2021
<b>(i) Retained earnings</b>		
Balance as at the beginning of the year	<b>(13,977,142)</b>	(10,379,594)
Add: Profit for the year	<b>(7,849,249)</b>	(3,597,548)
Add: Remeasurement of the defined benefit liability		
Less: Dividend paid		
<b>Balance as at the end of the year</b>	<u><b>(21,826,392)</b></u>	<u>(13,977,142)</u>

Sterling and Wilson Solar Solutions Inc.

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

as at 31 March 2022

(Currency : USD)

	31-Mar-22	31 March 2021
<b>16 Non-current lease liabilities</b>		
Land and Buildings	263,984	413,897
	<u>263,983.94</u>	<u>413,897</u>
<b>17 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity		1,572,862
	<u>-</u>	<u>1,572,862</u>
<b>18 Current borrowings</b>		
<b>19 Current lease liabilities</b>		
Land and Buildings	149,913	61,859
	<u>149,913.28</u>	<u>61,859</u>
<b>20 Trade payables</b>		
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,628,840	12,682,374
	<u>35,628,840</u>	<u>12,682,374</u>
<b>21 Derivatives</b>		
Foreign currency forward exchange contract liabilities		
	<u>-</u>	<u>-</u>
<b>22 Other financial liabilities</b>		
<i>To related parties</i>		
Other payables-Advances from Parent	13,763,959	5,625,932
Other payables-Expense reimbursement (Sterling and Wilson Middle East Solar Energy LLC )	324,303	93,083
<i>To parties other than related parties</i>		
Interest accrued and not due:		
- to banks		
Employee benefits payable		
- provision for employee terminal benefits		
- other employee benefits payable	-	117,854
	<u>14,088,262</u>	<u>5,836,869</u>
<b>23 Other current liabilities</b>		
<i>To parties other than related parties</i>		
Advances from customers		2,541,602
Statutory dues payable :		
	<u>-</u>	<u>2,541,602</u>
<b>24 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity		
Provision for bonus		
Compensated absences	180,701	161,917
Provision for air fare		
<b>Other provisions</b>		
Provision for warranties	246,344	53,096
Other provisions		
Provision for foreseeable losses	309,896	28,911
	<u>736,940</u>	<u>243,924</u>

Sterling and Wilson Solar Solutions Inc.

**Notes to the financial statements (Continued)**  
for the Eleven months ended 31 March 2022

(Currency : USD)

	Twelve months ended 31 March 2022	Year ended 31 March 2021
<b>25 Revenue from operations</b>		
<b>Sale of services</b>		
Income from works contracts	147,672,148.18	25,288,008
	<u>147,672,148</u>	<u>25,288,008</u>
<b>26 Other income</b>		
Other miscellaneous income-PPP	1,572,862	-
	<u>1,572,862</u>	<u>-</u>
<b>27 Cost of construction materials, stores and spare parts</b>		
<b>Construction materials, stores and spare parts</b>		
Purchase	50,793,818	13,227,472
	<u>50,793,817.64</u>	<u>13,227,472</u>
<b>28 Purchase of traded goods</b>		
<b>29 Direct project costs</b>		
Communication expenses	46,451	2,758
Stores and spare parts consumed	70,071	3,686
Commission expenses	58,533	42,812
Legal and professional fees	69,191	77,182
Printing and stationery expenses	120,892	
Insurance costs	351,838	344,941
Repairs and maintenance - others	23,315	
Traveling and conveyance expenses	901,992	406,890
Rates and taxes	639,736	109,171
Electricity, power and fuel	629,084	21,196
Payment to auditors		264,521
Security charges	777,901	
Handling and other charges	56,780	
Bank charges	1,038,109	671,065
Provision for foreseeable losses (net)	309,896	
Miscellaneous expenses	1,173,257	557,675
	<u>6,267,047</u>	<u>2,501,897</u>
<b>Employee benefits expense</b>		
Salaries, wages and bonus	2,895,835	1,160,823
	<u>2,895,835</u>	<u>1,160,823</u>
Sub-contractor expenses	89,446,425	8,124,438
	<u>98,609,306.72</u>	<u>11,787,157</u>
<b>30 Employee benefits expense</b>		
Salaries, wages and bonus	3,214,787	2,826,988
Employee benefits	860,477	738,897
	<u>4,075,264</u>	<u>3,565,885</u>
<b>31 Finance costs</b>		
Interest expense		
- on lease liability	26,209.88	34,501
	<u>26,210</u>	<u>34,501</u>
<b>32 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment		121,166
Amortisation of intangible assets	208,657	116,372
	<u>208,657</u>	<u>237,538</u>
<b>33 Other expenses</b>		
Communication expenses	42,923	30,097
Legal and professional fees	564,773	374,588
Printing and stationery expenses	32,698	58,430
Insurance costs	785,579	511,884
Repairs and maintenance - others	3,757	21,535
Traveling and conveyance expenses	217,137	42,332
Rent (refer note 40)	13,749	27,115
Rates and taxes	1,281,300	(1,233,578)
Payment to auditors (refer note (a) below)	22,000	22,000
Handling charges	7,808	11,782
Bank charges	1,844	25,647
Miscellaneous expenses	407,438	141,171
	<u>3,381,004</u>	<u>33,003</u>

Sterling and Wilson Solar Solutions Inc.

**Notes to the financial statements (Continued)**  
for the Eleven months ended 31 March 2022

(Currency : USD)

**34 Related party disclosures (Continued)**

**34.2 Transactions and balances with related parties**

		3/31/22				
Sr. No	Nature of transaction	Ultimate Holding Company	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives	Total
XX	Trade Payable	-	-	-	-	-
XXI	Other payable	-	14,088,262	-	-	14,088,262

		3/31/22			
Sr. No	Nature of transaction	Ultimate Holding Company	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives
XXI	Other payable				
	Other payables-Advances from Parent		13,763,959		
	Other payables-Expense reimbursement (Sterling and Wilson Middle East Solar Energ		324,303		

# Sterling and Wilson Solar Limited

## Employee Benefits

### Change in the present value of the defined benefit obligation

I	Reconciliation of the present value of defined benefit obligation	31 March 2022	31 March 2021
	Balance at the beginning of the year	161,916.95	117,203.31
	Benefits paid	(118,673.60)	(82,190.74)
	Current service cost	137,457.58	126,904.38
	Past Service Cost- Vested Benefits		
	Net Interest cost		
	Liability transferred in / acquisitions		
	Liability transferred out		
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in demographic assumptions		
	- changes in financial assumptions		
	- experience adjustments		
	Balance at the end of the year	<u>180,700.94</u>	<u>161,916.95</u>
II	<b>Amount recognised in the standalone statement of profit and loss under employee benefits expense</b>		
	Current service cost	118,673.60	82,190.74
	Net interest cost		
	Additional charge recognised during the year		
		<u>118,673.60</u>	<u>82,190.74</u>
III	<b>Remeasurement recognised in other comprehensive income</b>		
	Actuarial losses on obligation for the year	<u>-</u>	<u>-</u>
IV	<b>Maturity profile of defined benefit obligation</b>		
	Within next 12 months	126,490.66	113,341.87
	Between 1 and 5 years	54,210.28	48,575.09
	Above 5 years		
V	<b>Actuarial assumptions:</b>		
	Discount rate	6.93%	6.60%
	Salary escalation	3.00%	3.00%
	Employee turnover	Service < 5 : 61.9%	Service < 5 : 97.56%
		Service ≥ 5 : 0%	
	Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
	Weighted average duration of the projected benefit obligation	17 years	18 years
VI	<b>Sensitivity Analysis</b>		
	The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.		
		<b>Defined Benefit Plan</b>	
		<b>31 March 2022</b>	<b>31 March 2021</b>
	Defined Benefit Obligation - Discount rate + 100 basis points		
	Defined Benefit Obligation - Discount rate - 100 basis points		
	Defined Benefit Obligation - Salary escalation rate + 100 basis points		
	Defined Benefit Obligation - Salary escalation rate - 100 basis points		
	Defined Benefit Obligation - Employee turnover + 100 basis points		
	Defined Benefit Obligation - Employee turnover - 100 basis points		
	The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.		

### Employee Benefits (Continued)

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable to the Company.