

**Sterling and Wilson Middle East  
Solar Energy L.L.C  
Dubai**

---

**Financial Statements  
31 March 2026**

## Managing Director's Report

The Managing Director has pleasure in submitting the report and accounts of Sterling and Wilson Middle East Solar Energy L.L.C, Dubai ("the Company") for the year ended 31 March 2026.

### **LEGAL STATUS**

The Company is a limited liability company incorporated in the Emirate of Dubai under Federal Law No. (2) of 2015 and its subsequent amendments.

On 20 September 2021, the UAE Federal Law No. (32) of 2021 was issued and came into effect on 2 January 2022, which repealed the Federal Law No 2 of 2015.

The principal activities of the Company are trading, installation and rental of solar energy systems.

The principal place of business is located at Abdul Hamed Ahmed building, Office No 358-582, Al Goze Third, Dubai.

### **OPERATING RESULTS**

During the year under review, the Company had no turnover and incurred a loss of AED 708,178 against nil turnover and a loss of AED 5,607,673 in the previous year.

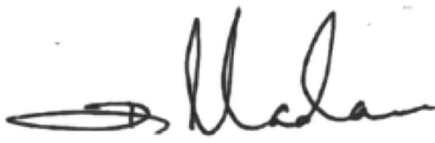
### **SHAREHOLDING**

The shareholding pattern of the Company at the end of the year under review was as follows:

<u>Name of shareholder</u>	<u>Shareholding %</u>
Sterling and Wilson International Solar FZCO	100%

### **AUDITORS**

Messrs MHA Auditing L.L.C (Formerly Moore Stephens L.L.C), the auditors of the Company, have indicated their willingness to continue in office.



Neville Madan  
Managing Director  
21 April 2026

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STERLING AND WILSON MIDDLE EAST SOLAR ENERGY L.L.C, DUBAI**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Sterling and Wilson Middle East Solar Energy L.L.C, Dubai ("the Company"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including the material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards) as issued by the International Accounting Standards Board (IASB).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 3.2 in the financial statements, which indicates that the Company incurred a net loss of AED 708,178 during the year ended 31 March 2026 (2025: AED 5,607,673) and as of that date, the Company's accumulated losses of AED 8,621,306 (2025: AED 7,913,128) exceeded its share capital resulting in a deficiency of assets of AED 8,171,306 (2025: AED 7,463,128). Also, the Company's current liabilities have exceeded current assets by AED 8,186,763 (2025: AED 7,496,708). Further, the Company does not have any ongoing contracts as of the date of approval of the financial statements. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Other Information**

Management is responsible for the other information. The other information comprises the Managing Director's report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS accounting standards as issued by the IASB and in compliance with the applicable requirements of the UAE Federal Decree-Law No. 32 of 2021 and the Articles of Association of the Company, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Continue...

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STERLING AND WILSON MIDDLE EAST SOLAR ENERGY L.L.C, DUBAI (Continued)

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Other Legal and Regulatory Requirements

Further, as required by UAE Federal Decree-Law No. 32 of 2021, we report that for the year ended 31 March 2026:

- i) we have obtained all the information and explanations we consider necessary for the purposes of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. 32 of 2021;
- iii) the Company has maintained proper books of account;
- iv) the financial statements included in the Managing Director's report is consistent with the books of account of the Company;
- v) as disclosed in Note 1, the Company has not purchased any shares during the year;
- vi) note 16 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2026 any of the applicable provisions of the UAE Federal Decree-Law No. 32 of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 March 2026.

For MHA Auditing L.L.C

Farad K. Lakdawala  
Registration No.: 341

Dubai, United Arab Emirates  
21 April 2026



**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**Statement of profit or loss and other comprehensive income**

(stated in AED)

	Note	2026	2025
<b>Income</b>			
Direct costs	4	--	(91,945)
Gross (loss)		--	(91,945)
Other income	5	<b>226</b>	247,820
		<b>226</b>	155,875
<b>Expenses</b>			
General and administration	6	<b>708,404</b>	5,757,371
Interest on lease liabilities	14	--	6,177
		<b>708,404</b>	5,763,548
<b>(Loss) for the year</b>		<b>(708,178)</b>	(5,607,673)
<b>Other comprehensive (loss):</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement (loss) on employees' terminal benefits obligations	13	--	(75,719)
<b>Other comprehensive (loss) for the year</b>		--	(75,719)
<b>Total comprehensive (loss) for the year</b>		<b>(708,178)</b>	(5,683,392)

The attached notes 1 to 17 form part of these financial statements.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**Statement of financial position**

(stated in AED)

	Note	2026	2025
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	8	15,457	33,580
<b>Total non-current assets</b>		<b>15,457</b>	<b>33,580</b>
<b>Current assets</b>			
Accounts and other receivables	9	2,260,945	2,687,279
Bank balances	10	8,232	18,913
<b>Total current assets</b>		<b>2,269,177</b>	<b>2,706,192</b>
<b>Total assets</b>		<b>2,284,634</b>	<b>2,739,772</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	300,000	300,000
Legal reserve	12	150,000	150,000
(Accumulated losses)		<b>(8,621,306)</b>	<b>(7,913,128)</b>
<b>Total (deficiency of assets)</b>		<b>(8,171,306)</b>	<b>(7,463,128)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts and other payables	15	10,455,940	10,202,900
<b>Total current liabilities</b>		<b>10,455,940</b>	<b>10,202,900</b>
<b>Total liabilities</b>		<b>10,455,940</b>	<b>10,202,900</b>
<b>Total equity and liabilities</b>		<b>2,284,634</b>	<b>2,739,772</b>

The attached notes 1 to 17 form part of these financial statements.



\_\_\_\_\_  
Neville Madan  
Managing Director  
21 April 2026

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**Statement of changes in equity**

(stated in AED)

	Share capital	Legal reserve	Accumulated losses	Total
Balance at 1 April 2025	300,000	150,000	(7,913,128)	(7,463,128)
(Loss) for the year	--	--	(708,178)	(708,178)
<b>Balance at 31 March 2026</b>	<b>300,000</b>	<b>150,000</b>	<b>(8,621,306)</b>	<b>(8,171,306)</b>

	Share capital	Legal reserve	(Accumulated losses)	Total
Balance at 1 April 2024	300,000	150,000	(2,229,736)	(1,779,736)
(Loss) for the year	--	--	(5,607,673)	(5,607,673)
Other comprehensive income for the year	--	--	(75,719)	(75,719)
Total comprehensive (loss) for the year	--	--	(5,683,392)	(5,683,392)
Balance at 31 March 2025	300,000	150,000	(7,913,128)	(7,463,128)

The attached notes 1 to 17 form part of these financial statements.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**Statement of cash flows**

(stated in AED)

	Note	2026	2025
<b>Cash flows from operating activities</b>			
(Loss) for the year		(708,178)	(5,607,673)
Adjustments for:			
Depreciation	6	17,837	485,050
Loss/(profit) on disposal of property and equipment		15	(14,731)
Provision for employees' terminal benefits	13	--	50,274
Interest on lease liabilities	14	--	6,177
Cash flows (used in) operations before working capital changes		(690,326)	(5,080,903)
Decrease in accounts and other receivables		100,144	528,458
(Decrease) in accounts and other payables		(57,947)	(3,846,884)
Employee's terminal benefits paid	13	--	(454,331)
<b>Net cash (used in) operating activities</b>		<b>(648,129)</b>	<b>(8,853,660)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	8	--	(20,110)
Proceeds from disposal of property and equipment		271	15,463
Net movement in due from related party		326,190	(326,190)
<b>Net cash from/(used in) investing activities</b>		<b>326,461</b>	<b>(330,837)</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities and interest	14	--	(357,500)
Net movement in due to the Parent Company		310,987	9,461,375
<b>Net cash from financing activities</b>		<b>310,987</b>	<b>9,103,875</b>
<b>(Decrease) in cash and cash equivalents during the year</b>		<b>(10,681)</b>	<b>(80,622)</b>
Cash and cash equivalents at the beginning of the year		18,913	99,535
<b>Cash and cash equivalents at the end of the year</b>	10	<b>8,232</b>	<b>18,913</b>
<b>Non-cash transactions during the year:</b>			
Transfer of employees' terminal benefits to the Parent Company	16	--	(797,854)
Transfer of other employee payables to the Parent Company	16	--	(1,010,312)
		--	(1,808,166)

The attached notes 1 to 17 form part of these financial statements.

# STERLING AND WILSON MIDDLE EAST SOLAR ENERGY L.L.C, DUBAI

## Financial statements for the year end 31 March 2026

---

### Notes to the financial statements

(stated in AED)

#### 1. Legal status and principal activities

Sterling and Wilson Middle East Solar Energy L.L.C, Dubai ("the Company") is a limited liability company registered on 16 May 2010 in the Emirate of Dubai in accordance with Federal Law No. (2) of 2015 and its subsequent amendments.

On 20 September 2021, the UAE Federal Law No. (32) of 2021 was issued and came into effect on 2 January 2022, which repealed the Federal Law No 2 of 2015.

The Company is wholly-owned by Sterling and Wilson International Solar FZCO ("the Parent Company"). The Ultimate Parent Company is Sterling and Wilson Renewable Energy Limited, a public limited company incorporated in India and listed with Securities Exchange Board of India (SEBI).

The principal activities of the Company are trading, installation and rental of solar energy systems.

The principal place of business is located at Abdul Hamed Ahmed building, Office No 358-582, Al Goze Third, Dubai.

The Company had not purchased any shares during the year ended 31 March 2026.

Geopolitical developments in the Middle East

The Company is currently not executing any projects in the Middle East region and, accordingly, there is no direct operational or financial impact on its ongoing business activities.

- While the Parent Company is located in the region, it is not presently engaged in active project execution. As a result, the current geopolitical developments do not have a material impact on the Company's operations as at the date of these financial statements.
- The Company continues to closely monitor the evolving situation and has established appropriate internal protocols to respond to any potential changes in the operating environment.

Based on the assessment performed, management believes that the current developments do not have a significant impact on the Company's business operations or financial position. The Parent Company's experienced management team provide resilience to navigate such situations.

#### 2. Adoption of new and revised IFRS accounting Standards

##### 2.1 Standards, amendments or interpretations to existing standards adopted by the Company

There are no new standards, amendments or interpretations to existing standards that are effective for accounting period of the Company beginning on 1 April 2025 that have a material effect on the financial statements of the Company.

##### 2.2 New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Company

The following new standards and amendments to existing standards are applicable for accounting periods of the Company beginning after 1 April 2025, and have not been adopted early by the Company:

- a) Amendments to IFRS 9 and IFRS 7: These amendments change the requirements as to when a financial liability can be derecognised when it is settled via electronic transfer as well as when cash flows can be considered simply payments of principal and interest and hence the ability to classify assets as at amortised cost. These amendments are effective for annual reporting periods beginning on or after 1 January 2026 with an option to early adopt.
- b) Annual improvements to IFRS accounting standards – Volume 11: In July 2024, the IASB issued nine narrow scope amendments as part of its periodic improvements of IFRS accounting standards. The amendments include clarifications, simplifications and corrections/changes to improve the consistency in IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with an option to early adopt.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**2. Adoption of new and revised IFRS accounting Standards (Continued)**

**2.2 New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Company (Continued)**

c) In April 2024, IASB issued IFRS 18, 'Presentation and Disclosure in Financial Statements' which replaces IAS 1, 'Presentation of Financial Statements'. Further amendments have also been made to IAS 7, IAS 8, IAS 33 and IFRS 7. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 with an option to early adopt. The amendments in IAS 7, IAS 8, IAS 33 and IFRS 7 will become effective when the Company adopts IFRS 18. IFRS 18 requires a retrospective approach with specific transition provisions.

d) In May 2024, the IASB issued IFRS 19, 'Subsidiaries without Public Accountability: Disclosures', which permits an eligible subsidiary to provide reduced disclosures when applying IFRS accounting standards in its financial statements. A subsidiary is eligible for reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with the IFRS accounting standards. IFRS 19 is optional for subsidiaries that are eligible and sets out disclosure requirements to subsidiaries that elect to apply it. IFRS 19 will become effective from annual reporting periods beginning on or after 1 January 2027 with early adoption permitted.

The management believes that the adoption of the above standards/amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

**3. Basis of preparation and material accounting policy information and estimates**

**3.1 Basis of preparation and statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the UAE Federal Decree-Law No. 32 of 2021. The financial statements are presented in Arab Emirates Dirham (AED).

**3.2 Going concern assumption**

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. For the year ended 31 March 2026, the Company incurred a net loss of AED 708,178 (2025: AED 5,607,673). As at that date, the Company's accumulated losses amounted to AED 8,621,306 (2025: AED 7,913,128), which exceeded its share capital, resulting in a deficiency in assets of AED 8,171,306 (2025: AED 7,463,128). In addition, the Company's current liabilities exceeded its current assets by AED 8,186,763 (2025: AED 7,496,708). Further, as at the date of approval of these financial statements, the Company does not have any ongoing contracts. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The management have assessed the Company's ability to continue as a going concern and are satisfied that it remains appropriate to prepare the financial statements on this basis. This assessment is based on the continued financial support of the Parent Company, which has confirmed its intention to support the Company, not to demand repayment of amounts due to it and to provide adequate funds to enable it to meet its liabilities as they fall due and to continue its operations for the foreseeable future. Accordingly, these financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

**3.3 Basis of measurement**

The financial statements have been prepared on the historical cost basis. The material accounting policies that have been applied consistently by the Company to all periods presented in these financial statements are set out below.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.4 Material accounting policy information**

**a) Property and equipment**

Property and equipment are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The residual values and useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on assets so as to write off the cost of assets over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

Leasehold improvements	3 to 5 years
Office and other equipment	3 to 5 years
Furniture and fixtures	3 to 5 years
Motor vehicles	3 to 5 years
Right-of-use assets	1 to 2 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

**b) Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

**c) Financial instruments – recognition, classification, measurement, derecognition and offsetting**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Recognition and initial measurement**

Accounts receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.4 Material accounting policy information (Continued)**

**c) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)**

**(ii) Classification and subsequent measurement**

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

The Company has not classified and measured any financial asset at either FVOCI or FVPL. All recognised financial assets are classified and measured subsequently at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL or FVOCI:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets, which include accounts and other receivables and bank balances, are classified and subsequently measured at amortised cost.

Financial assets: Subsequent measurement and gains and losses

Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVPL. The Company has not classified and measured any financial liability at FVPL. Financial liabilities classified at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or loss on derecognition is also recognised in the profit or loss.

The Company's financial liabilities, which include accounts and other payables and lease liabilities, are classified and subsequently measured at amortised cost.

**(iii) Derecognition**

Financial assets

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.4 Material accounting policy information (Continued)**

**c) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)**

**(iii) Derecognition (Continued)**

Financial assets (Continued)

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**d) Impairment of financial assets**

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Accounts receivable; and
- Other financial assets at amortised cost

In case of accounts receivable, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The Company performs individual assessment for its accounts receivable based on historical credit loss experience, adjusted for forward-looking factors specific to the customers/debtors and the economic environment. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the profit or loss.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.4 Material accounting policy information (Continued)**

**e) Employees' terminal benefits**

Provision is made for employees' terminal benefits on the basis prescribed under the UAE Federal Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future and is determined as the liability that would arise if the employment of all staff were to be terminated at the reporting date.

The cost of providing benefits is determined based on actuarial valuation by an independent actuary, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and remeasure each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are set with reference to high quality corporate bonds. Remeasurement, comprising actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognised immediately. All other costs related to the defined benefit plan are recognised in the profit or loss within salaries and employee related costs.

**f) Income tax**

The income tax expense represents the sum of current and deferred income tax expense.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior years.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised directly in other comprehensive income or equity and not in profit or loss.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted as at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities and the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.4 Material accounting policy information (Continued)**

**g) Accounts and other payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.

The normal credit period is 30 days to 60 upon receipt of goods/services.

**h) Foreign currencies**

*Functional and presentation currency*

The financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional and presentation currency.

*Transactions and balances*

Transactions in currencies other than AED are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising in these cases are dealt with in the profit or loss.

**i) Cash and cash equivalents**

Cash and cash equivalents consist of unrestricted bank balances, which are subject to insignificant risk of changes in value.

**j) Leases**

At the inception of the contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this maybe specified explicitly or implicitly in the contract and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset, i.e., the Company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

*Right-of-use assets*

The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying assets to restore the underlying assets or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment (Note 3.4 a)). In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.4 Material accounting policy information (Continued)**

**j) Leases (Continued)**

*Lease liabilities*

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

At the commencement date, the lease payments included in the measurement of the lease liabilities comprise fixed payments for the right to use the underlying asset during the lease term that are not paid at the commencement date.

The lease liabilities are measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed payments or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured as described above, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Short-term leases*

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Lease modifications*

The Company accounts for a lease modification as a separate lease if both of the following conditions exist:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount equivalent to the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification that is not a separate lease, at the effective date of the modification the Company accounts for it by remeasuring the lease liability using a discount rate determined at that date and:

- for modifications that decrease the scope of the lease: decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognising a gain or loss that reflects the proportionate decrease in scope; and
- for all other modifications: making a corresponding adjustment to the right-of-use asset.

**k) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.5 Significant accounting estimates, judgements and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The significant management judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

**Impairment of financial assets**

*Accounts receivable*

The Company's credit risk is primarily attributable to its accounts receivable. The Company reviews its accounts receivable to assess impairment at regular intervals. In determining whether impairment losses should be reported in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience and forward-looking estimates, is evidence of a reduction in the recoverability of the cash flows.

*Other financial assets at amortised cost*

Expected credit loss (ECL) on other financial assets at amortised cost are measured at an allowance equal to 12-month ECL where the credit risk has not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Company takes into account quantitative and qualitative reasonable and supportable forward-looking information.

*Cash and cash equivalents*

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

**Impairment of property and equipment**

A decline in the value of property and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will worse than expected

**Useful lives of property and equipment**

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

**Determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

---

**3. Basis of preparation and material accounting policy information and estimates (Continued)**

**3.5 Significant accounting estimates, judgements and assumptions (Continued)**

**Determining the lease term (Continued)**

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

**Use of incremental rate of borrowing**

For measuring the lease liabilities, the Company discounted the lease payments based on its incremental rate of borrowing. The definition of incremental borrowing rate states that the rate should reflect what the Company would be charged to borrow over a similar term and under similar circumstances. To determine an appropriate rate, the Company has obtained the relevant information from its bankers.

**Estimates for accounting of employees' terminal benefits**

The carrying value of the employees' terminal benefits is based on actuarial valuations. The actuarial valuations by an independent actuary using a projected unit credit method are sensitive to assumptions concerning discount rates, salary increase rates, and other actuarial assumptions used. Changes in these assumptions may have an effect on the carrying amount of employees' terminal benefit obligation.

The discount rates used for determining the present value of the obligation under defined benefit plan are set with reference to high quality corporate bonds.

Other key assumptions relevant to the post employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are provided in Note 13.

**Taxes**

Uncertainties exist with respect to the interpretations of tax regulations and the amount and timing of future taxable income. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company established provisions, based on reasonable estimates, for possible consequences of audit by the tax authorities. The amount of such provisions is based on various factors, including different interpretations of tax regulations by the Company and the tax authority. Where the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the impact the income tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**4. Direct costs**

	<b>2026</b>	2025
Contract costs	--	9,504
Short-term leases (Note 14)	--	11,385
Others	--	71,056
	--	91,945

**5. Other income**

	<b>2026</b>	2025
Unrepresented liabilities written back	--	233,089
Profit on disposal of property and equipment	--	14,731
Sale of scrap	<b>226</b>	--
	<b>226</b>	247,820

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**6. General and administration expenses**

	2026	2025
Salaries and employee related costs (Note 13 b))	500,383	4,480,155
Insurance	111,230	269,984
Legal and professional fees	32,595	54,062
Depreciation (Note 8)	17,837	485,050
Traveling and conveyance	15,939	122,049
Short-term lease (Note 14)	7,000	5,000
Utilities	--	38,587
Bank charges	2,291	2,734
Repairs and maintenance	565	61,088
Communication	--	148,040
Loss on foreign currency exchange	--	11,529
Printing and stationery	--	4,231
Others	20,564	74,862
	<b>708,404</b>	<b>5,757,371</b>

**7. Income tax**

Tax losses which are carried forward for which no deferred tax was recognised amounts to AED 6,315,851 (2025: AED 5,607,673). These tax losses have no expiry date. The Company only recognises deferred tax assets to the extent that it is probable that there will be future taxable profits to offset them against. If the Company was to recognise the deferred tax assets, it would result in AED 568,427 of deferred tax assets being recognized.

**8. Property and equipment**

2026	Leasehold improvements	Office and other equipment	Furniture and fixtures	Motor vehicles	Right-of- use assets	Total
<i>Cost</i>						
At 1 April 2025	1,670,024	800,539	32,084	69,999	--	2,572,646
Disposals during the year	--	(5,700)	--	--	--	(5,700)
At 31 March 2026	<b>1,670,024</b>	<b>794,839</b>	<b>32,084</b>	<b>69,999</b>	--	<b>2,566,946</b>
<i>Accumulated depreciation</i>						
At 1 April 2025	1,670,024	766,959	32,084	69,999	--	2,539,066
Charge for the year	--	17,837	--	--	--	17,837
Relating to disposals	--	(5,414)	--	--	--	(5,414)
At 31 March 2026	<b>1,670,024</b>	<b>779,382</b>	<b>32,084</b>	<b>69,999</b>	--	<b>2,551,489</b>
<i>Net book value</i>						
At 31 March 2026	--	<b>15,457</b>	--	--	--	<b>15,457</b>
2025	Leasehold improvements	Office and other equipment	Furniture and fixtures	Motor vehicles	Right-of- use assets	Total
<i>Cost</i>						
At 1 April 2024	1,933,423	1,945,787	149,840	69,999	3,370,685	7,469,734
Additions during the year	--	20,110	--	--	--	20,110
Disposals during the year	(263,399)	(1,165,358)	(117,756)	--	(3,370,685)	(4,917,198)
At 31 March 2025	<b>1,670,024</b>	<b>800,539</b>	<b>32,084</b>	<b>69,999</b>	--	<b>2,572,646</b>
<i>Accumulated depreciation</i>						
At 1 April 2024	1,933,423	1,912,688	149,840	69,999	2,904,532	6,970,482
Charge for the year	--	18,897	--	--	466,153	485,050
Relating to disposals	(263,399)	(1,164,626)	(117,756)	--	(3,370,685)	(4,916,466)
At 31 March 2024	<b>1,670,024</b>	<b>766,959</b>	<b>32,084</b>	<b>69,999</b>	--	<b>2,539,066</b>
<i>Net book value</i>						
At 31 March 2025	--	<b>33,580</b>	--	--	--	<b>33,580</b>

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**9. Accounts and other receivables**

	2026	2025
Accounts receivable - related party (Note 16)	2,032,189	2,032,189
VAT recoverable	176,526	174,385
Deposits and prepayments	44,294	103,594
Advances to suppliers	7,936	36,147
Due from related party (Note 16)	--	326,190
Advances to staff	--	14,774
	<b>2,260,945</b>	<b>2,687,279</b>

a) The Company's risk exposure and expected credit losses on accounts receivable and amount due from related party are disclosed in Note 17.1 b).

b) Accounts receivable and due from related party are considered collectible based on historic experience.

**10. Bank balances**

	2026	2025
Bank current accounts	8,232	18,913
	<b>8,232</b>	<b>18,913</b>

**11. Share capital**

	2026	2025
Authorised and fully paid: (300 shares of AED 1,000 each)	300,000	300,000
	<b>300,000</b>	<b>300,000</b>

**12. Legal reserve**

As required by the UAE Federal Decree-Law No. 32 of 2021 relating to commercial companies, 5% of the profit for the year is to be transferred to a legal reserve. Since the balance in legal reserve is 50% of the share capital, the minimum prescribed by the aforesaid Law, the shareholder has resolved to suspend further transfers. The reserve is not available for distribution unless stipulated by the Law.

**13. Employees' benefits**

**a) Employees' terminal benefits**

The Company has an unfunded defined benefits retirement plan, which is in accordance with the requirements of the labour laws of the UAE. Employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment.

Movement in the employees' terminal benefits obligation is as follows:

	2026	2025
Balance at the beginning of the year	--	1,126,192
Current service costs and interest	--	50,274
Actuarial (gains)/losses recognised in other comprehensive income:		
- changes in experience	--	75,719
Transfer to the Parent Company during the year (Note 16)	--	(797,854)
Payments during the year	--	(454,331)
Balance at the end of the year	--	--

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**13. Employees' benefits (Continued)**

**b) Salaries and employee related costs**

	2026	2025
Salaries and wages	430,144	4,105,110
Pension fund contribution	50,405	68,600
Accrued leave salary	11,963	178,678
Employees' terminal benefits	--	50,274
Other employee related costs	7,871	77,493
	<b>500,383</b>	<b>4,480,155</b>

Salaries and employee related costs are presented under general and administration expenses (Note 6).

**14. Lease liabilities**

Lease liabilities represented the discounted value of future lease payments for the lease of office premises (Note 3.4 j)). The movement of lease liabilities was as follows:

	2026	2025
Balance at the beginning of the year	--	351,323
Add: Interest on lease liabilities	--	6,177
Less: Lease liabilities and interest paid	--	(357,500)
Balance at the end of the year	--	--

Amounts recognised in profit or loss

	2026	2025
Short-term leases (Note 4)	--	11,385
Short-term leases (Note 6)	7,000	5,000
Interest on lease liabilities	--	6,177

Amount recognised in the statement of cash flows

	2026	2025
Payment of lease liabilities and interest	--	357,500

**15. Accounts and other payables**

	2026	2025
Due to the Parent Company (Note 16)	9,772,362	9,461,375
Accounts payable including retentions	649,791	648,524
Accrued expenses and other payables	33,787	93,001
	<b>10,455,940</b>	<b>10,202,900</b>

**16. Related party transactions**

Related parties represent shareholder and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management. The significant related party transactions during the year are as follows:

Related party transactions	Relationship	2026	2025
Recharge of salaries and employee related costs	Other related party	--	326,190
Transfer of employees' terminal benefits (Note 13)	Parent Company	--	797,854
Transfer of other employee payables (Under accounts and other payables)	Parent Company	--	1,010,312

The amount due to the Parent Company does not attract interest and is payable on demand.

There is no key management remuneration during the years ended 31 March 2026 and 31 March 2025.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**16. Related party transactions (Continued)**

The significant related party balances as at 31 March are as follows:

	2026	2025
Accounts receivable - related party (Note 9)		
Shapoorji Pallonji and Company Ltd	<b>2,032,189</b>	2,032,189
	<b>2,032,189</b>	2,032,189
Due from related party (Note 9)		
Sterling and Wilson Solar Solutions INC - USA	--	326,190
	--	326,190
Due to the Parent Company (Note 15)		
Sterling and Wilson International Solar FZCO	<b>9,772,362</b>	9,461,375
	<b>9,772,362</b>	9,461,375

**17. Financial risk and capital management**

**17.1 Financial risk factors**

The Company's financial instruments consist mainly of accounts and other receivables, bank balances and accounts and other payables. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the years ended 31 March 2026 and 31 March 2025. The identified key risks are:

**a) Currency risk**

The Company operates in the Middle East region. The currencies of these countries in the Middle East region in which the Company operates are fixed to the United States Dollars and therefore the exposure to foreign exchange risk arising from transactions in those currencies is not material.

**b) Credit risk**

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally of bank balances, accounts receivable and due from related party.

*Bank balances*

Credit risk from banks and financial institutions is managed in accordance with the Company's policy. The Company's bank accounts are placed only with high credit quality financial institutions.

*Accounts receivable and due from related party*

The credit risk on accounts receivable and due from related party is subjected to credit evaluations. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are defined and are set based on internal and external ratings in accordance with the Company's policies. Outstanding customer receivables and due from related party are regularly monitored.

The Company is exposed to a significant concentration of credit risk. At the reporting date, 100% of accounts receivable and due from related party is due from a single party (2025: 100% from a single party).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

**STERLING AND WILSON MIDDLE EAST  
SOLAR ENERGY L.L.C, DUBAI**  
Financial statements for the year end 31 March 2026

**17. Financial risk and capital management (Continued)**

**17.1 Financial risk factors (Continued)**

**b) Credit risk (Continued)**

*Impairment of financial assets*

The Company's accounts receivable are subject to the expected credit loss model.

While cash and cash equivalents and other financial assets at amortised cost including due from related party are also subject to impairment, the identified impairment loss is considered immaterial.

The ageing analysis of gross carrying amounts of accounts receivable are as follows:

	2026	2025
More than 1 year	<b>2,032,189</b>	2,032,189
	<b>2,032,189</b>	2,032,189

The Company applies the simplified approach in measuring expected credit losses by assessing individually its accounts receivable (Note 3.4 d)). The identified expected credit loss on accounts receivable is considered immaterial.

**c) Liquidity risk**

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 March, based on contractual payment dates:

	On demand	0 to 3 months	Total
<b>2026</b>			
Accounts and other payables	<b>9,772,362</b>	<b>683,578</b>	<b>10,455,940</b>
Total	<b>9,772,362</b>	<b>683,578</b>	<b>10,455,940</b>
<b>2025</b>			
Accounts and other payables	9,461,375	741,525	10,202,900
Total	9,461,375	741,525	10,202,900

**17.2 Capital management**

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder by pricing services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return funds to shareholder, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2026 and 31 March 2025. Capital comprises share capital, legal reserve and accumulated losses and is measured at deficiency of assets of AED 8,171,306 (2025: AED 7,463,128).