September 08, 2020

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 **Scrip Code: 542760**	**National Stock Exchange of India Limited** Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400 051 **Symbol: SWSOLAR**

Sub.: Annual Report of Sterling and Wilson Solar Limited ("the Company") for the Financial Year 2019-20 along with the Notice of the 3rd Annual General Meeting

Ref: Intimation under Regulations 30 and 34 of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir/ Ma'am,

Pursuant to Regulations 30 and 34 of the SEBI Listing Regulations, please find enclosed herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice of the 3rd Annual General Meeting ("AGM") of the Members of the Company. The Notice of the AGM is given on Page nos. 28 to 39 of the Annual Report.

Further, in accordance with circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs and circular dated May 12, 2020 issued by SEBI, we wish to inform you that:

1) the AGM of the Company will be held on **Wednesday, September 30, 2020** at **11:30 a.m.** (IST) through Video Conferencing (VC)/ Other Audio - Visual Means (OAVM); and
2) the Notice of the AGM along with the Annual Report are sent only by electronic mode to those Shareholders whose email addresses are registered with the Depository Participants. The Notice of the AGM of the Company *inter alia* indicates the process and manner of remote e-voting/ e-voting at the AGM and instructions for participation at the AGM through VC/ OAVM.

The said Annual Report and Notice of AGM are also available on the website of the Company at www.sterlingandwilsonsolar.com under the tab "Investor Relations".

Also, the agenda items proposed to be taken up at the AGM are as follows:

Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
1	To consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020, and the Reports of the Board and the Auditors thereon.	Ordinary Resolution

Sr. No.	Agenda item	Resolution to be passed/ Manner of approval proposed
2	To confirm the payment of Interim Dividend of ₹ 6/- (Rupees Six only) per Equity Share paid during the Financial Year, as final dividend on Equity Shares of the Company for the Financial Year 2019-2020.	Ordinary Resolution
3	To appoint a Director in place of Mr. Pallon Mistry, who retires by rotation and being eligible, offers himself for re-appointment	Ordinary Resolution
4	To approve continuation of the term of Mr. Keki Elavia as an Independent Director	Special Resolution
5	To approve the appointment and remuneration of Mr. Chandra Kishore Thakur as the Manager of the Company	Ordinary Resolution
6	To approve Material Related Party Transactions	Ordinary Resolution
7	To approve fees to be paid by Members of the Company for service of documents through a particular mode of service	Ordinary Resolution

Request you to take the same on records.

Thanking you.

Yours faithfully,
For Sterling and Wilson Solar Limited

VENKATA JAGANNADHA RAO CHUNDURU

Digitally signed by VENKATA JAGANNADHA RAO CHUNDURU
Date: 2020.09.08 02:18:59 +05'30'

Jagannadha Rao Ch. V.
Company Secretary & Compliance Officer

Encl.: As above

Sterling and Wilson Solar Limited
An Associate of Shapoorji Pallonji Group
Registered Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: U74999MH2017PLC292281
Email: info@sterlingwilson.com | www.sterlingandwilsonsolar.com

STERLING & WILSON

ENERGISING THE ALTERNATIVE FUTURE

Sterling and Wilson Solar Limited

Annual Report | 2019-20

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Visit
www.sterlingandwilsonsolar.com
The Company's official website to download the Annual Report.

90 MWp, De Aar, South Africa

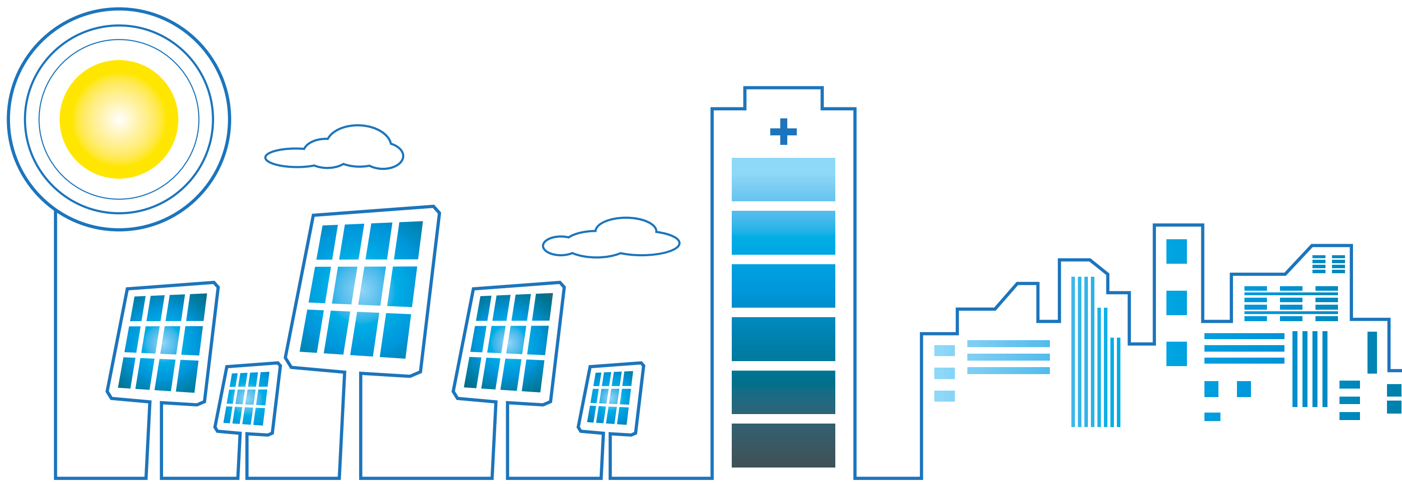
ENERGISING THE ALTERNATIVE FUTURE

At Sterling and Wilson Solar Limited, we believe in the phenomenal potential of the Sun and are aware of the infinite energy that it radiates to the Earth. Being among the leading Solar EPC and O&M solutions providers in the world, we are actively playing our role in displacing fossil fuels by harnessing nature's power. With an impressive portfolio of 245 solar power projects with an aggregate capacity of 10,134 MWp, we are changing the landscape of energy generation and consumption across the globe by leveraging replenishable resources and supporting the move to a sustainable energy system.

We build, operate and maintain solar projects with maximum energy capture – participating in every stage of the EPC value chain. As innovation brings down costs and starts delivering on the promise of decarbonisation, we are poised to continue delivering affordable and rapidly deployable energy, and accelerating the transition of economies to a low-carbon energy future.

Moving forward, we shall continue to explore newer geographies, expand our footprint and build higher capacities. Using innovation to rationalise costs and deliver enhanced yields, we aspire to remain agile and globally competent. With our state-of-the-art technology and project execution capabilities, and a reputation to deliver top-notch O&M service, we are well positioned to energise the alternative future.

We deeply thank all our retail and institutional investors for their participation in our initial public offering. This is the first Annual Report we are presenting to you as a listed entity. We assure you of our constant commitment and dedication towards strong corporate governance and value creation as we have embarked on this journey.



THE GLOBAL SOLAR POWERHOUSE

We are

A global pure-play, end-to-end solar engineering, procurement and construction (EPC) solutions provider with an asset-light business model.

With an acceleration in the energy sector worldwide, we have ventured into rooftop, floating and solar + storage solutions over the years, covering the entire canvas in the solar power landscape.

Our pride of parentage

We are a part of the Shapoorji Pallonji Group, a global conglomerate with 150+ years of EPC experience and local EPC knowledge. Our strong parentage gives us the ability to leverage the 'SP' brand and gain access in over 45 countries.

We provide

Turnkey EPC services for utility-scale, rooftop and floating solar power projects. We also provide operations & maintenance (O&M) services, including for projects constructed by third parties and offer solar plus storage solutions to our customers. We adopt a consultative approach to our customers' solar energy needs and capabilities, which enables us to provide customised solutions to meet their requirements.

Our end-to-end solutions include

Design, Engineering, Procurement, Construction, Project Management, Testing, Commissioning, Connecting solar projects to the grid and the long-term Operational Maintenance of the plant.

Our diverse global portfolio

Encompasses high-performing solar power projects (commissioned and under various stages of construction) across India, South East Asia, Middle East, Africa, Europe, United States and Latin America and Australia.

We deliver unmatched capabilities

And are the only solar EPC company with the largest footprint, enjoying a presence in 25 countries. Our in-house design and engineering team provides best-in-class engineering solutions.

We are one of the world's leading players

For solar EPC projects, based on our annual installation of utility scale photovoltaic systems. We are also amongst the leading O&M players across the globe.

We enjoy a diversified customer base

And maintain strong relationships with top global strategic developers. We engage with our customers from bidding to execution and maintenance, and also benefit from the highest percentage of repeat orders.

We have a track record of efficient project management

And have established a history of effective execution and timely completion of projects. We undertake preventive and proactive measures to optimise our project execution and operations.

168 MWp, Ninh Thuan, Vietnam

Key Indicators: A testament to our strength & capabilities

245
Solar projects globally

203
Projects commissioned

₹ 11,395.9 Crore
Unexecuted Order Value

1,551
solar professionals onboard
- 1,286 permanent employees
- 265 on fixed term contracts

163
O&M projects

42
Projects under construction

10,134 MWp
Total EPC capacity

7,467.97 MWp
Total O&M capacity

47%
Third-party O&M contracts

Presence in
25 countries

Partner of choice

Nurturing deep and lasting relationships with strategic partners and key stakeholders, such as engineers, suppliers, consultants and lenders, has helped us position ourselves as an efficient EPC player and build a strong global network. This, along with our consultative approach to meet the dynamic and ever-evolving solar energy needs of our customers, helps us to deliver customised and efficient solutions.

With every complex project delivered, we unlock immense value by leveraging our engineering expertise, extensive experience and efficient execution capabilities. This facilitates us in emerging as a 'preferred partner' to our customers, also gaining repeat orders.

48 MWp, Andhra Pradesh, India

HOLISTIC SOLUTIONS FOR AN EVER-EVOLVING ENERGY LANDSCAPE

We are a technology agnostic company, offering a complete range of customised EPC and O&M solutions for solar power projects. A holistic approach and integration of sustainability into our business model helps us to maintain our position as a fast-growing solar energy company, ensuring a favourable social and environmental impact across 25 countries.

15 MWp, Kolkata, India

Diversified portfolio offerings

Utility-Scale	Providing EPC services for utility-scale solar power projects, offering a complete range of turnkey and Balance of System (BoS) solutions.
Solar Rooftop	Offering integrated solutions for Distributed & Rooftop solar projects.
Floating Solar	Providing floating solar projects with capability to float on water bodies, powered by high-efficiency solar panels installed on floaters and a floating substation.
Solar & Energy Storage	Providing competitive and comprehensive Solar PV and Energy Storage Solutions with the lowest possible LCOE, satiating the need for flexible and dispatchable solar energy.
Operations & Maintenance	Providing Operations & Maintenance (O&M) services for solar energy assets, including for projects constructed by third parties, through a stellar team equipped with state-of-the-art technologies.

Performance of EPC and O&M business

Revenue

EPC business
₹ 5,391.28 Crore

O&M business
₹ 183.54 Crore

Segmental Gross Margin

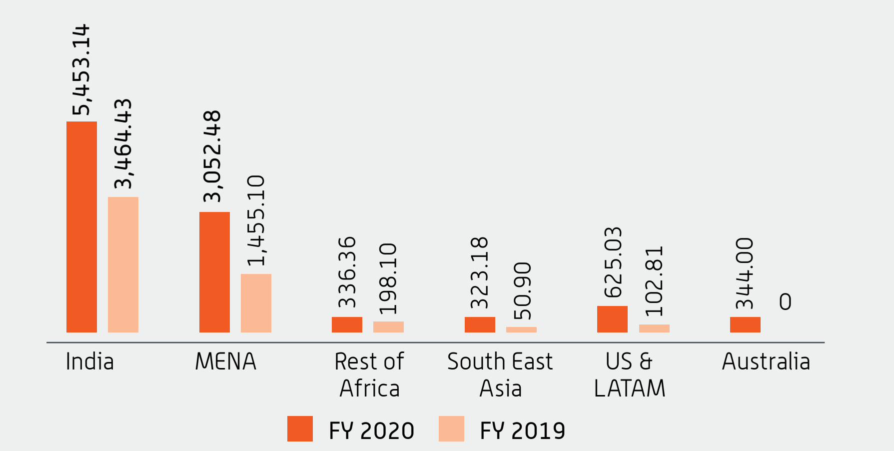
EPC business
₹ 657.28 Crore

O&M business
₹ 88.73 Crore

CAPITALISING ON INTERNATIONAL OPPORTUNITIES

Driven by the increasing consumption of energy globally, and catapulted by growing environmental concerns due to use of conventional energy and considerably lower cost of renewable energy, the international solar energy market is poised for spectacular growth. Sterling and Wilson Solar Limited, with its established global presence, diversified portfolio offerings and trusted project execution capabilities, is at the forefront of this tremendous solar opportunity.

Rise in Capacity (MWp)



** Includes projects commissioned and under various stages of construction*

With a project pipeline of 3,472.78 MWp under development in India, Middle East, Africa, Latin America, Europe, Australia and US, we are continually focussed at accentuating our leadership position by securing a larger market share and expanding our global footprint.

27 MWp, Kansas, USA

OUR JOURNEY OF GROWTH AND SUCCESS

Our journey is embellished with prominent milestones, each contributing immensely to our growth and success. Since 2011, continuous order inflows, superior design, engineering, strategic procurement, and robust project delivery capabilities have helped us to scale up and attain market leadership. Moving forward, we endeavour to maintain our leadership position by way of strategic expansion and accelerating our growth momentum, thus creating value for all our stakeholders.

3.25 MWp, Oregon, USA

2011
- Ventured into Solar EPC business in India

2014
- Commenced our first international solar project of 90 MWp capacity in South Africa

2015
- Recognised as the largest Indian solar EPC player, according to an independent industry data provider

2016
- Ventured into Rooftop Solar services
- Started third-party O&M services

2017
- Demerged Sterling and Wilson Solar from the Sterling and Wilson Group, focussing on pure-play solar EPC business
- Expanded operations in the USA
- Bagged the world's largest single-location EPC project order of 1,177 MWp capacity in Abu Dhabi

2018
- Expanded operations in Australia by acquiring a controlling stake in GCO Electrical Pty Ltd
- Became the largest solar EPC solutions provider in India, Africa and Middle East
- Diversified into Solar plus Storage solutions

2019
- Emerged as the world's largest solar EPC solutions provider by IHS Markit
- Emerged as a global player with presence and operations across India, Middle East, Africa, South East Asia, Europe, US and Australia
- Commissioned first floating solar project of 450 KW in India
- Listed on stock exchanges in India (BSE and NSE)

2020
- Ranked first in India and second globally, as per Wood Mackenzie's 2020 Global PV Operations & Maintenance Report

CHAIRMAN'S MESSAGE

We are amongst the leading solar EPC and O&M solutions providers in the world, with a healthy order book of ₹ 11,395.9 Crore and a significant presence and operational experience across geographies

Dear Shareholders,

We are happy to present to you our first annual report after the Company's Initial Public Offering in August 2019. We deeply thank all our retail and institutional investors for their participation in the IPO and assure them of our commitment and dedication towards strong corporate governance and value creation.

Today, solar is one of the most competitive sources of power globally. Being cheaper than oil & gas, it is a highly sought-after and commercially viable source of energy. With solar being the energy of the future, we are in an advantageous position. We are amongst the leading solar EPC and O&M solutions providers in the world, with a healthy order book of ₹ 11,395.9 Crore and a significant presence and operational experience across geographies. Our services encompass a comprehensive range of "concept to commissioning" projects, including design, engineering, procurement, construction and end-to-end project management.

Being a part of the prestigious Shapoorji Pallonji Group, we benefit from their existing, deep-rooted relationships in several countries, an aspect that plays a crucial role in accelerating our market entry.

Year in brief

After two glorious years of Y-o-Y increase, our revenue from operations during the year ending March 2020 declined 32.34% at ₹ 5,575.29 Crore, as against ₹ 8,240.41 Crore a year earlier. This is owing to a significant decrease in the EPC revenue from Middle East, North Africa and India. The fall in revenue from Indian operations is primarily on account of Balance of Supply, as against contracts with modules in the previous year. However, even though our profits have been lower than last year, our return on equity at 25.4% continues to be very strong.

During the year, we commissioned 27 projects, aggregating 1,528.18 MWp across 9 countries.

Revenues from O&M business stood at ₹ 183.54 Crore, rising by 96.14% from ₹ 93.58 Crore a year earlier. Our O&M revenues have been doubling each year since FY 2017 due to the annuity-based business model that we use combined with improving operating leverage and efficiency. O&M, being a high-margin business, grants more revenue visibility. Thus, with an increased focus on this business, we hope to convert many of our EPC projects into O&M contracts. We have piloted our first floating solar project in India and are very excited about this business as it has a huge growth potential both in India and international markets.

The year has been challenging given the slowdown in world economy, coupled with the impact of the novel Coronavirus (COVID-19) outbreak in the first quarter of 2020, impacting most economies owing to extended lockdowns. At Sterling and Wilson Solar Limited, we have been constantly evaluating the situation and despite the turbulent times, managed to win prestigious international projects. With the global COVID-19 situation now stabilising and with our existing order book pipeline, we look forward to a great year, both in terms of turnover and profitability.

Borrowings

Our borrowings stood at ₹ 1,224.04 Crore at the end of the year. Borrowings decreased substantially on account of repayment made during the year through collection of Intercorporate deposits and internal accruals. The inter-corporate loan and interest stands slightly higher, compared with external borrowings. Once the intercorporate deposits are paid, we are likely to become a net debt-free company.

Strong financials

Our asset-light business model entails low investment in fixed assets. We have grown this business on a relatively low working capital and hence the ROCE in the business continues to be robust. The business generates sufficient free cash flow to enable us to pay dividends to our shareholders.

Engineering and execution

Ours is a differentiated business model with high entry barriers, where our capabilities in innovation and technology serve as key differentiators. At the same time, our highly optimised design, execution and installation skills keep us ahead of the curve, as do our years of experience in the industry. A cost-efficient base in India, coupled with a meticulous procurement policy, enhances our margins as well as the potential to deliver solutions at the most competitive rates.

Bankable EPC

The global model of non-recourse financing for renewable projects creates a very strong entry barrier for competition. Since most of the money invested in a renewable project is from the lender, they ensure that the EPC contractor has a strong balance sheet and execution track record. Over the years, our Company has built both these strengths and has become one of the most bankable EPCs globally.

Customers and lenders

The Company's global reputation is reinforced by a well-established track record of executing complex and large-scale EPC projects, resulting in higher customer retention and a large percentage of repeat orders.

Geographic presence

We are proud of our global presence across 25 countries including India, South East Asia, the Middle East, Africa, Europe, United States and Latin America and Australia.

With global expansion being a core part of our strategy, we invest sufficient time to evaluate a specific geography and its market dynamics before foraying into it. This strategy has helped us attain leadership position and gain profitability across most regions within a short span of time. Venturing into newer geographies have also been instrumental in de-risking our portfolio and expanding our customer base at a massive pace. With our geographical expansion, our customer concentration risk has decreased immensely from 25.84% in FY 2019 to 12.91% in FY 2020.

We are gradually moving to newer regions and leveraging increased opportunities in high-potential geographies like USA and Australia. We are proud to share that we have won our first large order for utility-scale in United States. We are also setting up base in Europe, venturing into Mexico and scouting for opportunities in South Korea.

Foray into Australia

Australia is well endowed with a range of renewable energy sources and ranks among the top 10 solar nations by capacity, globally. The country has the biggest uptake of solar power worldwide, with more photovoltaic capacity added annually than other energy sources. Factors such as favourable government schemes, upcoming large-scale solar projects and government packages to support solar PV installers amidst COVID-19 are expected to drive the Australian solar power market. As we identify high-potential geographies, we are keen to leverage the massive opportunity in Australia and increase our market share.

We have won two solar projects in Australia, which are under commissioning. The first Australian project is a 200 MW Wellington Solar Farm project, a turnkey solar photovoltaic independent power project, being constructed in collaboration with Lightsource BP. The project is amongst the first few making use of bi-facial module, making it economically viable and competitive. Our second project in Australia is the Gangarri Solar Farm, an industrial-scale solar electricity farm in Queensland with the oil giant Shell Energy. The solar farm supports Shell's integrated energy solutions for industrial customers and is scheduled to be completed by early 2021.

Moving forward

We foresee better turnover and profits in the year ahead, as we foray into newer geographies and reinforce our presence in the existing ones. Moving forward, we also intend to leverage the growing demand for solar energy from large-scale oil & gas companies. Like always, we aim to deliver spectacular, high-quality, cost-efficient and timely solar energy solutions and achieve utmost customer satisfaction.

We are constantly working to expand our product offerings in O&M, floating solar and solar + storage solutions, besides enhancing operational and financial efficiency for continual business growth. With a dynamic workforce spread across multiple geographies, our emphasis remains on enabling cultural fusion and maintaining a harmonious working environment for everyone. Collectively, this will help us create, sustain and deliver value to our stakeholders.

People

I want to thank the entire Sterling and Wilson Solar Limited team for their continuous support and their untiring passion towards their work which has led us to reach newer heights. Our workforce across the globe has been committed even during these unprecedented times. Our focus continues to be on people and their professional development.

Growth outlook

With the solar industry projected to grow in high double digits for the foreseeable future, our customers and lenders having huge global investment plans in solar energy and with us being uniquely positioned as one of the only solar EPC's with a truly global footprint, the future is bright. With a promising business model and an experienced and committed team, we are well poised to capitalise on the opportunities coming our way, and to create new ones, to take Sterling and Wilson Solar Limited to a new orbit of growth and success.

Khurshed Daruvala
Chairman

OUR BOARD OF DIRECTORS

1 Khurshed Yazdi Daruvala
Chairman and Non-Executive Director

Khurshed Daruvala holds a bachelor's degree in commerce from the University of Mumbai and is an associate member of the ICAI. He has been part of the Sterling and Wilson Group for almost 25 years and was the erstwhile Managing Director of Sterling and Wilson Private Limited. He has been on the Board of Sterling and Wilson Solar Limited since April 25, 2018.

2 Pallon Shapoorji Mistry
Non-Executive Director

Pallon Mistry holds a master's degree in strategic management from Imperial College, London. He is on the board of several companies including Shapoorji Pallonji and Company Private Limited, Afcons Infrastructure Limited, Shapoorji Pallonji Infrastructure Capital Company Private Limited, Shapoorji Pallonji Oil and Gas Private Limited and Sterling and Wilson Private Limited. He has been on the Board of Sterling and Wilson Solar Limited since August 2, 2018.

3 Bikesh Ogra
Non-Executive Director and Global CEO

Bikesh Ogra holds a bachelor's degree in electrical engineering from NIT Durgapur and is a veteran in the industry with over 23 years of experience in the EPC sector. He has been a long serving member of the Sterling and Wilson Group and was entrusted with the responsibility of developing the solar business when it was established in 2011. He has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

4 Keki Manchersha Elavia
Independent Director

Keki Elavia holds a bachelor's degree in commerce from the University of Mumbai and is a practising Chartered Accountant. He is a fellow member of the ICAI. He has, in the past, served as a partner of Kalyaniwalla & Mistry, Chartered Accountants and S.R. Batliboi & Co, Chartered Accountants. He has over 40 years of experience in Audit and Finance related matters and has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

5 Arif Salef Doctor
Independent Director

Arif Doctor holds two bachelor's degrees in arts and law from the University of Mumbai. He is a practising advocate registered with the Bar Council of Maharashtra and Goa for the past 20 years. He has a varied practice which inter alia includes civil, commercial and constitutional law as also environmental law. In addition, he has appeared pro bono in several diverse public interest litigations. He has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

6 Rukhshana Jina Mistry
Independent Director

Rukhshana Mistry is a practising Chartered Accountant with over 29 years of experience. She has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

LIGHTING UP LIVES WITH WORLD-CLASS SOLAR PLANTS


104 MWp, An Giang, Vietnam


3.26 MWp, Oregon, USA


65 MWp, Telangana, India


36.3 MWp, Rajasthan, India


125 MWp, Oman


144 kWp, Tamil Nadu, India


2.6 MWp, Jordan


450 kWp, Kerala, India

NOOR ABU DHABI: AN INCREDIBLE SOLAR STORY

The Noor Abu Dhabi Project is the world's largest single site solar project commissioned at Sweihan in the emirates of Abu Dhabi with 3.2 million solar PV panels and 1,177 MWp capacity.

Cleaner, greener energy

The project is a culmination of the UAE's energy strategy 2050 launched in 2017 and is poised to increase the share of renewable energy in its energy mix by up to 50% by 2050. It will reduce carbon footprint from the use of natural gas for power generation by 70%.

On time, within budget

Supported by Abu Dhabi Water and Electricity Authority, construction of the plant began as per schedule and was completed within 23 months to successfully generate 1,177 MWp solar energy and achieve desirable cost-efficiency.

Uniquely Positioned

The only plant in the Middle East with an East-West configuration, which helps extract sun's energy from both sides, it sets the benchmark for efficient solar energy solutions needed to address the global climate emergency.

Creating an Impact

To reduce CO_2 emissions by **1 million** metric tonnes in a year

To cater to electricity demands of **90,000 homes**

To remove **2,00,000 cars** off the road

A world-class solar project

- One of the lowest tariffs globally for a PV plant
- Bid for 1,177 MWp against requirement of 350 MWp
- Installed 200 MWp within a short span of one month
- Built with over 5 million accident-free safe manhours

Delivering value to stakeholders

- Maximised electricity generation
- Optimised time and cost localisation
- Automated, with low-cost O&M
- Optimised use of land area (Bid criteria was minimum 350 MWp)

Key drivers for plant optimisation

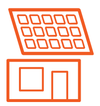
- East to West installation of modules with unique eight high fixed structure design used to optimise power generation
- Preference to maximise procurements from UAE led to time and cost optimisation
- 1,412 robots used (at a button's click) to reduce water consumption and operating expenses

COCHIN INTERNATIONAL AIRPORT LIMITED: POWERED BY THE SUN

Cochin International Airport, the world's first fully solar-powered airport, has taken a lead in utilising renewable energy in the aviation sector, and set a clear example in being environment-friendly. The Airport has tapped into green energy and achieved power neutrality, becoming an inspiring model for high-energy consumers.

The state-of-the-art Cochin International Airport Limited (CIAL) is the world's first fully solar-powered airport, with an over 40 MW solar photovoltaic (PV) power station. One of India's largest airports handling 10 million passengers a year, CIAL generates 1.6 lakh units of power per day, against an average consumption of 1.5 lakh units per day.

The airport has:



A utility scale, rooftop and floating power project

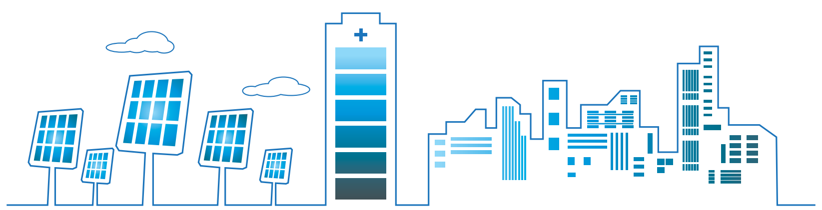
7.5 MW ground mounted plant for airport facilities, installed at five locations

2.4 MW solar car park with solar panels fitted on rooftop of car bay

A self-sustaining airport

CIAL engages in net balancing of electricity fed and drawn from the grid. The excess energy generated during the high irradiation periods is exported and banked with the grid, and can be utilised later by the Airport during periods of lower generation.

The facility generates 1.6 lakh units of energy per day which helps the Airport to avoid 1.6 lakh kg of daily CO_2 emissions. This will amount to 9 lakh metric tonnes carbon savings in a span of 25 years – which is equivalent to planting 9 million trees or driving 2,400 million miles.

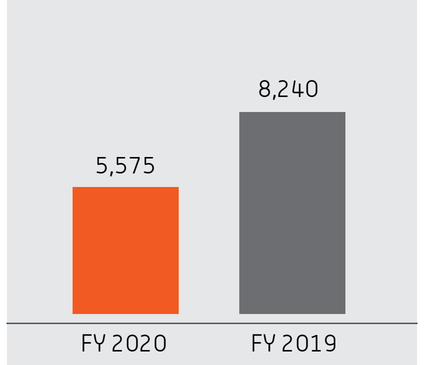


CIAL has received the United Nations Champions of the Earth Award in 2018.

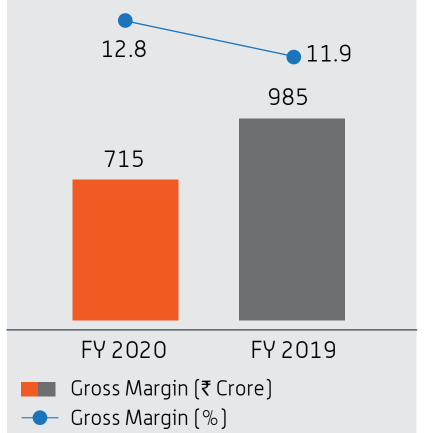
MAXIMISING PERFORMANCE FOR SUSTAINED GROWTH

We are well positioned to scale higher with a healthy order book and a strong balance sheet and hope to sustain a robust growth rate, while further improving our return ratios. Increased capacity will translate into incremental revenues, providing good visibility and driving earnings growth.

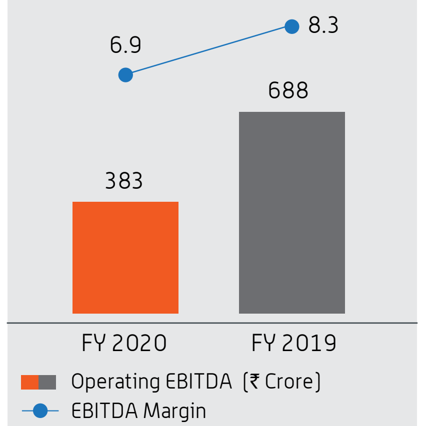
Revenue from Operations (₹ Crore)



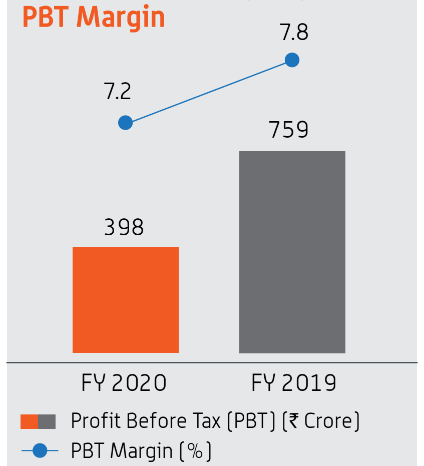
Gross Margin



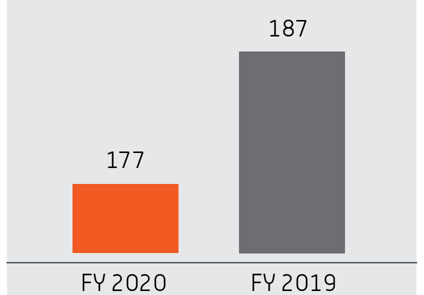
Operating EBITDA and EBITDA Margin



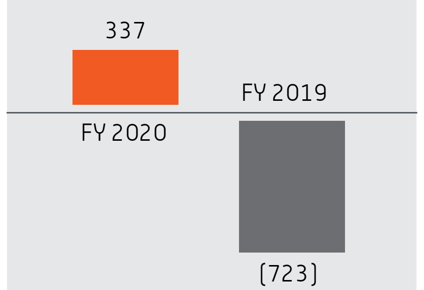
Profit Before Tax (PBT) and PBT Margin



Core Working Capital (₹ Crore)



Cash Flow from Operations (₹ Crore)



Operational Highlights of FY 2020

- Commenced construction on the 200 MW Wellington Solar Farm project in Australia.
- Commenced construction on the 144 MW Gangarri Solar Farm project in Australia.
- Commissioned 375 MWp project in Anantapur, Andhra Pradesh, the Company's largest single-location solar project in India.
- Commissioned India's first floating solar project with 450 kWp capacity.
- Commissioned two projects in Vietnam of 104 MWp and 168 MWp capacity each.
- Kick-started construction on two projects in Chile with capacity of 190 MWp and 170 MWp each.

AWARDS AND RECOGNITIONS

A robust foundation and competitive edge, derived through innovation and technological advancements, is the key to our solar value chain. As we endeavour to deliver high quality solutions and maintain our leadership position, we continue to win accolades and recognitions across diverse business segments.

Awards won in 2020

'Utility-Scale Solar Project of the Year' at MESIA Solar Awards

Awards won in 2019

Renewables Company of the Year by MEED

Awards won in 2018

World's EPC Excellence for Solar and Storage by Global

Solar + Power Awards' EPC of the Year

Specialist Contractor of the Year by MEED

Certificate of honour in the category 'RE International Excellence - Indian Companies'

Certificate of honour as a 'Leading EPC – Solar – Ground Based'

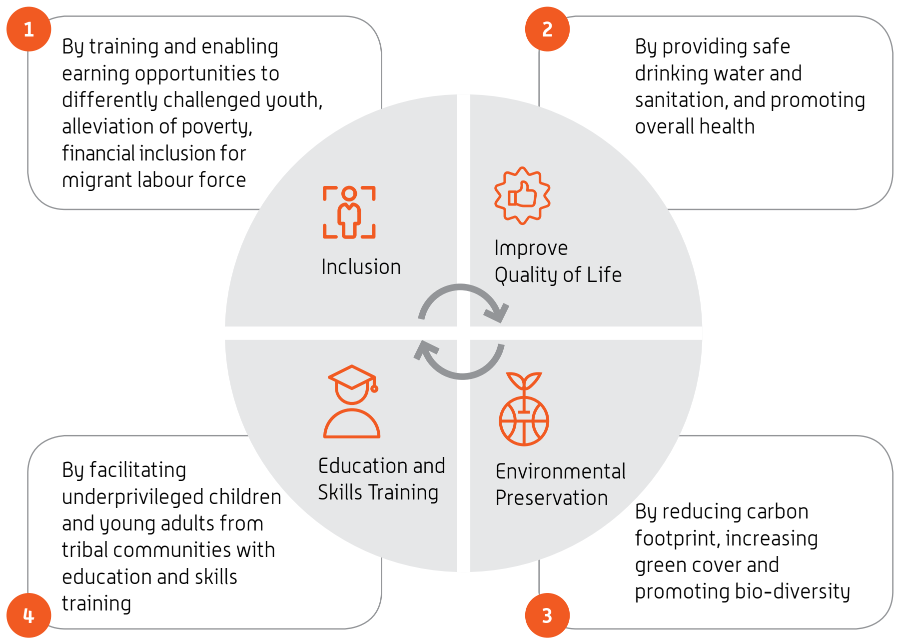
MOMENTS THAT MATTER

We are committed to enriching people's lives. Our business is as much about integrating societal, economic, and environmental obligations and enabling overall sustainability and well-being as it is about creating value for our esteemed customers. In our own humble way, we strive to be the change we want to see.

Key focus areas in CSR

- Health & Sanitation
- Education and skill development
- Environment
- Community development

Our CSR Objectives



Our CSR Projects

I-CARE

- **Breaking Barriers Olympics:** Engaged with differently abled employees in cricket, badminton, carrom and other sports.
- **Mahim Beach Clean Drive:** Active participation by 15 employees in the clean-up drive at Mahim Beach.
- **Diwali Mela:** Provided a platform to sell products to NGOs and women entrepreneurs.
- **Engaging with Orphanage:** Donated sports equipment/cash to children aged 6-12 years.
- **Fund-raising campaigns:** Fund-raising campaign organised for NGOs contributing for cancer patients.

Education and Skill Development

- **Chilwadi School, Osmanabad:** Provided safety wall, safe drinking water and sports equipment for students. Also developed a playground, borewell and kitchen garden.
- **Omkar Vidyalaya, Shelu, and Kalbhairav School, Karjat:** Provided remedial classes with digital learning and personality development; provided safe drinking water; developed computer and science lab, library; provided sports equipment; provided solar rooftop solution for uninterrupted electricity.
- **Himalayan Institute of Alternate Learning, Ladakh:** Building three passive solar buildings and converting containers into classrooms.

Health & Sanitation

- **Nirmaya Health Foundation:** Partnered with the NGO for anaemia reduction programme; 2,000 adolescent girls tested for baseline haemoglobin and provided iron folic tablets for three months; Awareness sessions conducted by way of home visits on steps to reduce anaemia for 1,300 girls and 1,024 parents.
- **Shree Shankara Hindu Mission, Nasik:** Provided toilet and sanitation facilities to 18 schools; 48 toilets constructed with water facility and wash basins.
- **Adolescent Healthcare:** Provided 39 sanitary napkin incinerators.
- **Annaikkum Karangal, Tamil Nadu:** Engaged with children and an old-age home; renovated the toilet, kitchen, RO plan and inverter.
- **Zilla Parishad High School, Kunda:** Renovated the school's toilet, bushes, repaired the kitchen wall and RO plant.

Environment

- **Punarvasa Special School for Disabled, Goregaon:** Provided 5.28 KW solar rooftop resulting in annual energy saving of 7,600 kWh.
- Contributed to PM Relief Fund for relief of flood-affected people in Karnataka.

Community Development

- **Old-Age Home:** Renovated old-age home for an NGO in Delhi with flooring, civil work, electrification and painting.
- **Housing to Farmers' Widows, Maharashtra:** Partnered with Habitat to provide housing and sanitation to 13 widows of farmers in Maharashtra; identified 13 marginalised rural families to help them for housing and sanitation.

FOSTERING INNOVATION THROUGH A TRULY DIVERSE WORKFORCE

We sustain a diverse and inclusive environment – one that respects and shows care for all cultures. We strongly value the diversity of our employees and believe that the more diverse we are, the better equipped we are to deliver our services.

1,551
Total number of employees

31
Number of nationalities

77
Trainings undertaken

We believe in the strength of our most vital asset – our workforce. Our teams are consumer-focussed, performance-driven, and future-capable, which helps us to maintain a competitive edge in a highly dynamic industry.

Diversity – an asset

Our workforce comprises 31 nationalities with employees from diverse cultures and socio-economic backgrounds, by virtue of our geographic diversification and our presence across regions. Having built and scaled a multi-national enterprise, diversity is an asset for our business and for the employees. It fosters innovation and creativity and unleashes their true potential. By supporting and promoting a diverse and inclusive workplace, we are contributing to a more open and inclusive society.

People and culture

We are focussing on developing a cultural roadmap within the organisation. In the past, we also improved our focus on leadership development for top talent and the senior management team. Managers were mentored to develop the right skills and competencies to hire the right fit, and were sensitised through behavioural interviewing skills programme. We also conducted competency mapping for unique roles.

Building skill-sets and capabilities

People are our most highly valued resources and we are committed to keep building their skills, mind-sets and capabilities. Customised leadership workshops and initiatives were designed with extensive need analysis to inspire cross-functional teams. Leadership Convergence programme, covering 45 global leaders; and Connecting across Cultures were some key initiatives of the year. We achieved an average 1.4 training man-days per person, 1,384 man-days of training during the year, with a balanced focus on leadership development as well as soft, functional and technical skills.

Design & Engineering team

We are proud of our sizeable and competent design and engineering team, with demonstrated capabilities in designing innovative and cost-effective solutions. The team engages in each project from pre-bid to commissioning stage to evaluate and provide innovative design solutions, thus improving the efficiency of our solutions and services and achieving a desirable performance ratio. The team is also competent in deploying bi-facial module technology, granting the Company a competitive market advantage.

STREAMLINING OUR BUSINESS PROCESSES

At Sterling and Wilson Solar Limited, IT solutions have facilitated in creating a more cohesive and closely connected organisation. We continue to leverage new technologies to increase our efficiency and effectiveness and support our growth plans.

We have deployed an efficient and agile IT ecosystem that has streamlined many of our functions and processes. Our IT processes play a critical role in minimising errors, and in improving productivity and efficiency of the organisation. During FY 2019-20, we undertook multiple initiatives to further integrate our operations and strengthen its IT systems.

Prime highlights of our IT initiatives are:

ERP system: We extended the SAP system to eight countries, including the US and Australia, to achieve superior integration of all its processes and controls and provide real-time information through a single source of data. We migrated the SAP system to private secured cloud servers and upgraded to the latest SAP S/4Hana ERP system with superior functionality and computing speed.

Digitisation of O&M business: We developed cloud-based Computerised Monitoring and Maintenance Management System (CMS/CMMS) by leveraging our internal domain expertise, and this has been deployed at major projects across countries. Our roadmap, including Artificial Intelligence (AI) and Machine Learning (ML) capabilities and tailor-made dashboards, facilitates us in generating deep insights and providing better customer service.

Legal Compliance: We have adopted a modern and proven accounts merger and consolidation software to consolidate all the legal compliance requirements across multiple countries and currencies. This is enabling us to be legally complaint at all times and take prompt preventive/corrective actions as necessary.

Cyber Security: We prudently undertook multiple safeguard initiatives in light of rising cyber threats. This included:

i. Setting up Security Operating Centre (SOC) to safeguard servers, network and user mails on 24 x7 basis with a clear protocol of detection, prevention and resolution of cyber threats.

ii. Conducting comprehensive user awareness campaigns to educate employees on risks faced in day-to-day working and prevention of cyber attacks.

iii. Rolling out one of the world's leading antivirus solutions, which also perform automatic updates to all endpoints, ensuring data security at all times.

iv. Engaging a globally leading consulting company to assess system vulnerability and to strengthen IT assets and network, with the aim of further enhancing its data security capabilities.

Moving ahead, we plan to digitise our operations to achieve superior productivity and reduced cycle time. Additionally, we will continue to proactively invest in strengthening the IT systems and enhance cyber security. With this, we aim to streamline our business processes and provide tools for better decision making, to address our growth aspirations seamlessly.

CORPORATE INFORMATION

Board of Directors

Mr. Khurshed Yazdi Daruvala
Chairman and Non-Executive Director

Mr. Arif Doctor
Independent Director

Mr. Bikesh Ogra
Non-Executive Director

Mr. Keki Elavia
Independent Director

Mr. Pallon Mistry
Non-Executive Director

Ms. Rukhshana Mistry
Independent Director

Key Management Team

Mr. Chandra Kishore Thakur
Manager & COO - Domestic and International Solar Projects

Mr. Bahadur Dastoor
Chief Financial Officer

Mr. Jagannadha Rao Ch. V.
Company Secretary & Compliance Officer

Mr. Praveen Jaiswal
Head - Solar Operations & Maintenance

Mr. M Jayachandra
Head - Solar Rooftop

Mr. Rajneesh Shrotriya
Chief Technology Officer

Mr. Bikash Kumar
Head - Research & Development

Mr. Rahul Kshetrapal
Head - Sales & Business Development

Mr. Sanjeev Pushkarna
Head - Supply Chain Management

Mr. Basavarajappa C
Head - Human Resource

Registered Office

Universal Majestic, 9th Floor, P. L. Lokhande Marg
Chembur (West), Mumbai – 400 043
Maharashtra, India

Statutory Auditor

BSR & Co LLP

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
Unit: Sterling and Wilson Solar Limited
C-101, 1st Floor, 247 Park
L.B.S Marg, Vikhroli (West)
Mumbai – 400 083, Maharashtra, India

Bankers

Union Bank of India

State Bank of India

EXIM Bank

Axis Bank Limited

Hongkong and Shanghai Banking Corporation Limited

Deutsche Bank AG

DBS Bank Limited

IDBI Bank Limited

ICICI Bank Limited

IndusInd Bank Limited

RBL Bank Limited

YES Bank Limited

Societe Generale

HDFC Bank Limited

IDFC First Bank

Corporation Bank

Emirates NBD

Intesa Sanpaolo

STATUTORY REPORTS & FINANCIAL STATEMENTS

STERLING & WILSON

Sterling and Wilson Solar Limited
An Associate of Shapoorji Pallonji Group
Registered Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: U74999MH2017PLC292281
Email: info@sterlingwilson.com | Website: www.sterlingandwilsonsolar.com

Notice of 3rd Annual General Meeting

NOTICE is hereby given that the 3rd Annual General Meeting ("AGM") of the Members of Sterling and Wilson Solar Limited will be held on Wednesday September 30, 2020, at 11.30 a.m., through Video Conferencing ("VC")/Other Audio-Visual means ("OAVM"), to transact, the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020, and the Reports of the Board and the Auditors thereon.

2. To confirm the payment of Interim Dividend of ₹ 6/- (Rupees Six only) per Equity Share paid during the Financial Year, as final dividend on Equity Shares of the Company for the Financial Year 2019-2020.

3. To appoint a Director in place of Mr. Pallon Mistry (DIN: 05229734), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **To approve continuation of the term of Mr. Keki Elavia as an Independent Director**

   To consider, and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Regulation 17(1A) and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and Rules framed thereunder, and such other applicable laws, rules, regulations, guidelines (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any duly constituted Committee(s) thereof or such other person(s) authorised by the Board), the Directorship of Mr. Keki Elavia (DIN: 00003940) as a Non-Executive, Independent Director on the Board of the Company be continued till the end of his term, i.e. up to March 26, 2024."

   RESOLVED FURTHER THAT the Board (including its Committee(s)) be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and to authorise any of the Directors and/ or Key Managerial Personnel of the Company to take necessary actions on behalf of the Company in that regard."

5. **To approve the appointment and remuneration of Mr. Chandra Kishore Thakur as the Manager of the Company**

   To consider, and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with other applicable provisions and Schedule V of the Companies Act, 2013 ("the Act") and Rules framed thereunder, and such other applicable laws, rules, regulations, guidelines (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all other applicable statutes and laws, if any and the approval of the Board of Directors of the Company, the consent of the Members be and is hereby accorded to the appointment of Mr. Chandra Kishore Thakur as "Manager" of the Company under Section 2(53) of the Act, for a period of three years effective from September 01, 2020 upon such terms and conditions and on such remuneration as set out in the explanatory statement annexed to the Notice convening this meeting.

   RESOLVED FURTHER THAT in accordance with the provisions of Section 203 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Thakur be and is hereby termed as a "Key Managerial Personnel" to perform duties assigned to him by the Board from time to time.

   RESOLVED FURTHER THAT for the purpose of giving effect to the above, any of the Directors and Key Managerial Personnel of the Company, be and are hereby severally authorised to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to the above resolution."

6. **To approve Material Related Party Transactions**

   To consider, and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Regulation 23 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Section 188 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, and such other applicable laws, rules, regulations, guidelines (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the consent of the Members of the Company be and is hereby accorded for the Material Related Party Transactions entered into or to be into with Shapoorji Pallonji and Company Pvt. Ltd. and its group companies, related parties to the Company, up to a maximum amount of ₹ 1,200 Crore with effect from April 01, 2020 and every year thereafter.

   RESOLVED FURTHER THAT the Board (including its Committee(s)) be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and to authorise any of the Directors and/or Key Managerial Personnel of the Company to take necessary actions on behalf of the Company in that regard."

7. **To approve fees to be paid by Members of the Company for service of documents through a particular mode of service**

   To consider, and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 ("the Act") read with relevant Rules made thereunder and all other applicable provisions of the Act and the Rules, if any (including any statutory modification or re-enactment thereof, for the time being in force), authority be and is hereby given to the Board of Directors of the Company and/or Stakeholders Relationship Committee or any other Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this resolution to determine the fee to be charged from a member who requests delivery of any documents through a particular mode from time to time.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

By Order of the Board of Directors

Jagannadha Rao Ch. V.
Company Secretary
M. No - FCS 2808

Place: Mumbai
Date: June 23, 2020

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Act, which sets out details relating to Special Businesses to be transacted at the AGM, is annexed hereto.

2. In view of the continuing COVID-19 pandemic and to ensure social distancing norms, the Ministry of Corporate Affairs ("MCA") has allowed conducting General Meetings through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of the Members at a venue. Accordingly, the MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 ("MCA circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said Circulars, the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), the AGM of the Members is to be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and also available at the Company's website i.e., www.sterlingandwilsonsolar.com

3. Pursuant to Circular No. 14/2020 dated April 08, 2020, issued by MCA, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting. Hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Act, read with the MCA Circulars.

5. Members may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend as and when declared. Members who desire a change/rectfication in their bank account details should intimate the same to their concerned Depository Participant ("DP") and not to the Company/its Registrar and Transfer Agent ("RTA") i.e. Link Intime India Pvt. Ltd. Members are also requested to give the MICR Code of their banks to their DPs. The Company/ RTA cannot act on any request received directly from the Members for changes in Bank details, ECS mandate, address or e-mail Ids are to be furnished by the Members only to their respective DP. The Company/ RTA will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

6. Pursuant to the MCA Circulars and the SEBI Circular dated May 12, 2020 bearing Ref. No.: SEBI/HO/CFD/CMD1/ CIR/P/2020/79, Notice of this AGM along with the Annual Report for the Financial Year 2019-20 of the Company is being sent only through electronic mode to those Members who have registered their e-mail addresses with their respective DPs. The Members are requested to register their e-mail address in respect of demat holdings with the respective DP by following the procedure prescribed by the DP.

7. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. www.sterlingandwilsonsolar.com, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also available on the website of National Securities Depository Limited ("NSDL") i.e. www.evoting.nsdl.com.

8. The voting right of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on **Wednesday, September 23, 2020** ("cut-off date"). Any person who acquires the Equity Share(s) of the Company and becomes a Member of the Company after the dispatch of this Notice of AGM and holds the Equity Share(s) as on the cut-off date, can also cast their vote through remote e-voting facility on the website of NSDL e-voting i.e. www.evoting.nsdl.com.

9. The Company has appointed Mr. Manish L. Ghia (FCS-6252) of M/s. Manish Ghia & Associates, Practicing Company Secretaries, to act as Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

10. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency.

11. The Voting results will be declared within 48 hours from the conclusion of AGM. The results declared along with the Scrutinizer's Report will be uploaded on the website of the Company i.e. www.sterlingandwilsonsolar.com and on the website of NSDL e-voting i.e. www.evoting.nsdl.com and the same shall also be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

12. Member are requested to read the "General Shareholder Information" section of the Annual Report for useful information.

13. The Audited Financial Statement, of the Company and its subsidiary companies are available on the Company's website i.e. www.sterlingandwilsonsolar.com.

14. The Annual Financial Statements of the Company's subsidiary companies and the related detailed information shall be made available to Members seeking such information at any point of time.

15. Non-resident Indian Members are requested to inform the Company or its RTA or to the concerned DPs, immediately:

    a) the change in the residential status on return to India for permanent settlement.

    b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.

16. Members are requested to make all correspondence in connection with the shares held by them by addressing letters directly to the Company or RTA, quoting their DP ID-Client ID, as the case may be.

17. In terms of Section 152 of the Act, Mr. Pallon Mistry is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

18. Details of the Director(s) pursuant to Regulations 26(4) and 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings in respect of Directors seeking appointment/re-appointment of Directorship at this AGM are appended to this Notice.

19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to ir@sterlingandwilson.com.

20. Members, desirous of obtaining any information/ clarification on the Accounts and Operations of the Company are requested to address their communication to the Company on ir@sterlingwilson.com, so as to reach at least one week before the date of the AGM, so that the required information can be made available at the Meeting, to the extent possible.

PARTICIPATION AT THE AGM AND VOTING

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under Shareholders/ Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered E-mail ID mentioning their name, DP ID and Client ID, PAN, mobile number at ir@sterlingwilson.com between **9:00 a.m. (IST) on Monday, September 21, 2020 and 5:00 p.m. (IST) on Wednesday, September 23, 2020**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

4. The Members who do not wish to speak during the AGM but have queries on accounts or any matter to be placed at the AGM may send the same latest by Wednesday, September

23, 2020 mentioning their name, DP ID and Client ID, PAN, mobile number at ir@sterlingwilson.com. These queries will be replied suitably either at the AGM or by e-mail.

5. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. pursuant to Section 113 of the Act with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to auditteam@mgconsulting.in with a copy marked to ir@sterlingandwilson.com and evoting@nsdl.co.in.

6. Members are encouraged to join the Meeting through Laptops/Ipads connected through broadband and allow the Camera functionality for a better and seamless experience. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING:

The remote e-voting period begins on Sunday, September 27, 2020 at 09:00 A.M. (IST) and ends on Tuesday, September 29, 2020 at 05:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile phone.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your Email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account and last 8 digits of client ID for CDSL account. The PDF file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** option available on www.evoting.nsdl.com.

   b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number, your PAN, your name and your registered address.

   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. Assent or Dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

GENERAL GUIDELINES FOR SHAREHOLDERS REGARDING VOTING

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries pertaining to participation in the AGM or e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager NSDL at evoting@nsdl.co.in or pallavid@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

Please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in with a copy to ir@sterlingwilson.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

As per the provisions of the SEBI Listing Regulations, as amended from time to time, approval of the Members by way of a Special Resolution is required for continuation of directorship of Non-Executive Directors of the Company who have attained the age of 75 years.

Mr. Keki Elavia, Non-Executive Independent Director will attain the age of 75 years in April 2021. Mr. Elavia was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on March 27, 2019. His appointment was approved by the Shareholders at the Extra Ordinary General Meeting held on April 01, 2019, for a term of five consecutive years upto March 26, 2024.

Brief profile of Mr. Elavia and the disclosures required under the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2) forms part of the Notice.

Mr. Elavia, who will attain the age of 75 years in April 2021, is in good health and of sound and alert mind. The Board is confident about him being able to function and discharge his duties in an able and competent manner till the end of his current tenure.

The Board based on the recommendation of the Nomination and Remuneration Committee considers that given the background, seniority, expertise, vast experience in the field of business management, and his immense contribution to the Company, the continued association of Mr. Elavia would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, the Board recommends the Special Resolution set out at Item No. 4 of the Notice for the approval by the Members.

Except, Mr. Keki Elavia and his relatives, none of the other Director(s) and/ or Key Managerial Personnel of the Company and/ or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Special Resolution, except to the extent of their Equity Shareholding in the Company, if any.

Item No. 5

The Members at the Extraordinary General Meeting held on April 01, 2019 had approved the appointment of Mr. Kannan K. as the Manager of the Company with effect from March 27, 2019 for a period of three years.

It was proposed to enhance the role of Mr. Kannan K. as an Advisor of the Sterling & Wilson Group and in order to take up this new role it was required for Mr. Kannan to relinquish his current position as the Manager of the Company.

On recommendation of the Nomination & Remuneration Committee ('the Committee') and subject to the approval of the Members, the Board at its meeting held on August 12, 2020 approved the appointment of Mr. Chandra Kishore Thakur as Manager of the Company with effect from September 01, 2020, subject to the approval of Members in the AGM.

Mr. Thakur, aged 59, is the Chief Operations Officer – Domestic and International Solar Projects. He has been associated with the Sterling & Wilson group since January 09, 2018 and has been part of the Company with effect from July 01, 2018 pursuant to the Scheme of Arrangement (the demerger of the Solar EPC Division from Sterling and Wilson Private Limited into the Company). He holds a Bachelor of Science (Mechanical Engineering) Degree from NIT Jamshedpur (formerly known as Regional Institute of Technology, Jamshedpur) and Master of Business Administration from the Indira Gandhi National Open University, New Delhi. He has completed the programme for development managers from the Asian Institute of Management, Philippines. He is also the first IPMA level 'A' certified Portfolio Director (CPD) in India in the domain of portfolio management. This is the highest level of certification awarded by IPMA through PMA India.

Further, Mr. Thakur has over 34 years of experience in the Power and Infrastructure sector. He has previously worked with Punj Lloyd Limited as President and Chief Executive Officer – Infrastructure and Power, Lanco Infratech Limited as the Chief Operating Officer and NTPC Ltd. as the Deputy General Manager. He is the Vice-President of the National Management Committee of 'Project Management Associates' (PMA) India, a not-for-profit organization and a member association of 'International Project Management Association' (IPMA).

The services of Mr. Thakur are considered essential for the future growth of the Company. The Board considered and decided to entrust Mr. Thakur with an enhanced role and responsibility by elevating him as the Manager of the Company, under the Act, on following terms and conditions, subject to the approval of Members of the Company and/or of such other competent authorities as may be required ("the requisite approvals").

The tenure of his appointment as Manager shall be for a period of 3 (three) years w.e.f. September 01, 2020

A) **Remuneration:**

   i. Salary and allowances: upto ₹ 1,90,00,000 per annum;

   ii Variable Pay: Eligible for performance incentive over and above his salary as stated in (i) above as per the policy of the Company;

B) Annual Remuneration revision as per the policy of the Company over and above the salary as stated in A above;

C) Over and above the salary as stated in point A & B above, he shall also be entitled to gratuity, provident fund, superannuation, leave encashment and other perquisites as per the policy of the Company. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mr. Thakur will be considered as continuous service with the Company from the date of joining of the Sterling and Wilson Group.

D) His terms and conditions of the appointment and/or remuneration may be varied/altered/revised by the Board and/ or its Committee(s) in such manner as may be mutually agreed with the Manager subject to the applicable provisions of the Companies Act, 2013;

E) in case of absence or inadequacy of profits in any financial year during the tenure of the appointment of Mr. Thakur as a Manager, the remuneration payable to him shall be within the limits prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.

F) The overall remuneration as described above shall be within the limits prescribed by the Companies Act, 2013 including any amendment or re-enactment thereof, for the time being in force.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund shall be within the limit prescribed under the Companies Act, 2013 or any amendment thereto or modification thereof ('the Act').

Mr. Thakur fulfils the conditions for eligibility contained in Part-I of Schedule V to the Act for appointment as the Manager of the Company and is also not disqualified to be appointed as the Manager of the Company in terms of the provisions of sub-section (3) of Section 196 of the Act. He does not hold any shares in the Company either by himself or for any other person on a beneficial basis. He does not have any relationship with any Director or other Key Managerial Personnel of the Company.

In terms of the provisions of Sections 196, 197, 198, 203 read with other applicable provisions and Schedule V of the Act, (including any amendment or re-enactment thereof, for the time being in force) and Articles of Association of the Company, the appointment and payment of remuneration to Mr. Thakur as aforesaid, require the approval of Members by a resolution. Accordingly, the Board of Directors recommends the Ordinary Resolution set out in Item no. 5 of the notice for the approval by the Members.

Except Mr. Chandra Kishore Thakur and his relatives, none of the Directors or other Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Resolution, except to the extent of their Equity Shareholding in the Company, if any.

Item No. 6

Shapoorji Pallonji and Company Private Limited ("SPCPL") is the holding company of the Company. Wherever the Company does not possess the required pre-qualification in terms of tender requirements, SPCPL and/ or its group companies become a consortium member to enable the Company to participate in the bids jointly. Such transactions with SPCPL and its group companies ("SPCPL Group") include receipt of income from works contracts and purchase of various services. Under the provisions of the Companies Act, 2013 ('the Act') and SEBI Listing Regulations, such association falls under the ambit of related party transactions ("RPT"). Further, if the aggregate value of those transactions exceed materiality threshold prescribed under the law, the members of the Company need to accord their approval by way of a resolution.

Thus, the Company has had such abovesaid RPTs and envisages future RPTs with SPCPL Group in the ordinary course of business and/or on arm's length basis.

In terms of the provisions of Regulation 23 of SEBI Listing Regulations, the Audit Committee may grant omnibus approval for RPTs proposed to be entered with the listed entity. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. Further, all material RPTs shall require approval of the shareholders.

Please note that the Audit Committee of the Company had granted an omnibus approval for RPTs to be entered with SPCPL Group for the Financial Year 2020-21 upto a maximum amount of ₹ 1,200 Crore (Rupees One Thousand and Two Hundred Crore) which exceeds 10 (ten) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company ("materiality threshold").

Further, the actual amount of RPTs as on March 31, 2020, pursuant to the said omnibus approval is ₹ 154.39 Crore which does not cross the materiality threshold to be considered as material RPTs. However, the approval of the Members is recommended as an abundant caution in the event where during the course of the Financial Year the actual amount of RPTs crosses the materiality threshold.

The Board recommends the Ordinary Resolution set out at Item No. 6 for approval by the Members for entering into contract(s)/ arrangement(s)/ transaction(s) with SPCPL Group upto a maximum amount as of ₹ 1,200 Crore from April 01, 2020 and every year thereafter.

Except, Mr. Pallon Mistry and his relatives, none of the Director(s) and/ or Key Managerial Personnel of the Company and/ or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Ordinary Resolution, except to the extent of their Equity Shareholding in the Company, if any.

Item No. 7

As per the provisions of Section 20 of the Act, a document may be served on any member by sending it to him by Post/ Registered post/ Speed post/ Courier/ delivering at his office address/ such electronic or other mode as may be prescribed. It further provides that a Member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

It is proposed to seek approval of the Members to authorise the Board of Directors and/or Stakeholders Relationship Committee or any other Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this resolution to determine the fee, depending on the prevailing applicable rules and rates, for delivery of any documents to the Shareholders as and when required.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for your approval.

None of the Director(s) and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Ordinary Resolution, except to the extent of their Equity Share holding in the Company, if any.

Details of Directors/Key Managerial Personnel seeking appointment/ re-appointment/ continuation of Directorship in the 3rd AGM pursuant to the provisions of Regulation 36 of SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings are as under:

Particulars	Mr. Pallon Mistry	Mr. Keki Elavia	Mr. Chandra Kishore Thakur
Director Identification Number	05229734	00003940	-
Date of Birth/ Age	March 12, 1992/ 28 years	April 09, 1946/ 74 years	January 01, 1961/ 59 years
Date of First Appointment on Board	August 02, 2018	March 27, 2019	-

Particulars	Mr. Pallon Mistry	Mr. Keki Elavia	Mr. Chandra Kishore Thakur
Brief resume including Qualification, Experience and expertise in specific functional area	Mr. Pallon Mistry holds a master's degree in strategic management from Imperial College, London. He is on the board of several companies including Shapoorji Pallonji and Company Private Limited, Afcons Infrastructure Limited, Shapoorji Pallonji Infrastructure Capital Company Private Limited, Shapoorji Pallonji Oil and Gas Private Limited and Sterling and Wilson Private Limited.	Mr. Keki Elavia holds a Bachelor's degree in Commerce from the University of Mumbai and is a practising Chartered Accountant. He is a fellow member of the ICAI. He has over 40 years of experience in Business Management, Audit and Finance related matters. He has, in the past, served as a partner of Kalyaniwalla & Mistry, Chartered Accountants and S.R. Batliboi & Co, Chartered Accountants. Mr. Elavia also has a wealth of experience being on the Board of various eminent listed companies such as Britannia Industries Limited, the Bombay Dyeing and Manufacturing Company Limited, Godrej Industries Limited and Goa Carbon Limited.	Mr. Chandra Kishore Thakur has over 34 years of experience in the Power and Infrastructure sector. He holds a Bachelor of Science (Mechanical Engineering) Degree from NIT Jamshedpur (formerly known as Regional Institute of Technology, Jamshedpur) and Master of Business Administration from the Indira Gandhi National Open University, New Delhi. He has previously worked with Punj Lloyd Limited as President and Chief Executive Officer – Infrastructure and Power, Lanco Infratech Limited as the Chief Operating Officer and NTPC Ltd. as the Deputy General Manager. He is the Vice-President of the National Management Committee of 'Project Management Associates' (PMA) India, a not-for-profit organization and a member association of 'International Project Management Association' (IPMA).
Terms and conditions of appointment/ re-appointment	He is proposed to be re-appointed as a Non-Executive Director, liable to retire by rotation.	He is proposed to continue as an Independent Director till the completion of his present term of his appointment as already approved by the Members i.e. until March 26, 2024.	He is proposed to be appointed as the "Manager" of the Company for a period of three years effective from September 01, 2020.
Shareholding in the Company as on March 31, 2020	7,20,000 Equity Shares comprising of 0.45% of the Total Equity Share Capital of the Company	Nil	Nil
Past remuneration drawn from the Company	Sitting Fees for attending the meetings of the Board of Directors and its Committees wherever he is a member.	Sitting Fees for attending the meetings of the Board of Directors and its Committees wherever he is a member.	-

Particulars	Mr. Pallon Mistry	Mr. Keki Elavia	Mr. Chandra Kishore Thakur
Remuneration sought to be paid	Sitting Fees for attending the meetings of the Board of Directors and/or its Committees wherever he is a member and Commission, if any, as a % of the net profits of the Company for the relevant financial year as may be approved by the Board.	Sitting Fees for attending the meetings of the Board of Directors and/or its Committees wherever he is a member and Commission, if any, as a % of the net profits of the Company for the relevant financial year as may be approved by the Board.	As set-out in Explanatory Statement for Item No. 5
Relationship with the other Directors, Manager and Other Key Managerial Personnel of the Company	Nil	Nil	Nil
No. of Board Meetings attended during the Financial Year 2019-20	8 out of 9	8 out of 9	N.A.
List of other Indian Public Limited Companies in which Directorships held[1]	1. Eureka Forbes Limited 2. Afcons Infrastructure Limited 3. Forvol International Services Limited	1. Britannia Industries Limited 2. The Bombay Dyeing and Manufacturing Company Limited 3. Goa Carbon Limited 4. Dai-ichi Karkaria Limited 5. Godrej Industries Limited 6. Grindwell Norton Limited 7. Godrej and Boyce Manufacturing Company Limited 8. Go Airlines (India) Limited 9. Tata Asset Management Limited	-
Chairperson/ Member of Committee(s) of Board of Directors of the Company[2]	Stakeholders Relationship Committee - Member	Audit Committee – Member	-
Chairperson/ Member of the Committee(s) of Board of Directors of other Companies in which he is a Member/ Chairperson[2]	-	Chairman: 1. Godrej & Boyce Mfg. Co. Ltd. (Audit Committee) 2. Grindwell Norton Limited (Audit Committee) 3. Goa airlines (India) Limited (Audit Committee) 4. The Bombay Dyeing and Manufacturing Company Limited (Audit Committee) 5. Britannia Industries Ltd. (Audit Committee) Member: 1. Goa Carbon Limited (Audit Committee) 2. Dai-ichi Karkaria Limited (Audit Committee) 3. Godrej & Boyce Mfg. Co. Ltd. (Stakeholders Committee) 4. Tata Asset Management Limited (Audit Committee)	-

Note(s):

(1) This excludes directorships in the Company, Foreign Companies, Private Companies, Companies incorporated under Section 25 of the erstwhile Companies Act, 1956 and Companies incorporated under Section 8 of the Act.

(2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Memberships/ Chairmanships in only two committees viz. Audit Committee and Shareholders/ Stakeholders Relationship Committee of Public Limited Companies are considered.

Directors' Report

To,

The Members

Your Directors' are pleased to present the 3rd Annual Report of your Company along with the Consolidated and Standalone Audited Financial Statements of your Company for the Financial Year ended March 31, 2020.

FINANCIAL RESULTS

Your Company's financial performance for the Financial Year ended March 31, 2020, is summarized below:

(₹ in Crore)

Particulars	2019-20		2018-19	
	Standalone	Consolidated	Standalone	Consolidated
EBIDTA	369.83	383.50	222.85	688.19
Less:				
Depreciation/ Finance costs	152.50	14.20	59.36	92.46
Add:				
Interest Income	207.10	224.11	140.60	163.43
Profit before tax	424.43	398.40	304.09	759.17
Provision for tax	112.99	94.30	107.94	120.94
Profit after tax	311.44	304.27	196.15	638.23

BUSINESS OVERVIEW

The Company is a global pure-play, end-to-end solar engineering, procurement and construction ("EPC") solutions provider. The Company provides EPC services primarily for utility-scale solar power projects with a focus on project design and engineering and manage all aspects of project execution from conceptualizing to commissioning. The Company also provides operations and maintenance ("O&M") services, including for projects constructed by third-parties.

The Company's operations are supported by a competent and sizable design and engineering team who are responsible for designing solutions that it believes are innovative and cost-effective, with an aim to increase the performance ratio of solar power projects. The Company believes that its design and engineering solutions, coupled with robust quality compliance checks on PV modules helps it in achieving more than the contractually agreed performance ratio for the solar power projects it constructs.

Currently, the Company has a presence across 25 countries and use its Subsidiaries and branch offices globally for its operations. The Company leverages these offices to strategically tap solar opportunities in markets in which it does not have a permanent presence as such opportunities arise. The Company strategically focusses on markets that have conducive solar power policies and high solar resources and invest in geographies with long-term solar opportunities. The Company also adopts a disciplined expansion strategy that it customizes for each market with a view to enhancing its bidding abilities in these geographies.

PERFORMANCE REVIEW

The total standalone revenue from operations of the Company is ₹ 4,535.10 Crore as against ₹ 8,210.38 Crore in the F.Y. 2018-19. The total standalone profit after tax of the Company is ₹ 311.44 Crore as against ₹ 196.15 Crore in the F.Y. 2018-19. The total consolidated revenue from operations of the Company was ₹ 5,575.29 Crore and ₹ 8,240.41 Crore in the F.Y. 2019-20 and F.Y. 2018-19 respectively. The consolidated profit after tax of the Company is ₹ 304.27 Crore as against ₹ 638.23 Crore in the F.Y. 2018-19. The Company believes its growth and financial performance has been facilitated by its focus on risk management and reliance on clearly defined internal processes to manage our business. The Company seeks to limit its counterparty risk exposure by focusing on its project selection on solar power projects that achieve financial closure before it commences its operations.

During the year, the Company secured various orders ending the year with a robust order book of ₹ 9,048 Crore as against ₹ 7,856 Crore at the end of the previous year, a growth of over 15.17%.

There was no change in nature of the business of the Company, during the year under review.

The Company is one of the leading solar EPC and O&M solutions provider in the world, with an EPC portfolio of 10,134 MWp (commissioned and under various stages of construction) and O&M portfolio of 7,467.97 MWp.

BUSINESS HIGHLIGHTS DURING THE YEAR

During the year we have commissioned 27 projects aggregating 1,528.18 MW across 9 countries. Our UOV as of March 31, 2020 is ₹ 11,395.9 Crore with very robust growth of 47% as compared to previous year.

The Company successfully signed 344 MW of projects in Australia. With the continent's regulatory environment becoming more conducive towards renewable energy and the prevalence of high electricity tariff, the commercial viability of solar projects is improving.

During the year, the Company experienced higher competitive intensity, in the Middle East and North Africa (MENA) region. Foreseeing the challenging environment to continue, the Company has strategically shifted its focus to more conducive markets such as the US and Australia, where returns are higher compared to the MENA region.

The Company registered a revenue from operation of ₹ 5,575.29 Crore in FY 2019-20, as compared with ₹ 8,240.41 Crore reported in FY 2018-19. The EPC business contributed 96.7% to the overall revenue while the rest 3.3% was contributed by O&M business. The lower EPC revenue was on account of sluggishness in new order wins, delay in commencement of certain projects, and the Covid-19 impact on business activities towards the end of the year. Efficient project execution coupled with tight control over procurement costs improved gross margins from 11.9% in FY 2018-19 to 12.8% in FY 2019-20.

Our O&M business continues to see strong traction as well. As of March 31, 2020, our contracted O&M portfolio is 7,467.97 MWp which grew by 35% as compared to 5,557.89 MWp as of March 31, 2019. Of this 7,467.97 MWp of O&M portfolio, 47% are third-party O&M contracts. During the year, we have recorded an O&M revenue of ₹ 183.54 Crore as compared to ₹ 93.58 Crore, a growth of 96.14%. O&M is a very high margin business with gross margin between 35-40%, on a life cycle basis, and we continue to focus on increasing our O&M portfolio as it provides steady cash flow with better profitability.

UPDATE ON COVID 19 IMPACT AND OUR INITIATIVES

Our project execution was impacted due to COVID-19 since start of Q4 FY20 as the supplies from China had been disrupted due to the lockdown imposed by Chinese Government. However, with normalcy returning from March 2020, we have seen the resumption of supply of solar panels and other critical equipment, the project execution resumed at our international projects in countries like US, Australia, Chile and Oman as per the directive issued by respective Government authorities. The project execution in other countries like India, Kenya and Jordan continued to be impacted due to logistical challenges in movement of material and manpower during the lockdown imposed by the respective government authorities. We received force majeure notices from our vendors with regards to supply of materials during the lockdown period in China and based on this we have in turn sent force majeure notices to our clients as disruption in supply chain would impact the project execution pace.

Now with partial easing of lockdown restrictions in various countries, we have resumed construction of the projects in these locations and are currently focusing on ramping-up the execution pace. Having said that, our most important objective and priority in the current situation is the safety and well-being of its employees, vendors, partners and other stakeholders in the value chain and we have taken various additional health and safety measures in-line with the guidelines issued for the same.

INITIAL PUBLIC OFFERING

The Directors are pleased to inform that the Company's Initial Public Offering (IPO) by way of offer for sale of 3,69,35,157 Equity Shares of face value of ₹ 1/- (Rupee One only) at a price of ₹ 780 (Rupees Seven hundred and Eighty only) per share received a fair response from the investors in the then economic scenario. The Issue opened on August 06, 2019 and closed on August 08, 2019. The issue was subscribed 0.92 times, with the QIB portion getting subscribed by 1.02 times, the non-institutional portion by 0.89 times and the retail portion by 0.29 times. The credit of 3,65,33,820 Equity Shares of ₹ 1/- each under the said IPO was made on August 16, 2019. There was no change in the paid-up equity share capital of the Company as the issue was an offer for sale.

The main object of the IPO was to achieve the benefits of listing the Equity Shares on the Stock Exchanges which includes enhanced visibility and brand image of your Company and also provide a public market for the Equity Shares in India. Your Company did not directly receive any proceeds from the IPO and the offer proceeds were received by the Promoter Selling Shareholders, i.e. Shapoorji Pallonji and Company Private Ltd. and Mr. Khurshed Daruvala in proportion to the shares sold by the respective Promoter Selling Shareholder as part of the IPO.

The trading of Equity Shares of the Company commenced on BSE Limited and National Stock Exchange of India Limited on August 20, 2019. The success of IPO reflects the trust, faith and confidence that investors, customers, business partners and markets have reposed in your Company.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2020 is ₹ 16.03 Crore.

The Company has not issued any shares with differential rights as to dividend, voting or otherwise.

TRANSFER TO RESERVES

No amount has been transferred to the general reserves for the Financial Year ended March 31, 2020.

DIVIDEND

During the year under review, the Board of Directors on February 12, 2020 had declared an interim dividend of ₹ 6/- per equity share i.e. 600 percent of the nominal value of ₹ 1/- per equity share for the F. Y. 2019-20. The record date for the payment of interim dividend was fixed as February 26, 2020 and interim dividend was paid on February 27, 2020.

The Board did not recommend a final dividend and the interim dividend of ₹ 6/- per equity share declared by the Board is recommended to the Members to be considered as the final dividend for the F. Y. 2019-20.

In terms of Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy was adopted to set out parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders. The Policy is enclosed as *Annexure A*, and is also available on the website of the Company under the weblink https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance.

SUBSIDIARIES

During the F. Y. 2019-20, Sterling and Wilson Brasil Servicos Ltda., a wholly owned subsidiary of the Company, incorporated under the Municipality of Sao Paulo, has been dissolved. It was not a material subsidiary of the Company and did not have any business activity and the dissolution of this subsidiary did not affect the revenue or business of the Company.

Further, Sterling and Wilson Austalia Pty, Ltd. and Sterling and Wilson Malasiya SDN, BHD, were incorporated as subsidiaries of your Company on April 16, 2019 and June 04, 2019 respectively.

During the year under review, the Board of Directors of the Company at its meeting held on March 16, 2020, approved draft Scheme of Amalgamation between the Company and Sterling & Wilson - Waaree Private Limited ("SW Waaree") and their respective shareholders ("Scheme"), providing, *inter alia*, for merger by absorption of SW Waaree into the Company. The effectiveness of the scheme is subject to receipt of necessary regulatory approvals including such alterations/ modifications as may be approved or imposed or directed by National Company Law Tribunal.

The Company has a total of 15 subsidiaries as on March 31, 2020 comprising of 6 direct subsidiaries and 9 step down subsidiaries. It also has one partnership firm in India.

During the year, the Board of Directors reviewed the affairs of material subsidiary of your Company.

Performance Highlights

The Company has 9 operating subsidiaries and 6 subsidiaries are non-operating companies.

Your Company has one material unlisted subsidiary company overseas. The Board/ Audit Committee reviews the financial statement, significant transactions and working of all the subsidiary companies, and the minutes of unlisted subsidiary companies are periodically placed before the Board.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing the salient features of financial statement of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

The said Form also highlights the financial performance of each of the subsidiaries/ associates/ joint venture of the Company as per Act included in the Consolidated Financial Statements pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

Further, pursuant to the provisions of Section 136 of the Act, the Standalone Financial Statement of the Company, Consolidated Financial Statement along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/financials

Pursuant to the Listing Regulations, the Company has formulated a policy for determining its 'material subsidiaries'. The said Policy is uploaded on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statement pursuant to Section 129(3) of the Act and Regulation 34 of the Listing Regulations. The Consolidated Financial Statement have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 2(31) and Section 73 of the Act and the Rules framed thereunder. As on March 31, 2020, there were no deposits lying unpaid or unclaimed.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITIES

The loans given, investments made and guarantees given & securities provided during the year under review, are in compliance with the provisions of Section 186 of the Act and Rules made thereunder and details thereof are given in the Notes to the Standalone Financial Statement forming part of this Annual Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Directors

There has been no change in the constitution of the Board during the year under review.

In terms of Regulation 17(1A) of the Listing Regulations it is required to obtain the approval of Members by way of Special Resolution to continue the directorship of Non-Executive Directors who have attained the age of seventy-five years. Accordingly, Mr. Keki Elavia, Non-Executive & Independent Director would be attaining the age of seventy-five years in April 2021.

After considering various attributes, including the experience of Mr. Elavia, the Board has, subject to the approval of the shareholders, consented to the continuation of Directorship of Mr. Elavia till the end of his tenure. It is proposed to obtain the approval of Members by way of a special resolution for the continuation of Directorship of Mr. Keki Elavia till the end of his tenure in the ensuing Annual General Meeting ("AGM").

Pursuant to the provisions of Section 152(6) of the Act, Mr. Pallon Mistry, Non-Executive Director, is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

In compliance with Regulation 26(4) and 36(3) of the Listing Regulations, the brief resume, expertise and and other details of the Director(s) proposed to be continued/ re-appointed are given in the Notice convening the ensuing AGM.

The Board recommends the re-appointment of Mr. Pallon Mistry as Director of the Company and the continuation of directorship of Mr. Keki Elavia in the ensuing AGM.

Declaration by Directors

Your Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16 of the Listing Regulations. Also, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs.

Further, pursuant to Section 164(2) of the Act, all the Directors have provided declarations in Form DIR- 8 that they have not been disqualified to act as a Director.

Familiarization Programme

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model, major litigations, internal control and so on. The same is also available on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. The above criteria are based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

In order to have a fair and unbiased view of all the Directors, the Company engaged services of an external agency to facilitate the evaluation process. The Directors were provided with an electronic platform to record their views and a consolidated report was generated by the agency based on the views expressed by each of the Directors.

In a separate meeting of Independent Directors held on March 16, 2020, the performance of Non-Independent Directors, the Board as a whole and the Chairman of the

Company was evaluated, taking into account the views of the Non-Executive Directors.

The reports generated out of the evaluation process were placed before the Board at its meeting and noted by the Directors. In the Board meeting that followed the meeting of the Independent Directors, the performance of the Board, its Committees, and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Key Managerial Personnel

During the year under review, there was no change in the KMPs of your Company. Pursuant to the provisions of Section 2(51) and Section 203 of the Act read with the Rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2020:

1. Mr. Kannan K., Manager;
2. Mr. Bahadur Dastoor, Chief Financial Officer; and
3. Mr. Jagannadha Rao Ch. V., Company Secretary.

The Members at the Extraordinary General Meeting held on April 01, 2019 had approved the appointment of Mr. Kannan K. as the Manager of the Company with effect from March 27, 2019 for a period of three years.

It was proposed to enhance the role of Mr. Kannan K. as an Advisor of the Sterling & Wilson Group and in order to take up this new role it was required for Mr. Kannan to relinquish his current position as the Manager of the Company.

On recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on August 12, 2020 approved the appointment of Mr. Chandra Kishore Thakur as Manager of the Company with effect from September 01, 2020, in place of Mr. Kannan K., subject to the approval of the Members at the ensuing Annual General Meeting.

In compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings, the brief resume, expertise and other details of Mr. Thakur are given in the Notice convening the ensuing Annual General Meeting.

The Board recommends to the Members the appointment of Mr. Chandra Kishore Thakur as Manager of the Company in the ensuing Annual General Meeting.

MEETINGS OF THE BOARD OF DIRECTORS

9 (Nine) Board meetings were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this Annual Report.

All the information that is required to be made available to the Directors in terms of provisions of the Act and the Listing Regulations, so far as applicable to the Company, is made available to the Board.

All the recommendations made by the various Committee(s) of the Board of Directors, during the year, were accepted by the Board of your Company.

COMMITTEES OF THE BOARD

Audit Committee

7 (Seven) Audit Committee meetings were held during the year under review. For details of meetings of the Committee, please refer to the Corporate Governance Report, which is a part of this Annual report.

Nomination and Remuneration Committee

3 (Three) Nomination and Remuneration Committee meetings were held during the year under review. For details of meetings of the Committee, please refer to the Corporate Governance Report, which is a part of this Annual Report.

Stakeholders' Relationship Committee

2 (Two) Stakeholders' Relationship Committee meetings were held during the year under review. The Stakeholders' Relationship Committee looks into matters relating to transfer/ transmission of securities; non-receipt of dividends; non-receipt of annual report etc. Further, details pertaining to Stakeholders Relationship Committee are provided in the Corporate Governance Report, which is a part of this Annual Report.

Corporate Social Responsibility Committee

2 (Two) Corporate Social Responsibility Committee meetings were held during the year under review. For details of meetings of the Committee, please refer to the Corporate Governance Report, which is a part of this Annual Report.

Risk Management Committee

(i) **Brief description:**

Pursuant to provisions of Regulation 21 of the SEBI Listing Regulations, the Risk Management Committee of Company was constituted on June 23, 2020 for *inter alia* evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks & framing, implementing, monitoring and reviewing Risk Management plan, policies, systems and framework of the Company.

(ii) **Composition:**

The Committee comprises of 6 Members out of which 3 are Independent Directors.

Name of Member	Category	Position held
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Chairman
Mr. Arif Doctor	Non-Executive Independent Director	Member
Mr. Bikesh Ogra	Non-Executive Director	Member
Mr. Keki Elavia	Non-Executive Independent Director	Member
Mr. Pallon Mistry	Non-Executive Director	Member
Ms. Rukhshana Mistry	Non-Executive Independent Director	Member

(iii) **Terms of Reference:**

In terms of the applicable provisions of the Act and Regulation 21 of the SEBI Listing Regulations, the scope, functions and terms of reference of the Risk Management Committee *inter alia* cover the following matters:

(a) Framing, implementing, monitoring and reviewing Risk Management plan, policies, systems and framework of the Company;

(b) Evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks;

(c) Reviewing the measures taken for risk management and mitigation plan and monitor effectiveness thereof;

(d) Carrying out all the functions as is mandated by the Board from time to time; and

(e) Enforced by any statutory notification, amendment or modification as may be applicable.

(iv) **Meetings and Attendance during the year:**

Since your Company is part of top 500 listed entities on the basis of market capitalisation[1] and the provisions of Regulation 21 of the SEBI Listing Regulations were applicable to your Company from April 01, 2020, the Risk Management Committee was constituted by the Board at its meeting held on June 23, 2020. Hence, there were no meetings of the Committee held during the year under review.

Notes:

(1) Determined on the basis of market capitalisation, as on March 31, 2020.

Management Committee

For further details of the Committee, please refer to the Corporate Governance Report, which is a part of this Annual report.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The Board of Directors has adopted a Nomination and Remuneration Policy in terms of the provisions of Section 178(3) of the Act and the Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The said Policy is annexed to this Report as *Annexure B* and is also available on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Financial Controls are an integrated part of the risk management process, addressing financial risks and financial reporting risks. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional experts and testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively considering the nature of our industry and are operating as intended.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this Annual report.

ANNUAL RETURN AND ITS EXTRACT

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for F. Y.

2019-20 is given in *Annexure C* in the prescribed Form No. MGT-9, which is a part of this Annual Report. The said Form No. MGT-9 along with the Annual Return in the Form No. MGT-7 for the F. Y. 2018-19 is available on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance.

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

CORPORATE GOVERNANCE

Your Company believes that it is critical to ensure sound Corporate Governance for enhancing and retaining stakeholder's trust and your Company seeks to ensure that its performance goals are met accordingly. The efforts of your Company are focused on long term value creation to all its stakeholders including members, customers, partners, employees, lenders and the society at large.

The Report on Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations forms an integral part of this Annual Report. The Report on Corporate Governance also contains certain disclosures required under the Act.

A certificate from Manish Ghia & Associates, Secretarial Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms part of this Annual Report. It, *inter alia*, provides details about the Indian economy, business performance review of the Company's various businesses and other material developments during the F. Y. 2019-20.

AUDITORS & REPORTS

Statutory Auditor

At the First Annual General Meeting ("AGM") of the Company, the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Sixth AGM.

The Statutory Auditors' comments on your Company's Financial Statements for the year ended March 31, 2020 are self-explanatory in nature and do not require any explanation as per provisions of Section 134(3)(f) of the Act.

The Statutory Auditors had mentioned the following qualification in their report:

"We draw attention to Note 54 to standalone financial statements relating to extension in repayment period of outstanding inter-corporate deposits of ₹ 17,271.80 million (including interest accrued thereon of ₹ 1,708.20 million) as on 30 September 2019 made to a fellow subsidiary by the Company from the 90 days period as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of Company's shares by the Selling Shareholders. The Selling Shareholders have facilitated repayment of ₹ 14,576.23 million from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the schedule approved by the Board of Directors. The inter-corporate deposits outstanding (including interest accrued) as at 31 March 2020 aggregate to ₹ 5,981.68 million.

The Company has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Company has submitted its replies. The Company has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Company in respect of this matter. We are unable to evaluate the impact of adjustments, if any, that may arise from this matter, on the standalone annual financial results of the Company"

The Statutory Auditors have assessed that the impact of the above qualification is not quantifiable and hence, the Management is of the view that the impact of the same is Nil.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, your Company had appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries, as its Secretarial Auditor to conduct the Secretarial Audit of your Company for F. Y. 2019-20. The Report of the Secretarial Auditor for the F. Y. 2019-20 is annexed to this report as Annexure D. There were no qualifications, reservations or adverse remarks or disclaimers made by Secretarial Auditor in its report.

Your Company is in compliance with the applicable Secretarial Standards specified by the Institute of Company Secretaries of India, during the financial year.

Reporting of Frauds by Auditors

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee under Section 143(12) of the Act, 2013 any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were reviewed and approved by the Audit Committee/ Board, from time to time and the same are disclosed as part of the Financial Statement of your Company for the year under review, as per the applicable provisions of the Act. Further, in terms of the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in "ordinary course of business" of the Company; on "an arm's length basis"; and not "material".

Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not provided as an annexure to this Report.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company's Board of Directors, pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, has framed 'Whistle Blower Policy' for Directors and employees of the Company. The policy is to provide a mechanism, which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statement and reports, and so on. The employees of the Company have the right/ option to report their concern/ grievance to the Chairperson of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

Under the Whistle Blower Policy, confidentiality of those reporting violation(s) is protected and they shall not be subject to any discriminatory practices. The Policy is uploaded on the Company's website at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

CODE FOR PREVENTION OF INSIDER TRADING

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives and a Code of Fair Disclosure to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Fair Disclosure has been made available on the Company's website at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility ("CSR") policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure E of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is also available on the Company's website at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

POLICY ON CODE OF BUSINESS ETHICS AND SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company places importance in the way its business is conducted and the way each employee performs his/ her duties. Your Company encourages transparency in all its operations, responsibility for delivery of results, accountability for the outcomes of our actions, participation in ethical business practices and being responsive to the needs of our people and society. Your Company has adopted a Sterling and Wilson Code of Business Ethics setting out the guiding fundamentals for the organization to conduct all its businesses with its code of business ethically with full confidence & trust among employees. The Code provides for the matters related to governance, compliance, ethics and other matters.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in any office through various interventions and practices. The Company endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Committee ("IC") which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended March 31, 2020, the IC has received 1 complaint which has been resolved.

HUMAN RESOURCES

Your Company's human resources is the strong foundation for creating many possibilities for its business. During the year under review, your Company added greater employee talent through seamless integration of acquired assets. Continuous people development for developing knowledge and skills coupled with the Talent Management practices will deliver the talent needs of the organisation.

The Sterling & Wilson Group's Corporate Human Resources plays a critical role in your Company's talent management process.

The employee relations remained cordial throughout the year. The Company had 1,286 permanent employees on its rolls as on March 31, 2020. The Board places on record its sincere appreciation for the valuable contribution made by employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has always made the Company proud.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company consciously makes all efforts to conserve energy across its operations. In terms of the provisions of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules 2014, the report on conservation of energy, technology absorption, foreign exchange earnings and outgo forms part of this report as *Annexure F*.

PARTICULARS OF EMPLOYEES

Disclosure with respect to remuneration of Directors and employees as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report as *Annexure G*.

Details of employee remuneration as required under provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be made available to the Members by writing to the Company at ir@sterlingwilson.com

RISK MANAGEMENT

The Company has developed a risk management system commensurate with the size of the company and the nature of its business. Your Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. Your Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Risk Management framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how to deal best with these risks to manage overall potential exposure, monitor and seek assurance of the effectiveness of the management of these risks and intervene for improvement wherever necessary and report throughout the management on a periodic basis about how risks are being managed, monitored, assured and improvements are made.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Act, the Board of Directors of the Company hereby confirm that:

1. in the preparation of the annual financial statements for the financial year ended on March 31, 2020, the applicable Accounting Standards have been followed and no material departures have been made from the same;
2. they have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on March 31, 2020;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the financial year ended on March 31, 2020 are prepared on a going concern basis;
5. they have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURES

In terms of the applicable provisions of the Act, your Company additionally discloses that, during the year under review:

- The Company does not have any stock options.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status of the Company in future.
- There is no plan to revise the Financial Statements or Directors' Report in respect of any previous financial year.
- No other material changes and commitments have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report affecting the financial position of the Company.
- In the absence of any amounts required to be transferred to the IEPF under the Section 125(1) and Section 125(2) of the Act, the Company was not required to transfer any such sum to the IEPF.
- Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, is not required to be done by the Company. Accordingly, such accounts and records are not made nor maintained by the Company.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all the Government and Regulatory Authorities, Financial Institutions, Banks, Partners, Consortium Partners, Customers, Vendors, Suppliers, Sub-Contractors and Members and all other stakeholders for their valuable and continuous support.

The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers. Your Directors also appreciate and acknowledge the confidence reposed in them by members of the Company.

For & on behalf of the Board of
Sterling and Wilson Solar Limited

Khurshed Daruvala
Chairman & Non-Executive Director

Place: Mumbai
Dated: June 23, 2020

ANNEXURE A

Dividend Distribution Policy

1. **Introduction:**
   a. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, Sterling and Wilson Solar Limited (the "Company") has decided to formulate its Dividend Distribution Policy ("Policy"). Accordingly, the Board of Directors of the Company (the "Board") has approved this Policy for the Company at its meeting held on April 01, 2019 being effective from April 01, 2019.

   b. The objective of this Policy is to provide the dividend distribution framework to the stakeholders of the Company. This Policy is aimed to lay down the circumstances, parameters, external and internal factors including financial parameters that shall be considered while declaring dividend and intends to assist investors and stakeholders for their investing decisions. The Board may in extraordinary circumstances, deviate from the parameters listed in this Policy.

   c. The Board shall recommend dividend in compliance with this Policy, the provisions of Companies Act 2013 and rules framed thereunder, as amended, ("Companies Act") and other applicable provisions.

2. **Parameters to be considered while declaring dividend:**
   The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will consider various financial parameters and internal and external factors, including but not limited to the following before making any recommendations for dividends;
   a. Distributable surplus available as per the Act and Regulations.
   b. Stability of earnings of the Company and subsidiaries/ associate companies/ other ventures.
   c. Cash flow of the Company and subsidiaries/ associate companies/ other ventures from operations.
   d. Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and associate companies) and other capital expenditure requirements of the Company and subsidiaries/ other ventures.
   e. Dividend policy followed by the investee companies, as a substantial portion of the Company's income is earned by way of dividend from its subsidiaries.
   f. Industry outlook and stage of business cycle for underlying business.
   g. Leverage profile.
   h. Compliance with covenants contained in any agreement entered into by the Company with its lenders, customers or other parties, as applicable.
   i. Funding and liquidity considerations and the requirement of funds to service any outstanding loans/ facilities.
   j. Macroeconomic and business conditions including the overall economic environment, changes in government policies, industry rulings & regulatory provisions on an Indian as well as global level.
   k. Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances.
   l. Cost of external financing.
   m. Past dividend trends.
   n. Buyback of shares or any such alternate profit distribution measure.
   o. Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution.
   p. Any other contingency plans.
   q. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

3. **Parameters that shall be adopted with regard to various classes of shares:**
   The Company has issued only one class of shares viz. equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. Parameters for dividend payment in respect of any other class of shares, if issued, will be as per respective terms of issue in accordance with the articles of association of the Company and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

4. **Circumstances under which the shareholders may or may not expect Dividend:**
   The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The Company may declare dividends in future unless the Company is restrained due to insufficient profits or due to any of the internal or external factors listed above.

   Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buy-back of existing share capital.

   The Board may in compliance with applicable law declare one or more interim dividends during a financial year and recommend such interim dividend for the confirmation of its shareholders at the subsequent annual general meeting.

5. **Procedure for deciding quantum of dividend:**
   a. The Chief Financial Officer ("CFO") after considering the parameters mentioned above and in consultation with the Managing Director ("MD")/ Chief Executive Officer/ Manager may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
   b. The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
   c. The final dividend recommended by the Board is subject to approval/ declaration by the shareholders in the ensuing general meeting.
   d. The interim dividend approved by the Board requires confirmation by the shareholders in the ensuing general meeting.
   e. In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and regulations from time to time.

6. **General:**
   a. The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy and as per the provisions of Companies Act. Further, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded while computing the profits for the purpose of declaration of dividend.
   b. Subject to compliance with applicable law, the Company's retained earnings, if any will be used for the Company's growth plans, issuance of bonus shares capital adequacy/ liquidity requirements, debt repayments, and other contingencies and/ or for any of the purposes specified in paragraph 2 above.
   c. If the Board decides to deviate from this Policy, the rationale for the same will be suitably disclosed.

7. **Review/ Modification of the Policy:**
   The Board reserves the right to amend, modify or review this Policy along with the rationale for the same in whole or in part, at any point of time, as may be deemed necessary in accordance with the amendment of the Companies Act and the Regulations and any other regulations, guidelines/ clarifications as may be issued from time to time by relevant statutory and regulatory authority.

8. **Disclosure:**
   The Company shall make appropriate disclosures as required under the Listing Regulations.

9. **Disclaimer:**
   This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.

ANNEXURE B

Nomination and Remuneration Policy

1. Introduction:

1.1 This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

1.2 This Policy is guided by the principles and objectives as enumerated in Section 178(3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a Nomination and Remuneration Committee (the "NR Committee") which is in compliance with the requirements of the Companies Act, 2013

2. Objectives of the NR Committee:

2.1 The NR Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;

ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;

v. Devise a policy on diversity of Board of Directors;

vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

vii. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; and

viii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3. Effective Date

3.1 The following policy has been formulated by the NRC Committee and adopted by the Board of Directors at its meeting held on June 11, 2019.

3.2 This policy shall be operational with immediate effect.

4. Definitions:

4.1 **"Board"**:- Board means Board of Directors of the Company.

4.2 **"Director"**:- Director means Director of the Company appointed in accordance with the Companies Act, 2013.

4.3 **"NR Committee"**:- NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

4.4 **"Company"**:- Company means Sterling and Wilson Solar Limited.

4.5 **"Independent Director"**:- As provided under the Companies Act, 2013, an Independent Director in relation to a company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director—

a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d) none of whose relatives –

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year. Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed; has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or;

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

e) who, neither himself nor any of his relatives–

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during the preceding three financial years;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non- profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

f) who possesses such other qualifications as may be prescribed under the Companies Act,2013

4.6 **"Key Managerial Personnel"**:- Key Managerial Personnel ('KMP') means-

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-Time Director;

(iv) the Chief Financial Officer;

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and

(vi) Such other officer as may be prescribed under the applicable statutory provisions/ regulations.

4.7 **"Senior Management"**:- The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. Applicability:

The Policy is applicable to -

a. Directors (Executive and Non-Executive)

b. Key Managerial Personnel

c. Senior Management Personnel

6. Constitution of the NRC Committee:

6.1 The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the NR Committee comprises of following Directors:

Name of the Director	Category	Designation
Mr. Keki Elavia	Non- Executive and Independent Director	Chairman
Mr. Khurshed Yazdi Daruvala	Non-Executive Director	Member
Ms. Rukhshana Mistry	Non-Executive and Independent Director	Member

7. General Appointment Criteria:

7.1 The NR Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/ her appointment.

7.2 The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

7.3 The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and any other enactment for the time being in force which is applicable to the Company.

8. Additional Criteria for Appointment of Independent Directors:

8.1 The NR Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Section 149 of the Companies Act, 2013 (as amended from time to time).

9. Term/ Tenure:

i. Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

iii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the NR Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

iv. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

10. Removal:

10.1 Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the NRC Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

11. Criteria for Evaluation of Independent Director and the Board:

11.1 Following are the Criteria for evaluation of performance of Independent Directors and the Board.

The Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

(a) act objectively and constructively while exercising their duties;

(b) exercise their responsibilities in a bona fide manner in the interest of the company;

(c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;

(d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

(e) refrain from any action that would lead to loss of his independence

(f) inform the Board immediately when they lose their independence,

(g) assist the company in implementing the best corporate governance practices,

(h) strive to attend all meetings of the Board of Directors and the Committees;

(i) participate constructively and actively in the committees of the Board in which they are members;

(j) strive to attend the Board, Committee and general meetings of the company;

(k) keep themselves well informed about the company and the external environment in which it operates;

(l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;

(n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

12 Board Diversity:

12.1 The Board of Directors may have the combination of Director from the different areas/ fields like production, Management, Quality Assurance, Finance, Legal, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

13 Remuneration:

13.1 The NR Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director and KMP to the Board for their approval.

13.2 The level and composition of remuneration so determined by the NR Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

13.2.1 Managing Director/ Whole-time Director

a. The compensation paid to the executive directors (including managing director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act, 2013.

b. Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director/ Whole-time Director etc. shall be governed as per provisions of the

Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

c. The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

13.2.2 Non-executive Directors

a. The Non- Executive Director may receive sitting fees for attending meetings of Board or NR Committee thereof. The remuneration/ commission/ compensation to the Non-Executive Directors will be determined by the NR Committee and recommended to the Board for its approval.

b. The remuneration payable by the Company to Non-Executive Directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

13.2.3 KMPs/ Senior Management Personnel etc.

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

13.2.4 Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel unless otherwise specifically provided under the Act.

14 Chairperson:

14.1 Chairperson of the NR Committee shall be an Independent Director.

14.2 Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairman of the NR Committee.

14.3 In the absence of the Chairperson, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.

14.4 Chairman of the NR Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

15 Frequency of Meetings:

15.1 The meeting of the NR Committee shall be held at such regular intervals as may be required.

16 NRC Committee Members Interest:

15.1 A member of the NR Committee is not entitled to participate in the discussions when his/ her own remuneration is discussed at a meeting or when his/ her performance is being evaluated.

15.2 The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.

17 Secretary:

17.1 The Company Secretary of the Company shall act as Secretary of the NR Committee.

18 Voting:

18.1 Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

19 Adoption, Changes and Disclosure of Information:

19.1 This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee.

19.2 This policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.

19.3 Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

20 Dissemination Policy:

20.1 A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company.

ANNEXURE C

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	:	U74999MH2017PTC292281
ii.	Registration Date	:	March 09, 2017
iii.	Name of the Company	:	Sterling and Wilson Solar Limited
iv.	Category & Sub-Category of the Company	:	Public Company Limited by Shares/ Non-Government Company
v.	Address of the Registered office and contact details	:	9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai - 400 043 Tel: 022-25485300 Fax: 022-25485331
vi.	Whether listed company	:	Yes - BSE Limited and National Stock Exchange of India Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime Private Limited C13, Piramal Silk Mills Compound. LBS Marg, Bhandup West, Mumbai-400 078 Tel: 022-25963838; Fax: 022-25946969 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
Income from EPC contracts for construction of Solar Power plants	422/ 432	89.08

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of Companies Act, 2013
1	**Shapoorji Pallonji and Company Private Limited** 70 Nagindas Master Road, Fort, Mumbai - 400 023	U45200MH1943PTC003812	Holding Company	50.58	2(46)
2	**Sterling & Wilson - Waaree Private Limited** 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai-400 043	U93000MH2016PTC288571	Subsidiary Company	100	2(87)
3	**Esterlina Solar Engineers Private Limited** 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai-400 043	U74999MH2018PTC315871	Subsidiary Company	100	2(87)
4	**Sterling and Wilson International Solar FZCO** 5WA 419, DAFZA, Building 5WA (West Side) P O Box 54811, Dubai, UAE	-	Subsidiary Company	100	2(87)

Sr. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of Companies Act, 2013
5	**Sterling and Wilson (Thailand) Limited** Sathorn Square Room no. S-08, 37th Floor, No. 98, Sathorn Road, Kwaeng Silom, Khet Bangrak, Bangkok, Thailand	-	Subsidiary Company	100	2(87)
6	**Sterling and Wilson Saudi Arabia Limited** Building No: 7719, 2nd Floor, Olayya Avenue, Opposite Riyadh Gallery Gate Number 3, King Fahad Road, Riyadh, KSA 2995-12262	-	Subsidiary Company	95	2(87)
7	**Sterling and Wilson Solar LLC** Muscat Al Watayah, Sultanate of Oman, PO Box 117, PC 116	-	Subsidiary Company	70	2(87)
8	**Sterling and Wilson Middle East Solar Energy LLC** 1803, Park Place Building, Sheikh Zayed Road, Dubai, UAE	-	Subsidiary Company	49	2(87)
9	**Sterling and Wilson Singapore Pte. Limited** 33 UBI Avenue 3, #08-68, Vertex, Singapore 408 868		Subsidiary Company	100	2(87)
10	**Sterling and Wilson Engineering (Pty) Limited** 119-123, Hertzog Boulevard, Foreshore, Cape Town, Western Cape 8001, South Africa	-	Subsidiary Company	60	2(87)
11	**Sterling and Wilson Solar Solutions Inc.** 251, Little Falls Drive, City of Wilmington, Country of New Castle Delaware 19808	-	Subsidiary Company	100	2(87)
12	**Renovable Energia Contracting S.L.** Madrid -28016, Avenida de Alberto, Alocer 46 b, 2nd A	-	Subsidiary Company	99	2(87)
13	**Sterling and Wilson Solar Solutions LLC** The Green, Ste. B, City of Dover, Delaware 19901	-	Subsidiary Company	100	2(87)
14	**GCO Electrical Pty. Limited** Globe BD Unit 6 78-84 Catalano Circuit Canning Vale WA 6155	-	Subsidiary Company	76	2(87)
15	**Sterling and Wilson Solar Australia Pty Ltd.**[1] Suite 53, Level 2, 15 Labouchere Road, South Perth, WA, 6151, Australia	-	Subsidiary Company	100	2(87)
16	**Sterling and Wilson Solar Malaysia SDN. BHD.**[2] C-2-3A, TTDI Plaza, Jalan Wan Kadir 3, Taman Tun Dr Ismail, 60000, Kuala Lumpur, Malaysia	-	Subsidiary Company	100	2(87)

Note(s): (1) Incorporated on April 16, 2019.

(2) incorporated on June 04, 2019.

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity):

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	14,40,400	-	14,40,400	0.90	14,40,400	-	14,40,400	0.90	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10,54,66,670		10,54,66,670	65.77	8,11,10,790	-	8,11,10,790	50.58	(15.19)
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**10,69,07,070**		**10,69,07,070**	**66.67**	**8,25,51,190**	**-**	**8,25,51,190**	**51.48**	
2) Foreign									
a) NRIs- Individuals	5,34,52,930	-	5,34,52,930	33.33	4,12,74,990	-	4,12,74,990	25.74	(7.59)
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**16,03,60,000**	**-**	**16,03,60,000**	**100.00**	**12,38,26,180**	**-**	**12,38,26,180**	**77.22**	**(22.78)**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	53,28,760	-	53,28,760	3.32	3.32
b) Banks/ FI	-	-	-	-	83,542	-	83,542	0.05	0.05
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	6,41,022	-	6,41,022	0.40	0.40
g) FIIs	-	-	-	-	1,67,68,568	-	1,67,68,568	10.46	10.46
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Alternate Investment Funds)	-	-	-	-	18,44,947	-	18,44,947	1.15	1.15
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**2,46,66,839**	**-**	**2,46,66,839**	**15.38**	**15.38**
2) Non-Institutions									
a) Bodies Corp.									
i. Indian	-	-	-	-	31,24,009	-	31,24,009	1.95	1.95
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	61,65,747	-	61,65,747	3.84	3.84
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	6,70,752	-	6,70,752	0.42	0.42
Others	-	-	-	-	19,06,473	-	19,06,473	1.19	1.19
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**1,18,66,981**	**-**	**1,18,66,981**	**7.40**	**7.40**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**3,65,33,820**	**-**	**3,65,33,820**	**22.78**	**22.78**
Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A) + (B) + (C)	**16,03,60,000**	**-**	**16,03,60,000**	**100.00**	**16,03,60,000**	**-**	**16,03,60,000**	**100.00**	**-**

ii) Shareholding of Promoter and Promoter Group:

Sr. No.	Shareholder's Name	Promoter/ Promoter Group	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
			No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Shapoorji Pallonji and Company Private Limited	Promoter	10,54,66,670	65.77	37.24	8,11,10,790	50.58	37.24	(15.19)
2	Mr. Khurshed Yazdi Daruvala	Promoter	5,34,52,930	33.33	-	4,12,74,990	25.74	-	(7.59)
3	Mr. Cyrus Pallonji Mistry	Promoter Group	7,20,000	0.45	-	7,20,000	0.45	-	-
4	Mr. Pallon Shapoor Mistry	Promoter Group	7,20,000	0.45	-	7,20,000	0.45	-	-
5	Ms. Kainaz Khurshed Daruvala	Promoter Group	200	0.00	-	200	0.00	-	-
6	Ms. Pervin Zarir Madan	Promoter Group	100	0.00	-	100	0.00	-	-
7	Ms. Zarine Yazdi Daruvala	Promoter Group	80	0.00	-	80	0.00	-	-
8	Ms. Zenobia Farhad Unwalla	Promoter Group	20	0.00	-	20	0.00	-	-
Total			**16,03,60,000**	**100.00**	**-**	**12,38,26,180**	**77.22**	**-**	**-**

iii) Change in Promoters' Shareholding:

Sr. No.	Name of the Shareholder	Date	Shareholding		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Shapoorji Pallonji And Company Private Limited**					
	At the beginning of the year	01.04.2019	10,54,66,670	65.77		
	Date wise Increase/ (Decrease) during the year [1]	16.08.2019	2,43,55,880	(15.19)	8,11,10,790	50.58
	At the end of the year	31.03.2020	8,11,10,790	50.58	8,11,10,790	50.58
2	**Mr. Khurshed Yazdi Daruvala**					
	At the beginning of the year	01.04.2019	5,34,52,930	33.33		
	Date wise Increase/ (Decrease) during the year [1]	16.08.2019	1,21,77,940	(7.59)	4,12,74,990	25.74
	At the end of the year	31.03.2020	4,12,74,990	25.74	4,12,74,990	25.74
3	**Mr. Cyrus Pallonji Mistry**					
	At the beginning of the year	01.04.2019	7,20,000	0.45		
	Date wise Increase/ (Decrease) during the year		No change			
	At the end of the year	31.03.2020	7,20,000	0.45	7,20,000	0.45
4	**Mr. Pallon Shapoor Mistry**					
	At the beginning of the year	01.04.2019	7,20,000	0.45		
	Date wise Increase/ (Decrease) during the year		No change			
	At the end of the year	31.03.2020	7,20,000	0.45	7,20,000	0.45
5	**Ms. Kainaz Khurshed Daruvala**					
	At the beginning of the year	01.04.2019	200	0.00		
	Date wise Increase/ (Decrease) during the year		No change			
	At the end of the year	31.03.2020	200	0.00	200	0.00
6	**Ms. Pervin Zarir Madan**					
	At the beginning of the year	01.04.2019	100	0.00		
	Date wise Increase/ (Decrease) during the year		No change			
	At the end of the year	31.03.2020	100	0.00	100	0.00
7	**Ms. Zarine Yazdi Daruvala**					
	At the beginning of the year	01.04.2019	80	0.00		
	Date wise Increase/ (Decrease) during the year		No change			
	At the end of the year	31.03.2020	80	0.00	80	0.00
8	**Ms. Zenobia Farhad Unwalla**					
	At the beginning of the year	01.04.2019	20	0.00		
	Date wise Increase/ (Decrease) during the year		No change			
	At the end of the year	31.03.2020	20	0.00	20	0.00

Note(s): (1) Pursuant to the Offer for Sale ("OFS") by the by the Promoters i.e. Shapoorji Pallonji and Company Private Limited and Mr. Khurshed Yazdi Daruvala.

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder[1]	Shareholding as on August 20, 2019[2]		Shareholding as on March 31, 2020	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
1	Reliance Capital Trustee Co. Ltd.	29,48,705	1.84	46,21,631	2.88
2	Nomura India Investment Fund Mother Fund	3,79,25,71	2.37	27,05,223	1.69
3	BNP Paribas Arbitrage – ODI	4,54,290	0.28	21,68,109	1.35
4	Schroder International Selection Fund Emerging Asia	18,50,733	1.15	18,50,733	1.15
5	Carmignac Portfolio	17,75,930	1.11	17,92,474	1.12
6	Abu Dhabi Investment Authority - Behave	15,89,749	0.99	17,56,099	1.10
7	Eastspring Investments India Equity Open Limited	7,77,423	0.48	10,45,043	0.65
8	Dragon Peacock Investments Limited	6,97,623	0.44	9,46,033	0.59
9	Alchemy Capital Management Pvt. Ltd.	4,48,704	0.28	8,10,927	0.51
10	HDFC Trustee Company Ltd.	7,00,150	0.44	7,00,150	0.44

Note(s): (1) The Equity Shares of the Company are traded on daily basis on the Stock Exchanges and hence the datewise increase/ decrease in shareholding is not indicated. Further, the Shareholding is consolidated based on permanent account number (PAN) of the Shareholder.

(2) Date of listing of Equity Shares of the Company.

v) Shareholding of Directors and Key Managerial Personnel ("KMP"):

Sr. No.	Name of the Director/ KMP	Date	Shareholding		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company [2]
1	**Mr. Khurshed Yazdi Daruvala**					
	At the beginning of the year	01.04.2019	5,34,52,930	33.33		
	Date wise Increase/ (Decrease) during the year [1]	16.08.2019	1,21,77,940	(7.59)	4,12,74,990	25.74
	At the end of the year	31.03.2020	4,12,74,990	25.74	4,12,74,990	25.74
2	**Mr. Pallon Shapoor Mistry**					
	At the beginning of the year	01.04.2019	7,20,000	0.45		
	Date wise Increase/ (Decrease) during the year			No change		
	At the end of the year	31.03.2020	7,20,000	0.45	7,20,000	0.45

Note(s): (1) Pursuant to the Offer for Sale ("OFS") by the by the Promoters i.e. Shapoorji Pallonji and Company Private Limited and Mr. Khurshed Yazdi Daruvala.

(2) The KMPs do not hold any Equity Shares of the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

(₹ in Crore)

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i.e. as on April 01, 2019					
i.	Principal Amount	-	1,174.62	-	1,174.62
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	0.39	-	0.39
Total (i+ii+iii)		-	1,175.00	-	1,175.00
Change in Indebtedness during the Financial Year					
•	Addition	1,004.80	1,915.61	-	2,920.41
•	(Reduction)	(713.57)	(2,777.45)	-	(3,491.02)
Net Change					
Indebtedness at the end of the Financial Year i.e as on March 31, 2020					
i.	Principal Amount	290.35	309.75	-	600.09
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	0.88	3.42	-	4.30
Total (i+ ii + iii)		291.23	313.16	-	604.39

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:-

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Mr. Kannan K. Manager
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.46
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.13
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2	Stock Option [1]	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
5	Others, please specify	
	(a) Company's Contribution to Provident Fund	0.09
	(b) Company's Contribution to Superannuation Fund	-
Total		**1.68**
Ceiling as per the Act (Being 5% of Net Profits of the Company calculated as per section 198 of the Act)		**21.22**

B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**Mr. Keki Elavia**	**Mr. Arif Doctor**	**Ms. Rukhshana Mistry**	
	• Fee for attending Board/ Committee meetings	14.25	8.00	15.20	37.45
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	**14.25**	**8.00**	**15.20**	**37.45**
2	Other Non-Executive Directors	**Mr. Khurshed Daruvala**	**Mr. Pallon Mistry**	**Mr. Bikesh Ogra**	**Total Amount**
	• Fee for attending Board/ Committee meetings	13.95	8.70	8.00	30.65
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	**13.95**	**8.70**	**8.00**	**30.65**
Total (B)=(1)+(2)		**-**	**-**	**-**	**68.10**
Total Managerial Remuneration (A+B)					**235.81**
Overall Ceiling as per the Act[1]					**4,668.73**

Note(s): (1) Pursuant to Section 197 of the Companies Act, 2013, sitting fees for attending Board/ Committee meetings has not been included as a component for computation of overall ceiling.

C. **Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:**

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Bahadur Dastoor Chief Financial Officer	Mr. Jagannadha Rao Ch. V. Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2.55	1.32	**3.87**
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.21	0.13	**0.34**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others	-	-	-
5	Others, please specify			
	(a) Company's Contribution to Provident Fund	0.13	0.08	**0.21**
	(b) Company's Contribution to Superannuation Fund	-	-	-
Total		**2.89**	**1.53**	**4.42**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/ compounding of offences for the financial year ended March 31, 2020.

ANNEXURE D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sterling and Wilson Solar Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sterling and Wilson Solar Limited (U74999MH2017PLC292281) and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai - 400 043 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period); and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable to the Company with effect from August 20 2019, being the date of listing);

(vi) There are no laws that are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with required number of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards, guidelines and directions.

We further report that during the audit period the Company had:

1. come out with an Initial Public Offering (IPO), by way of an Offer for Sale by selling shareholders, of 3,69,35,157 equity shares of ₹ 1/- each for cash at a price of ₹ 780/- (including a premium of ₹ 779/-) per share aggregating to ₹ 2,880,94,22,460/- vide Red Herring Prospectus and Prospectus dated July 29, 2019 and August 10, 2019 respectively, however, the actual sale of shares pursuant to the said offer was only 3,65,33,820;

2. the Equity Shares of the Company were listed and admitted to dealings on BSE Ltd. and National Stock Exchange of India Ltd. with effect from August 20, 2019 pursuant to the above mentioned said IPO;

3. obtained the approval of shareholders vide special resolution passed under section 180(1)(c) of the Act at the Extra-ordinary General Meeting held on April 01, 2019 enabling borrow of funds in excess of its aggregate of paid up share capital and free reserves and up to a maximum limit of ₹ 15,000 Crore;

4. obtained the approval of shareholders vide special resolution passed under section 180(1)(a) of the Act at the Extra-ordinary General Meeting held on April 01, 2019 for creation of charge/ mortgage on the assets/ properties of the company up to the overall borrowing limit approved under Section 180(1)(c) of the Act;

5. obtained the approval of shareholders (pursuant to the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder) vide special resolution passed at the Extra-ordinary General Meeting held on April 04, 2019 for increase in the aggregate investment limit of Foreign Portfolio Investors to 49% of the paid-up equity share capital of the Company;

6. obtained the approval of shareholders (pursuant to the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder) vide special resolution passed at the Extra-ordinary General Meeting held on April 04, 2019 for increase in investment limits for Non Resident Indian or Overseas Citizen of India to 24% of the paid-up equity share capital of the Company;

7. obtained the approval of members of the Company by passing special resolution in Extra-ordinary General Meeting held on June 18, 2019 for increasing the limits of loans, investments, guarantee or security to Sterling and Wilson Private Limited (a company in which some of the directors are interested and which is also the promoter of the company as per SEBI ICDR Regulations) under Section 185 of the Act from ₹ 1,500 Crore to ₹ 1,900 Crore;

8. issued and allotted 1,000 secured, unlisted, redeemable, Non-Convertible Debentures of the face value of ₹ 10,00,000 each of aggregating to ₹ 100 Crore pursuant to resolutions passed at the meetings of the Board and Management Committee held on June 28, 2019 and July 31, 2019 respectively; the said debentures were also redeemed during the year;

9. amended the Articles of Association of the Company by way of insertion of Article 25A (restriction on advancing loans etc. to Shapoorji Pallonji and Company Pvt. Ltd. and its promoters, subsidiaries, associates and joint ventures, Mr. Khurshed Y Daruvala and entities promoted by him or over which he has significant influence from the date of listing of Equity Shares of the Company at BSE or NSE), pursuant to special resolution passed by the shareholders at the Extra-ordinary General Meeting held on July 8, 2019;

10. in the meeting of Board of Directors held on February 12, 2020 declared an Interim Dividend of ₹ 6/- per equity share (face value of ₹ 1/- per share) for the Financial Year 2019-20;

11. in the meeting of Board of Directors held on March 16, 2020 approved the Scheme of Amalgamation of its wholly owned subsidiary Sterling & Wilson-Waaree Private Limited with itself; and

12. formed Sterling and Wilson Solar Australia Pty Ltd and Sterling and Wilson Solar Malaysia SDN. BHD., (step-down subsidiaries of the Company); further, Sterling and Wilson Brasil Servicos Ltda., a wholly owned subsidiary of the Company, was dissolved.

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place : Mumbai
Date: June 23, 2020
UDIN: F006252B000367217

'ANNEXURE A'

To,
The Members,
Sterling and Wilson Solar Limited
Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

7. On account severe restrictions imposed by the Government Authorities on opening of offices, travel and movement (hereinafter "Lockdown") due to Covid19 pandemic (which commenced during the last week of March'2020 and continued till May'2020), we for the purpose of completion of our audit had to rely on documents and papers provided in electronic form through email/ other virtual means for verification of compliances.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place: Mumbai
Date:June 23, 2020
UDIN: F006252B000367217

ANNEXURE E

ANNUAL REPORT ON CSR ACTIVITIES FOR F. Y. 2019-20

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be taken and a reference to the web link to the CSR Policy and projects or programs	:	**CSR Vision:** "Creating a Sustainable and Responsible business" Sterling and Wilson Solar Limited ("SW") is committed to enriching people's lives. We take pride in being socially and environmentally responsible to our employees, stakeholders, vendors, and the world at large. Every precious resource utilized by us is accounted for and used optimally keeping in mind the greater good of society. For us, business is as much about integrating societal, economic and environmental obligations as it is about creating value for our esteemed customers. In our own humble way, we strive to be the change we want to see. **CSR Objectives:** The Company may carry out any one or more of the CSR activities, notified under the Section 135 of the Companies Act, 2013 read with Schedule VII, *inter alia* the following: • **Health & Sanitation:** Improve Quality of Life by Providing Safe Drinking Water, Sanitation, & Overall Health • **Environmental Preservation:** Reducing Our Carbon Footprint, Increasing Green Cover & Promote Bio-Diversity • **Education and Skills Training:** Facilitating Underprivileged Children and Young Adults from Tribal Communities with Education and Skills Training and Earning Opportunity to Differently Challenged Youth • **Community Development:** Inclusion, Alleviation of Poverty, Financial Inclusion for Migrant Labour Force, community development • **Natural Calamities:** Contribute during natural calamities Further, the Company will review the sectors/ activities from time to time and make additions/ deletions/ clarifications to the above sectors/ activities. **CSR Governance:** The Board of Directors of the Company has constituted a CSR Committee, consisting of three Directors. This Committee is responsible for the following: (a) recommending to the Board a CSR policy, indicating the activities to be undertaken by the Company; (b) recommending the expenditure to be incurred on the CSR activities; (c) monitoring the implementation of the activities included in the CSR policy; and (d) monitoring the spends on CSR activities by the Company in each financial year, in terms of the Companies Act, 2013. SW's CSR initiatives can be implemented directly and/ or through SP Group or SW Group or any other registered foundations, trusts, not for profit organizations with an appropriate track record, NGOs and local Government bodies for the purposes of accessing expertise/ enhancing resources and for support in project implementation. Any surplus arising out of the CSR projects or programs shall not form the part of the business profits of the Company.
2.	Composition of the CSR Committee	:	Mr. Keki Elavia, Chairman Mr. Khurshed Daruvala, Member Mr. Pallon Mistry, Member
3.	Average net profit of the Company for the Last three Financial Years	:	₹ 267.50 Crore
4.	Prescribed CSR Expenditure (2% of the amount as mentioned in point 3 above)	:	₹ 5.35 Crore
5.	Details of CSR expenditure during the year	:	
	- Total amount to be spent for the financial year		₹ 5.35 Crore
	- Amount unspent, if any		₹ 1.94 Crore
	- Manner in which amount spent during the Financial Year 2019-2020		Please refer below mentioned table
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR.	:	The Company could not spend ₹ 1.94 Crore out of the entire 2% of the net profits as stipulated in the Companies Act, 2013, as, in addition to the existing projects undertaken by the Company, it did not come across other appealing activities/ projects for the benefit of the society. Moreover, the pandemic COVID-19 also led to difficulty in undertaking projects/ activities at the end of the financial year. However, the Company is exploring other CSR initiatives, that can be undertaken in the near future.
7.	Responsibility statement of CSR Committee	:	We hereby confirm that the implementation and monitoring of the CSR Policy is in Compliance with the CSR objectives and policies of the Company.

(1) Sr. No.	(2) CSR Projects or Activity identified	(3) Sector in which project is covered	(4) Projects or Programs: 1) Local Area or Others 2) Specify the State and 3) District where the Projects or programs are undertaken	(5) Amount Outlay (Budget) Project or Program wise (Amount in ₹ Lakhs)	(6) Amount spent on Project or Programs Subheads: 1) Direct expenditure on project/ programs 2) Overheads (Amount in ₹ Lakhs)	(7) Cumulative expenditure up to reporting period (Amount in ₹ Lakhs)	(8) Amount spent: Direct or through implementation agency
1	Chilwadi School -Support for Academic Coaching & infrastructure development	Education & Skill Development	Osmanabad, Maharashtra	11.50	11.50	11.50	Shree Shree Samajik Sansta
2	Himalaya Institute of Alternatives, Ladakh (HIAL) infrastructure development (Building Solar Buildings & converting Containers into classroom)		Leh, Ladakh	88.00	88.00	88.00	Himalaya Institute of Alternatives Ladakh (HIAL)
3	Setting up Mitti Café & Training Disable youth & providing livelihood		Bangalore, Karnataka	7.12	7.12	7.12	Mitti Social Initiative Foundation
4	Skill training of Blind students		Mumbai, Maharashtra	6.30	6.30	6.30	Andrews vision center-Wilson College
5	MID Day Meal to Silavassa School Students		Silavassa, Dadra & Haveli	13.20	9.90	9.90	Akshaya Patra Foundation
6	Provide Science Lab & Reading Library to Karjat Schools- Omkar School & Kalbhairav school		Shelu- Karjat, Maharashtra	4.60	4.60	4.60	Light of Life Trust
7	SET up Library & Language Lab		Naigaon- Virar, Maharashtra	18.00	18.00	18.00	Shree Shankara Hindu Mission
8	Renovation of Water tank renovation, renovation of Toilets & safety wall for school		Tiruvallur, Tamil Nadu	7.50	5.60	5.60	Direct
9	Anemia Reduction Program for Adolescent Girls & BCC-Health	Health & Sanitation	Mumbai, Maharashtra	13.50	13.50	13.50	Niramaya Health Foundation
10	Provide Toilets & sanitation for Nashik School Students		Nashik, Maharashtra	15.00	15.00	15.00	Shree Shankara Hindu Mission
11	Renovation of Toilet, Kitchen, RO plan, invertor etc.		Ullagaram- Chennai, Tamil Nadu	2.40	2.40	2.40	Direct(Anaikkum Karangal, Children Home)
12	Donation to Sushrut Hospital-Financial help for Poor Patients		Mumbai, Maharashtra	6.00	6.00	6.00	Sushrut Hospital & research Centre
13	Provide Sanitary vending machine, sanitary napkin & incinerator for College Students		Mumbai, Maharashtra	18.00	18.00	18	Shree Shankara Hindu Mission
14	Provide safe Drinking water & Toilet- sanitation		Kunta, Andhra Pradesh	16.67	2.25	2.25	Direct (Z.P. Kunta)
15	Provide Financial support to Critical patients from the community		Pan India	10.00	10.00	10.00	Shree Shankara Hindu Mission
16	Provide support to Road Repairing work	Community Development	Tamil Nadu	2.95	2.95	2.95	Direct (Solar South)
17	Provide Housing and sanitation to Farm Widows of Amaravati District		Amaravati, Maharashtra	25.00	12.50	12.50	Habitat for Humanity
18	Renovation of Old age Home		Delhi	8.36	8.36	8.36	Direct (Solar North)
19	Donation of Sport equipment to B.J. Home (Orphanage) & Two School		Mumbai & Karjat, Maharashtra	0.88	0.88	0.88	Total Sports & Fitness
20	Preserve 100 Books for next generation in Asiatic Library		Mumbai, Maharashtra	7.50	7.50	7.50	Rotary Club
21	Painting work of Delhi Agiary		Delhi	2.32	2.32	2.32	Direct (Delhi)
22	Renewable Energy by providing Solar Roof Top	Environment	Goregaon, Mumbai, Maharashtra	3.52	3.52	3.52	Direct (Punarvas Special School)
23	Renewable Energy by providing Solar Roof Top		Pune, Maharashtra	23.34	23.34	23.34	Direct (Devdatta Ashram)
24	Renewable Energy by providing Solar Roof Top		Mumbai, Maharashtra	23.75	23.75	23.75	Direct (B. D. Pettit Parsee Hospital)
25	Renewable Energy by providing Solar Roof Top		Mumbai, Maharashtra	30.49	30.49	30.49	Direct (Wadia Children Hospital)
26	Renewable Energy by providing Solar Roof Top		Shelu, Karjat, Maharashtra	7.36	7.36	7.36	Direct (Omkar Vidyalaya Shelu & Kalbhairav School- Karjat)
Total Budget Spent				**373.96**	**341.08**	**341.08**	

Khurshed Daruvala
Chairman of the Company

Keki Elavia
Chairman of CSR Committee

Place: Mumbai
Date: June 23, 2020

ANNEXURE F

Report on conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo for the F. Y. 2019-20

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy:

- **Pre-fabricated system components:** The system components of utility scale projects and roof top systems division job is pre-fabricated and hence only mechanical assembly and electrical terminations are required. This leads to minimization of usage of power tools at sites and thereby minimizes usage of energy.

- **Solar plants equipped with RO system:** In each Solar plant a reverse osmosis (RO) plant is set up. Potable water generated by RO plant is used for staff at site and wastewater is used for cleaning of Solar panels, thereby conserving water and diesel. In absence of wastewater from RO plant, water required for cleaning the Solar panels would have been arranged by diesel driven water tanks mounted tractors.

- **LED Design:** All Solar plant lighting design is based on LED (which typically use approx. 25-80% lesser energy and lasts approx. 3-25 times longer) either during construction or Operation & Maintenance (O&M) stages.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

- **Solar powered inverters:** The electrification of our construction site office setup, site stores and Labour colony are done using Solar powered Inverters (capacity around 12 kW). This is an ongoing effort in all construction sites, due to which the fuel consumption and dependence on Diesel Generator (DG) is reduced drastically, leaving DG only as a back-up source.

- **Semi-Automatic Robots:** Usage of semi-automatic robots for PV module cleaning. The Semi-Automatic Robot functions using battery which is charged by the electricity generated from Solar Plant. By using Semi-Automatic Robot, the Company has reduced the water consumption by 50% of actual consumption compared to other alternatives such as mounted water tank/ Module Cleaning Pipe Lines.

- **Solar lighting for auxiliary work:** Solar Lighting system is used for auxiliary consumption of Solar Plants during the night.

(iii) The capital investment on energy conservation equipment:

Recently at the renewable energy exhibition, we have introduced mobile testing lab for the PV module testing with all latest equipment that are calibrated according to the latest standards. Using this facility, the PV modules can be tested for their performance at construction sites itself rather than taking the modules too far away. We thereby increase efficiency of testing cycles and conserve lot of energy which may get spent on logistics, coordination and transportation.

(B) Technology absorption-

(i) The efforts made towards technology absorption:

The following key components and their implementation efforts in various projects are highlighted below

- **Implementation of the Robot module cleaning system**
  Solar plants are often installed at sites that have water scarcity and are generally dusty (such as barren land, deserts etc.). In such cases, cleaning of modules becomes very difficult thereby hampering the plant performance. With implementation of Robots (dry cleaning) have helped cleaning of the modules at such kind of sites. Moreover, it reduces the manpower efforts in cleaning of larger scale power plants.

- **Wind tunnel study**
  Module mounting structure (MMS) is designed by following suitable IS codes without considering the factor of wind shadowing. With the help of wind tunnel study, the concept of wind shadowing effect is practically adopted, i.e., by segregating MMS into boundary and inner structures, which results in overall optimization of MMS.

- **Tracker system**
  The Solar Tracker is a device that orients the solar panels based on the movement of the Sun. In Solar power plants, trackers are used to maximize the utilization of Direct Horizontal Irradiation by minimizing the angle of incident light on the Solar Modules.

  This eventually increases the amount of energy produced, from a fixed amount of installed generating capacity as compared to that of fixed tilt with the same installed Capacity. We use various trackers according to the project specific needs.

- **Bifacial Modules**
  The technology of bifacial modules has PV cells installed on both the sides of the Module. This technology is basically used at sites with higher ground reflection coefficient (Albedo)/ diffused irradiation. For example, sand, water, snow etc. have tendency to reflect maximum incident light rays and the same can be utilized to generate power. We have successfully executed projects using Bifacial modules.

- **Wireless string Combiner boxes**
  The Wireless Combiner box technology has replaced the conventional type that used multiple communication and power cables running from each Combiner box to respective Inverter station. With wireless technology, the combiner box data or health status is monitored remotely. We have implemented projects using this technology, thereby providing savings on copper cables and civil works related to the same.

- **Floating system**
  Floating Solar plants are installed on the water bodies like ponds, reservoirs, back waters etc. The reason for higher performance of floating power plants as compared to ground mounted plants, are minimal shading losses, cooler ambient temperature and negligible soiling loss. Moreover, it has other environmental, economic and social benefits such as minimal water evaporation, utilization of unused spaces into profitable areas and preserving valuable land. We have started implementing floating solar projects on a small scale.

- **RFID based Asset Tracking and Management**
  The PV panels are considerably high value in nature and they form the core value of the assets of a utility scale PV plant.

  By using embedded Radio Frequency Identification (RFID) chips of each module and tracking it to the location where it is installed, we provide asset visibility to the last mile. It simplifies the process of managing the assets. Also, latest Robotic Process Automation (RPA) based programs and GPS technology are used in implementing the system, thereby ensuring quality installation and accurate tracking of Asset performance.

- **Intelligent camera for monitoring of construction works**
  Intelligent camera uses software programs to analyse the images and activities in order to recognize humans, vehicles, objects and events. Implementing the same at sites widely helps in monitoring of activities during construction and provide alerts in case of any mis-happenings.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Usage of 1500V Modules of Higher wattage up to 405 Wp coupled with bifacial technology have helped lower the Balance of Systems (BOS) cost thereby providing an edge in acquisition of orders.
- Invertor station concept (purpose built) in many projects has been helping in achieving improved efficiencies in project execution.
- 8 MVA 3 winding transformers utilized to optimize BOS efficiency.
- Robotic module cleaning system has helped in conserving water and increasing efficiency in the operation methods.
- Wind tunnel study has helped in optimizing Module Mounting structure design.
- Wireless String combiner based systems, helped in optimizing the design and helped customers to assess the System yield at micro levels

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable

Since the Company does not have any manufacturing plants or products and thus does not absorb any technologies.

(iv) The expenditure incurred on Research and Development:

Test Bed project, which consists of different technology of Modules, Inverter & Trackers:

₹ 5.1 Crore

(C) Foreign Exchange Earnings and Outgo:

(i) Foreign exchange earnings for the year under review: ₹ 1,833.67 Crore

(ii) Foreign exchange outgo for the year under review: ₹ 1,564.70 Crore

ANNEXURE G

Information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Khurshed Daruvala	1.96
	Mr. Arif Doctor	1.13
	Mr. Bikesh Ogra	1.13
	Mr. Keki Elavia	2.01
	Mr. Pallon Mistry	1.22
	Ms. Rukhshana Mistry	2.14
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Khurshed Daruvala	N.A.[1]
	Mr. Arif Doctor	
	Mr. Bikesh Ogra	
	Mr. Keki Elavia	
	Mr. Pallon Mistry	
	Ms. Rukhshana Mistry	
	Mr. Kannan K.	N.A.[2]
	Mr. Bahadur Dastoor	20.77%[3]
	Mr. Jagannadha Rao Ch. V.	13.40%[3]
The percentage increase in the median remuneration of employees in the financial year	24.79%	
The number of permanent employees on the rolls of Company	1,286 as on March 31, 2020	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase made in the salaries of employees is strictly not comparable with the average percentile increase in the managerial remuneration as Mr. Kannan K. was appointed as Manager of the Company on March 27, 2019.	
Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby confirmed that the remuneration paid to the employees is as per the remuneration policy of the Company	

Note(s): (1) The percentage increase is not comparable as there were no sitting fees paid to the Directors for the meetings attended by the Directors in F. Y. 2018-19. The Board at its meeting held on March 27, 2019 approved to pay sitting fees to the Directors for attending the Board and/ or Committee meetings. Hence, the Directors have been paid sitting fees only for the period under review i.e. April 01, 2019 to March 31, 2020.

(2) Mr. Kannan K. was appointed as Manager of the Company on March 27, 2019.

(3) Percentage increase in the gross remuneration.

Certificate on Corporate Governance

(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Sterling and Wilson Solar Limited

We have examined the compliance of conditions of Corporate Governance by Sterling and Wilson Solar Limited, for the year ended on 31st March 2020 as stipulated under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Place: Mumbai
Date: June 23, 2020
UDIN: F006252B000367283

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Management Discussion and Analysis

ECONOMIC REVIEW

Global Economy

As per the International Monetary Fund (IMF), the global economy grew by 2.9% in CY 2019, significantly lower than 3.6% it exhibited in CY 2018. Apart from the adverse impact upon the outbreak of COVID-19, subdued growth of the global economy is primarily attributed to rising trade barriers between the United States and China, geopolitical tensions around Brexit, weather-related disasters in Eastern Africa and Australia; and country-specific shocks in emerging economies impacting consumer demand and manufacturing activity. Advanced Economies delivered a lacklustre economic growth of 1.7%, as against 2.2% in CY 2018, with the US and Europe delivering 2.3% and 1.2% growth, respectively. Emerging Markets and Developing Economies (EMDEs), too, exhibited a slower Gross Domestic Product (GDP) growth of 3.7%, as against 4.5% in CY 2018.

Outlook

The World Economic Outlook projects global growth to fall to -3% in CY 2020, in the backdrop of the COVID-19 pandemic that spread across the globe in the last quarter of the year. The outbreak and COVID-induced lockdowns led to subdued manufacturing activity and affected trade flows and smooth operations of supply chains. Fitch Ratings, citing the pandemic as 'unparalleled,' forecasts the global economy to enter an unprecedented recession, twice as severe as the 2008 crisis. The governments and central banks across the globe have announced swift and sizeable fiscal and monetary relief packages to stimulate economies reeling from the pandemic. However, the IMF estimates economic recovery in CY 2021 and foresees world GDP to grow by 5.8%, provided the pandemic is curtailed effectively and global production and trade activities resume to their pre-COVID levels.

The Advanced Economies Group, experiencing a widespread outbreak, is forecast to decline by 6.1% in CY 2020, with the US and Europe projected to de-grow by 5.9% and 7.5%, respectively. EMDEs are projected to display better resilience with 1% de-growth in CY 2020, thanks to the positive growth estimates for India and China during the year. Post COVID-19 containment, a rebound is expected in both AEs and EMDEs with projected growth rates of 4.5% and 6.6%, respectively, in CY 2021. Trade relations between the US and China, and between the UK and European Union post-Brexit, will be key in determining the nature and traction of global economic recovery.

(IMF World Economic Outlook, April 2020)

Indian Economy

The Indian economy registered a GDP growth of 4.2% in FY 2020, significantly lower than 6.1% growth it delivered in FY 2019. The lower economic growth is attributed to lower consumption demand owing to higher unemployment rates, stagnated rural wages, and tighter lending conditions. On the supply side, excess ideal production capacity and infrastructure bottlenecks weighed down new capital expenditure and revival of manufacturing activity. The government has announced several reformative policies over the past years to revive the country's GDP growth back to its earlier trajectory.

Economic challenges faced by the country were further accentuated by the COVID-19 outbreak towards the end of the fiscal. Economic activity ceased as the government imposed a nationwide lockdown to induce virus containment measures. It further announced a ₹ 1.7 trillion (US$ 22 billion) relief package to help its marginalised population to tackle the hardships caused by the ongoing pandemic. The Reserve Bank of India (RBI), in order to revive consumption demand, provided a monetary stimulus by reducing key repo rate from 6.5% in February 2019 to 5.15% in February 2020 and further slashed it to 4% during the lockdown to inject liquidity into the system.

Outlook

In the backdrop of disrupted supply chains, lack of new investments, muted manufacturing, and subdued consumption demand, the IMF forecasts India's economy to grow by 1.9% in FY 2021. However, even with lower growth estimates, India remains one of the few economies globally to deliver positive growth, despite COVID-19 challenges. Furthermore, factoring in the impact of the government's reform policies, its swift response to the pandemic, plan to provide stimulus to exports post COVID-19 containment, and favourable international crude oil prices, the IMF projects India's economy to recover and grow by 7.4% in FY 2022.

INDUSTRY OVERVIEW

Global Renewable Energy Industry – An Overview

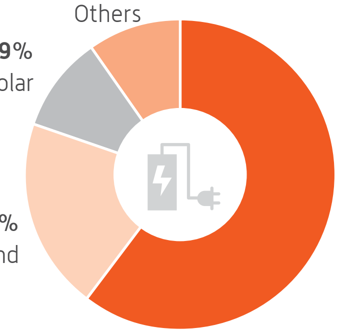
The world's energy demands are growing fast because of the population explosion and technological advancements. The global energy consumption is expected to grow by nearly 50% between 2018 and 2050, the US Energy Information Administration (EIA) stated in its International Energy Outlook 2019. Most of the consumption growth is expected to come from countries where strong economic growth is driving demand, particularly in Asia. Despite the rising global energy demand, the energy demand from fossil fuel-based sources is expected to plateau by 2030, primarily driven by the penetration of renewable energy sources into the energy mix, according to a McKinsey Report on 'Global Energy Perspective 2019'.

A rapid decline in energy costs, improving energy efficiency, widespread electrification, increasingly smart technologies, continual technological breakthroughs and well-informed policy-making to curtail carbon emission levels are driving the shift in the global energy transformation, bringing a sustainable energy future within reach.

The global energy landscape has been transforming, with a rapid uptake in renewable energy sources. Renewable energy accounts for more than 1/3rd of global power capacity today and has become a mainstream option in the power sector worldwide. Valued at US$ 184.3 billion in 2020, the renewable energy industry is estimated to grow by 22.47% to reach US$ 226.1 billion by 2021. The strong growth will be primarily driven by solar PhotoVoltaic (PV) and wind energy growth as economies across the globe are vying for cleaner energy to reduce carbon emissions. This is culminating in more renewable power capacity installations than fossil fuel and nuclear power combined for the past few years. In 2018, over 90 countries installed more than 1GW of renewable power capacity, and 30 countries installed more than 10 GW.

Source: REN21-Renewables 2019 Global Status Report

Source-wise global renewable energy consumption



Source: (https://www.rechargenews.com/wind/global-windand solar-energy-growth-rate-in-2019-was-slowest-this century/2-1-769738)

Renewable Energy – India

India is the third-largest producer and consumer of electricity in the world, with a total generation capacity of 371 GW in 2020. It ranked fifth in renewable power installed capacity in 2018, within which it ranked fourth in wind power and fifth in solar power capacity. The Indian power sector is witnessing accelerated capacity additions across the country due to the government's 'Power for all' mission. Backed by policy stability and fiscal incentives, India has improved its rank significantly from 137 in 2014 to 22 in 2019 on World Bank's Ease of Doing Business - "Getting Electricity" ranking.

Renewable energy accounts for more than 1/3rd of global power capacity today and has become a mainstream option in the power sector worldwide.

The electricity demand of the country has steadily risen over the last decade, growing by 4.5% CAGR. Energy production, on the other hand, has not been able to keep pace with the country's growing energy demand. Meeting the rising demand while addressing the urgent need to lower the country's carbon emission levels has led the government to promote a higher share of renewable energy. Renewable energy, including hydro, contributed ~36% of India's total power capacity mix in CY 2019, according to the Central Electricity Authority (CEA), and the Ministry of New and Renewable Energy (MNRE) data. It grew by 8.5% during the year from 122.8 GW in CY 2018 to 133.2 GW in CY 2019.

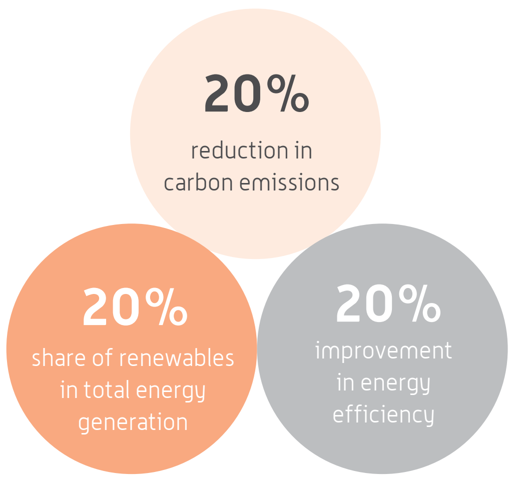
Global renewable energy targets

Under the Sustainable Development Goals, the United Nations Development Programme (UNDP) has given special emphasis on affordable and clean energy. By 2030, it targets to achieve:

- Universal access to affordable, reliable and modern energy services.
- Increase in share of renewable energy in the global energy mix substantially.
- Doubling the global rate of improvement in energy efficiency.

Furthermore, the Paris Agreement within the United Nations Framework Convention on Climate Change (UNFCCC) has developed an energy and climate policy which proposes 20-20-20 targets. These targets, along with country-specific policies, will bode well for the solar industry's growth in the near future.

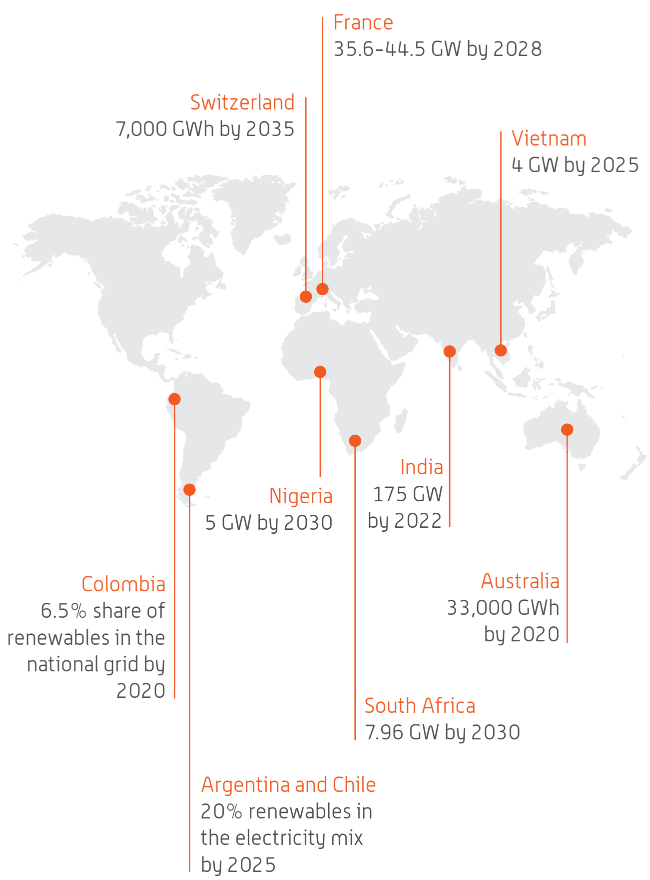
Energy and climate policy: Key objectives



The Government of India, too, has set an ambitious target to achieve 175 GW renewable energy generation by 2022 and increase it by more than double to 500 GW by 2030. To meet this objective, it is incentivising the renewable energy sector by:

- Allowing 100% Foreign Direct Investment (FDI) through the automatic route.
- Providing waiver of charges and losses for inter-state sale of solar and wind power commissioned by December 2022.
- 'Rent a roof' policy to generate 40 GW of power through solar rooftop projects by 2022.
- Developing standard bidding guidelines to aid distribution licensees in procuring solar power at competitive rates and to make the bidding process more transparent.
- Introducing the Central Public Sector Undertaking (CPSU) Scheme Phase-II with an aim to develop 12 GW of solar power capacity to be procured for government producers using locally manufactured solar cells and modules.
- Lowering the maximum tariff allowed under the CPSU Scheme Phase-II from ₹ 3.5 per kWh to ₹ 2.8 per kWh by the Ministry of New and Renewable Energy (MNRE) to make solar energy more cost competitive.

Key renewable energy targets of different countries



Map not to scale. For illustrative purposes only.

Increasing significance of renewable energy

The global renewable energy industry is primed to enter a new phase of growth, driven largely by the above policies, increasing customer demand, cost competitiveness, and innovation. Renewables are projected to account for more than 50% of the total power generation by 2035, marking a clear trend break from historical fossil fuel-based generation. Even as hydropower accounts for a large chunk of total power generation, solar and wind energy have dominated new capacity additions for the past few years. Solar and wind are rapidly gaining share in the capacity mix and have already accounted for more than half of net capacity additions in the past few years, the McKinsey Report stated.

Global Solar Power Industry – An Overview

Solar energy – Energy of the Future

Among the renewable sources of energy, solar energy is a promising and freely available energy source for managing long-term issues in an energy crisis. Solar energy continues to be more cost-effective, installation efficient, with lower maintenance compared to other energy sources. It is also superior in terms of availability, accessibility and capacity. It is non-polluting and helps in reducing the greenhouse effect, compared to other renewable energy sources. It possesses the capacity to reduce our dependence on non-renewable sources of energy and make the environment cleaner.

Technological advancements are playing a key role in transforming the solar power industry. Technologies such as the Internet of Things (IoT) and data analytics are facilitating superior plant performance, lower operating costs, and economies of scale to make solar projects more viable and profitable. Data-driven remote monitoring and predictive analytics are providing preventive detection of faults, degradation and component failures, lowering plant downtime and enhancing energy output. Bifacial modules are enabling the industry to harness more solar energy, while floating solar is helping it overcome land acquisition challenges. Additionally, storage battery technology is making it possible to overcome the challenge of intermittent power supply.

Benefiting from the above mentioned technologies, the share of solar energy in total global power generation has trebled from 2% in 2012 to 6% in 2018. Furthermore, annual solar PV installations have seen a healthy growth of 21.8% CAGR from 2012 to 2018. In 2019, installations outside of China grew by as much as 53% in the backdrop of increasing cost competitiveness and enhancements in battery storage capacities. Among the renewables, solar energy has witnessed significant traction over the past few years.

Key enablers for this strong growth are:

- The declining cost of solar energy due to a substantial drop in solar PV components costs.
- Supportive government policies with well-established targets and commitments to increase the share of renewable energy in the total electricity mix.
- Lower capex compared to conventional power plants due to efficient and scalable installation process coupled with lower maintenance costs.
- Improved commercial viability owing to significant advancements in solar energy storage technologies.

Key trends supporting growth of Solar Energy

Solar + Storage

Consistently increasing capacity of battery energy storage and rapidly declining battery costs are enabling the industry to provide a smooth power supply even in the off-peak times. Solar + storage has significantly improved the economic viability of solar PV plants and has paved the way for its superior adoption over conventional energy sources.

Prosumers

With the advancement of solar + storage, rooftop solar, smart metering, and developments in two-way grid connections, a new model of 'smart prosumers' - people who both produce and consume energy, is emerging. The model enables consumers to supply excess energy back to the utilities and earn revenue streams while facilitating a higher generation of solar power and lowering reliance on conventional sources.

Energy as a Service

Under the Energy-as-a-Service (EaaS) model, service providers rent solar systems to consumers on a contractual basis, helping them to circumvent high upfront costs and maintenance costs. The model also helps in removing uncertainties around energy costs in the future, thereby incentivising consumers to opt more for solar power, and in turn, provide growth impetus to the solar industry.

Regulatory support – Aiming for a higher share of clean energy

By the end of 2019, global PV plants effectively reduced global CO_2 emissions by 1.7% and saved as much as 720 million tonnes of CO_2 equivalent. While solar energy is contributing to the decarbonising energy mix, its share in the overall energy mix needs to be significantly enhanced to meet targets defined during the COP21 Paris. Recognising solar energy's inherent strengths and need to increase its share in the energy mix, governments across the world have been promoting higher capacity additions of solar energy through policy supports such as fixed feed-in tariffs, competitive tenders, tax credits, and net-metering.

Key solar energy targets set by countries across the world

South Africa
1.59 GW - 2020

Nigeria
2 GW - 2020

Queensland (Australia)
3 GW - 2020

France
20.6 GW - 2023

India
100 GW – 2022

Indian solar energy industry has displayed a formidable growth in the last decade with capacity increasing from just 10 MW in 2010 to 35.6 GW (35,600 MW) by CY 2019. It further increased its share in total installed power capacity from 7.9% in CY 2018 to 9.6% in CY 2019, while accounting for 26.7% of all renewable energy in the country.

Source: Mercom India

The strong growth witnessed by the Indian solar industry can be attributed to:

- Increasing price-competitiveness of solar energy.
- Suitable climatic conditions of India with 240-300 sunny days.
- Low-cost advantage with sufficient availability of skilled labour.
- Complementary central and state government policies.

Owing to solar energy's advantages over other energy sources, the Government of India launched several schemes to trigger and sustain the industry's growth. A few of its supportive initiatives are:

- **National Solar Mission:** To establish India as a global leader in solar energy using a three-phase approach, it plans to increase solar power generation capacity to 100 GW by 2022.
- **Green Corridor:** To facilitate integration of large scale renewable generation capacities through Intra-state Transmission System in India.
- **Letter of Credit (LC) Mechanism:** Mandatory adequate LC provisioning by distributor companies to ensure prompt payments to power producers. This has alleviated payment delay concerns faced by the independent power producers, boosting investor confidence.
- **Electricity Amendment Bill:** The proposed amendments in the Electricity Act will increase the electricity tariff exponentially, making solar energy more cost-competitive.
- **PM - KUSUM Policy:** This is aimed at enhancing farmers' energy independence and incomes, and to de-dieselise the farm sector. The scheme has been expanded to cover 20 lakh farmers for setting up standalone solar pumps.
- **The MNRE Solar Park Policy:** This aims at setting up 50 Solar Parks by FY 2021-22, with a total capacity of 40 GW. The government has modified the existing scheme by easing constraints related to the availability of land and evacuation infrastructure, alleviating one of the biggest challenges faced by the industry.
- **Promoting Floating Solar:** This is aimed at bypassing legacy land-acquisition challenges faced by the industry. The government has awarded floating solar projects of 150 MW each in Uttar Pradesh and Jharkhand, and another 200 MW in Uttarakhand.

  Additionally, in a bid to provide further growth impetus to solar energy, the government took the following steps:

- Promoted rooftop solar systems through regulatory intervention.
- Established a tariff-based competitive bidding process for solar power procurement.
- Established quality standards for solar photovoltaic components.
- Mandated 10% renewable energy in smart cities development guidelines.
- Accorded infrastructure status for solar projects.
- In the process of acquiring and evacuating land across Indian railway lines to attract higher participation by international developers in project biddings.

26.7%

Solar power's share in India's total renewable energy mix

Increasing investments by Oil & Gas players in Clean Energy

Oil & Gas companies worldwide are increasingly focussing on diversifying their business into renewable and clean energy sources in a bid to reduce their contribution to global carbon emission. Additionally, the global automotive industry, a major customer of Oil & Gas companies, is undergoing a rapid transition from conventional IC engines to electric vehicles and shared mobility. This is expected to weigh down the future demand for oil and gas consumption, and trigger higher demand for alternative energy sources, such as solar. Backed by structural advantages of a clean, efficient and competitive energy source, strong regulatory support, and globally competitive tariff, the solar energy industry is well poised to continue its strong growth momentum for the next two decades.

Solar Engineering, Procurement & Construction (EPC) Industry

The Global EPC industry in recent years has witnessed a substantial growth led by significant traction in both utility-scale and rooftop solar projects. The large-scale utility and industrial installations across the globe have witnessed a significant upsurge. This is largely on the back of favourable policy support, ambitious regulatory targets set by major economies, and cost competitiveness, led by energy optimisations and technological advancements. Rooftop installations, too, have exhibited strong growth in the emerging economies due to financial benefits such as net metering schemes and subsidies.

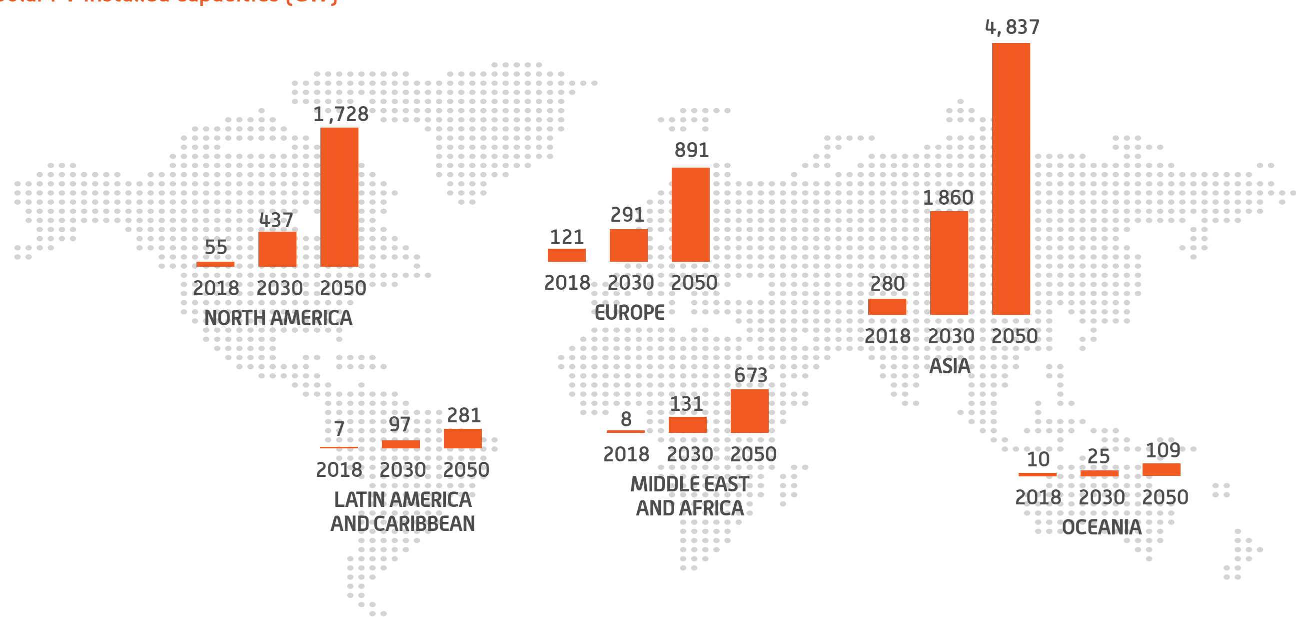
In CY 2019, even as the EPC industry continued to face intense competition, the non-residential PV market outside of China registered a growth of 37%. The growth was primarily led by strong traction witnessed in Spain, Vietnam, Latin America, and Australia. Europe is estimated to have installed 23 GWp in 2019, registering a record growth of 88% over the previous year. It was primarily driven by low modules pricing, competitive tariffs, steady growth of distributed PV, and carefully managed government policies.

India continued to experience growth in its non-residential PV installations as it recorded solar installations totalling 3.2 GW and cumulative installed solar capacity exceeding 22.3 GW at the end of the first half of CY 2019. The industry witnessed a shift to larger EPC players as top 5 integrators commanded 37% of the market share. The Indian EPC industry continued to face high competition on pricing throughout the project value chain. Additionally, safeguarding tariffs on modules is hindering EPC contractors from pricing the services right.

The supply chain continues to remain volatile due to the outbreak of the COVID-19 global pandemic. Global research organisations have forecasted a decline in solar PV installations in 2020 due to the restrictions in movement of people, a halt in contract negotiations, and sluggishness in new project bids observed in major economies.

However, a long-term trend for the EPC industry remains positive due to structural demand in higher capacity additions in solar PV installations. As per the Wood Mackenzie report, solar PV annual installations are expected to recover to pre-COVID levels of 130 GW per year beyond 2021. It forecasts 5% compounded growth in annual global solar PV capacity addition to reach 143.2 GW by 2025.

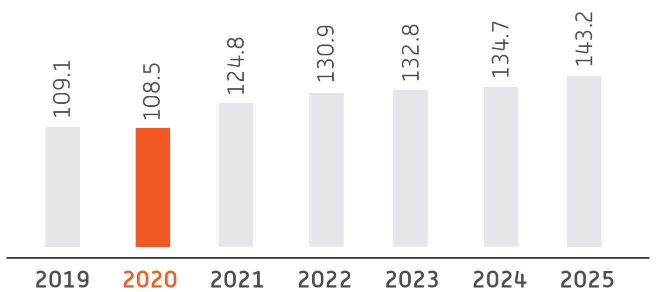
Solar PV installed capacities (GW)



Sources: Historical values based on IRENA's renewable energy statistics (IRENA,2019c) and future projections based on IRENA's analysis (2019a).

Map not to scale. For illustrative purposes only.

Annual Global Solar PV Capacity Addition (GW)



Source: Wood Mackenzie – 2019 global PV Operations & Maintenance Report

Solar Operations & Maintenance Industry

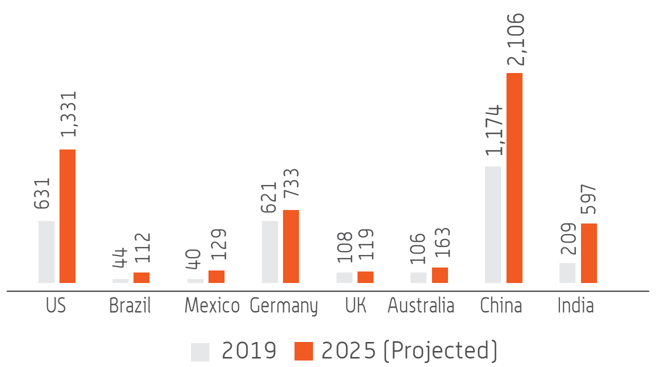
The global solar Operations & Management (O&M) industry witnessed a robust performance in 2019 with major economies exhibiting notable annual growth in O&M capacities. The US and Europe exhibited a growth of 21% and 40%, respectively, whereas Australia displayed a much higher growth at 121%. India too witnessed encouraging growth in O&M capacity additions at 25%. The higher growth was on account of sustained structural demand for O&M services with consistently increasing solar PV capacity additions.

The largest 15 global O&M service providers added 21.3 GWp cumulatively to their portfolio in 2019, as against 11.5 GWp in 2018, implying a strong growth of 85.2%. While the industry continues to be fragmented, it witnessed consolidation during the year as top 15 service providers commanded a higher market share at 54% as against 51% in 2018. This was owing to competitive strengths enjoyed by large players in terms of size, ability to efficiently execute large projects, economies of scale enabling low-cost operations, and technical capabilities.

The industry is witnessing an increasing trend of EPC solutions providers offering both EPC and O&M services in the same contract and currently command 19% global market share of volume under O&M contracts. This is on account of many EPC players considering O&M as an extension of their EPC services and recognising superior revenue visibility provided by long-term O&M contracts. Additionally, centralised automation, monitoring, and troubleshooting capabilities, predictive data analytics, and advanced technologies such as robotic cleaning are enabling the superior integration of O&M services with EPC services.

The O&M market holds significant growth potential backed by the essential nature of O&M operations which ensures uninterrupted and optimum solar energy output and structural growth impetus for higher solar PV capacity additions. Furthermore, ageing solar assets, particularly in the European region, represent significant growth opportunities for the industry, moving ahead.

Solar O&M opportunity in the global markets (In US$ million)



Source: Wood Mackenzie – 2019 global PV Operations & Maintenance Report

25%

Growth in O&M capacity additions in India

1,177 MWp, Abu Dhabi, UAE

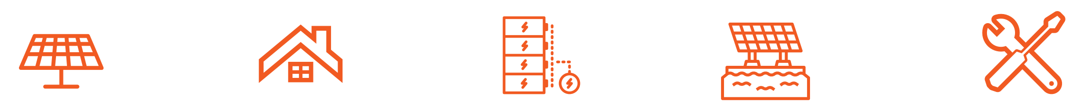
COMPANY OVERVIEW

Summary

Sterling and Wilson Solar Limited (hereafter referred to as 'The Company') is one of the leading end-to-end solar engineering, procurement and construction (EPC) solutions provider globally. Backed by strong parentage of the Shapoorji Pallonji Group (SP Group), the Company ranks among the world's leading players in the solar EPC business.

61 MWp solar plant in Jordan

The Company offers a complete range of customised solutions for solar power projects – right from Concept to Commissioning.



Utility-scale solar projects

Rooftop projects

Solar and Energy storage

Floating solar

Operations & Maintenance (O&M) services

End-to-end capabilities

The Company's strength lies in its end-to-end capabilities that have enabled it to become a comprehensive and trusted EPC solutions provider across the globe.

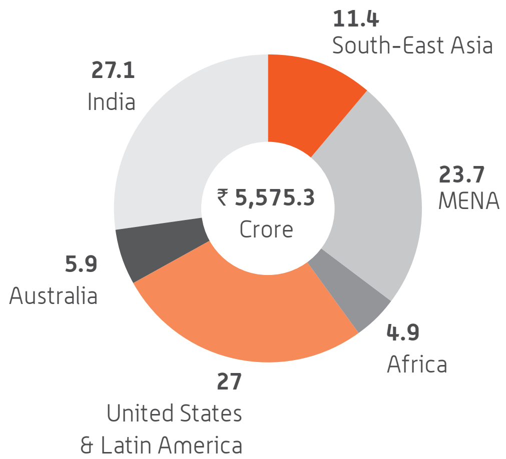
- **Design and Engineering:** An in-house team of 186 competent and dedicated engineers and designers, which enables the Company to provide innovative, efficient and cost-effective solutions to challenging problems.
- **Procurement:** A comprehensive quality management system that ensures a selection of vendors that follow the highest quality standards and have a strong reputation and financial strength.
- **Inspection & Audit:** A 3-stage audit process of the vendor's facility, along with pre-shipment inspection, ensuring delivery of best-in-class solar components.
- **Construction:** Final inspection and testing of constructed plants to ensure design objectives are met while adhering to the highest safety standards.
- **Field quality monitoring:** Efficient tracking of under-constructed plants through a centralised monitoring system, ensuring quality delivery while maintaining timelines.
- **O&M services:** Long-term O&M services for both own customers, and third-party projects ensuring smooth flow of operations, prompt corrective measures and superior yield output.

Aggregate Capacity (MW PV)

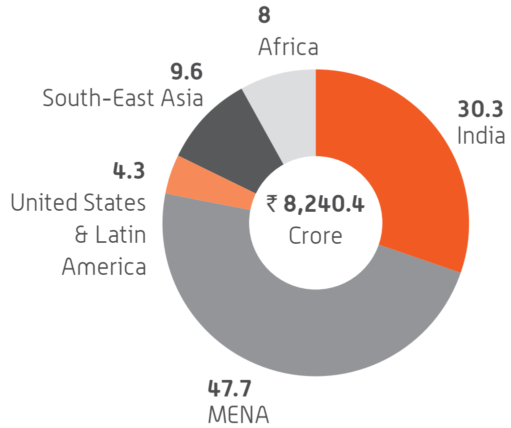
Business Division	FY 2019-20	FY 2018-19
EPC	10,134.20	6,732.06
- Installed	6,661.42	5,133.24
- Under Installation	3,472.78	1,598.82
O&M	7,467.97	5,557.89

Revenue, order book and capacity break-up in key markets

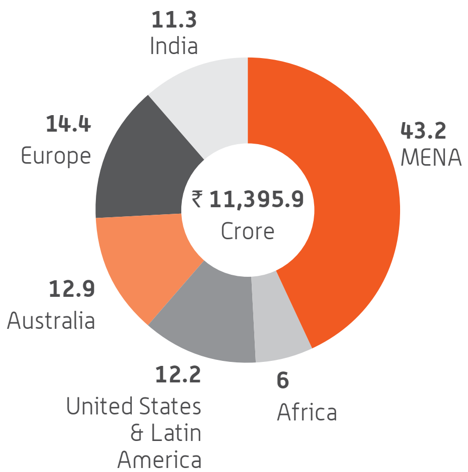
Total Revenue (%) FY 2019-20



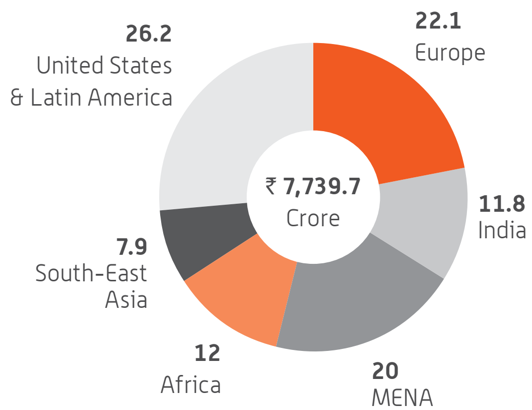
Total Revenue (%) FY 2018-19



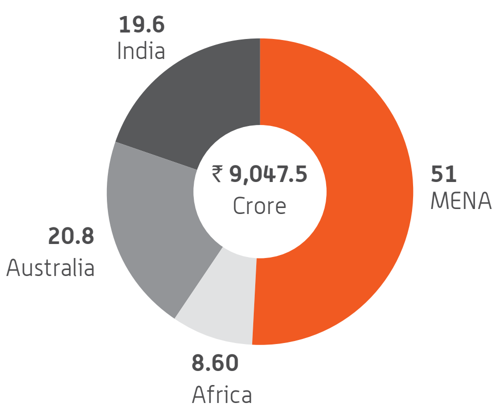
Unexecuted Order Value (%) FY 2019-20



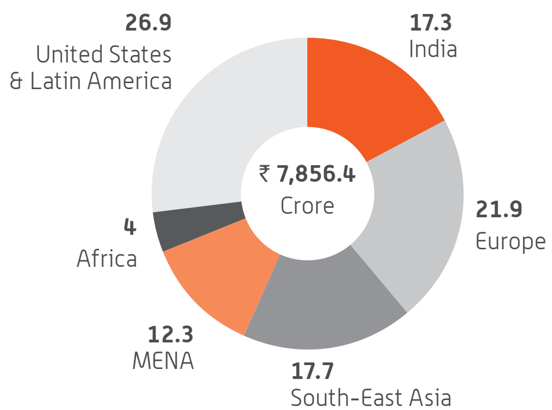
Unexecuted Order Value (%) FY 2018-19



Order Booked (%) FY 2019-20



Order Booked (%) FY 2018-19



Competitive Advantages

While the Company expanded aggressively in the international markets over the past few years, it maintained and improved profitability levels along the way. It has been able to achieve this remarkable feat by deriving its strengths from its differentiated business model and strong competitive advantages.

- **Global diversification:** The Company's strategy to continue expanding in new geographies having high solar resources and conducive solar power policies enables it to achieve revenue growth while mitigating the risk of region-specific business cyclicality. With a presence in 25 countries, the Company leverages its best practices from every region. This has enabled the Company to enjoy expertise in every aspect of business and strengthen its competitive position in every market.
- **Esteemed parentage and global bankability:** SP Group's global presence, industry relationships, project management expertise, and brand reputation benefits the Company in gaining higher market access, and bidding and executing large-scale projects. Nurtured relationships with key stakeholders make the Company a partner of choice for global players in the solar energy value chain.
- **Asset light business model:** Low capital and working capital requirements enable the Company in providing flexible, scalable and customised solutions to varying customer needs. It also enables the Company to respond quickly to changing market conditions.
- **Low-cost advantage and strong execution track record:** A centralised procurement policy helps the Company optimise at every aspect and inculcate efficiency measures, which ultimately leads to cost-competitive solutions. It has strong project management and execution skills backed by a cost-effective global supply chain network, high-quality labour contracting, quality inspection throughout the entire product cycle, and field quality monitoring. Successful execution of complex and large EPC projects enables the Company to retain customers and bag repeat orders.
- **Strong in-house design and engineering capabilities:** A competent team of 186 designers and engineers facilitate the Company in delivering innovative and cost-effective solutions. Its efficient and superior installation skills enable the Company in successfully executing projects even in geographically challenging areas.
- **Technological prowess:** Deploying advanced technologies such as robotic cleaning, centralised monitoring and maintenance systems, preventive and predictive analytics, solar + storage and floating solar enable the Company in delivering innovative, optimised and differentiated solutions to its customers. Furthermore, its Innovation Centre in Rajasthan, India, facilitates testing and analysing futuristic technologies that enable the Company to stay at the forefront of technological developments.
- **Efficient decision-making:** Well-defined and comprehensive internal processes to execute projects within timelines, while maintaining quality standards enable the Company in garnering superior customer satisfaction.

Repeat Orders

Competitive positioning

The Company, today, is recognised as a reliable and trusted partner for Independent Power Producers (IPPs), multinational conglomerates and global lenders backed by its business strengths and end-to-end capabilities. This, in turn, has strengthened the Company's competitive position in the global markets and has opened up new growth opportunities.

Business Segments

The Company operates its business under two divisions:

- EPC
- O&M

EPC Business

The Company is one of the leading end-to-end EPC solutions providers for utility-scale projects in the world. It has emerged as a market leader in Africa and Middle-East.

a. **Utility-scale solar**

The Company offers a complete range of Turnkey and Balance of System (BoS) and Packaged BoS solutions for utility-scale solar power projects. The solutions are completely customised as per clients' needs and market opportunities. Its services include design, engineering, procurement, construction, grid connection, project management and optimal yield. The Company has successfully commissioned the world's largest single-location solar PV plant in Abu Dhabi, with a capacity 1,177 MWp in addition to multiple other landmark projects of 5,484.42 MWp.

b. **Rooftop solar**

The Company forayed into rooftop solar EPC solutions in FY 2016-17 and over the years has commissioned over 60 projects in India and international markets.

c. Floating solar

The Company successfully piloted a floating solar project at Kochi International Airport and has developed technological expertise in the segment to be able to explore emerging opportunities. It continues to invest proactivley in floating solar technology and foresees an excellent opportunity in this space considering land acquisition challenges faced by the industry. Committed to staying at the forefront of the technology, the Company is proactively investing in floating solar.

d. Solar and Energy Storage

Backed by enhancing battery storage capacities and rapidly declining battery costs, energy storage is emerging as a dominant facilitator for round-the-clock renewable energy supply. This is resulting in the accelerated adoption of renewable energy worldwide. The Company foresees a large business opportunity in this segment, considering the potential of Solar + Storage in replacing conventional grid network and fossil fuel sources with continuous solar. It is actively involved in this space since FY 2018-19.

O&M Business

By providing high-quality services and leveraging its excellent track record and superior customer satisfaction levels, the Company has made significant progress in its O&M operations, and today, is amongst the leading O&M solutions providers globally. The Company currently provides O&M services to its existing EPC projects and third-party customers spread across 12 countries, with 47% of the total portfolio being contributed by third-party customers.

The O&M business commands a few inherent strengths – stable revenue streams with annuity-based contracts, superior gross and net profit margin profiles, and higher revenue visibility with the contract having an average tenure of over 5 years. The Company has more than doubled its O&M business in FY 2019-20 by capitalising on inherent attributes of the business and by complementing them well with its highly skilled engineering team, centralised monitoring and maintenance systems, and strong data analytics capabilities.

The Company further adds value to its O&M customers through its internationally certified mobile module testing lab, that was recently launched in India. It facilitates efficient testing of modules at the plant's location, saving developers significant transportation time, costs and hassle. It has a dedicated performance and due diligence team that conducts regular plant performance analysis to recommend preventive measures and optimise plant yield.

Complete Control over Project Lifecycle

The Company has achieved significant customer trust through its execution skills from concept to commissioning of solar projects owing to its full control over the entire project lifecycle.

This includes:

- **Market Evaluation:** The Company identifies and prepares for potential bids by conducting extensive on-ground market research and establishing relationships with local suppliers and subcontractors well in advance and ensures project viability before submitting the bid.
- **Bidding Evaluation, Report Preparation, and Bid Submission:** The Company's business development and tendering team evaluate each opportunity through a comprehensive risk assessment matrix and prepares necessary reports for review and approval of tendering committee. This enables the Company in submitting only growth accretive bids that align well with its long-term business strategy.
- **Selection of suppliers and sub-contractors:** The Company, through a competitive bidding process, selects suppliers with financial strength, good track record and market reputation, ensuring best-in-class supply of components and services.
- **Approvals and finalisation of design:** The Company obtains regulatory approvals and permits and finalises design and technical specifications. This assists the Company in reducing the risks and costs of a project, improving the performance of solar power projects and maintaining the contractually agreed performance ratio.
- **Procurement:** The Company follows a three-step quality management process to ensure high quality and certified components for installations in its projects.
- **Construction, Inspection & Commissioning:** The Company has standardised construction processes that enable project managers and supervisory team to track and monitor the work in progress efficiently and cost-effectively. The project commissioning team conducts a final inspection and testing to ensure adherence to safety standards and agreed-upon performance objectives before handing over the final commissioned plant.

Business Review

Overall Performance

The Company registered a revenue of ₹ 5,575 Crore in FY 2019-20, as compared with ₹ 8,240 Crore reported in FY 2018-19. The EPC business contributed 96.7% to the overall revenue while the rest 3.3% was contributed by O&M business. The lower revenue was on account of sluggishness in new order wins, delay in commencement of certain projects, and the COVID-19 impact on business activities towards the end of the year.

The Company's unexecuted order book stands strong at ₹ 11,396 Crore as of March 31, 2020, up 47.3%, from ₹ 7,739 Crore as of March 31, 2019. Total order inflow for the year stood at ₹ 9,047 Crore as of March 31, 2020. The Company achieved significant customer diversification in this year with further geographical expansion. Customer concentration in terms of revenue contribution has come down from 25.84% in FY 2018-19 to 12.91% in FY 2019-20.

EPC Business

Solar EPC segment delivered revenue of ₹ 5,391.2 Crore in FY 2019-20 as against ₹ 8,145.2 Crore in FY 2018-19.

Key highlights of the segment in FY 2019-20:

- **Australia:** The Company successfully signed 344 MW of projects in Australia. With the continent's regulatory environment becoming more conducive towards renewable energy and the prevalence of high electricity tariff, the commercial viability of solar projects is improving.

  Post its strategic acquisition of GCo, the Company expects itself to emerge amongst the largest players in the growing Australian market.
- **MENA:** During the year, the Company experienced higher competitive intensity, in the Middle East and North Africa (MENA) region. Foreseeing the challenging environment to continue, the Company has strategically shifted its focus to more conducive markets such as the US and Australia, where returns are higher compared to the MENA region.
- **Latin America:** The Company has a strong presence in Argentina and Chile, with projects aggregating 482 MW under construction in Chile. The Company has now become a leading player in South America and is targeting new opportunities in Mexico and Colombia, besides expanding its footprint in Chile.
- **US:** The Company established its operations in the US market in FY 2017-18 by setting up an office and since then, has commissioned 8 projects. Considering the potential market size of 13 GW in US, the Company intends to capitalise on the significant growth opportunity. The Company forsees US to be one of our key growth markets, and aspire be amongst the leading players in the region.
- **Europe:** Besides Australia and US, the Company is committed to expand its operations in Europe in order to lead the global transition towards low-carbon energy. Estimated to be an 8 GW market by 2020, the European market is expected to witness the commissioning of new solar PV capacity addition of about 7 GW each year and emerge as a 28 GW market by 2023. With the weakening financial position of existing EPC players, the market is in dire need for bankable EPC partners. With its strong bankability and well-nurtured relationships with top IPPs in the region, the Company is well poised to win a significant chunk of business every year in this market.
- **India:** The Company continues to maintain a leading position in the Indian market, with 1,290 MW of orders bagged during FY 2019-20. Shorter project timelines led to higher 'book and build' ratio during the year.

O&M Business

The O&M business of the Company delivered robust growth as the revenue almost doubled to ₹ 184 Crore in FY 2019-20 compared to ₹ 94 Crore in FY 2018-19. Its contribution to the overall revenue increased to 3.3% in FY 2019-20 as against 1.1% in FY 2018-19 with an average gross margin of 35-40%.

- Total assets under management grew from 5.5 GW in FY 2018-19 to 7.5 GW in FY 2019-20, implying a healthy growth of 36.36%. Region-wise, India contributed 5.5 GW to the portfolio, with the rest contributed by the international markets.
- The Company's focus on increasing the share of third-party O&M in the overall portfolio yielded good results.
- Committed to providing innovation-driven solutions, the Company deploys advanced technology and equipment including robotic cleaning, centralised monitoring and maintenance systems, and data analytics. Its sophisticated computerised maintenance management system (CMMS) undertakes real-time automated performance analysis, tracks assets and key performance indicators, and generates data-driven performance reports which assist in improving the operational efficiency of the plants.

  The Company engages in advanced drone-based thermography and thermal imaging to identify component failures in advance. This enables it to take preventive and corrective actions promptly. Furthermore, its centralised monitoring systems greatly facilitate in optimising plant maintenance costs and achieve superior yield.

Financial Highlights

(₹ Crore)

Particulars	FY 2019-20	FY 2018-19
Revenue from Operations	5,575.3	8,240.4
Other Income	303.5	209.5
Total Income	5,878.8	8,449.9
Operating Profit (EBITDA)	383.6	688.2
EBITDA margin (%)	6.9%	8.3%
EBIT	369.4	680.4
EBIT Margin (%)	6.6%	8.3%
Net Profit	304.3	638.2
Net Profit Margin (%)	5.5%	7.8%
Cash Generated from Operating Activities	337.7	(723.3)
EPS (₹)	19.3	39.9

Key Highlights for FY 2019-20

- Revenue from operations declined from ₹ 8,240.4 Crore in FY 2018-19 to ₹ 5,575.3 Crore in FY 2019-20 primarily on account of higher revenue base in FY 2018-19 and commencement delays due to COVID-19 led disruptions.
- Efficient project execution coupled with tight control over procurement costs improved gross margins from 11.9% in FY 2018-19 to 12.8% in FY 2019-20.
- The O&M business witnessed good traction as the segment revenue increased from ₹ 94 Crore in FY 2018-19 to ₹ 183.5 Crore in FY 2019-20, implying a growth of 95.8%.
- Other Income increased by 72.2% from ₹ 46.1 Crore in FY 2018-19 to ₹ 79.4 Crore in FY 2019-20, primarily on account of liability written back for closed projects worth ₹ 34.8 Crore.
- Cash generated from operating activities as on March 31, 2020, stood positive at ₹ 337.7 Crore as against negative ₹ 723.3 Crore as on March 31, 2019, due to consistent levels of working capital requirements during the year.
- Since the Company's listing on the BSE and NSE, it has repaid principal part of term-debt to the tune of ₹ 1,706 Crore till March 31, 2020. With this, the Company's net debt to Total Equity stands at 0.68.

Key Financial Ratios

Particulars	FY 2019-20	FY 2018-19
Debtors Turnover	2.84	4.43
Interest Coverage Ratio	0.11	0.06
Current Ratio	0.80	0.85
Debt Equity Ratio	1.14	2.66
Operating Profit Margin	6.9%	8.3%
Net Profit Margin	5.5%	7.8%
Return on Net Worth	25.5%	62.5%

Key Strategies for Growth

The Company continues to focus on strengthening its competitive edge in the global market, identifying new growth opportunities and ensuring profitability while maintaining its cost competitiveness. Key strategies going forward are:

- **Achieve geographical expansion:** The Company pursues strategic geographical expansion by leveraging the global presence of the SP Group, methodically adapting to local market requirements backed by extensive market research.

  The Company is gradually moving its focus from MENA to more conducive and high-potential markets of US and Australia.
- **Strengthen relationships with key stakeholders:** The Company continues to build and nurture relationships with strategic partners and key stakeholders such as engineers, suppliers, consultants and lenders to position itself as a reliable, competent and efficient EPC player. By providing best-in-class and cost-effective services, innovative solutions and adherence to execution timelines while maintaining quality standards, the Company continues to focus on securing repeat orders.
- **Focus on improving efficiency:** The Company leverages its best practices in each market and deploys those at an organisational level. Additionally, through innovative engineering efforts and improvements in internal processes for project execution, the Company endeavours to improve its operational as well as financial efficiency.
- **Focus on expanding offerings:** The Company continues to strengthen its service offerings further by broadening its O&M services in the international markets. Additionally, it also plans to expand its third-party O&M offerings, solar + storage solutions, and floating solar solutions, which are expected to be its key growth drivers providing significant growth opportunities in the future.
- **Global Key Accounts:** Sterling and Wilson Solar Limited is amongst the few companies which can offer solutions to customers in 6 continents. Hence, the Company focusses to work with large global IPP including O&G companies which are present in multiple geographies. For instance, the Company has already worked with 80% of the customers in Australia, in other parts of the world.

Outlook & Opportunities

COVID-19 impact reporting

The Company witnessed sluggishness in revenue recognition, and new order wins towards the end of FY 2020. However, the business activities are in the process of normalising and the supply chains have been fully restored. The Company does not foresee any significant unfavourable impact on its project timelines and costs since most of its projects are safeguarded with force majeure conditions. It has also rolled out a COVID-19 work protocol to ensure employee safety and continuity of business operations.

Furthermore, with solar power becoming cheaper than fossil fuels and more competitive than other renewable sources in many markets, the Company is structurally poised to grow at a healthy rate in the long run.

Geographical outlook

- **Australia:** The Australian government is providing favourable policy support to augment solar PV installations in the country to lower its high dependence on fossil fuels and reduce high prevailing electricity tariffs. With an estimated increase of solar energy contribution from the current 3-4% to 20% by 2030, the Company foresees a significant growth opportunity in Australia.
- **United States:** The US market is expected to exhibit solar PV capacity addition of 113 GW by 2025, as per SEIA. With a significant business potential coupled with the expiry of Input Tax Credits (ITC) in 2021, accelerating faster adoption of solar PV, the Company is well poised to strengthen its foothold in this market.
- **Europe:** The European solar market is estimated to reach 28 GW by 2023, estimated to become much larger than the markets in Australia and US. The Company intends to capitalise on this immense growth opportunity by leveraging its competitive strengths and deep relationships with IPPs in the region.
- **Foray into new geographies:** The Company is targeting to enter newer and relatively untapped markets having high solar resources such as South Korea, Kazakhstan, Uzbekistan, Mexico and Spain, considering the sizeable business opportunities in these regions.

Key Offerings: Future Outlook

A. Solar + Storage

The solar energy storage technology is gaining significant traction worldwide as it is playing a key role in enhancing solar energy penetration in the global energy mix. With augmenting solar PV capacity globally and consistently declining battery costs, the Company expects the demand for solar + storage to increase significantly. As per the Bloomberg NEF report, global deployment of solar + storage is expected to cross 18 GW capacity by 2022 with a majority of this share commanded by US, followed by the Asia Pacific (APAC) region. The Company is well-positioned to capitalise on this growing opportunity by leveraging its capabilities in offering solar + storage solutions.

B. Floating Solar

The global floating solar energy market is estimated to register a CAGR of 30.7% and reach 4,127.57 MW cumulative installed capacity by 2024. Floating Solar is helping the industry by overcoming land acquisition problems, particularly in densely populated areas, and facilitating productive use of water reservoirs located nearby grid connection points. Backed by these structures advantages, the Company foresees a notable growth potential in the segment and continues to proactively invest in technology to be able to capture the emerging opportunities in this segment.

Source: PRnewswire

C. O&M

With the global O&M market projected to reach 34 GW by 2023, the Company foresees a significant growth opportunity in its O&M operations. US and India are expected to command a larger share of this growth potential market at 13.3 GW and 9.8 GW, respectively. The remaining is expected to be contributed by Australia, South East Asia, and Middle East at 2.4 GW, 3.7 GW, and 3.8 GW, respectively.

With the increasing demand for O&M operations, the industry is exhibiting increasing internal competition as well. In this backdrop, the Company endeavours to tap growth by identifying profitable opportunities in the international markets by way of extensive market research and global customer mapping. To further enhance its competitive strengths, it is augmenting its data analytics capabilities to improve preventive maintenance services and plant performance. It has also received the Solar Best Practices Mark from SolarPower Europe, fostering the Company's reputation in delivering transparent and excellent solar services.

34 GW

Installation projected for the global O&M market by 2023

Risk Management

The strong growth and financial performance of the Company have been facilitated by its keen focus on the risk management framework. The Company has developed a comprehensive and robust risk assessment system having clearly-defined internal processes to identify and analyse internal as well as external risks. It also formulates strategies to mitigate or curtail identified risks well within the time bounds to maintain the long-term growth trajectory of the business performance. The Company's risk assessment approach considers risks in different geographies based on existing market presence, market size, growth opportunity and geopolitical risks. The Company reviews its risk management policies and procedures, and the adequacy of its risk management systems regularly.

Risk	Business Impact	Mitigating Measures
Industry Risk	The Company's continuance of business operations depends critically on sustained demand for solar power projects and commercial viability of PV technology. Any adverse developments rendering PV technologies unsuitable may significantly impact the Company's financial performance.	Governments across the globe are promoting a higher share of renewables in a bid to reduce carbon emission levels and combat climate change. Solar energy, having structural advantages over fossil as well as other renewables, has been witnessing increasing traction in new power capacity additions. With a significant drop in solar tariff making it more competitive than even oil and gas in key markets, the demand for solar energy is likely to grow unabated.
Supplier Concentration Risk	The Company's key raw materials are sourced from a limited number of local and global suppliers. Uncertainty of timely supply or unavailability of desired quality components or supply of defective materials may cause delays in project execution or the Company's ability to provide agreed-upon services to customers.	The Company, through its robust risk assessment process, have established relationships with the suppliers with a demonstrated track record of supplying quality materials, and strong financial strength and market reputation. It conducts thorough supplier audits and material monitoring throughout the entire supply chain to ensure quality and delivery timelines are adhered to.
Geopolitical Risks	Being a global company with presence in 25 countries, the Company's overall performance may get adversely affected due to country-specific unfavourable economic, regulatory, social and political developments.	The Company ensures compliance with, environmental, safety, health, labour and other business-related regulations in all the markets it operates. It proactively conducts multi-year and extensive market research, including the regulatory environment of the landscape before bidding for any project in the region. Additionally, its strategy to continually expand in new markets and expand client portfolio assists the Company in lowering geographical concentration risk.
Competitive Risk	Intensifying competition from existing as well new players may adversely impact the Company ability in successfully bidding and winning projects that fit in the Company's profitable growth and business strategy criteria. This may have a material adverse effect on the Company's business and financial condition.	The Company over the years has established a strong global reputation as a reliable EPC player backed by a strong track record of successfully commissioned projects, development and operational capabilities through its technical, design and engineering expertise, and strong financial strength. These strengths, along with deep nurtured relationships with key stakeholders, give the Company a significant competitive edge in bidding and winning solar power projects.
Operational Risk	Inability to accurately estimate costs, failure to maintain contractual quality and performance requirements, and delays in project execution may incur additional costs or stretch working capital requirements of the Company and adversely impact its profitability.	The Company, over time, has strengthened its control over each stage of the project lifecycle from designing, procurement, supplier inspection, construction, field quality monitoring to final commissioning. This with robust internal processes and risk assessment framework, the Company ensures operational efficiency and efficacy, which assists it in mitigating operational risks to a great extent.
Currency Risk	A significant share of revenues being dominated in foreign currency, the Company carries currency translation and transaction risks. Inability to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations may materially impact the Company's liquidity position.	The Company strives to mitigate the currency risk in the contract stage itself for major projects. It has established a robust hedging policy in place following which the Company enters into various derivative and non-derivative instruments to manage risks emanating from exchange rates, interest rates and commodity prices fluctuation.

Health, Safety and Environment

The Company exercises extensive, evolving and increasingly stringent occupational health, safety and environmental practices. Its health & safety management system is at par with global practices and is OHSAS 18001: 2007 certified. The Company has developed practices that are regularly updated and adapted to rules and regulations of the geographies that it operates in. The Company is also working towards adopting ISO 14001:2015 standards. The Health, Safety and Environment (HSE) practices, rules and regulations vary by jurisdiction and address, but its significant focus is on air emissions (particularly greenhouse gases), wastewater discharges, generation, handling, storage, transportation and disposal of hazardous materials and waste, workplace conditions and employee exposure to hazardous substances.

HSE practices are guided by corporate values in the form of HSE policies. There is significant focus on well-being not only for the employees on the payroll, but also to other temporary, associated workforce engaged for project execution through contractors. This entails preventing work-related accidents and occupational illnesses, assessing potential hazards, ensuring comprehensive risk management and creating a healthy working environment. In all its sites across the globe, the Company designs and operates processes in a way that they do not pose any inappropriate risks to the employees, the environment or the neighbouring communities.

Effective safety management is ensured through annual objectives and targets, which are internally monitored. In a recent initiative, every employee is empowered to report any HSE concerns, using an online process, to the Core HSE team. It also intends to achieve carbon neutrality and has signed a consultant to undertake a relevant study and to recommend corrective measures. The Company is continually working to further develop its safety culture, expertise of its employees and globally applicable corporate policies on processes and plant safety, which prescribes uniform processes and standards for identifying risks and establishing safety measures, thus ensuring a comparable safety level at all sites.

The Company intends to achieve carbon neutrality and has undertaken a Carbon Footprint study for the year FY 2020 as a baseline. The Company will define a strategy and roadmap to reduce the overall organisational footprint by taking carbon abatement and reduction targets in the coming years.

Cautionary Statement

In the Management Discussion and Analysis certain forward-looking statements describing the Company's objectives, projections, estimates and expectations, which are subject to several risks and uncertainties. These statements are made within the meaning of applicable laws and regulations and are based on informed judgements and estimates. Actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, changing competitive landscape in both domestic and international markets, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, government policies and regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust.

Your Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. At Sterling and Wilson Solar Limited, the Board of Directors ("the Board") is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of our stakeholders.

The objective of your Company is not only to meet the statutory requirements but to go beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound. Your Company has continually been strengthening its business processes, systems, financial reporting, information security systems, disclosures and standards of ethics.

Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of your Company to the Stock Exchanges and the investors.

BOARD OF DIRECTORS

The Board of Directors are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the Management serves the short and long-term interests of Members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

A. Composition of the Board

The Board has an appropriate mix of Non-Executive and Independent Directors, including a Woman Independent Director, with varied professional background. Independent Directors help to maintain the independence of the Board and separate the Board functions of governance from business management. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on the date of this Report, your Company's Board comprises of 6 (Six) Directors, with 3 (Three) Independent Directors and 3 (Three) Non-Executive Directors. The Chairman is a Non-Executive Director. The details of the Board of Directors along with their shareholding in the Company is as follows:

Name of the Director	Category	DIN	No. of Equity Shares of the Company held	Disclosure of Relationship between Directors inter-se
Mr. Khurshed Daruvala	Promoter, Chairman and Non-Executive Director	00216905	4,12,74,990	NIL
Mr. Arif Doctor	Independent Non-Executive Director	08390169	-	
Mr. Bikesh Ogra	Non-Executive Director	08378235	-	
Mr. Keki Elavia	Independent Non-Executive Director	00003940	-	
Mr. Pallon Mistry	Non-Executive Director, Promoter group	05229734	7,20,000	
Ms. Rukhshana Mistry	Independent Non-Executive Director	08398795	-	

The composition of the Board is in conformity with provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations") and Section 149 of the Companies Act, 2013 ("the Act").

In terms of the provisions of Sections 165 and 184 of the Act and Regulations 17A and 26 of the SEBI Listing Regulations, the Directors present necessary disclosures regarding the positions held by them on the Board and/ or Committees of other public and/ or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company:-

(a) hold directorships in more than 7 public limited companies (listed or unlisted);

(b) is a member of more than 10 Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairperson of more than 5 Committees across all the public companies (listed or unlisted) in which he/ she is a Director; and

(c) are related to each other.

The Board of your Company is of the opinion that the Independent Directors fulfil the condition specified in the SEBI Listing Regulations. The details of each Director alongwith the number of Directorships/ Committee Memberships/ Chairmanships as on March 31, 2020, are provided hereinbelow:

In addition to the aforesaid disclosures and in terms of Schedule V of the SEBI Listing Regulations, the details of directorships and category of directorships in other entities is as under:

Name of Director	Directorships [1]	Name of the Listed Entity where Directorship held	Category of Directorship in other listed entities	No. of Board Committees[2] in which Chairperson/ Member	
				Chairperson	Member
Mr. Khurshed Daruvala	-	-	-	-	-
Mr. Arif Doctor	-	-	-	-	-
Mr. Bikesh Ogra	-	-	-	-	-
Mr. Keki Elavia	9	Britannia Industries Ltd. The Bombay Dyeing and Manufacturing Company Limited Goa Carbon Limited Dai-ichi Karkaria Limited Godrej Industries Limited Grindwell Norton Limited	Independent Director	5	9
Mr. Pallon Mistry	3	-	-	-	-
Ms. Rukhshana Mistry	-	-	-	-	-

Note(s):

(1) Excluding Directorships in private companies, foreign companies and companies which are formed under Section 25 of the Companies Act, 1956/ Section 8 of the Act.

(2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Chairpersonship/ Membership of Committee only includes the Audit Committee and Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted).

Skills/ expertise/ competence of the Board of Directors is given below:

Sr. No.	Skills/ Expertise/ Competence	Comments	Names of the Directors who have skill/ expertise/ competence
1	Industry knowledge and experience	Domain knowledge in business in which the Company participates. Must have the ability to leverage the developments in the areas of engineering and technology and other areas as suitable for the benefit of Company's business	Mr. Khurshed Daruvala Mr. Bikesh Ogra Mr. Pallon Mistry
2	Expertise/ Experience in Finance & Accounts/ Audit	Ability to understand financial policies, accounting statements, disclosure practices and contribute to the financial policies/ practices of the Company	Mr. Khurshed Daruvala Mr. Keki Elavia Ms. Rukhshana Mistry
3	Expertise/ Experience in Risk Management areas	Knowledge of Risk management policies/ practices of the Company and ability to provide necessary guidance to mitigate the risks across the geography of operations of the Company	Mr. Khurshed Daruvala Mr. Bikesh Ogra Mr. Keki Elavia Mr. Pallon Mistry
4	Planning and Strategic expertise	Guiding in planning and decision making to survive uncertain circumstances	Mr. Khurshed Daruvala Mr. Bikesh Ogra Mr. Pallon Mistry
5	Governance including legal compliance	Supports the Company's governance policies/ practices. Possesses an understanding of the relevant laws, rules, regulation and policy.	Mr. Arif Doctor Mr. Keki Elavia Ms. Rukhshana Mistry

B. Detail(s) of Directors

All Directors, except the Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting ("AGM") each year and, if eligible, offer themselves for re-election.

In compliance with Regulation 36(3) of the SEBI Listing Regulations, the brief resume, expertise in specific functional areas, disclosure of relationships between Directors inter-se, details of other Directorships, Membership in Committees of Directors of other listed companies and shareholding in the Company, of the Director(s) proposed to be appointed/ re-appointed are given in the Notice convening the ensuing AGM.

C. Details of Meetings of Board of Directors and Annual General Meeting held during the period under review, along with attendance of Directors

The Board meets at regular intervals and at least four times a year to decide on strategies, policies and review the financial performance of your Company. The next meeting of the Board is decided in the previous meeting to facilitate the Directors to plan their schedules accordingly. Additional meetings are held, if deemed necessary, to conduct the business.

Video-conferencing facilities are made available to facilitate Directors travelling abroad or present at other locations, in case they wish to participate in the meetings. The same is conducted in compliance with the applicable laws.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director.

With a view to leverage innovation and technology and reduce paper consumption, your Company has adopted a web-based application for transmitting the Board and Committee agenda and draft minutes. The Directors of your Company receive the Agenda in electronic form through this application, which can be accessed through browsers or iPads. The application meets high standards of security and integrity for storage and transmission of Board/ Committee Agenda and draft minutes in electronic form.

Information placed before the Board

All the information that is required to be made available to the Directors in terms of provisions of the SEBI Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board.

Actions taken/ status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

Number of Board Meetings:

The Board met 9 (Nine) times during the Financial Year 2019-20 on April 01, 2019, June 11, 2019, June 28, 2019, July 22, 2019, August 10, 2019, November 14, 2019, December 31, 2019, February 12, 2020 and March 16, 2020.

The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India. The necessary quorum was present for all the meetings.

Details of Directors forming part of the Board as on March 31, 2020 along with the attendance of each Director at the Board meetings and AGM are as follows:

Name of the Director	Attendance at	
	Board Meeting	AGM
Mr. Khurshed Daruvala	8	Yes
Mr. Arif Doctor	8	Yes
Mr. Bikesh Ogra	8	Yes
Mr. Keki Elavia	8	Yes
Mr. Pallon Mistry	8	Yes
Ms. Rukhshana Mistry	9	Yes

D. Independent Directors

The Independent Directors bring an independent judgment to the Board and play an essential role in ensuring transparency in the working mechanism of the Company.

The Independent Directors of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Regulation 16(1)(b)& 25(8) of the SEBI Listing Regulations and are independent of the management. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

Separate meeting of Independent Directors

In compliance with Regulation 25(3) of the SEBI Listing Regulations and Schedule IV to the Act, the Independent Directors met once during the year, on March 16, 2020 without the presence of Non-Independent Directors or Management representatives. The Independent Directors, *inter alia*, discussed the following:

1) Reviewed the performance of:
   (a) Board as a whole;
   (b) Non-Independent Directors; and
   (c) Chairman of the Company

2) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present for the meeting.

E. Board Induction, Training and Familiarisation

An appointment letter is issued to the Independent Directors of the Company setting out the terms of appointment, role, rights, duties and responsibilities is issued to the Independent Directors at the time of their appointment along with a set of documents such as snapshot of the Company, its major activities, Corporate presentations etc., which enables him/ her to have an adequate and fair idea about the Company, its Board of Directors, the Management, various Codes of Conduct and Policies applicable to the Company etc.

Your Company through its senior managerial personnel/ officials conducts programs/ presentations to familiarize the existing Directors as well as new Directors with the strategy, operations and functions of the Company. Such programs/ presentations provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Board has adopted a Policy on Familiarization Programme for the Independent Directors which aims to provide significant insight into the business of your Company. The details of the Familiarisation Programmes for Independent Directors are also available on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

COMMITTEES OF THE BOARD

The Board has constituted various Committees with an optimum representation of its members and with specific terms of reference in accordance with the Act and the SEBI Listing Regulations. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter/ terms of reference.

The Board has constituted the below mentioned committees:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholders Relationship Committee
d) Corporate Social Responsibility Committee
e) Management Committee

The Committees are represented by a combination of Non-Executive Independent Directors and Key Managerial Personnel of the Company. These Committees play an important role in the overall Management of day to-day affairs and governance of your Company.

The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The recommendations of the Committee(s) are submitted to the Board for its approval. During the year, all recommendations of the Committee(s) were duly considered and approved by the Board.

Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting.

A. Audit Committee

(i) Brief description:

The Audit Committee of the Board of Directors is entrusted *inter alia* with the responsibility to supervise your Company's internal controls and financial reporting process.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the SEBI Listing Regulations.

All the members of the Audit Committee are financially literate and possess expertise in the fields of accounting and financial management.

(ii) Composition:

The Committee comprises of 3 Members out of which 2 are Independent Directors.

Name of Member	Category	Position held
Ms. Rukhshana Mistry	Non-Executive Independent Director	Chairperson
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Member
Mr. Keki Elavia	Non-Executive Independent Director	Member

(iii) Terms of Reference:

The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

The scope, functions and terms of reference of the Audit Committee *inter alia* cover the following matters:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee of the Company;

(c) To obtain outside legal or other professional advice;

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and

(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications/ modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the Company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(u) Reviewing the functioning of the whistle blower mechanism;

(v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(w) To appoint a person having such qualifications and experience as a registered valuer for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities, in such manner, on such terms and conditions as may be prescribed;

(x) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

(y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(bb) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower; and

(cc) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

ii. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

(g) review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(h) Such other information as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

(iv) **Meetings and Attendance during the year:**
During the year under review, the Audit Committee met 7 (Seven) times on April 01, 2019, June 11, 2019, June 28, 2019, November 14, 2019, December 27, 2019, December 31, 2019 (Adjourned meeting), February 12, 2020 and March 16, 2020. These meetings were attended by all the members except Mr. Khurshed Daruvala to whom leave of absence was granted for the meeting held on June 28, 2019.

The Chief Financial Officer is invited to attend meetings of the Committee. The Committee also invites representatives of the Statutory Auditors and Internal Auditors as and when their presence at the meeting of the Committee is considered appropriate.

Ms. Rukhshana Mistry, Chairperson of the Committee was present at the 2nd AGM of your Company held on August 14, 2019, to answer the queries of the Members of the Company.

Mr. Jagannadha Rao Ch. V., Company Secretary & Compliance Officer of the Company acts as the Secretary of the Audit Committee.

B. Nomination and Remuneration Committee:

(i) **Brief description:**
The Nomination and Remuneration Committee of the Board of Directors *inter alia* discharges the Boards' responsibilities of approving and evaluating the compensation plans, policies and programmes for Directors, KMPs, senior management and other employees. It also specifies the methodology for effective evaluation of performance of the Board, its Committees and individual Directors.

The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations.

(ii) **Composition:**
The Committee comprises of 3 Members out of which 2 are Independent Directors.

Name of Member	Category	Position held
Mr. Keki Elavia	Non-Executive Independent Director	Chairman
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Member
Ms. Rukhshana Mistry	Non-Executive Independent Director	Member

(iii) **Terms of Reference:**
The broad terms of reference of the Committee, as approved by the Board in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, *inter alia,* include the following:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director). The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(k) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(l) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(m) Administering any employee stock option scheme/ plan, employee stock purchase scheme, stock appreciation rights scheme, general employee benefits scheme and retirement benefit scheme, approved by the Board and shareholders of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme");

(n) Delegating the administration and superintendence of the ESOP Schemes to any trust set up with respect to the ESOP Schemes;

(o) Formulating detailed terms and conditions for the ESOP Schemes including provisions specified by the board of directors of the Company in this regard;

(p) Determining the eligibility of employees to participate under the ESOP Scheme;

(q) Granting options to eligible employees and determining the date of grant;

(r) Determining the number of options to be granted to an employee;

(s) Determining the exercise price under the ESOP Scheme;

(t) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(u) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.

(v) Performing such other activities as may be delegated by the Board of Directors and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and

(w) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(iv) Meetings and Attendance during the year:

During the year under review, the Committee met 3 (Three) times on June 11, 2019, July 22, 2019 and October 03, 2019. These meetings were attended by all the members except Mr. Keki Elavia to whom leave of absence was granted for the meeting held on July 22, 2019.

Mr. Keki Elavia, Chairman of the Committee was present at the 2nd AGM of your Company held on August 14, 2019, to answer the queries of the Members of the Company.

(v) Nomination and Remuneration Policy:

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of this Committee, adopted a Nomination and Remuneration Policy, to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

The said policy is available on the website of the Company i.e. www.sterlingandwilsonsolar.com

Remuneration to Directors:

In terms of the provisions of the Act and in line with the provisions of Articles of Association of your Company, the Non-Executive Directors including Independent Directors are paid sitting fees on a uniform basis for attending various meetings of the Board and the Committees thereof.

Name of Director	Sitting Fees[1] paid (Amount in ₹ Lakhs)
Mr. Khurshed Daruvala	13.95
Mr. Arif Doctor	8.00
Mr. Bikesh Ogra	8.00
Mr. Keki Elavia	14.25
Mr. Pallon Mistry	8.70
Ms. Rukhshana Mistry	15.20
Total	**68.10**

Note(s):

(1) Gross amount (without deducting TDS).

They are also eligible to receive remuneration by way of commission as the Board may decide from time to time. No Commission was paid during the Financial Year 2019-20.

The Non-Executive Directors/ Independent Directors do not have any material pecuniary relationship or transactions with the Company.

(vi) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company has prescribed the following evaluation criteria for performance evaluation of Independent Directors of the Company:

(a) act objectively and constructively while exercising their duties;

(b) exercise their responsibilities in a bona fide manner in the interest of the company;

(c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;

(d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

(e) refrain from any action that would lead to loss of his independence;

(f) inform the Board immediately when they lose their independence;

(g) assist the company in implementing the best corporate governance practices;

(h) strive to attend all meetings of the Board of Directors and the Committees;

(i) participate constructively and actively in the committees of the Board in which they are members;

(j) strive to attend the Board, Committee and general meetings of the company;

(k) keep themselves well informed about the company and the external environment in which it operates;

(l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest; and

(n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

C. Stakeholders Relationship Committee:

(i) Brief description:

The Stakeholders Relationship Committee is *inter alia* entrusted with the responsibility of resolving the grievances of the security holders of the Company including complaints related to non-receipt of annual report, non-receipt of declared dividends, general meetings etc.

(ii) Composition:

The Committee comprises of 3 Members out of which 1 is an Independent Director.

Name of Member	Category	Position held
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Chairman
Mr. Pallon Mistry	Non-Executive Director	Member
Ms. Rukhshana Mistry	Non-Executive Independent Director	Member

(iii) Terms of Reference:

In terms of the applicable provisions of the Act and Regulation 20(4) read with Part D of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the Committee *inter alia* cover the following matters:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/ transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) Giving effect to all transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(e) Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services; and

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/ provided under the Companies Act or SEBI Listing Regulations or other applicable law, or by any other regulatory authority.

(iv) Meeting and Attendance during the year:

During the year under review, the Committee met 2 (Two) times on November 14, 2019 and March 16, 2020. All the members were present at the said meetings.

Mr. Khurshed Daruvala, Chairman of the Committee was present at the 2nd AGM held on August 14, 2019 to answer the queries of the Members of the Company.

(v) **Name and Designation of Compliance Officer**

Mr. Jagannadha Rao Ch. V., Company Secretary is the Compliance Officer of the Company in terms of Regulation 6 of the SEBI Listing Regulations.

(vi) **Shareholders' complaints:**

During the year under review, your Company received total of 6 complaints from the Shareholders all of which were resolved to the satisfaction of the Shareholders. Details of the same alongwith the status thereof as on March 31, 2020, are tabled herein below:

Sr. No.	Particulars	
1	No. of complaints pending at the beginning of the Financial Year 2019-20 [1]	N.A.
2	No. of complaints received during the Financial Year 2019-20	6
3	No. of complaints resolved during the Financial Year 2019-20	6
4	No. of complaints pending to be resolved at the end of the Financial Year 2019-20	-
Total		**6**

Note(s):

(1) The Equity Shares of the Company were listed on the Stock Exchanges on August 20, 2019.

D. Corporate Social Responsibility Committee:

(i) **Brief description:**

The Board of your Company has constituted a Corporate Social Responsibility ("CSR") Committee in terms of the provisions of Section 135 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Act.

The Committee is *inter alia* entrusted with the responsibility of monitoring and implementation of the CSR projects/ programmes/ activities of your Company and also for approving the annual CSR Budget, implementation of CSR projects and other related activities.

(ii) **Composition:**

The Committee comprises of 3 Members out of which 1 is an Independent Director.

Name of Member	Category	Position held
Mr. Keki Elavia	Non-Executive Independent Director	Chairman
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Member
Mr. Pallon Mistry	Non-Executive Director	Member

(iii) **Terms of Reference:**

The scope and functions of the CSR Committee are in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and terms of reference of CSR Committee *inter alia* includes following:

(a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) To review and monitor the implementation of the corporate social responsibility policy, corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013

(iv) **Meetings and Attendance:**

During the year under review, the CSR Committee met 2 (Two) times on June 11, 2019 and November 07, 2019. All the Members were present at the said meetings.

E. Management Committee:

(i) **Brief description:**

The Board of your Company has constituted a Management Committee for the day to day business activities of the Company which includes issuance of Power of Attorneys and resolution in relation to tenders, management of projects in India and abroad, opening/ closing and operation of Bank Accounts, availing financial assistance from bank(s) and/ or institution(s), opening of branch offices of the Company in various geographies, investment in subsidiaries of the Company and such other miscellaneous matters.

(ii) **Composition:**

The Composition of the Committee is as follows:

Name of Member	Category	Position held
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Chairman
Mr. Bikesh Ogra	Non-Executive Director	Member
Mr. Kannan K.	Manager	Member
Mr. Bahadur Dastoor	Chief Financial Officer	Member
Mr. Jagannadha Rao Ch. V.	Company Secretary	Member

(iii) **Terms of Reference:**

The terms of reference of Management Committee *inter alia* includes following:

1. Issue power of attorney(ies) to authorize the representatives/ employees of the Company in relation to tenders, branch offices(s) or project site office(s) operational requirements, execution and/ or operations of contracts/ projects, excise, customs and shipping matters, financial and taxation matters, matters related to income tax, service tax, sales tax, GST and excise matters and other Central and State laws and such other purposes relating to day to day operations of the Company;

2. Approve issuance of corporate guarantees as may be required in the ordinary course of business of the Company;

3. Approve the opening/ closure of Branch Office(s) of the Company in India or outside India in connection with the business of the Company and to do all such other acts in relation to the Branch Office(s) of the Company;

4. Approve and pass necessary Resolutions relating to following matters:

   a. To open, authorize to operate, modify the operating authorities, issue necessary instructions to banks and close various Bank Account(s) in the name of the Company as per the business requirements;

   b. To transact foreign exchange swaps, options, futures, forwards and any other derivatives, as permissible by the Board of Directors, that may from time to time be used as tools to hedge the Company's interest and foreign exchange exposures arising in the ordinary course of the business of the Company and to approve policies in this regard;

   c. Enter into one or more transactions/ agreements with Banks and/ or Exchange Houses in domestic and international market(s) relating to futures, forward, options, swaps etc., and combination(s) thereof, as per the requirements in the ordinary course of the business of the Company and in accordance with provisions of the Reserve Bank of India Act, 1945 and any other laws as may be applicable and guidelines, notifications, circulars, regulations or approval(s) etc. issued from time to time by any regulatory authority;

   d. To approve borrowing by way of long term or short term loans, inter corporate deposits or any kind of financial assistance and fund and/ or non-fund based working capital credit facility(ies) repayable on demand/ temporary or otherwise, in any currency, from bank(s) and/ or institution(s) and/ or other lenders from time to time and to create charge/ security/ mortgage on the immovable/ movable properties of the Company to secure such loans/ inter corporate deposits/ financial assistance/ credit facility (ies) as may be required in terms of each of the sanctions by the said bank(s) and/ or financial institution(s) and/ or other lenders, subject to an overall limit of ₹ 15,000 Crore (Rupees Fifteen Thousand Crore only);

e. To authorize employee(s)/ representative(s) of the Company for executing various deeds, documents, papers, undertakings as may be required for the purpose of implementing the decision for investment in the shares of subsidiary(ies) (including stepdown subsidiary(ies)) and/ or Joint Venture(s) of the Company, granting loans to them, issuing guarantees or providing any security in respect of financial assistance availed by such subsidiary(ies) (including stepdown subsidiary(ies)) and/ or Joint Venture(s), within the overall limit of ₹ 5,000 Crore (Rupees Five Thousand Crore only), subject to recommendation of the Chief Financial Officer and such other compliances and approvals as may be necessary;

f. To authorise the employee(s)/ representative(s) for the purpose of bidding and execution of the project(s) undertaken in consortium, joint venture and also to authorise the employee(s)/ representative(s) to sign Memorandum of Understanding, Consortium Agreement, Joint Venture agreement, such other documents required to be signed on behalf of the Company and enter into liability against the Company and/ or do any other act on behalf of the Company, required for the above said purpose;

5. Approve all other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

(iv) Meetings:

During the year under review, the Management Committee met 8 (Eight) times on April 02, 2019, June 11, 2019, July 31, 2019, September 09, 2019, November 07, 2019, December 09, 2019, January 07, 2020 and March 09, 2020. The meetings of the Committee were attended by all the members except Mr. Bikesh Ogra and Mr. Kannan K. to whom leave of absence was granted from attending the meetings held on November 07, 2019 and December 09, 2019 respectively.

GENERAL BODY MEETINGS

A. Annual General Meetings:

Details of location, date, time and special resolutions passed in previous two[1] Annual General Meetings of the Company, are tabled here in below:

Financial Year	AGM	Location	Date	Time	Particulars of Special Resolution(s) passed
2017-18	1st	9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai-400 043, Maharashtra, India	September 28, 2018	04:00 p.m.	-
2018-19	2nd	9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai-400 043 Maharashtra, India	August 14, 2019	03:00 p.m.	Revision in remuneration of Mr. Kannan K., Manager with effect from April 01, 2019.

Note(s):

(1) The Company was incorporated on March 09, 2017 and has held 2 AGMs as on the date of this report.

B. Extra-Ordinary General Meeting:

During the year under review, there were 5 (Five) Extra-Ordinary General Meetings of the Company held on April 01, 2019, April 04, 2019, June 10, 2019, June 18, 2019 and July 08, 2019.

C. Postal Ballot:

During the year under review, no resolution was passed through postal ballot.

MEANS OF COMMUNICATION

The means of communication between the Company and the Shareholders is transparent and investor friendly and the Company takes all possible endeavours to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

Financial Results: The quarterly/ half yearly/ annual financial results financial alongwith the Limited Review/ Auditors' Report thereon, as applicable are filed with BSE Limited and the National Stock Exchange of India Limited.

The said results are also published in prominent daily newspapers viz. The Financial Express & Navshakti. The results are also uploaded on the Company's website i.e. www.sterlingandwilsonsolar.com.

Website: The Company's website i.e. www.sterlingandwilsonsolar.com contains a separate dedicated section 'INVESTOR RELATIONS' where shareholder information including official news releases are available. The schedule of analyst/ institutional investor meets and presentations made to them on a quarterly basis are informed to the Stock Exchanges and also displayed on the Company's website.

Corporate Filings: Information to Stock Exchanges is filed electronically on the online portals of BSE Limited i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India i.e. NSE Electronic Application Processing System (NEAPS). The same are also available on the websites of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the Company at www.sterlingandwilsonsolar.com.

SEBI (SCORES): As stated in the SEBI circular dated March 26, 2018, whereby SEBI has issued new policy measures with respect to SEBI Complaints Redress System (SCORES), shareholders are requested to approach the Company directly at the first instance for their grievances.

GENERAL SHAREHOLDER INFORMATION

Your Company has provided the details required under this as a separate section on "General Shareholder Information", which forms a part of this Report.

OTHER DISCLOSURES

a. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

There has been no penalties or strictures imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets, during the last 3 years. Please note that the Equity Shares of the Company were listed on the Stock Exchanges w.e.f. August 20, 2019.

b. Vigil Mechanism/ Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee

Your Company has in place a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of your Company, which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations. This Policy aims to provide an avenue for employee(s) to raise their concerns that could have grave impact on the operations, performance, value and the reputation of the Company and it also empowers the Audit Committee of the Board of Directors to investigate the concerns raised by the employees

During the year under review, none of the personnel has been denied access to the Audit Committee.

The Policy is available on the website of the Company i.e. www.sterlingandwilsonsolar.com.

c. Policy on Related Party Transactions

In terms of the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has framed a Policy on Related Party Transactions to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of your Company and its shareholders and to comply with the statutory provisions in this regard.

The policy is also available on the website of the Company i.e. www.sterlingandwilsonsolar.com.

d. Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large

All the Related Party Transactions ("RPTs") entered into by your Company, during the Financial Year 2019-20, were at arm's length and in the ordinary course of business of your Company. There were no material significant transactions made by your Company with its Promoters, Directors or Management, and their relatives etc. that may have potential conflict with the interest of your Company at large.

e. **Policy for Determining of Material Subsidiary Companies**
In terms of Regulation 16(1)(c) of SEBI Listing Regulations, your Company has one unlisted material subsidiary as on March 31, 2020 viz. Sterling and Wilson International Solar FZCO.

Your Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website and can be accessed at: https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

f. **Commodity Price Risk and Commodity hedging activities**
Your Company does not engage in Commodity hedging activities.

g. **Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**
Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

In addition to the same, your Company also strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, to the extent applicable:

- The Company has separate persons to the post of Chairman and Manager. Your Company does not have a Managing Director or CEO.
- The Chairman, being a Non-Executive Director, entitled to maintain a Chairperson's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- The Internal Auditor reports directly to the Audit Committee in all matters relating to Internal Audit.

h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement**
During the year, your Company has not raised any proceeds through preferential allotment or qualified institutions placement etc. and hence, there are no unutilised issue proceeds during the year under review.

i. **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority**
The Company has obtained a certificate from Manish Ghia & Associates, Company Secretaries, certifying that none of the Directors on the Board of Your Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is enclosed separately at the end of this Report.

j. **Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part**
Total fees of ₹ 91.90 Lakhs has been paid by the Company to BSR & CO. LLP, Statutory Auditors and all the entities in the network firm/ network entity of which the statutory auditor is a part, for all the services provided by them during the year under review.

k. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
Your Company has always believed in providing a safe and harassment free workplace for every individual working in any office through various interventions and practices. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaint Committee (IC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. IC has its presence at corporate office as well as at site locations.

The details of complaints related to Sexual Harassment are provided below:-

Sr. No.	Particulars	No. of Complaints
1	Number of complaints filed during the F.Y. 2019-20	1
2	Number of complaints disposed of during the F.Y. 2019-20	1
3	Number of complaints pending as on end of the F.Y. 2019-20	-

CEO/ CFO CERTIFICATION

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Kannan K., Manager and Mr. Bahadur Dastoor, Chief Financial Officer have reviewed the Audited Financial Statement and Cash Flow Statements for the Financial Year ended March 31, 2020 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

Your Company does not have a CEO and hence the certificate is provided by the Manager of the Company

REPORT ON CORPORATE GOVERNANCE

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the Stock Exchanges and the same are available on their websites. The said reports are also available on the website of the Company i.e. www.sterlingandwilsonsolar.com.

A Compliance Certificate is received from Manish Ghia & Associates regarding compliance of Corporate Governance requirements. The said certificate is enclosed as an annexure to the Directors' Report.

Further, your Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and sub paras (2) to (10) of Part C of Schedule V of SEBI Listing Regulations the same has been disclosed in this Report.

MANAGER-CFO CERTIFICATION

To

The Board of Directors
Sterling and Wilson Solar Limited

(1) We have reviewed the Audited Financial Statements and the cash flow statement of Sterling and Wilson Solar Limited ("Company") for the Financial Year ended on March 31, 2020 and to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on March 31, 2020 which are fraudulent, illegal or violative of the Code of Conduct of the Company.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

(4) We have indicated to the Auditors and the Audit Committee:

I. significant changes in the Company's internal control over financial reporting, during the Financial Year ended on March 31, 2020;

II. significant changes in accounting policies, if any, during the Financial Year ended on March 31, 2020 have been disclosed in the notes to the Financial Statements; and

III. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: June 23, 2020

Kannan K.
Manager

Bahadur Dastoor
Chief Financial Officer

DECLARATION

As provided under the provisions of Schedule II and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the Financial Year ended March 31, 2020.

Place: Mumbai
Date: June 23, 2020

Khurshed Daruvala
Chairman and Non-Executive Director

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Sterling and Wilson Solar Limited
9th Floor, Universal Majestic,
P. L. Lokhande Marg,
Chembur – West,
Mumbai-400043

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sterling and Wilson Solar Limited having CIN: U74999MH2017PLC292281 and having registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai-400043 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Khurshed Yazdi Daruvala	00216905	25/04/2018
2	Mr. Pallon Shapoorji Mistry	05229734	02/08/2018
3	Mr. Bikesh Ogra	08378235	27/03/2019
4	Mr. Keki Manchersha Elavia	00003940	27/03/2019
5	Mr. Arif Saleh Doctor	08390169	27/03/2019
6	Ms. Rukhshana Jina Mistry	08398795	27/03/2019

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Place: Mumbai
Date: June 23, 2020
UDIN: F006252B000367459

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

General Information about the Company

The General Shareholder Information of your Company is provided as under:

(I) THIRD ANNUAL GENERAL MEETING:

Day and date : Wednesday, September 30, 2020

Time : 11:30 a.m.

(II) FINANCIAL YEAR:

Your Company follows April-March as the Financial Year.

Calendar of the Financial Year ended on March 31, 2020:

The meetings of Board of Directors for approval of quarterly/ half-yearly/ annual financial results for the Financial Year ended on March 31, 2020, were held on the following dates:

Sr. No.	Particulars	Date of Meetings
1.	Results for the quarter ended June 30, 2019	N.A.[1]
2.	Results for the quarter and six months ended September 30, 2019	November 14, 2019
3.	Results for the quarter and nine months ended December 31, 2019	February 12, 2020
4.	Results for the quarter and year ended March 31, 2020	June 23, 2020

Note(s): (1) The Equity Shares of the Company were listed on the Stock Exchanges on August 20, 2019.

Tentative Financial Calendar:

The tentative months for the quarterly meetings of the Board of Directors for consideration of quarterly/ half-yearly/ annual financial results for the Financial Year ending March 31, 2020, are as under:

Sr. No.	Particulars	Tentative Months
1.	Results for the quarter ending June 30, 2020	August/September, 2020
2.	Results for the quarter and six months ending September 30, 2020	October/ November, 2020
3.	Results for the quarter and nine months ending December 31, 2020	January/ February, 2021
4.	Results for the quarter and year ending March 31, 2021	April/ May, 2021

Further, the tentative months for the Fourth Annual General Meeting of the Company for the Financial Year ending March 31, 2021 shall be August/ September, 2021.

(III) DIVIDEND PAYMENT DATE:

During the year under review, the Board of Directors declared and paid an interim dividend of ₹ 6/- per Equity Share i.e. 600 percent of the nominal value of ₹ 1/- per equity share for the Financial Year 2019-20 on February 27, 2020.

(IV) STOCK EXCHANGES WHERE SECURITIES OF THE COMPANY ARE LISTED:

Your Company's Equity Shares are listed on the following Stock Exchanges and the necessary annual listing fees have been duly paid to both the Stock Exchanges:

Name and address of the Stock Exchange	Stock/Scrip Code
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	542760
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, BlockG, BandraKurla Complex, Bandra (E), Mumbai - 400051	SWSOLAR

(V) STOCK MARKET PRICE DATA [1]:

The stock market price data and volume of the Company's share traded on the BSE and NSE during the Financial Year 2019-20 were as under:

Month - Year	BSE			NSE		
	High	Low	Close	High	Low	Close
April – 2019[2]	-	-	-	-	-	-
May – 2019[2]	-	-	-	-	-	-
June – 2019[2]	-	-	-	-	-	-
July – 2019[2]	-	-	-	-	-	-
August - 2019	755.50	602.65	609.00	753.45	602.90	609.85
September - 2019	665.00	555.00	623.20	664.85	554.00	624.40
October - 2019	631.50	577.65	585.60	630.05	575.00	584.95
November - 2019	585.50	260.05	305.30	587.75	259.70	305.25
December - 2019	329.95	245.10	322.15	328.00	245.00	323.30
January - 2020	338.25	286.75	293.35	339.45	286.75	293.25
February - 2020	330.00	165.10	166.40	327.95	165.00	166.40
March - 2020	179.00	69.75	76.90	177.00	69.70	77.00

Note(s): [1] Source: BSE and NSE websites.

[2] Equity Shares of the Company were listed on Stock Exchanges on August 20, 2019

(VI) STOCK PERFORMANCE [1]:

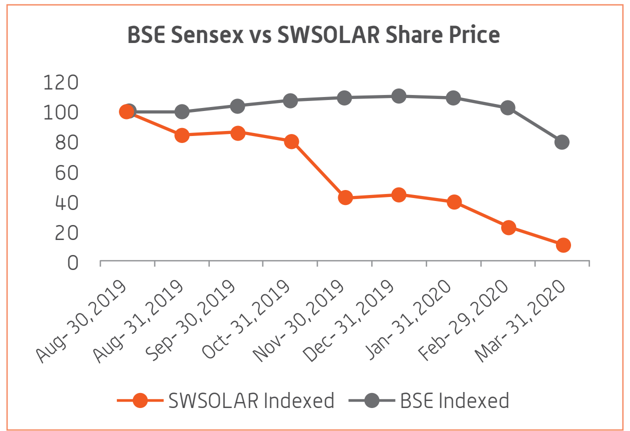
Performance in comparison to broad-based indices viz. NSE CNX Nifty and BSE SENSEX during the Financial Year 2019-20 were as under:

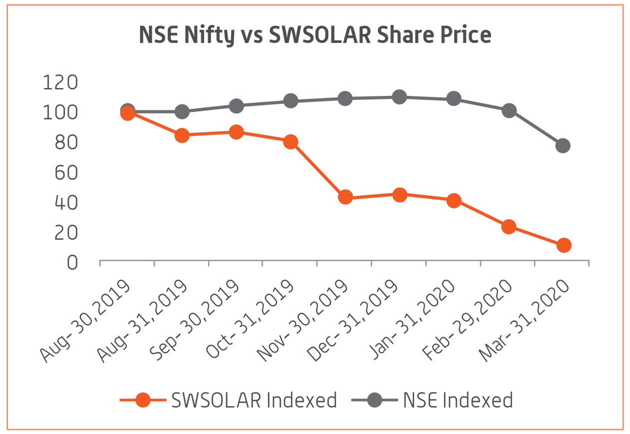
Month - Year	SWSOLAR		BSE		NSE	
	NSE Closing Price	Indexed	SENSEX	Indexed	CNX Nifty	Indexed
August 20, 2019 [2]	726.20	100.00	37,328.01	100.00	11,017.00	100.00
August - 2019	609.85	83.98	37332.79	100.01	11023.25	100.06
September - 2019	624.40	85.98	38667.33	103.59	11474.45	104.15
October - 2019	584.95	80.55	40129.05	107.50	11844.1	107.51
November - 2019	305.25	42.03	40793.81	109.28	12056.05	109.43
December - 2019	323.30	44.52	41253.74	110.52	12168.45	110.45
January - 2020	293.25	40.38	40723.49	109.10	11962.10	108.58
February - 2020	166.40	22.91	38297.29	102.60	11201.75	101.68
March - 2020	77.00	10.60	29468.49	78.94	8597.75	78.04

Note(s): [1] Source: BSE and NSE websites.

[2] Equity Shares of the Company were listed on Stock Exchanges on August 20, 2019

Performance of Company's Equity Share price in comparison to BSE Sensex and NSE Nifty:





Note(s): (1) Base 100: August 20, 2019 i.e. Date of listing of Equity Shares of the Company.
(2) Source: BSE and NSE websites.

(VII) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020:

Range of No. of Shares Held	No. of Shareholders	% of Folios (falling under this range)	Total Shares Held (by Shareholders falling under this range)	% of Shares Held
1 to 500	31523	93.37	21,04,613	1.31
501 to 1000	1013	3.00	7,69,070	0.48
1001 to 2000	544	1.61	8,25,884	0.51
2001 to 3000	201	0.60	5,12,402	0.32
3001 to 4000	108	0.32	3,77,777	0.24
4001 to 5000	69	0.20	3,25,946	0.20
5001 to 10000	135	0.40	9,87,257	0.62
10001 and above	167	0.49	15,44,57,051	96.32
Total	**33,760**	**100.00**	**16,03,60,000**	**100.00**

Category-wise Shareholding Pattern of the Company as on March 31, 2020:

Category	No. of Shareholders[1]	No. of Shares	% of Shares Held
Promoter and Promoter Group	8	12,38,26,180	77.22
Foreign Institutional Investors and Foreign Portfolio Investors	41	1,67,68,568	10.46
Mutual Funds	4	53,28,760	3.32
Individuals	31,190	68,36,499	4.26
Insurance Companies	1	6,41,022	0.40
Body Corporates	321	31,24,009	1.95
Financial Institutions/ Banks	1	83,542	0.05
Central/ State Government(s)	-	-	-
Others	1,739	37,51,420	2.34
Total	**33,305**	**16,03,60,000**	**100.00**

Note(s):

(1) Consolidated on basis of Permanent Account Number (PAN).

(VIII) DEMATERIALISATION OF SHARES AND LIQUIDITY:

As on March 31, 2020, the entire Equity Share Capital of your Company is held in dematerialised form with NSDL and CDSL under International Securities Identification Number ("ISIN") - INE00M201021.

(IX) RECONCILIATION OF SHARE CAPITAL AUDIT:

In terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, Manish Ghia & Associates, Company Secretaries, carry out a quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the respective capital held by the depositories in dematerialised form and the details of changes in the Share Capital during each quarter.

Further, an audit report issued in that regard is submitted to the Stock Exchanges on quarterly basis and the same is also placed before the Board of Directors at their meetings.

(X) OUTSTANDING GLOBAL DEPOSITORY RECEIPTS ("GDRS")/ AMERICAN DEPOSITORY RECEIPTS ("ADRS")/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

There are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments pending for conversion as on March 31, 2020.

(XI) SHARE TRANSFER SYSTEM:

As on March 31, 2020, the entire Equity Share Capital of your Company is held in dematerialised form. Transfers in electronic form are simple and quick as the Shareholders have to approach their respective DP and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

(XII) DISCLOSURES W.R.T. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

As on the date of this report there are no shares lying in the Demat Suspense Account/ Unclaimed Suspense Account.

(XIII) COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS:

a. **Submit Nomination Form**

Shareholders shall register their nominations with their DP to ensure that their shares are transmitted to their respective nominees without any hassles. They must ensure that nomination made is in the prescribed form.

b. **Furnish/ update bank account details**

Shareholders should ensure that correct and updated particulars of their bank account are available with their DP. This would facilitate in receiving direct credits of dividends, refunds etc., and avoid events such as postal delays and loss in transit.

c. **Intimate/ update contact details including e-mail IDs**

In order to receive communications on corporate actions and other information of your Company, the Investors may consider intimating their contact details (including address) and changes therein, if any, with the DP.

d. **Service of documents through electronic means**

Your Company is an ardent believer of the Paperless Green Initiative. Pursuant to Section 101 and Section 136 of the Act, Companies can serve Annual Reports and other communications through electronic mode to those Shareholders who have registered their E-mail address either with the Company or with the DPs. Further, please note that in view of the pandemic Covid-19, MCA and SEBI have issued various circulars allowing companies to send annual report and notice of AGM through electronic mode only. Accordingly, Notice of the AGM along with this Annual Report for the F.Y. 2019-20 of your Company is being sent only through electronic mode to those Members who have registered their e-mail addresses with their respective DPs. Shareholders who have not registered their e-mail addresses so far, are requested to register their E-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically with the DPs.

(XIV) LIST OF ALL CREDIT RATINGS OBTAINED BY THE COMPANY ALONG WITH ANY REVISIONS THERETO DURING FINANCIAL YEAR 2019-20, FOR ALL DEBT INSTRUMENTS OF THE COMPANY:

List of credit ratings obtained by the Company along with any revisions thereto during FY 2019-20 are given below:

Sr. No.	Instrument Type	Size of Issue (₹ In Crore)	Rating Agency	Rating	Revisions, if any	Remarks
1	Commercial Paper	400	Acuité Ratings & Research Limited	ACUITE A1+ (Assigned)	-	There are no outstanding Commercial Papers as at March 31, 2020
2	Commercial Paper	300	India Ratings & Research (Ind-Ra)	IND A1+(RWN)	1. Outlook changed from Stable to Rating Watch Negative (RWN) 2. The ratings assigned on the ₹ 300 Crore Commercial Paper (CP) programme of the Company have been withdrawn on April 09, 2020 and the CPs have been fully repaid.	Request was made by the Company vide Letter dated March 30, 2020 to India Rating for withdrawal of rating w.r.t. for Commercial Paper (CP).
3	Non-convertible debentures (NCDs)	100		IND AA-(RWN)	1. Long- term credit rating of the Company from 'IND AA' to 'IND AA-' 2. Outlook changed from Stable to Rating Watch Negative (RWN)	The NCDs have been redeemed as on December 31, 2019.
4	Fund-based limits	192		IND AA-(RWN)/ IND AA+(RWN)	1. Long- term credit rating of the Company from 'IND AA' to 'IND AA-' 2. Outlook changed from Stable to Rating Watch Negative (RWN)	
5	Proposed fund-based limits[1]	108		Provisional IND AA-(RWN)/ Provisional IND A1+/(RWN)	1. Long- term credit rating of the Company from 'IND AA' to 'IND AA-' 2. Outlook changed from Stable to Rating Watch Negative (RWN)	
6	Non-fund based limits	7,244		IND AA-(RWN)/IND A1+(RWN)	1. Long- term credit rating of the Company from 'IND AA' to 'IND AA-' 2. Outlook changed from Stable to Rating Watch Negative (RWN)	
7	Proposed non-fund based limits[1]	2,456		Provisional IND AA-(RWN)/Provisional IND A1+(RWN)	1. Long- term credit rating of the Company from 'IND AA' to 'IND AA-' 2. Outlook changed from Stable to Rating Watch Negative (RWN)	

Note(s):

(1) The ratings are provisional and shall be confirmed upon the sanction and execution of the loan documents for the above facilities by the Company to the satisfaction of India Ratings & Research.

(XV) PLANTS OF THE COMPANY WITH THEIR LOCATIONS:

Your Company does not have any plant.

(XVI) INVESTOR SERVICE AND GRIEVANCE HANDLING MECHANISM:

A robust mechanism is established by your Company which ensures pro-active handling of investor correspondences and efficient redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA, through its Investor Service Centres which are spread across the Country.

Details of complaints received during the Financial Year 2019-20 alongwith their status as on March 31, 2020 have been disclosed separately in the Corporate Governance Report forming part of this Annual Report.

(XVII) CONTACT ADDRESS FOR INVESTORS:

The Company's dedicated e-mail address for Members' Complaints and other communications is ir@sterlingwilson.com. Since all the Equity Shares of the Company are held in dematerialised mode, Shareholders are requested to address all correspondences with respect to transfer to their respective DPs. Any other correspondences relating to the Equity Shares of the Company to the belowmentioned address of the Company's Registrar and Share Transfer Agent.

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
(Unit: Sterling and Wilson Solar Limited)
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083.
Phone: +91 22 49186000
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered Office

Sterling and Wilson Solar Limited
9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (W), Mumbai - 400043.
Phone: +91 86529 05000
E-mail: ir@sterlingwilson.com
Website: www.sterlingandwilsonsolar.com

Business Responsibility Report

The Company is committed to fulfilling its economic, environmental and social responsibilities while conducting its business. It is conscious of its impact on the society it operates in and has systems to either eliminate or control adverse impact. The Company works towards resource conservation, improving social relations with the community in which it operates and generating economic value. The Company has always taken keen interest in creating sustainable value for all its stakeholders in a responsible manner. Besides, the organisation has been actively enabling the communities (where it operates) in enhancing the quality of life.

This Business Responsibility Report ("BRR") is aligned to the National Voluntary Guidelines ("NVGs") on social, environmental and economic responsibilities of business, released by the Ministry of Corporate Affairs, Government of India. It is also in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), as amended from time to time. The report provides information on the Company's initiatives from an environmental, social and governance perspective, in the format given under the SEBI Listing Regulations.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1.	Corporate Identity Number (CIN) of the Company	:	U74999MH2017PLC292281
2.	Name of the Company	:	Sterling and Wilson Solar Limited
3.	Registered Address	:	Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
4.	Website	:	www.sterlingandwilsonsolar.com
5.	E-mail ID	:	ir@sterlingwilson.com
6.	Financial Year Reported	:	April 01, 2020 – March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	422
8.	List three Key Products that the Company manufactures/provides (as in the Balance Sheet)	:	• Engineering, Procurement and Construction of Solar power generation facilities • Operation and maintenance of Solar power generation facilities
9.	Total number of locations where business activity is undertaken by the Company	:	25 locations across the world
10.	Markets served by the Company: State, National, International	:	All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up capital : **₹ 16.03 Crore**
2. Total Turnover : **₹ 4,900.33 Crore**
3. Total Profit after Tax : **₹ 311.44 Crore**
4. Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%): **The Company spent ₹ 3.41 Crore during FY 2019-20 on CSR activities. This amounts to 1.09 percent of the average net profit (calculated in terms of Section 198 and other provisions of the Companies Act, 2013) in the preceding three financial years.**
5. List of activities in which expenditure (in point 4, above) has been incurred: **The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. During the year under review, the major CSR activities were carried out in the field of Education & skill development, Health & Sanitation and Community & Environment development. The Company has established the following CSR projects in line with its CSR Policy:**

   The major activities include support for academic coaching & infrastructure development, skill training of blind students, providing mid-day meal to school students, setting up of library and language lab, renovation of water tank and toilets, anemia reduction program for adolescent girls, toilet sanitation, providing sage drinking, providing sanitation to farm widows of Amravati school, renovation of old age home etc.

   For detailed information regarding CSR Activities for F. Y. 2019-20 of the Company, you may refer to the Annual Report on CSR activities annexed to the Directors' Report.

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies? **Yes, the Company has 15 subsidiary companies (including step-down subsidiaries) in India and abroad as on March 31, 2020.**
2. Do the subsidiary company /companies participate in the BR initiatives of the Parent Company? **The Company, along with all its subsidiaries, is guided by the Sterling Wilson Code on Business Ethics Policy ("the Code") to conduct their business in an ethical, transparent and accountable manner. It encourages its subsidiaries to carry out Business Responsibility ("BR") initiatives to the extent that they are material in relation to the business activities of the subsidiaries. The BR policies of foreign subsidiaries are in line with their respective local requirements and laws.**
3. Do any other entity/entities that the Company does business with participate in the BR initiatives of the Company? **Other entities such as suppliers, clients and others with whom the Company does its business, are also obligated to adhere to the Code to the extent applicable.**

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

   DIN Number : 08378235

   Name : Mr. Bikesh Ogra

   Designation : Non-Executive Director and Global CEO

   (b) **Details of the BR Head:**

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	08378235
2.	Name	Mr. Bikesh Ogra
3.	Designation	Non- Executive Director and Global CEO
4.	Telephone Number	022-25485300
5.	E-mail ID	swsolarbrr@sterlingwilson.com

2. **Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N):**

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Ethics, Transparency & Accountability P1	Product Life Responsibility P2	Employee Well-being P3	Stakeholder Engagement P4	Promote Human Rights P5	Protection of Environment P6	Policy Advocacy P7	Inclusive Growth & Equitable Development P8	Customer Value P9
1.	Do you have a policy/ policies for?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.
3.	Does the policy conform to any national/ international standards? If Yes, specify? (50 words)	Yes, the policies conform to the principles of NVGs, IFC, the Companies Act, 2013 and International Standards of ISO 9001, ISO 14001, as applicable to the respective polices								
4.	Has the policy being approved by the Board? If Yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.

Sr. No.	Questions	Ethics, Transparency & Accountability P1	Product Life Responsibility P2	Employee Well-being P3	Stakeholder Engagement P4	Promote Human Rights P5	Protection of Environment P6	Policy Advocacy P7	Inclusive Growth & Equitable Development P8	Customer Value P9
6.	Indicate the link for the policy to be viewed online	**All the policies except HR policies can be viewed at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance. HR policies are restricted to employees of the Company and uploaded on Company's Intranet.**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.
8.	Does the Company have in-house structure to implement the policy/policies?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N. A.	Y	Y	Y	Y	Y	Y	N. A.

b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options) - **Not Applicable**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next six months									
5.	It is planned to be done within the next one year									
6.	Any other reasons (please specify)									

Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - **The Management Committee meets to review the BR performance of the Company on need basis.**

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? **This report comprises the Company's 1st Business Responsibility Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report and the same can be accessed on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/financials. The Company will publish the BR Report annually (as part of its Annual Report). The Company currently does not publish a separate Sustainability Report.**

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others? **The Company has adopted the Sterling and Wilson Code of Business Ethics which *inter alia* covers the issues related to ethics, conflict of interest and so on. Every employee of the Company and its subsidiaries are required to mandatorily adhere to the Code. In the case of foreign subsidiaries and Joint Venture, this is applicable in line with the local requirements prevailing in the respective countries of operations. Other entities such as suppliers, contractors etc. with whom the Company does its business, are also obligated to adhere to the Code to the extent applicable.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. – **Nil**

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle – Not Applicable

Principle 3: Business should promote the well-being of all employees

1. Please indicate the Total number of employees. **The Company has a total of 1,286 employees as on March 31, 2020.**

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. **1,334**

3. Please indicate the Number of permanent women employees. **The Company has 117 permanent women employees as on March 31, 2020.**

4. Please indicate the Number of permanent employees with disabilities. **The Company has NIL disabled permanent employees as on March 31, 2020.**

5. Do you have an employee association that is recognized by management? **Not Applicable**

6. What percentage of your permanent employees is members of this recognized employee association? **Not Applicable**

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the financial year
1.	Sexual Harassment	01	Nil

8. What percentage of your under mentioned employees were given *safety* & skill up-gradation training in the last year?

   (a) Permanent Employees: *100%*

   (b) Permanent Women Employees: *100%*

   (c) Casual/Temporary/Contractual Employees: *100%*

   (d) Employees with Disabilities: *100%*

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders? Yes/No – **Yes, the Company has mapped its internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This supports the Company to understand its stakeholders and helps the Company to match their expectations to sustain strong relationships with them. We conduct business professionally to create value for all stakeholders ensuring that we are a responsible partner that serves the wider interests of society.**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. – **Yes, the Company identifies underprivileged communities in and around its business locations and project sites. The Company conducts various activities, which upholds its philosophy and values towards underprivileged communities.**

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. – **The Company has undertaken special initiatives for the development of underprivileged communities in and around its business locations and project sites under its CSR initiatives. For detailed information regarding CSR Activities of the Company, you may refer to the Annual Report on CSR activities for the F. Y. 2019-20 to the Directors' Report.**

Principle 5: Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? – **The Company respects Human Rights and has a dedicated Policy on Human Rights. Through the policy, the Company ensures conformance to the fundamental labour principles including the prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operations. The Policy is extended to the Group/ its subsidiaries/ Joint Ventures/ Suppliers/ Contractors.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? – **Nil**

Principle 6: Business should respect, protect and make effort to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others. **The Environment Health and Safety ("EHS") policy covers the Company, its Contractors & other relevant stakeholders.**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. **The Company ensures appropriate Due Diligence to obtain baseline environmental information, e.g. guided by an Environmental Impact Assessment done before new projects to ensure implementation of relevant mitigation measures towards protection and preservation of the Air, Water and Land impacts, including Biodiversity and Waste Management measures, demonstrating our conscious execution of projects in consideration of the environmental requirements and legal obligations. Our Company also has embarked on a Green House Gas exercise to benchmark the global Carbon Footprint over the F.Y. 2019-20 as a baseline and defining a strategy with a roadmap to reduce the organisational footprint by taking carbon abatement and reduction targets for the coming years.**

3. Does the company identify and assess potential environmental risks? **Yes**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? **Not Applicable**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. **The Company implements several small-scale projects towards Reduce-Reuse-Recycle like Water recycling, Rainwater harvesting, Tree Plantation/Landscape Management etc.**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? **Being a Solar EPC Company, the Company is exempt from this requirement.**

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. **The Company has not received any show cause/ legal notices either from CPCB or SPCB which is pending as on March 31, 2020.**

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes, the Company is a member of the Bombay Chamber of Commerce and Industry.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) – **Not Applicable**

Principle 8: Business should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof. **Pursuant to the CSR Policy adopted by the Board as prescribed in Schedule VII to the Companies Act, 2013, during the year under review, the major CSR activities were carried out in the field of Education & skill development, Health & sanitation and Community & Environment development.**

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? **The Company partners with NGOs and Government organizations to leverage synergies in delivering community development initiatives under the abovementioned focus areas. Encouragement is given to employees to volunteer for cause of choice in pre-defined aspects that are aligned to community development initiatives.**

3. Have you done any impact assessment of your initiative? **The Company undertakes impact assessment on a continuous basis and monitors gains to the community arising out of all its CSR activities.**

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken. **The Company's direct monetary contribution to community development projects in F. Y. 2019-20 was ₹ 3.41 Crore. An Annual Report on details of projects undertaken as CSR activities is annexed in F. Y. 2019-20 to the Director's Report.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. **The Company has taken adequate steps to ensure that the development initiatives are successfully adopted by the community. The process of community engagement begins right from business development stage, to projects and operations stage. The Socio-economic study and baselines form the basis for identification of prioritized needs, followed by program planning with help of external experts. Every year, the Company implements programs with prior community consultation through teams. Based on previous year development, CSR plans have been developed and implemented to reach 25,703 beneficiaries across Pan India.**

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. **There are no material customer complaints or consumer cases pending as of end of F. Y. 2019-20. Also, the Company is not providing / selling its services / products to end consumers.**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information) - **Not Applicable**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. **In the last five years, no such case has been filed against the Company on the above referred matters.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends? - **Not Applicable, since the Company is not providing / selling its services / products to end consumers.**

Independent Auditors' Report

To the Members of
Sterling and Wilson Solar Limited

Report on the Audit of the Standalone financial statements

QUALIFIED OPINION

We have audited the standalone financial statements of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Namibia, Philippines, Vietnam and Zambia (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of branch auditors on financial information of such branches as were audited by the branch auditors, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

We draw attention to note 54 to the standalone financial statements relating to extension in repayment period of outstanding inter-corporate deposits of ₹ 17,271.80 million (including interest accrued thereon of ₹ 1,708.20 million) as on 30 September 2019 made to a fellow subsidiary by the Company from the 90 days period as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of Company's shares by the Selling Shareholders. The Selling Shareholders have facilitated repayment of ₹ 14,576.23 million from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the schedule approved by the Board of Directors. The inter-corporate deposits outstanding (including interest accrued) as at 31 March 2020 aggregate to ₹ 5,981.68 million.

The Company has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Company has submitted its replies. The Company has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Company in respect of this matter. We are unable to evaluate the impact of adjustments, if any, that may arise from this matter, on the standalone financial statements of the Company.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors referred to in paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined matters described below to be the key audit matters to be communicated in our report.

Measurement of contract revenue and margin (refer note 2(d)(i), 3.12, 29 and 47 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue from works contracts represents 86.96% of the total revenue from operations of the Company. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. Revenue recognition involves significant estimates related to measurement of costs to complete, valuation of claims and penalties / liquidated damages and in turn evaluation of the related receivables and liabilities at each reporting date. The Company uses input method based on costs to measure progress of individual contracts. Under this approach, the Company recognises revenue and margin based on the costs incurred and accrued to date relative to the estimated total costs to complete the performance obligation. Penalties/ liquidated damages specified in the contracts are inherent in the determination of transaction price and forms part of variable consideration.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessing compliance of the Company's policies in respect of revenue recognition with the applicable accounting standards; • Evaluating the design and implementation and tested operating effectiveness of key internal controls around revenue recognition and recording of contract costs; • Selecting a sample of contracts to test, using risk-based criteria, which included individual contracts with: - significant revenue recognised during the year; - nil margin; or - significantly high, low or negative profit margins.
Overstatement of revenue is considered to be a significant audit risk as it is the key driver of returns to investors and incentives linked to performance for a reporting period. Due to significant judgment involved in the estimate of total revenue, costs to complete and significant audit risk of overstatement, we have considered measurement of contract revenue as a key audit matter.	• For these sample contracts, we critically assessed the estimated costs to complete, variations in contract price and contract costs and the adequacy of provision for penalties / liquidated damages arising from customer disputes. This assessment included: - inspection of original contracts and its amendments for key terms and milestones to verify the estimated total revenue and costs to complete and / or any changes thereto; - interviewing and challenging project and commercial heads on changes to estimated total revenue and costs to complete and settlement and recoverability of contract related receivables; - comparing revenue recorded during the year with the underlying contracts, milestones achieved and invoices raised on the customers; - sighting the correspondence and minutes of meeting with customers around recoverability of claims and penalties / liquidated damages. • Assessing the costs incurred and accrued to date on the balance sheet by examining underlying invoices and signed contracts; • Appropriate cut-off procedures for determination of revenue in the correct reporting period; • Comparing, on a sample basis, the outcome of contracts completed during the year with the original budgets and estimated margins for those contracts to determine the reliability of previous estimates; • Comparing details of a sample of revenue journal entries raised throughout the reporting period, using risk-based criteria, with the relevant underlying documentation; • Considering the adequacy of disclosures made in note 2(d)(i) to the Company's standalone financial statements in respect of these judgments and estimates.

Recoverability of inter-corporate deposits / loans to group companies (refer note 2(d)(vi), 3.9 and 15 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of inter- corporate deposits / loans to group companies represents 24.24% of the Company's total assets. The Company has extended inter-corporate deposits / loans to group companies which are assessed for recoverability at each period end. Due to the nature of construction industry in which borrower operates, the Company is exposed to heightened risk in respect of the recoverability of inter- corporate deposits / loans granted to these group companies. Considering their relative significance vis-a-vis the total assets of the Company and extension of repayment schedule of certain inter-corporate deposits, they are considered to have a major effect on our overall audit strategy and planning. We have identified measurement of inter-corporate deposits / loans to group companies as key audit matter because recoverability assessment involves Company's significant judgement and estimate.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Evaluating the design and implementation of key internal controls. We tested operating effectiveness of controls placed around the recognition of loss allowance for expected credit losses on the inter-corporate deposits / loans to group companies; • Testing the key controls in place for issuing new inter-corporate deposits / loans, compliance with provisions of the Companies Act, 2013 and inspecting the Board approvals obtained; • Testing Company's assessment of the recoverability of inter-corporate deposits / loans. We tested the Company's assessment of the cash flows the Company expects to receive; • We checked the net worth of group companies on the basis of latest available financial statements; • Inspecting the correspondence in respect of the commitment provided by the shareholders of the borrower group companies used by the Company to assess significant increase in credit risk on inter-corporate deposits / loans. This assessment was made by the Company as at balance sheet date. • Checking the Company's computation of contractual cash flows due to the Company in accordance with the contract; • Checking the measurement of expected credit loss recognised; • Testing the payments made / receipts received in relation to these inter-corporate deposits / loans during the year through bank statement; • Obtaining external confirmation of inter- corporate deposits / loans held by group companies as on 31 March 2020.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of branch auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to evaluate the impact of adjustments, if any, that may arise from the said matter on the standalone financial statements of the Company. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to the said matter.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the 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 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such branches included in the standalone financial statements of which we are the independent auditors. For the other branches included in the standalone financial statements, which have been audited by branch auditors, such branch auditors remain responsible for the direction, supervision

and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial information of 13 branches included in the standalone financial statements of the Company whose financial information reflect total assets of ₹ 6,376.71 million as at 31 March 2020 and the total revenue of ₹ 6,673.59 million for the year ended on that date, as considered in the standalone financial statements. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

(b) Certain of these branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of these branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143 (3) of the Act, we report that:

(a) we have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

(c) the reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

(d) except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

(e) except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(f) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and

(g) with respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 24 to the standalone financial statements;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAED2850

Mumbai
23 June 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties. Accordingly, paragraph 3 (i) (c) of the Order is not applicable to the Company.

(ii) The inventory of project land, stores and, spare parts and construction materials has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of account.

(iii) The Company has granted unsecured loans to three companies, two body corporates and a partnership firm covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Act.

i) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to companies, body corporates and a partnership firm covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

ii) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to the companies are repayable on demand or repayable as per contractual terms of inter-corporate deposit agreements and the unsecured loans granted to body corporates and a partnership firm and the interest thereon are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded. Also, refer note 54 to the standalone financial statements.

iii) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to companies, body corporates and a partnership firm by the Company. Also, refer note 54 to the standalone financial statements.

(iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Professional tax, Social Security tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax and Goods and Service tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax and Goods and Service tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Demand ₹ in million	Amount paid under protest ₹ in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is pending
Central Goods and Services Tax Act, 2017 *	CGST, interest and penalty	700.70	31.50	2017-18	Appellate Joint Commissioner, Vijaywada
Andhra Pradesh Goods and Services Tax Act, 2017 *	SGST, interest and penalty	700.70	31.50	2017-18	Appellate Joint Commissioner, Vijaywada

* refer note 42 to the standalone financial statements.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions or dues to debenture holders. The Company does not have any loans or borrowings from government during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company. Also, refer note 19(E) to the standalone financial statements.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non- cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAED2850

Mumbai
23 June 2020

Annexure B to the Independent Auditors' Report – 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

We did not audit the internal financial controls with reference to financial information of 13 branches (in Argentina, Chile, Dubai, Egypt, Jordan, Kenya, Namibia, Philippines, Vietnam and Zambia) of the Company. The internal financial controls with reference to financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the internal financial controls with reference to financial statements included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAED2850

Mumbai
23 June 2020

Standalone Balance Sheet

as at March 31, 2020

(Currency : Indian Rupees in million)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	181.90	111.43
Capital work-in-progress	4	24.22	-
Right-of-use assets	50	82.52	-
Other intangible assets	5	17.63	11.03
Intangible assets under development	5	3.20	-
Financial assets			
(i) Investments	6	36.83	54.62
(ii) Loans	7	14.42	11.72
Deferred tax assets (net)	8	269.27	297.87
Other non-current assets	9	38.10	6.86
Total non-current assets		**668.09**	**493.53**
Current assets			
Inventories	10	145.10	120.27
Financial assets			
(i) Investments	11	4.58	1.69
(ii) Trade receivables	12	15,397.56	17,254.27
(iii) Cash and cash equivalents	13	1,817.20	3,098.79
(iv) Bank balances other than cash and cash equivalents	14	104.71	48.94
(v) Loans	15	9,491.92	15,817.09
(vi) Derivatives	16	-	39.53
(vii) Other financial assets	17	3,515.45	2,328.70
Other current assets	18	7,603.81	6,549.08
Total current assets		**38,080.33**	**45,258.36**
Total assets		**38,748.42**	**45,751.89**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	160.36	160.36
Other equity	20		
Capital reserve on demerger		(1,817.37)	(1,817.37)
Foreign currency translation reserve		231.50	83.04
Retained Earnings		8,037.82	5,964.14
Total equity		**6,612.31**	**4,390.17**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	50	64.83	-
Provisions	21	90.51	61.86
Total non-current liabilities		**155.34**	**61.86**
Current liabilities			
Financial liabilities			
(i) Borrowings	22	6,000.93	11,746.16
(ii) Lease liabilities	50	21.78	-
(iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		398.85	19.28
Total outstanding dues of creditors other than micro enterprises and small enterprises		22,662.54	26,240.32
(iv) Derivatives	24	62.27	-
(v) Other financial liabilities	25	379.51	203.87
Other current liabilities	26	1,567.45	2,208.25
Provisions	27	673.82	527.43
Current tax liabilities (net)	28	213.62	354.55
Total current liabilities		**31,980.77**	**41,299.86**
Total liabilities		**32,136.11**	**41,361.72**
Total equity and liabilities		**38,748.42**	**45,751.89**

The attached notes 1 - 62 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
INCOME			
Revenue from operations	29	45,351.04	82,103.79
Other income	30	3,652.26	1,554.67
Total income		**49,003.30**	**83,658.46**
EXPENSES			
Cost of construction materials, stores and spare parts	31	27,189.08	60,139.49
Purchase of traded goods	32	4,089.91	1,815.72
Changes in inventories of stock-in-trade	33	-	12.67
Direct project costs	34	9,208.82	15,639.42
Employee benefits expense	35	1,383.73	1,036.72
Finance costs	36	1,461.77	561.77
Depreciation and amortisation expense	37	63.18	31.79
Other expenses	38	1,362.48	1,379.94
Total expenses		**44,758.97**	**80,617.53**
Profit before income tax		4,244.33	3,040.93
Tax expenses:	39		
Current tax		1,099.56	1,256.13
Current tax relating to earlier years		(2.82)	28.22
Deferred tax charge/ (credit)		33.18	(204.90)
		1,129.92	**1,079.45**
Profit for the year after income tax		**3,114.41**	**1,961.48**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability		(18.21)	(5.24)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.58	1.83
Items that will be reclassified subsequently to profit or loss			
(i) Exchange differences in translating financial statements of foreign operations		148.46	81.77
Other comprehensive income for the year, net of income tax		**134.83**	**78.36**
Total comprehensive income for the year		**3,249.24**	**2,039.84**
Earnings per equity share			
Basic and diluted earnings per share (₹) (face value of ₹ 10 split into face value of Re 1 each)	40	19.42	12.23

The attached notes 1 - 62 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

A. EQUITY SHARE CAPITAL

Particulars	March 31, 2020	March 31, 2019
Balance at t he beginning of the year	160.36	160.36
Add: Issued during the year	-	-
Less: Shares cancelled	-	-
Balance at the end of the year	**160.36**	**160.36**

B. OTHER EQUITY

	Reserves and surplus		Sub-total	Items of other comprehensive income Foreign currency translation reserve	Total
	Capital reserve on demerger	Retained earnings			
Balance as at 1 April 2019	**(1,817.37)**	**5,964.14**	**4,146.77**	**83.04**	**4,229.81**
Adjustments:					
Total comprehensive income for the year					
Profit for the year	-	3,114.41	3,114.41	-	3,114.41
Items of OCI for the year, net of tax:					
Remeasurement of the defined benefit liability, net of tax	-	(13.63)	(13.63)	-	(13.63)
Exchange differences in translating financial statements of foreign operations	-	-	-	148.46	148.46
Total comprehensive income for the year	**-**	**3,100.78**	**3,100.78**	**148.46**	**3,249.24**
Transactions with owners, directly recorded in other equity					
Appropriations for dividend paid to shareholders	-	(961.82)	(961.82)	-	(961.82)
Appropriations for dividend distribution tax on dividend (net of credit of ₹ 134.00 million)	-	(65.28)	(65.28)	-	(65.28)
Total transactions with owners	**-**	**(1,027.10)**	**(1,027.10)**	**-**	**(1,027.10)**
Balance as at 31 March 2020	**(1,817.37)**	**8,037.82**	**6,220.45**	**231.50**	**6,451.95**
Balance as at 1 April 2018	**(1,817.37)**	**4,006.07**	**2,188.70**	**1.27**	**2,189.97**
Adjustments:					
Total comprehensive income for the year					
Profit for the year	-	1,961.48	1,961.48	-	1,961.48
Items of OCI for the year, net of tax:					
Remeasurement of the defined benefit liability, net of tax	-	(3.41)	(3.41)	-	(3.41)
Exchange differences in translating financial statements of foreign operations	-	-	-	81.77	81.77
Total comprehensive income for the year	**-**	**1,958.07**	**1,958.07**	**81.77**	**2,039.84**
Balance as at 31 March 2019	**(1,817.37)**	**5,964.14**	**4,146.77**	**83.04**	**4,229.81**

The attached notes 1 - 62 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
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Partner
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Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Standalone Statement of Cash Flow

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	4,244.33	3,040.93
	Adjustments for:		
	Depreciation and amortisation expense	63.18	31.79
	Supplier balances written back	-	(11.04)
	Liabilities no longer required written back	(331.62)	-
	Bad debts written off	36.25	43.28
	Write back of provision for bad and doubtful debts	(58.00)	-
	Expected credit loss on financial assets	64.50	200.00
	Provision for mark-to-market loss/ (gain) on derivative instruments (net)	62.27	(39.53)
	Share of loss in partnership firm	147.05	-
	Dividend income	(781.03)	-
	Profit on sale of mutual funds	(2.95)	-
	Fair value gain on investment in mutual funds measured at FVTPL	(0.09)	-
	Finance costs	1,461.77	561.77
	Interest income	(2,070.99)	(1,405.94)
	Provision for impairment loss on loans and investment in subsidiaries	17.79	1.49
	Write back of provision for inventory obsolescence	-	(4.40)
	Unrealised foreign exchange loss/ (gain) (net)	994.72	(21.96)
	Operating profit before working capital changes	**3,847.18**	**2,396.39**
	Working capital adjustments		
	(Increase)/ Decrease in inventories	(24.83)	69.69
	Decrease in trade receivables	2,103.03	4,377.38
	(Increase) in loans and advances	(68.86)	(6.34)
	(Increase)/ Decrease in restricted cash (refer note 2 below)	(0.74)	2.45
	(Increase)/ Decrease in other financial assets and derivative assets	(1,345.24)	1,107.96
	(Increase)/ Decrease in other current and non-current assets	(1,085.97)	629.30
	(Decrease) in trade payable, derivatives, other financial liabilities, other liabilities and provisions	(5,030.95)	(6,197.29)
	Net change in working capital	**(5,453.56)**	**(16.83)**
	Cash flows (used in)/ generated from operating activities	(1,606.38)	2,379.56
	Income tax (paid) (net)	(1,259.47)	(969.88)
	Effects of exchange differences on translation of assets and liabilities	148.46	81.77
	Net cash flows (used in)/ generated from operating activities (A)	**(2,717.39)**	**1,491.45**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	(Investment) in equity shares of a subsidiary	(19.21)	(0.10)
	(Investment) in treasury bills (net)	-	(0.10)
	Acquisition of property, plant and equipment and intangible assets	(137.70)	(52.45)
	(Purchase) of fixed deposits, net	(55.03)	(47.80)
	Dividend received from a subsidiary	781.03	-
	(Purchase) of mutual funds	(1,900.00)	-
	Proceeds from sale of mutual funds	1,900.26	-
	Inter-corporate deposits/ Loan given to subsidiaries and fellow subsidiaries (net)	(6,318.38)	(18,003.65)
	Inter-corporate deposits/ Loan repaid by subsidiaries and fellow subsidiaries	12,966.37	8,725.68
	Interest received	2,402.06	33.40
	Net cash flows generated from/ (used in) investing activities (B)	**9,619.40**	**(9,345.02)**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	(Repayment) of secured short-term borrowings	(6,687.03)	(665.24)
	Proceeds from secured short-term borrowings	9,384.41	-
	Proceeds from cash credit borrowings (net)	206.07	-
	Proceeds from unsecured short-term borrowings	18,260.19	20,194.17
	(Repayment) of unsecured short-term borrowings	(26,908.87)	(8,450.00)
	Dividend paid	(961.82)	-
	Dividend distribution tax paid	(65.28)	-
	Repayment of lease liabilities	(22.41)	-
	Finance costs paid	(1,388.56)	(520.46)
	Net cash flows (used in)/ generated from financing activities (C)	**(8,183.30)**	**10,558.47**

Standalone Statement of Cash Flow

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
Net movement in currency translation	(D)	(0.30)	-
Net (decrease)/ increase in cash and cash equivalents	(A + B + C + D)	(1,281.59)	2,704.90
Cash and cash equivalents at the beginning of the year		3,098.79	393.89
Cash and cash equivalents at the end of the year		1,817.20	3,098.79

* During the year ended 31 March 2019, receivables from related party amounting to ₹ 3,278.14 million have been converted into loan.

Notes :

1 The standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard-7 ('Ind AS 7') on Statement of Cash Flows.

2 Current account balances with banks include ₹ 0.79 million (31 March 2019: ₹ 0.42 million) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions and an amount of ₹ 0.37 million (31 March 2019: ₹ Nil) on account of earmarked balance for unclaimed dividend.

3 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).

Particulars	March 31, 2020	March 31, 2019
Balance with banks		
- in current accounts	1,805.50	2,089.29
Cheques on hand	-	1,005.12
Cash on hand	11.70	4.38
	1,817.20	**3,098.79**

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

	As at 1 April 2019	Changes considered in Standalone statement of cash-flow	Non-cash changes on account of acquisition (including foreign exchange adjustment)	As at 31 March 2020
Short-term borrowings	11,746.16	(5,745.23)	-	6,000.93

	As at 1 April 2018	Changes considered in Standalone statement of cash-flow	Non-cash changes on account of acquisition (including foreign exchange adjustment)	As at 31 March 2019
Short-term borrowings	665.24	11,078.94	1.98	11,746.16

6 The above standalone statement of cash flows includes ₹ 30.03 million (31 March 2019: ₹ 13.50 millions) towards corporate social responsibility (refer note 46).

The attached notes 1 - 62 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
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DIN:08378235
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Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

1 BACKGROUND

Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited ("the Company") was incorporated as a Private Limited Company on 9 March 2017 under The Companies Act, 2013. The Company is a Solar EPC contractor with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe, South America, Latin America, Australia and USA.

The Company is specialised in complete turn-key and Roof top solutions for Solar EPC solutions with having experience of executing more than 161 projects. The principal activity of the Company includes import, export and trading of Solar modules, structures, invertors and related accessories, installation and maintenance of Solar power generating facilities and other related activities.

The Company was incorporated on 9 March 2017 as Rashmika Energy Private Limited. The Company was renamed as Sterling and Wilson Solar Private Limited on 24 April 2018. Further the Company was renamed to Sterling and Wilson Solar Limited on 25 January 2019. The Company was listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India on 20 August 2019.

Sterling and Wilson Solar Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 1 April 2017.

2 BASIS OF PREPARATION OF THE STANDALONE FINANCIAL STATEMENTS

a Statement of compliance

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Ammendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The standalone financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 23 June 2020.

This is the first set of the Company's standalone financial statements in which Ind AS 116, Leases has been applied. Changes to significant accounting policies are described in note 3.7 and the impact of transition to Ind AS 116 on the standalone financial statements is disclosed in note 50.

b Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in million, unless otherwise stated.

c Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

d Use of estimates and judgments

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 are as follows:

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the year/ period in which such changes are determined.

(ii) Estimated useful lives of property, plant and equipment and intangible assets

The Company estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimation of the useful lives

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

of property, plant and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised. The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year/period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. 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 based on the market yields on Government securities as at the balance sheet date.

(v) Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vi) Impairment losses on financial assets

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the standalone statement of profit and loss, the Company makes judgments 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, is evidence of a reduction in the recoverability of the cash flows.

(vii) Impairment losses on investment

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

(viii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value meaasurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year/period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:-

- Note 51 – financial instruments.

(ix) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(x) Determination of lease term and discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency : Indian Rupees in million)

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the engineering, procurement and construction services (EPC) segment of the Company, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities. For the other operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

3.2 Foreign currency

(i) Foreign currency transactions

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (branches), are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency : Indian Rupees in million)

When a foreign operation is disposed the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the standalone statement profit and loss as part of the gain or loss on disposal.

3.3 Financial instruments

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.

(a) Recognition and initial measurement

Trade receivables and debt securities issued 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 and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

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

- amortised cost;

- FVOCI – debt investment;

- FVOCI – equity investment; or

- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.

(ii) Financial assets at amortised cost:

These assets 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 standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

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(iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the standalone statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss. See Note 3.3 (e) for financial liabilities designated as hedging instruments.

(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement of profit and loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet 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.

(e) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the standalone statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

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Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the standalone statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the standalone statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the standalone statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the standalone statement of profit and loss.

3.4 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

3.5 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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 and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

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The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the standalone statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Company's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years	Schedule II useful lives
Plant and equipment	5 years to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing ₹ 5,000 or less are fully depreciated in the year/period of purchase.

3.6 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to five years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit and loss in the year the asset is derecognised.

3.7 Leases

Policy applicable before April 01, 2019:

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such

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an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

Lease payments

Payments made under operating leases are generally recognised in the Standalone statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Policy applicable after April 01, 2019

At the inception of a 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 of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

Lease liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A

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class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

Changes in accounting policies and Transition note

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

Accordingly, a right-of-use asset of ₹ 35.51 million and lease liability of ₹ 35.51 million has been recognised. The cumulative effect of transition to Ind AS 116 on retained earnings is ₹ Nil. The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

3.8 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.9 Impairment

Impairment of non-derivative 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:

(i) Trade receivables, lease receivables and contract assets; and

(ii) Financial assets measured at amortised cost (other than trade receivables, lease receivables and contract assets).

In case of trade receivables, lease receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. 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 defaults 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 probability weighted amounts determined by a range of outcomes, taking into account the time value of money

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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 standalone statement of profit and loss.

Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.10 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Company has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the standalone statement of profit and loss in the periods during which the related services are rendered by employees. In respect of foreign branch, the Company's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the standalone foreign branch operates.

(ii) Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures 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 based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the standalone statement of other comprehensive income in the year/period in which they occur and not reclassified to the standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year/period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year/period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year/period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the standalone statement of profit and loss.

Other long-term employee benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit Method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the standalone statement of profit and loss in the year/period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year/period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity settled share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone statement of profit and loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.11 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an

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onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.12 Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Revenue from sale of goods

The Company recognises revenue from sale of goods once the customer takes possession of the goods. Revenue

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represents the invoice value of goods provided to third parties net of discounts and sales taxes/value added taxes/ Goods and Services Tax.

Operation and maintenance income

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

Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

3.13 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other income in the standalone financial statements.

3.14 Recognition of dividend income, interest income or expense

Dividend income is recognised in the standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15 Income tax

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3.15 Income tax

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.16 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.17 Investments

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties. Profit or loss on sale of investments is determined on the basis of first in first out (FIFO) basis of carrying amount of investment disposed off.

3.18 Standalone statement of cash flows

The Company's standalone statement of cash flows are prepared using the Indirect method, whereby profit for

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.

3.19 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year/period except where the results would be anti-dilutive.

3.20 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.21 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Reconciliation of carrying amount for the year ended 31 March 2020

(Currency: Indian rupees in million)

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :								
Balance as at 1 April 2019	-	126.17	1.71	4.37	49.33	181.58	-	181.58
Add: Additions during the year	20.21	54.52	2.60	12.83	19.37	109.53	24.22	133.75
Less: Deletions/ transfer during the year	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	-	(0.03)	0.02	0.26	0.50	0.75	-	0.75
Balance as at 31 March 2020	**20.21**	**180.66**	**4.33**	**17.46**	**69.20**	**291.86**	**24.22**	**316.08**
Accumulated depreciation and amortisation :								
Balance as at 1 April 2019	-	45.32	0.51	1.79	22.53	70.15	-	70.15
Add: Depreciation and amortisation for the year	0.23	24.17	0.78	1.20	12.68	39.06	-	39.06
Less: Disposals/ transfer during the year	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	-	0.15	0.04	0.02	0.54	0.75	-	0.75
Balance as at 31 March 2020	**0.23**	**69.64**	**1.33**	**3.01**	**35.75**	**109.96**	**-**	**109.96**
Carrying amounts (net)								
At 1 April 2019	**-**	**80.85**	**1.20**	**2.58**	**26.80**	**111.43**	**-**	**111.43**
At 31 March 2020	**19.98**	**111.02**	**3.00**	**14.45**	**33.45**	**181.90**	**24.22**	**206.12**

*Amount less than ₹ 0.01 million

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :								
Balance as at 1 April 2018	1.97	100.98	1.21	4.18	27.90	136.24	0.81	137.05
Add: Additions during the year	-	26.29	1.58	0.19	21.57	49.63	-	49.63
Less: Deletions/ transfer during the year	2.02	1.13	0.90	-	0.21	4.26	0.81	5.07
Add: Exchange differences on translation of foreign operations	0.05	0.03	(0.18)	-	0.07	(0.03)	-	(0.03)
Balance as at 31 March 2019	**-**	**126.17**	**1.71**	**4.37**	**49.33**	**181.58**	**-**	**181.58**
Accumulated depreciation and amortisation :								
Balance as at 1 April 2018	-	26.79	0.24	1.30	13.62	41.95	-	41.95
Add: Depreciation and amortisation for the year	0.34	18.73	0.33	0.49	9.00	28.89	-	28.89
Less: Disposals/ transfer during the year	0.34	0.17	-	-	0.05	0.56	-	0.56
Add: Exchange differences on translation of foreign operations	-	(0.03)	(0.06)	-	(0.04)	(0.13)	-	(0.13)
Balance as at 31 March 2019	-	45.32	0.51	1.79	22.53	70.15	-	70.15
Carrying amounts (net)								
At 1 April 2018	**1.97**	**74.19**	**0.97**	**2.88**	**14.28**	**94.29**	**0.81**	**95.10**
At 31 March 2019	**-**	**80.85**	**1.20**	**2.58**	**26.80**	**111.43**	**-**	**111.43**

Notes:

a) Nil amount of borrowing cost is capitalised during the year ended 31 March 2020 and 31 March 2019.

b) Nil amount of impairment loss is recognised during the year ended 31 March 2020 and 31 March 2019.

c) Adjustments includes the exchange fluctuation of ₹ 0.75 million on gross block for the year ended 31 March 2020 (31 March 2019: ₹ (0.03) million) and ₹ 0.75 million on accumulated depreciation / amortisation for the year ended 31 March 2020 (31 March 2019: ₹ (0.13) million) due to translation of property, plant and equipment of all foreign branches at closing exchange rate.

d) All movable fixed assets with carrying amount of ₹ 161.92 million (31 March 2019: ₹ Nil) are subject to first charge to secured bank loans obtained by the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

5 OTHER INTANGIBLE ASSETS

	Computer software	Intangible assets under development	Total
Balance as at 1 April 2019	**19.31**	**-**	**19.31**
Add: Additions during the year	9.83	3.20	13.03
Less: Disposals/ transfer during the year	-	-	-
Add: Exchange differences on translation of foreign operations*	(0.00)	-	(0.00)
Balance as at 31 March 2020	**29.14**	**3.20**	**32.34**
Balance as at 1 April 2018	**15.70**	**-**	**15.70**
Add: Additions during the year	3.63	-	3.63
Less: Disposals/ transfer during the year	0.02	-	0.02
Balance as at 31 March 2019	**19.31**	**-**	**19.31**
Accumulated amortisation and impairment losses:			
Balance as at 1 April 2019	**8.28**	**-**	**8.28**
Add: Amortisation for the year	3.23	-	3.23
Less: Disposals/ transfer for the year	-	-	-
Add: Exchange differences on translation of foreign operations*	0.00		0.00
Balance as at 31 March 2020	**11.51**	**-**	**11.51**
Balance as at 1 April 2018	**5.34**	**-**	**5.34**
Add: Amortisation for the year	2.90	-	2.90
Less: Disposals/ transfer for the year	0.01	-	0.01
Add: Exchange differences on translation of foreign operations	0.05	-	0.05
Balance as at 31 March 2019	**8.28**	**-**	**8.28**
Carrying amounts (net)			
At 31 March 2019	**11.03**	**-**	**11.03**
At 31 March 2020	**17.63**	**3.20**	**20.83**

*Amount less than ₹ 0.01 million

Notes:

a) Nil amount of borrowing cost is capitalised during the year ended 31 March 2020 (31 March 2019: ₹ Nil)

b) Nil amount of impairment loss is recognised during the year ended 31 March 2020 (31 March 2019: ₹ Nil)

c) Adjustments includes the exchange fluctuation of ₹ (0.00) million* on gross block for the year ended 31 March 2020 (31 March 2019: ₹ Nil) and ₹ 0.00 million* on accumulated amortisation for the year ended 31 March 2020 (31 March 2019: ₹ 0.05 million) due to translation of other intangible assets of all foreign branches at closing exchange rate.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

6 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in equity instruments		
Unquoted, in subsidiaries (at cost)		
Sterling and Wilson (Thailand) Limited	0.02	0.02
490 shares (31 March 2019: 490 shares) of 100 baht each, 25 baht paid-up		
Sterling and Wilson Saudi Arabia Limited	17.79	17.79
9,500 shares (31 March 2019: 9,500 shares) of Saudi Riyals 100 each, fully paid-up		
Sterling & Wilson - Waaree Private Limited	0.05	0.05
49 shares (31 March 2019: 49 shares) of ₹ 1,000 each, fully paid-up		
Sterling and Wilson International Solar FZCO	17.47	17.47
1,000 shares (31 March 2019: 1,000 shares) of AED 1,000 each, fully paid-up		
Esterlina Solar Engineers Private Limited	0.10	0.10
(10,000 shares (31 March 2019: 10,000 shares) of ₹ 10 each, fully paid up)		
Sterling and Wilson Solar LLC	19.21	19.21
(105 shares (31 March 2019: 105 shares) of OMR 1 each, fully paid up)		
Sub-total	**54.64**	**54.64**
Less: Provision for impairment	(17.81)	(0.02)
	36.83	**54.62**

The aggregate book value of unquoted non-current investments are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate book value of unquoted non-current investments	54.64	54.64
Aggregate amount of impairment in value of non-current investments	17.81	0.02
Aggregate carrying amount of non-current investments	36.83	54.62

Investment in partnership firm

(i) Particulars of the Company's interest in

Name of Subsidiary	Percentage of ownership	Country of incorporation
Sterling Wilson-SPCPL-Chint Moroccan Venture (w.e.f. 3 October 2017)	**92%**	India

(ii) The aggregate amount of assets, liabilities, income and expenses related to the Company's interests in the partnership firm as at 31 March 2020 is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
i) Assets	1,074.35	1,502.75
ii) Liabilities	1,258.35	1,501.50
iii) Income	138.89	2,645.35
iv) Expenses (excluding Income tax expenses)	322.29	2,396.62
v) Net (loss) / gain for the year	(183.40)	248.73

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(iii) The Company's share of capital commitments of the Subsidiary is ₹ Nil (31 March 2019: ₹ Nil).

(iv) The Company's share of contingent liabilities of the Subsidiary is ₹ 1.31 million (31 March 2019: ₹ 1.58 million).

(v) The details of partners in the above partnership firm as at 31 March 2020 and 31 March 2019 are as under:

	Profit sharing ratio	Loss sharing ratio	Capital as at 31 March 2020*
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	92%	92%	-
Shapoorji Pallonji and Company Private Limited	5%	5%	-
Astronergy Solar India Private Limited	3%	3%	-

* Refer note 42 for capital commitment towards partner's capital contribution.

7 LOANS (NON-CURRENT)

(Unsecured, considered good)

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
To parties other than related parties		
Security deposit	14.42	11.72
	14.42	**11.72**

8 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Employee benefits	77.18	98.72
Expected credit loss on financial assets	57.13	77.05
Provision for mark to market losses on derivative instruments	15.89	-
Provision for liquidated damages	120.86	138.26
Amortisation of expenses on demerger	-	0.39
Others	0.12	-
	271.18	**314.43**
Deferred tax liabilities		
Excess of depreciation as per Income tax Act, 1961 over book depreciation	(1.62)	(1.56)
Mark to market gain on derivative instruments	-	(14.69)
Fair valuation of financial asset	(0.02)	-
Amortisation of expenses on demerger	(0.14)	-
Others	(0.13)	(0.30)
	(1.91)	**(16.54)**
Deferred tax assets, net	**269.27**	**297.88**
Deferred tax assets (net)	**269.27**	**297.88**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

9 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
To parties other than related parties		
Prepayments	19.60	6.86
Balance with government authorities	18.50	-
	38.10	**6.86**

10 INVENTORIES

(valued at lower of cost or net realisable value unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Construction materials, stores and spare parts	133.72	108.89
Stock-in-trade	11.38	11.38
	145.10	**120.27**
Carrying amount of inventories (included above) pledged as securities for borrowings	145.10	-
The write-down /(reversal of write-down) of inventories to net realisable value during the year	-	(4.40)
Carrying amount of inventories (included above) in transit	-	-

11 CURRENT INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Treasury bills, measured at amortised cost, unquoted	1.89	1.69
Investment in Mutual fund of Aditya Birla Sun Life - Liquid fund, measured at fair value through profit and loss, unquoted	2.69	-
(No. of units 8,420.23 (31 March 2019: Nil units))		
Total	**4.58**	**1.69**
The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:		
Aggregate amount of unquoted current investments	4.58	1.69
Aggregate amount of impairment in value of current investments	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

12. TRADE RECEIVABLES

(Unsecured)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
- Considered good (refer note 53)	15,397.56	17,254.27
- Significant increase in credit risk	-	-
- Credit impaired	216.90	220.50
	15,614.46	**17,474.77**
Less: allowance*	(216.90)	(220.50)
Net trade receivables	**15,397.56**	**17,254.27**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	1,233.02	3,604.36
Loss allowances	-	-

* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 51 and 53.

As at 31 March 2020, trade receivables includes retention of ₹ Nil (31 March 2019: ₹ Nil) relating to construction contracts in progress.

Dues from firms or private companies in which any director is a partner or a director or member :

Particulars	As at March 31, 2020	As at March 31, 2019
Shapoorji Pallonji and Company Private Limited	399.36	442.98
Shapoorji Pallonji Infrastructure Capital Company Private Limited	77.89	794.16
Sterling and Wilson Private Limited	-	215.31
Sterling Generators Private Limited	0.51	-
Sterling and Wilson Powergen Private Limited	11.14	83.29
Esterlina Solar Engineers Private Limited	-	92.25
	488.90	**1,627.99**

13 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Bank		
- in current accounts	1,805.50	2,089.29
Cheques on hand	-	1,005.12
Cash on hand	11.70	4.38
	1,817.20	**3,098.79**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts*	1.16	0.42
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)**	103.55	48.52
	104.71	**48.94**

* Current account balances with banks include ₹ 0.79 million (31 March 2019: ₹ 0.42 million) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions and an amount of ₹ 0.37 million (31 March 2019: ₹ Nil) on account of earmarked balance for unclaimed dividend.

** The balance in deposit accounts includes ₹ 66.03 million (31 March 2019: 48.52 million) towards lien against the bank guarantees / performance guarantees issued by the Company in favour of various customers.

15 LOANS (CURRENT)

(Unsecured)

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Inter-corporate deposits/ Loans given to subsidiaries and fellow subsidiaries (net)	9,391.66	15,782.99
Loans given to subsidiaries and fellow subsidiaries	1.27	1.27
Less: Provision for doubtful loans	(1.27)	(1.27)
To parties other than related parties		
Security deposits	66.27	23.82
Loan to employees	33.99	10.28
	9,491.92	**15,817.09**

Dues from firms or private companies in which any director is a partner or a director or member:

Inter-corporate deposits/ Loans given to subsidiaries and fellow subsidiaries

Particulars	As at March 31, 2020	As at March 31, 2019
Sterling and Wilson Private Limited* (net)	5,642.93	12,535.50
Sterling and Wilson International Solar FZCO	3,734.23	3,226.89
Sterling and Wilson (Thailand) Limited	1.27	1.27
Esterlina Solar Engineers Private Limited	14.50	20.60
	9,392.93	**15,784.26**

* Inter-corporate deposits given to fellow subsidiaries are unsecured, carry interest rate ranging from 9.70% to 13.80% and the tenure is 11 months (31 March 2019: repayable on demand and carry interest rate ranging from 9.90% to 13.50%).

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

16. DERIVATIVES

Particulars	As at March 31, 2020	As at March 31, 2019
Foreign currency forward exchange contract assets	-	39.53
	-	**39.53**

17. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
(Unsecured, considered good)		
Interest accrued on loan to subsidiaries and fellow subsidiaries	1,161.28	1,306.00
Interest accrued on receivables from fellow subsidiary	-	198.99
Recoverable expenses from shareholders	-	38.25
Recoverable expenses from subsidiaries and others	1,503.97	82.37
Other receivables*	-	0.15
(Unsecured, considered doubtful)		
Interest accrued on loan to subsidiaries	0.20	0.20
Less: Provision for impairment	(0.20)	(0.20)
To parties other than related parties		
(Unsecured, considered good)		
Interest receivable from customer	58.29	-
Other receivables** (refer note 53)	791.91	702.94
	3,515.45	**2,328.70**

*includes receivable towards the employee liability taken over.

** includes receivable towards encashment of irrevocable letter of credit, insurance claims, export incentive, claim against suppliers etc.

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on loan to subsidiaries and fellow subsidiaries	328.65	842.87
Sterling and Wilson Private Limited	-	1.42
Sterling and Wilson Powergen Private Limited	0.00	0.62
Esterlina Solar Engineers Private Limited	832.63	450.96
Sterling and Wilson International Solar FZCO	0.20	0.20
Sterling and Wilson (Thailand) Limited	-	10.13
Sterling & Wilson - Waaree Private Limited		
	1,161.48	**1,306.20**
Interest accrued on receivables from fellow subsidiary		
Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	198.99
	-	**198.99**

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Recoverable expenses from shareholders, subsidiaries and others		
Shapoorji Pallonji and Company Private Limited*	-	25.50
Mr. Khurshed Y Daruvala*	-	12.75
Sterling and Wilson International Solar FZCO	**1,501.25**	80.48
Sterling and Wilson Powergen FZE	**1.28**	-
Esterlina Solar Engineers Private Limited	-	0.45
Sterling and Wilson Solar LLC	**1.44**	0.21
	1,503.97	**119.39**
Other receivables		
Sterling and Wilson Powergen Private Limited	-	0.15
	-	**0.15**

*During the year ended 31 March 2019, the Company had incurred ₹ 38.25 million towards proposed initial public offering of equity shares of face value of ₹ 1 each. The expenses were recovered from selling shareholders in the ratio of their holding.

18 OTHER CURRENT ASSETS
(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Unbilled receivables	226.18	75.94
To parties other than related parties		
Advances for supply of goods	1,303.69	924.98
Unbilled receivables	3,765.52	3,416.95
Advance to employees	3.78	24.06
Other recoverables*	0.09	0.74
Balance with government authorities	2,244.76	1,974.97
Prepayments	59.79	131.44
	7,603.81	**6,549.08**

* Includes insurance claim receivables and advance given to employees

Dues from firms or private companies in which any director is a partner or a director or member:

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled receivables		
Shapoorji Pallonji and Company Private Limited	7.61	70.41
Shapoorji Pallonji Infrastructure Capital Co Private Limited	144.85	-
Sterling Generators Private Limited	2.52	-
Sterling and Wilson Private Limited	3.35	0.48
	158.33	**70.89**

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

19 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
180,000,000 equity shares of ₹ 1 each (31 March 2019: 180,000,000 equity shares of ₹ 1 each)	180.00	180.00
Issued, subscribed and fully paid up:		
160,360,000 Equity shares of ₹ 1 each (31 March 2019: 160,360,000 equity shares of ₹ 1 each) fully paid-up	160.36	160.36
	160.36	**160.36**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning of the year (Pre-split)	160,360,000	160.36	16,036,000	160.36
Add: Adjustment for Sub-Division of Equity Shares	-	-	144,324,000	-
Balance as at beginning of the year (Post-split)	160,360,000	160.36	160,360,000	160.36
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	**160,360,000**	**160.36**	**160,360,000**	**160.36**

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(C) Shares held by holding company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	81.11	105,466,670	105.47

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	50.58%	105,466,670	65.77%
Khurshed Daruvala, Chairman	41,274,990	25.74%	53,452,930	33.33%

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(E) **Initial public offer**

During the year, the Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala, the Shareholders have made an offer for sale which was subscribed for 36,533,820 Equity shares aggregating to ₹ 28,496.38 million. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on August 20, 2019. Expenses incurred by the Company in connection with the IPO have been recovered from the Selling Shareholders. The initial public offer was an offer for sale by the Selling Shareholders, hence the disclosure requirement on utilisation of funds is not applicable.

(F) **Share Split**

During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to ₹ 1 per share. This stock split became effective on 23 January 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

20 OTHER EQUITY

(Currency: Indian rupees in million)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Capital reserve on demerger	(i)	(1,817.37)	(1,817.37)
Foreign currency translation reserve	(ii)	231.50	83.04
Retained earnings	(iii)	8,037.82	5,964.14
		6,451.95	**4,229.81**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Capital reserve on demerger		
Balance as at the beginning of the year	(1,817.37)	(1,817.37)
Balance as at the end of the year	(1,817.37)	(1,817.37)
(ii) Foreign currency translation reserve		
Balance as at the beginning of the year	83.04	1.27
Add: Exchange difference on translation of foreign operations arisen during the year	148.46	81.77
Balance as at the end of the year	231.50	83.04
(iii) Retained earnings		
Balance as at the beginning of the year	5,964.14	4,006.07
Add: Profit for the year	3,114.41	1,961.48
Less: Remeasurements of defined benefit liability, net of tax (refer note (iv) below)	(13.63)	(3.41)
Less: Appropriations for dividend and dividend distribution tax (refer note (v) below)	(1,027.10)	-
Balance as at the end of the year	8,037.82	5,964.14
Total	**6,451.95**	**4,229.81**

Notes:

(i) **Capital reserve on demerger**

The Company's capital reserve on demerger is on account of the difference between the net assets and liabilities taken over relating to the Solar-EPC business pursuant to the scheme of arrangement.

(ii) **Foreign currency translation reserve**

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(iii) **Retained earnings**

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

(iv) **Analysis of accumulated Other comprehensive income, net of tax**

Remeasurement of Defined Benefit Liability

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(9.67)	(6.26)
(Loss) on remeasurement of defined benefit liability	(13.63)	(3.41)
Closing balance	**(23.30)**	**(9.67)**

(v) **Appropriations for dividend and dividend distribution tax**

The following dividend were declared and paid by the Company during the year.

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend to equity share holders, ₹ 6 per equity share (31 March 2019: ₹ Nil)	961.82	-
Dividend distribution tax on dividend to equity share holders (net of credit of ₹ 134.00 million)	65.28	-
	1,027.10	**-**

21 LONG-TERM PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity (refer note 43)	90.51	61.86
	90.51	**61.86**

22 CURRENT BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Cash credit loan (refer note (a) below)	206.07	-
Working capital loan from banks (refer note (n) below)	1,697.38	-
Short term loan from bank (refer note (b) below)	1,000.00	-
Unsecured		
Buyers credit (refer note (k) below)	-	496.16
Packing credit facility from bank (refer note (l) below)	1,074.70	-
Working capital loan from banks (refer note (d), (e), (f) and (h) below)	2,000.00	6,250.00
Working capital loan from others (refer note (c) and (g) below)	-	2,000.00
Loan from related parties (refer note (m) below)	22.78	-
Commercial papers (refer note (i) and (j) below)	-	3,000.00
	6,000.93	**11,746.16**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Details of the security and repayment terms :

(a) Secured cash credit facilities from banks under Consortium arrangement having carring amount as at 31 March 2020 of ₹ 206.07 million, the bank includes HDFC Bank, IDFC Bank, DBS Bank, Union Bank of India, Axis Bank, ICICI Bank, IDBI Bank and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The cash credit is repayable on demand and carries a variable interest rate of 9.10% p.a. to 11.55% p.a.. The cash credit is secured by first pari passu charge over the current assets of the Company.

(b) Secured short term loan from ICICI Bank having carring amount as at 31 March 2020 of ₹ 1,000.00 million carries a variable interest rate of MCLR (1 year) plus 90 basis points and the range is 9.00% p.a. to 10.50% p.a.The same is repayable in two equal quarterly installments by 30 September 2020. The loan is secured by first pari passu charge over the current assets of the Company.

(c) Unsecured working capital loan from HDFC Limited having carrying amount as at 31 March 2019 of ₹ 1,000.00 million carries a variable interest rate of CPLR plus 660 basis points. The loan carries interest rate ranging from 11.75% p.a. to 12.50% p.a.. (31 March 2019: 11.75% p.a. to 12.50% p.a.) and was repaid in April 2019.

(d) Unsecured working capital loan from ICICI bank having carrying amount as at 31 March 2019 of ₹ 2,000.00 million carries a variable interest rate of MCLR (1 year) plus 60 basis points. The loan carries interest rate ranging from 9.00% p.a. to 10.20% p.a. (31 March 2019: 9.00% p.a.) and was repaid in August 2019.

(e) Unsecured working capital loan from HSBC bank having carrying amount as at 31 March 2020 of ₹ 2,000.00 million (31 March 2019: ₹ 2,500.00 million) carries a variable interest rate of MCLR plus mutually agreed basis points. The loan carries interest rate ranging from 10.20% p.a. to 10.70% p.a. (31 March 2019: 10.20% p.a. to 10.70% p.a.). Subsequent to the year-end, the Company has repaid ₹ 250.00 million in April 2020 and the balance amount is repayable in July 2020.

(f) Unsecured working capital loan from First Rand Bank having carrying amount as at 31 March 2019 of ₹ 250.00 million carries a variable interest rate mutually agreed on each draw down date. The loan carries interest rate ranging from 9.80% p.a. to 10.10% p.a. (31 March 2019: 9.80% p.a. to 10.10% p.a.) and was repaid in December 2019.

(g) Unsecured working capital loan from L & T Finance Ltd having carrying amount as at 31 March 2019 of ₹ 1,000.00 million carries fixed interest of 9.95% p.a. to 10.00% p.a. (31 March 2019: 9.95% p.a. to 10.00% p.a.). The loan was repaid in June 2019.

(h) Unsecured working capital loan from Deustsche Bank having carrying amount as at 31 March 2019 of ₹ 1,500.00 million carries a fixed interest of 11.00% p.a. (31 March 2019: 11.00% p.a.). The loan was repaid in September 2019.

(i) Unsecured commercial paper from Indian Bank having carrying amount as at 31 March 2019 of ₹ 2500.00 million carries a fixed interest of 9.55% p.a. (31 March 2019: 9.55% p.a.). The loan was repaid in June 2019.

(j) Unsecured commercial paper from ICICI having carrying amount as at 31 March 2019 of ₹ 500.00 million carries a fixed interest of 10.00% p.a. (31 March 2019: 10.00% p.a.). The loan was repaid in May 2019.

(k) Unsecured Buyers credit facility from HDFC bank having carrying amount as at 31 March 2019 of ₹ 496.16 million carrying an interest of 5.18% p.a. (31 March 2019: 5.18% p.a.) (in case of buyers' credit in USD) and was repaid in August 2019.

(l) Unsecured packing credit facility from Deustsche Bank having carrying amount as at 31 March 2020 of ₹ 1,074.70 million carries a fixed interest of 13.00% p.a.. Subsequent to the year-end, the Company has repaid ₹ 174.70 million in June 2020 and the balance amount is repayable in July 2020.

(m) Unsecured loan from Sterling & Wilson - Waaree Private Limited having carrying amount as at 31 March 2020 of ₹ 22.78 million carries a fixed interest of 12.00% p.a.. The loan is repayable on demand.

(n) Secured working capital loan from banks under Consortium arrangement having carring amount as at 31 March 2020 of ₹ 1,697.38 million, the bank includes HDFC Bank, IDFC Bank, DBS Bank, Union Bank of India, Axis Bank, ICICI Bank, IDBI Bank and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The loans carry a variable interest rate which ranges from 9.10% to 11.55%. The loans are secured by first pari passu charge over the current assets of the Company. Subsequent to the year-end, the Company has repaid ₹ 420.00 million in May 2020 and the balance loan of ₹ 803.62 million, ₹ 220.00 million, ₹ 190.00 million and ₹ 63.76 million is repayable in the month of July 2020, August 2020, September 2020 and October 2020 respectively.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

23 TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	398.85	19.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,173.07	25,197.32
Acceptances *	489.47	1,043.00
	23,061.39	**26,259.60**

*Acceptances are repayable within a period of 180 days from the date of acceptance.

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to any supplier as at the end of each accounting year	398.85	19.28
Interest due thereon	7.38	0.43
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the each accounting year	7.38	0.43
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

24 DERIVATIVES

Particulars	As at March 31, 2020	As at March 31, 2019
Foreign currency forward exchange contract liabilities	62.27	-
	62.27	**-**

25 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Payable on transfer of liabilities *	13.56	13.56
Interest accrued and not due	18.67	-
Other payables **	0.37	19.21

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
To parties other than related parties		
Interest accrued and due :		
- to micro enterprises and small enterprises (refer note 23)	7.38	0.43
Interest accrued and not due		
- to others	3.17	1.79
- to banks	20.91	2.07
Payable for capital goods	9.08	-
Employee benefits payable	158.50	162.93
Other payables ***	147.87	3.88
	379.51	**203.87**

* Payable to fellow subsidary on account of transfer of branch w.e.f 1 January 2019.

** Includes payable towards the employee liability taken over.

*** Include share of loss in partnership firm recognised during the year and employee expenses payable (31 March 2019: employee expenses payable).

26 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Advances from customers	-	292.97
To parties other than related parties		
Statutory dues payable :		
- Tax deducted at source payable	33.50	20.18
- Provident fund payable	22.38	10.54
- Profession tax payable	0.22	0.11
- Employees State Insurance payable	0.93	1.00
- Value added tax payable	0.16	91.34
Advances from customers	1,510.26	1,792.11
	1,567.45	**2,208.25**

27 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity (refer note 43)	2.18	1.71
Compensated absences (refer note 43)	191.42	130.15
Other provisions		
Provision for liquidated damages	480.22	395.57
	673.82	**527.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Provision for liquidated damages:

Liquidated damages are contractual obligations affecting the contract revenue in case of the works contracts with customers arising as a result of penalties from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.

(Currency: Indian rupees in million)

Provision for:	Liquidated damages
As at 1 April 2019	395.57
Add: Additions during the year (including foreign exchange adjustments)	316.26
Less: Write back during the year (including foreign exchange adjustments)	(231.61)
As at 31 March 2020	**480.22**
As at 1 April 2018	-
Add: During the year	395.57
As at 31 March 2019	**395.57**

28 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for current tax (net of advance tax 31 March 2020: ₹ 3,001.63 million and 31 March 2019: ₹ 1,718.63 million)	213.62	354.55
	213.62	**354.55**

29 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services		
Income from works contracts	39,438.97	79,295.11
Revenue from operation and maintenance services	1,696.22	809.45
Sale of products		
Sale of traded goods	4,215.44	1,997.95
Other operating income		
Sale of scrap	0.41	1.28
	45,351.04	**82,103.79**

30 OTHER INCOME

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest method on:		
- deposits with banks	8.46	5.53
- loan to subsidiaries and fellow subsidiaries	2,003.53	1,173.46
- loan to employees	0.71	0.90
- deferred payment terms	-	4.95
- receivable from customers	58.29	-
- receivable from fellow subsidiary	-	221.10

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Write back of provision for bad and doubtful debts	58.00	-
Insurance claim received	88.97	-
Mark-to-market gains on derivative instruments (net)	-	39.53
Dividend income	781.03	-
Write back of provision for inventory obsolescence	-	4.40
Profit on sale of mutual funds	2.95	-
Fair value gain on investment in mutual funds measured at FVTPL	0.09	-
Gain on forward cover premium	20.91	68.03
Liabilities no longer required written back	331.62	-
Supplier balances written back	-	11.04
Export incentive	52.96	-
Foreign exchange gain (net)	157.80	-
Other miscellaneous income	86.94	25.73
	3,652.26	**1,554.67**

31 COST OF CONSTRUCTION MATERIALS, STORES AND SPARE PARTS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory of materials at the beginning of the year	108.89	161.51
Add: Purchase during the year	27,213.91	60,086.87
Less : Inventory of materials at the end of the year	133.72	108.89
	27,189.08	**60,139.49**

32 PURCHASE OF TRADED GOODS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cost of traded goods purchased during the year	4,089.91	1,815.72
	4,089.91	**1,815.72**

33 CHANGE IN INVENTORY OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory of stock-in-trade at the beginning of the year	11.38	24.05
Inventory of stock-in-trade at the end of the year	11.38	11.38
Decrease in inventory	**-**	**12.67**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

34 DIRECT PROJECT COSTS

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Communication expenses	14.92	11.45
Stores and spare parts consumed	38.35	172.87
Commission expenses	1.37	2.80
Legal and professional fees	124.49	59.56
Printing and stationery expenses	7.60	7.50
Insurance costs	81.15	81.62
Repairs and maintenance - others	23.53	23.61
Selling and marketing expenses	0.89	0.95
Traveling and conveyance expenses	104.21	105.35
Rent (refer note 41 and 50)	171.20	150.75
Rates and taxes	6.96	89.41
Electricity, power and fuel	28.76	42.83
Donation	-	0.06
Bank charges	307.50	478.15
Security Charges	141.35	121.90
Miscellaneous expenses	205.78	333.00
	1,258.06	**1,681.81**

Employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	492.21	295.64
Contribution to provident fund and other funds (refer note 43)	11.98	17.16
Staff welfare expenses	65.85	63.69
	570.04	**376.49**
Sub-contractor expenses	7,380.72	13,581.12
	9,208.82	**15,639.42**

35 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	1,177.18	874.26
Contribution to provident fund and other funds (refer note 43)	68.53	58.66
Gratuity (refer note 43)	17.11	11.45
Compensated absences (refer note 43)	79.50	44.90
Staff welfare expenses	41.41	47.45
	1,383.73	**1,036.72**

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

36 FINANCE COSTS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
- on secured loans	457.54	10.47
- on unsecured loans	895.90	465.32
- on dues of micro enterprises and small enterprises	6.95	0.43
- on lease liabilities	5.57	-
- on income tax and indirect taxes	21.86	51.66
- on others	9.91	13.27
Other borrowing costs	64.04	20.62
	1,461.77	**561.77**

37 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation and amortisation of property, plant and equipment	39.06	28.89
Depreciation on Right-of-use assets	20.89	-
Amortisation of intangible assets	3.23	2.90
	63.18	**31.79**

38 OTHER EXPENSES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Communication expenses	20.06	22.23
Stores and spare parts consumed	1.84	0.79
Legal and professional fees	149.04	206.99
Printing and stationery expenses	4.72	6.30
Insurance costs	20.49	30.50
Repairs and maintenance - others	37.90	38.77
Selling and marketing expenses	12.99	10.19
Traveling and conveyance expenses	218.66	253.77
Rent (refer note 41 and 50)	90.02	71.56
Rates and taxes	10.34	14.71
Electricity, power and fuel	7.56	8.29
Payment to auditors (refer note (a) below)	10.49	6.74
Foreign exchange loss (net)	-	203.65
Donation	0.01	0.77
Management support fees	130.56	102.18
Bank charges	209.02	117.01
Security Charges	4.15	4.59
Corporate social responsibility expenses (refer note 46)	34.12	13.50
Bad debts written off	36.25	43.28
Share of loss in partnership firm	147.05	-
Expected credit loss on financial assets	64.50	200.00
Provision for mark-to-market losses on derivative instruments (net)	62.27	-
Provision for impairment loss on loans and investment in subsidiary	17.79	1.49
Miscellaneous expenses	72.65	22.63
	1,362.48	**1,379.94**

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

(a) Payment to auditors

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
Statutory audit	7.43	4.05
In other capacity		
Tax audit	0.53	0.25
Certification services	1.84	2.44
Other services* (including reimbursement of expenses)	6.65	8.76
	16.45	**15.50**

* Includes ₹ 5.96 million (31 March 2019: ₹ 8.76 million) towards payment made to the auditors on account of initial public offering of equity shares of face value of ₹ 1 each. The expenses were recovered from Selling Shareholders in the ratio of their existing shareholding percentage.

39 INCOME TAXES

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense :		
Current year	1,099.56	1,256.13
Changes in estimate related to prior years	(2.82)	28.22
	1,096.74	**1,284.35**
Deferred tax charge/ (credit) :		
Origination and reversal of temporary differences	33.18	(204.90)
	33.18	(204.90)
Tax expenses for the year	**1,129.92**	**1,079.45**

b) Income tax recognised in other comprehensive income

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Standalone statement of profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(18.21)	4.58	(13.63)
Items that will be reclassified to Standalone statement of profit or loss			
Exchange differences in translating financial statements of foreign operations	148.46	-	148.46

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Standalone statement of profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(5.24)	1.83	(3.41)
Items that will be reclassified to Standalone statement of profit or loss			
Exchange differences in translating financial statements of foreign operations	81.77	-	81.77

c) **Reconciliation of effective tax rate**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	4,244.33	3,040.93
Tax using the Company's domestic tax rate 25.168% (31 March 2019: 34.944%)	1,068.21	1,062.62
Tax effect of:		
Non-deductible expenses	51.06	20.05
Items on which deferred tax not created	-	(31.45)
Item taxable at lower Income tax rate	(62.54)	-
Impact due to change in tax rate from 34.944% to 25.168%	76.01	-
Tax relating to previous period	(2.82)	28.22
Effective tax rate	**1,129.92**	**1,079.45**

d) **The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:**

Movement in deferred tax balances for the year ended 31 March 2020

Particulars	Balance as on 1 April 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2020
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(1.56)	(0.06)	-	(1.62)
Expected credit loss on financial assets	77.05	(19.92)	-	57.13
Employee benefits	98.72	(26.12)	4.58	77.18
Provision for mark to market losses on derivative instruments	(14.69)	30.58	-	15.89
Fair valuation of financial assets	-	(0.02)	-	(0.02)
Amortisation of expenses on merger	0.39	(0.53)	-	(0.14)
Provision for liquidated damages	138.26	(17.40)	-	120.86
Other adjustments	(0.30)	0.29	-	(0.01)
Net deferred tax asset	**297.87**	**(33.18)**	**4.58**	**269.27**

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

Movement in deferred tax balances for the year ended 31 March 2019

Particulars	Balance as on 1 April 2018	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(3.44)	1.88	-	(1.56)
Provision for bad and doubtful debts	7.16	69.89	-	77.05
Employee benefits	50.11	46.78	1.83	98.72
Provision for mark to market losses on derivative instruments	35.54	(50.23)	-	(14.69)
Fair valuation of financial assets	2.17	(2.17)	-	-
Fair valuation of financial liabilities	(2.49)	2.49	-	-
Amortisation of expenses on merger	0.51	(0.12)	-	0.39
Provision for anticipated loss and liquidated damages	-	138.26	-	138.26
Other adjustments	1.56	(1.86)	-	(0.30)
Net deferred tax asset	**91.12**	**204.90**	**1.83**	**297.87**

40 EARNINGS PER SHARE

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Basic earnings per share			
Numerator:			
Profit after tax attributable to equity shareholders	A	3,114.41	1,961.48
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		160,360,000	16,036,000
Add: Issued during the year		-	-
Add: Effect of share split (refer note 1 below)		-	144,324,000
Number of equity shares outstanding at the end of the year		160,360,000	160,360,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	160,360,000	160,360,000
Basic and diluted earnings per share (₹)	A / B	19.42	12.23
Face value per share		1.00	1.00

Notes:

1 During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's equity shares in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to Re.1 per share. This stock split became effective on 23 January, 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

2 Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

41 OPERATING LEASE

The Company has taken office premises on cancellable and non-cancellable operating leases and has taken vehicles on cancellable operating leases. The future minimum lease payments in respect of office premises and vehicles is as follows:

(Currency: Indian rupees in million)

Sr. No.	Lease obligations	31 March 2019
	Lease payments recognised in the standalone statement of profit and loss	
	- Cancellable	201.16
	- Non-cancellable	21.15
	Future minimum lease payments under non-cancellable operating leases	
i.	Due not later than one year	20.16
ii.	Due later than one year but not later than five years	19.17
iii.	Later than five years	-
	Minimum lease payment	39.33

42 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
	Contingent liabilities		
a)	**Claims against Company not acknowledged as debts:**		
i)	Claim against Company under Andhra Pradesh Goods and Services Tax Act, 2017 demanding tax, penalty and interest. The Company has filed an appeal against the order to the Appellate Authority *	1,401.40	-
		1,401.40	**-**

* The demand was raised on Sterling and Wilson Private Limited ('SWPL') by Authorities. However, Pursuant to the Scheme of Arrangement, the Business of the Company was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from 9 March 2017 till 28 March 2018 (the scheme become approved by Statutory Authorities). Accordingly, the contingent liability is considered in the books of the Company.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Capital commitments		
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.10	0.10
Capital commitment (net of advances) for procurement of property, plant and equipment	21.00	-
	21.10	**0.10**

Other commitments

a) The Company has issued letters of undertakings to provide need based financial support to its subsidiaries Sterling and Wilson Saudi Arabia Limited and Sterling and Wilson Solar LLC, Oman.

b) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Company's results of operations or financial condition.

c) During the current year, the Company has issued corporate guarantee to FirstRand Bank Limited ('FRBL') amounting

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

to ZAR 250.00 million (₹ 1,043.37 million) in respect of borrowing facility to be extended by the FRBL to step down subsidiary of the Company, Sterling and Wilson Engineering (Pty) Limited. The corporate guarantee shall be valid till 30 June 2023.

d) During the current year, the Company has issued corporate guarantee to Emirates NBD Bank PJSC, Dubai, ('Bank') amounting to AED 183 million (₹ 3,722.68 million) in respect of borrowing facility to be extended by Bank to the Company's subsidiary, Sterling and Wilson International Solar FZCO. The corporate guarantee shall be valid till 12 November 2020.

e) During the current year, the Company has issued corporate guarantee to Union Bank of India, DIFC Branch ('UBI') amounting to USD 70 million (₹ 5,236.76 million) in respect of borrowing facility to be extended by the UBI to the Company's subsidiary, Sterling and Wilson International Solar FZCO. The corporate guarantee shall be valid till 1 March 2025.

f) The Hon'ble Supreme Court of India ("SC") by it's order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

43 EMPLOYEE BENEFITS

Defined contribution plan:

Contribution to provident fund and other funds aggregating to ₹ 80.51 million (31 March 2019: 75.82 million) is recognised as an expense and included in 'Employee benefits expenses'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of ₹ 2 million.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily gross salary for each day of accumulated leave on death or on resignation or upon retirement:-

Change in the present value of the defined benefit obligation

(Currency: Indian rupees in million)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i	**Reconciliation of the present value of defined benefit obligation**		
	Balance at the beginning of the year	63.57	45.61
	Benefits paid	(4.95)	(2.38)
	Current service cost	12.16	7.88
	Past Service Cost- Vested Benefits	-	-
	Net Interest cost	4.95	3.57
	Liability transferred in / acquisitions	1.85	9.48
	Liability transferred out	(3.10)	(5.84)
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in demographic assumptions	-	-
	- changes in financial assumptions	12.11	0.38
	- experience adjustments	6.10	4.86
	Balance at the end of the year	**92.69**	**63.57**

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
ii	**Amount recognised in the standalone statement of profit and loss under employee benefits expense**		
	Current service cost	12.16	7.88
	Net interest cost	4.95	3.57
		17.11	**11.45**
iii	**Remeasurement recognised in other comprehensive income**		
	Actuarial losses on obligation for the year	18.21	5.24
		18.21	**5.24**
iv	**Maturity profile of defined benefit obligation**		
	Within next 12 months	2.18	1.71
	Between 1 and 5 years	11.92	8.63
	Above 5 years	332.94	268.03
v	**Actuarial assumptions:**		
	Discount rate	6.60%	7.79%
	Salary escalation	7.00%	7.00%
	Employee turnover	Service < 5 : 14% Service>=5 : 2%	Service < 5 : 14% Service>=5 : 2%
	Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
	Weighted average duration of the projected benefit obligation	18 years	17 years

VI Sensitivity Analysis

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.

Particulars	Defined Benefit Plan	
	31 March 2020	31 March 2019
Defined Benefit Obligation - Discount rate + 100 basis points	(12.94)	(8.56)
Defined Benefit Obligation - Discount rate - 100 basis points	16.12	10.60
Defined Benefit Obligation - Salary escalation rate + 100 basis points	11.47	7.42
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(10.15)	(6.74)
Defined Benefit Obligation - Employee turnover + 100 basis points	0.97	1.71
Defined Benefit Obligation - Employee turnover - 100 basis points	(1.23)	(2.09)

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.

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

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.

Compensated absences

Compensated absences for employee benefits of ₹ 79.50 million (31 March 2019: ₹ 44.90 million) expected to be paid in exchange for the services is recognised as an expense during the year.

44 DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Details of investments made by the Company

(i) Investments in equity shares

(Currency: Indian rupees in million)

Particulars	As at 1 April 2019	Investment during the year	Redeemed during the year	As at 31 March 2020
Sterling and Wilson (Thailand) Limited	0.02	-	-	0.02
Sterling and Wilson Saudi Arabia Limited	17.79	-	-	17.79
Sterling & Wilson - Waaree Private Limited	0.05	-	-	0.05
Sterling and Wilson International Solar FZCO	17.47	-	-	17.47
Esterlina Solar Engineers Private Limited	0.10	-	-	0.10
Sterling and Wilson Solar LLC	19.21	-	-	19.21

Particulars	As at 1 April 2018	Investment during the year	Redeemed during the year	As at 31 March 2019
Sterling and Wilson (Thailand) Limited	0.02	-	-	0.02
Sterling and Wilson Saudi Arabia Limited	17.79	-	-	17.79
Sterling & Wilson - Waaree Private Limited	0.05	-	-	0.05
Sterling and Wilson International Solar FZCO	17.47	-	-	17.47
Esterlina Solar Engineers Private Limited	-	0.10	-	0.10
Sterling and Wilson Solar LLC	-	19.21	-	19.21

(ii) Investments in government securities and mutual funds (unquoted)

Particulars	As at 1 April 2019	Investment during the year	Redemption during the year	Fair value adjustments / Foreign currency translation adjusments	As at 31 March 2020
Treasury bills	1.69	-	-	0.20	1.89
Investment in Mutual funds	-	1,900.00	(1,897.40)	0.09	2.69

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	As at 1 April 2018	Investment during the year	Redemption during the year	As at 31 March 2019
Treasury bills	1.59	0.10	-	1.69

B. Details of Inter-corporate deposits/ Loans given by the Company are as follows:

Name of the entity	As at 1 April 2019	Converted to loan	Loan given during the year (refer note 48)	Loan repaid during the year (refer note 48)	Foreign exchange/ adjustment during the year	As at 31 March 2020
Sterling and Wilson Private Limited (refer note 1 below) (net)	12,535.50	-	5,527.81	(12,410.28)	-	5,653.03
Sterling and Wilson International Solar FZCO (refer note 2 below)	3,226.89	-	240.58	-	266.76	3,734.23
Sterling & Wilson - Waaree Private Limited (refer note 3 below)	-	-	101.38	(101.38)	-	-
Sterling Wilson - SPCPL - Chint Moroccan Venture (refer note 7 below)	-	-	441.43	(441.43)	-	-
Sterling and Wilson (Thailand) Limited (refer note 4 below)	1.27	-	-	-	-	1.27
Esterlina Solar Engineers Private Limited (refer note 6)	20.60	-	7.18	(13.28)	-	14.50

Name of the entity	As at 1 April 2018	Converted to loan	Loan given during the year	Loan repaid during the year	Foreign exchange/ adjustment during the year	As at 31 March 2019
Sterling and Wilson Private Limited (refer note 1 below)	-	3,278.13	17,600.00	(8,342.63)	-	12,535.50
Sterling and Wilson International Solar FZCO (refer note 2 below)	3,008.99	-	-	-	217.90	3,226.89
Sterling & Wilson - Waaree Private Limited (refer note 3 below)	-	-	362.65	(362.65)	-	-
Sterling and Wilson (Thailand) Limited (refer note 4 below)	1.19	-	-	-	0.08	1.27
Sterling and Wilson Powergen Private Limited (refer note 5 below)	-	-	20.00	(20.00)	-	-
Esterlina Solar Engineers Private Limited (refer note 6)	-	-	21.00	(0.40)	-	20.60

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Note 1: Sterling and Wilson Private Limited

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	11 months	Repayable on demand
Rate of Interest	9.70% to 13.80% p.a.	9.90% to 13.50%

Note 2: Sterling and Wilson International Solar FZCO

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	8%	9.50% p.a.

Note 3: Sterling & Wilson - Waaree Private Limited

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	12.00% p.a	12.00% p.a

Note 4: Sterling and Wilson (Thailand) Ltd.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	7.50% p.a.	7.50% p.a.

Note 5: Sterling and Wilson Powergen Private Limited

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Not applicable	Working Capital
Loan repayment terms	Not applicable	Repayable on demand
Rate of Interest	Not applicable	10.50% p.a.

Note 6: Esterlina Solar Engineers Private Limited

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	12.00% p.a.	12.00% p.a.

Note 7: Sterling Wilson - SPCPL - Chint Moroccan Venture

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Not applicable
Loan repayment terms	Repayable on demand	Not applicable
Rate of Interest	12.00% p.a.	Not applicable

Notes to the Standalone Financial Statements

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(Currency: Indian rupees in million)

C. Details of corporate guarantees given by the Company are as follows:

Name of the beneficiary	Purpose	As at 1 April 2019	Guarantees given during the year	Guarantees expired/ released during the year	Adjustment on account of exchange difference	As at 31 March 2020
Sterling and Wilson International Solar FZCO(Also Refer note 42 - Other commitments)	Borrowing facility	-	11,065.29	1,180.85	118.37	10,002.81

45 DISCLOSURE UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the entity and nature of transactions (loan given/ investment made/ guarantee given)	Purpose for which loan given/ investment made given to be utilised by the recipient	Balance as at		Movement during the year	Maximum outstanding during the year	
		31 March 2020	31 March 2019		31 March 2020	31 March 2019
A. Investment in equity shares						
Sterling and Wilson (Thailand) Limited		0.02	0.02	-		
Sterling and Wilson Saudi Arabia Limited		17.79	17.79	-		
Sterling & Wilson - Waaree Private Limited		0.05	0.05	-		
Sterling and Wilson International Solar FZCO		17.47	17.47	-		
Esterlina Solar Engineers Private Limited		0.10	0.10	-		
Sterling and Wilson Solar LLC		19.21	19.21	-		
B. Inter-corporate deposits/ Loans						
Sterling and Wilson Private Limited	Working capital	5,653.03	12,535.50	(6,882.47)	18,063.31	20,878.13
Sterling and Wilson International Solar FZCO	Working capital	3,734.23	3,226.89	507.34	3,734.23	3,226.89
Sterling & Wilson - Waaree Private Limited	Working capital	-	-	-	101.38	362.65
Sterling Wilson - SPCPL - Chint Moroccan Venture	Working capital	-	-	-	420.00	-
Sterling and Wilson (Thailand) Limited	Working capital	1.27	1.27	-	1.27	1.27
Sterling and Wilson Powergen Private Limited	Working capital	-	-	-	-	20.00
Esterlina Solar Engineers Private Limited	Working capital	14.50	20.60	(6.10)	27.78	21.00
C. Corporate guarantee issued						
Sterling and Wilson International Solar FZCO	Borrowing facility	10,002.81	-	10,002.81		

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

46 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in Schedule VII of the Companies Act 2013. The utilisation is done by way of direct contribution towards various activities and activities conducted by the Company.

The details set below are for the amount spent by the Company.

(Currency: Indian rupees in million)

	Particulars	31 March 2020		
		In cash	Yet to be paid in cash	Total
A.	Gross amount required to be spent by the Company during the year			51.45
B	Amount spent during the year ended 31 March 2020			
i)	CSR spents for roof top solar projects at various Schools, Hospital, Ashtam and research centre	8.85	-	8.85
ii)	Contribution for Academic Coaching and infrastructure development (Solar Building & convert Container)	6.60	2.20	8.80
iii)	Contribution for facilitating toilets and sanitation for school Students in Nashik	1.50	-	1.50
iv)	Contribution for facilitating sanitary vending machine, sanitary napkin and incinerator for college students	1.80	-	1.80
v)	Contribution provide housing and sanitation facility to Karjat tribal community	1.25	-	1.25
vi)	Contribution for providing financial support to critical patients	1.00	-	1.00
vii)	Contribution for set up of library and language lab	1.20	0.60	1.80
viii)	Contribution for anemia reducation program for adolescent girls and BCC-Health	1.01	0.34	1.35
ix)	Contribution towards Academic Coaching and Counseling up to primary level at Chilwadi-Osmanabad	0.50	0.65	1.15
x)	Contribution to Mitti Café for training disable youth and providing livelihood	0.71	-	0.71
xi)	Contribution for skill training of blind students	0.63	-	0.63
xii)	Contribution for Mid-day meal to School Students in Silvasa	0.99	-	0.99
xiii)	Contribution Sushrut Hospital to provide financial help for poor Patients	0.60	-	0.60
xiv)	Contribution for renovation of old age home	0.84	-	0.84
xv)	Other donations and contributions	2.55	0.30	2.85
		30.03	**4.09**	**34.12**
C	Related party transactions in relation to Corporate Social Responsibility			-
D	Provision movement during the year			
	Opening balance			
	Addition during the year			-
	Utilised during the year			-
	Closing balance			-

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars		31 March 2019		
		In cash	Yet to be paid in cash	Total
A	Gross amount required to be spent by the Company during the year			42.08
B	Amount spent during the year ended 31 March 2019			
	i) Contribution towards Restoration of School in Chilwadi	2.57	-	2.57
	ii) Installation of Water purification plant	1.65	-	1.65
	iii) Installation of Solar power plant	4.64	-	4.64
	iv) Contribution towards ensuring environmental sustainability	2.00	-	2.00
	v) Contribution of nursery school at Khandwa	0.42	-	0.42
	vi) Contribution towards development of physically disabled students	0.36	-	0.36
	vii) Contribution towards scholarship of students	0.30	-	0.30
	viii) Other donations	1.56	-	1.56
		13.50	-	13.50
C	Related party transactions in relation to Corporate Social Responsibility			-
D	Provision movement during the year			
	Addition during the year			-
	Utilised during the year			-
	Closing year			-

47 DISCLOSURE UNDER IND AS 115, REVENUE FROM CONTRACTS WITH CUSTOMERS

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

B) Disaggreagtion of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 49.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	3,492.89	1,923.61
Less: Billing during the year	36,855.08	75,169.77
Add: Revenue recognised during the year	37,353.89	73,600.49
Contract assets as at the end of the year	**3,991.70**	**3,492.89**
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	2,085.08	5,946.35
Add: Addition during the year	1,510.26	1,833.36
Less: Applied during the year	2,085.08	5,694.63
Contract liabilities as at the end of the year	**1,510.26**	**2,085.08**

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

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

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from works contracts	39,562.86	79,757.25
Adjustment on account of:		
Less: Deferment of revenue pertaining to free operation and maintenance period	(78.81)	(3.57)
Less: Liquidated damages provided during the year	(276.69)	-
Add: Reversal of provision for liquidated damages	231.61	(458.57)
Total	**39,438.97**	**(79,295.11)**
Revenue from operation and maintenance services	1,666.67	793.93
Adjustment on account of:		
Add: Recognition of revenue towards free operation and maintenance period	29.55	15.52
Total	**1,696.22**	**809.45**
Sale of traded goods	4,215.44	1,997.95
Adjustment on account of:		
Add: Adjustment during the year	-	-
Total	**4,215.44**	**1,997.95**
Other operating income	**0.41**	1.28
Adjustment on account of:		
Add: Adjustment during the year	-	-
Total	**0.41**	**1.28**

E) Performance obligation

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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

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

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

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

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020 and 31 March 2019.

F) **Practical expedients:**

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

48 RELATED PARTY DISCLOSURES

A. Related parties and their relationship

Category of related parties

1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Subsidiaries, direct and indirect holding	Sterling and Wilson International Solar FZCO
	Sterling & Wilson - Waaree Private Limited
	Sterling and Wilson (Thailand) Limited
	Sterling and Wilson Saudi Arabia Limited
	Sterling and Wilson Middle East Solar Energy L.L.C., Dubai
	Sterling and Wilson Engineering (Pty) Limited
	Sterling and Wilson Singapore Pte Limited
	Sterling and Wilson Kazakhstan LLP
	Sterling and Wilson Brasil Servicos Ltda. (upto 26 August 2019)
	Sterling Wilson - SPCPL - Chint Moroccan Venture
	Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)
	Renovable Energia Contracting S.L.
	Sterling and Wilson Solar Solutions Inc.
	GCO Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd) (w.e.f. 1 December 2018)
	Sterling Wilson Solar Solutions LLC (w.e.f 17 October 2018)
	Sterling and Wilson International LLP (w.e.f 27 June 2018)
	Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. 16 April 2019)
	Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. 4 June 2019)
	Sterling and Wilson Solar LLC (w.e.f 1 January 2019)
3) Fellow subsidiaries	Abhipreet Trading Pvt. Ltd.
	Acreage Farm Pvt. Ltd.
	Afcons Construction Mideast LLC
	Afcons Corrosion Protection Pvt. Ltd.
	Afcons Gulf International Project Services FZE
	Afcons Gunanusa Joint Venture
	Afcons Infra projects Kazakistan LLP

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

	Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL
	Afcons Infrastructure Ltd.
	Afcons Mauritius Infrastructure Ltd.
	Afcons Offshore and Marine Services Pvt. Ltd.
	Afcons Overseas Project Gabon SARL
	Afcons Overseas Singapore Pte Ltd.
	Afcons Saudi Construction LLC
	Afcons Shareholding (Education Assistance) Trust nos. 1, 2 and 3*
	Afcons Shareholding (General assistance) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Health promotion) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Hobbies and Craft Training) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Holiday Assistance) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Medical Benefit) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Personnel Development) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Training and Development) Trust nos. 1, 2 and 3*
	Afcons Shareholding Employees Welfare Trust nos. 1, 2, 3 and 4*
	Alaya Properties Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	Aquadiagnostics Water Research & Technology Centre Ltd.
	Aqualgnis Technologies Pvt. Ltd. (w.e.f 13 June 2018)
	Archaic Properties Pvt. Ltd.
	Arena Stud Farm Pvt. Ltd.
	Arina Solar Private Limited
	Armada Madura EPC Ltd
	Arme Investment Company Ltd
	Aspire Properties Holdings Ltd
	Ativa Real Estate Developers Pvt Ltd (w.e.f 1 February 2019)
	Atnu Solar Pvt. Ltd. (w.e.f. 21/09/2018)
	Aurinko Energy Private Limited
	Awesome Space Creations LLP (w.e.f. 25/06/2018)
	Balgad Power Company Pvt. Ltd.
	Banglore streetlighting Pvt. Ltd. (w.e.f. 28/03/2019)
	Belva Farms Pvt. Ltd.
	Bengal Shapoorji Infrastructure Development Pvt. Ltd.
	Bisho infra projects ltd
	Blue Riband Properties Pvt. Ltd.
	Bracewall Builders Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	Callidora Farms Pvt. Ltd.
	Campbell Properties and Hospitality Services Ltd.
	Chinsha Property Pvt. Ltd.
	Cyrus Engineers Pvt. Ltd.
	Dahej Standby Jetty Project Undertaking
	Delna Finance & Investments Pvt. Ltd.
	Delphi Properties Pvt. Ltd.
	Devine Realty & Construction Pvt. Ltd.
	Dhan Gaming Solution (India) Pvt. Ltd.
	Dynamic sun energy private limited
	EFL Mauritius Ltd.
	Egni Generation Pvt. Ltd. (w.e.f.20/12/2018)
	Elaine Renewable Energy Pvt. Ltd. (w.e.f.05/09/2018)
	Eloise Energy Pvt. Ltd. (w.e.f. 03/08/2018)
	Empower Builder Pvt. Ltd.
	Esem Stables Pvt. Ltd. (w.e.f. 16/05/2018)
	ESPI Farms Pvt. Ltd. (w.e.f.21/05/2018)
	ESPI Holdings Mauritius Ltd.
	ESPI Homested Pvt. Ltd. (w.e.f. 17/05/2018)
	ESPI Stables and farms Pvt. Ltd. (w.e.f. 21/05/2018)
	Eureka Forbes Ltd.
	Euro Forbes Financial Services Ltd.
	Euro Forbes Ltd. Dubai
	Fayland Estates Pvt. Ltd.
	Filippa Farms Pvt. Ltd.
	Fine Energy Solar Pvt. Ltd.
	Flamboyant Developers Pvt. Ltd.
	Flooraise Developers Pvt. Ltd.
	Floral Finance Pvt. Ltd.
	Floreat Investments Ltd.
	Flotilla Finance Pvt. Ltd.
	Forbes & Company Ltd.
	Forbes Campbell Finance Ltd.
	Forbes Campbell Services Ltd.
	Forbes Edumetry Ltd.
	Forbes Enviro Solutions Ltd.
	Forbes Facility Services Pvt. Ltd.
	Forbes International AG
	Forbes Lux FZCO
	Forbes Lux International AG
	Forbes Technosys Ltd.
	Forvol International Service Ltd.
	Gallops Developers Pvt. Ltd.
	Global Bulk Minerals FZE ("GBM")
	Global Energy projects holding
	Global Energy S.L. Ltd. (Upto 25/12/2019)
	Global Energy Ventures Mauritius.
	Global Infra FZCO
	Global Resource and Logistics Pte. Ltd.
	Global solar energy holding
	Gokak Power & Energy Ltd.
	Gokak Textiles Ltd.
	Gossip Properties Pvt. Ltd.
	GRL Mozambique S A (Upto 08/07/2019)
	Haul Power Pvt. Ltd. (w.e.f. 26/12/2018)
	Hazarat & Co Pvt. Ltd.
	Hermes Commerce Ltd. (Upto 05/02/2020)
	High Point Properties Pvt. Ltd.
	Instant Karma Properties Pvt. Ltd.
	Jaykali Developers Pvt. Ltd.
	Kamal Power Ltd. (Tanzania)
	Kanpur River Management Pvt. Ltd. (w.e.f.16/11/2018)
	Kavinam Property Development Pvt.Ltd. (w.e.f.31/01/2019)

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

- Khvafar Investments Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Khvafar Property Developers Pvt. Ltd.
- Leader Shipyard Pvt. Ltd.
- LIAG Trading and Investments Ltd.
- Lucrative Properties Pvt. Ltd.
- Lux (Deutschland) GmbH
- Lux Aqua Czech s.r.o. (upto 30 April 2018)
- Lux Aqua Hungaria Kft (upto 30 April 2018)
- Lux Aqua Paraguay SA
- Lux del Paraguay S.A.
- Lux Hungária Kereskedelmi Kft.
- Lux Interantional AG
- Lux International Service Kft (Upto 30/09/2018)
- Lux International Services and Logistics GmbH (Formerly: Lux Service GmbH)
- Lux Italia srl
- Lux Norge A/S
- Lux Oesterreich GmbH
- Lux Professional International GmbH
- Lux Schweiz AG
- Magpie Finance Pvt. Ltd
- Make Home Realty & Construction Pvt. Ltd.
- Malabar Trustee Co. Ltd (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Manjri Farmsted Pvt. Ltd. (w.e.f. 11/05/2018)
- Manjri Horse Breeders Farm Pvt. Ltd.
- Manor Stud Farm Pvt. Ltd.
- Mazsons Builders & Developers Pvt. Ltd.
- Meridian Enterprise (Joint venture)
- Meriland Estates Pvt. Ltd.
- Mileage Properties Pvt. Ltd.
- Mrunmai Properties Ltd
- Musamdam Rock LLC
- National Power Generation Company Limited (Upto 09/07/2019)
- Neil Properties Pvt. Ltd
- Next Gen Publishing Ltd.
- Nuevo Consultancy Services Ltd.
- Nursery Projects and Agri Development Pvt. Ltd.
- Nutan Bidyut (Bangladesh) Ltd.
- OSCO SP Facilities Management LLC
- Palchin Real Estates Pvt. Ltd.
- Parikar Real Estate Pvt. Ltd. (w.e.f.22/06/2018)
- Precaution Properties Pvt. Ltd.
- PT. Nusantara Global Resources.
- Radiance Solar Pvt. Ltd.
- Range Consultants Private Limited
- Relationship Properties Pvt. Ltd.
- Renaissance Commerce Pvt. Ltd.
- Ricardo Construction Pvt. Ltd.
- Rihand Floating Solar Pvt. Ltd. (w.e.f.24/12/2018)
- S C Motors Pvt. Ltd.
- S P Global Operations Ltd.
- S P International
- S P Kam Synthetics Pvt. Ltd.
- S. C. Impex Pvt. Ltd.
- Sabeena Properties Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Sagar Premi Builders and Developers Pvt. Ltd.
- Samalpatti Power Co Pvt. Ltd.
- Saral SP Algeria
- Sashwat Energy Private Limited
- Shachin Real Estate Pvt. Ltd.
- Shapoorji AECOS Construction Pvt. Ltd.
- Shapoorji Data Processing Pvt. Ltd.
- Shapoorji Holding Limited
- Shapoorji Hotels Pvt. Ltd.
- Shapoorji Pallonji 98/2 Company Pte Ltd
- Shapoorji Pallonji and Co KIPL JV (Partnership Firm)
- Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)
- Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.
- Shapoorji Pallonji Construction Private Limited
- Shapoorji Pallonji Consulting Services Pvt. Ltd. (w.e.f. 04/01/2019)
- Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.
- Shapoorji Pallonji Egypt LLC.(w.e.f. 18/02/2019)
- Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
- Shapoorji Pallonji Energy Company INC
- Shapoorji Pallonji Europe Ltd.(w.e.f. 27/08/2018)
- Shapoorji Pallonji Finance Pvt. Ltd.
- Shapoorji Pallonji Forbes Shipping Ltd.
- Shapoorji Pallonji General Contracting Company for Buildings
- Shapoorji Pallonji Ghana Ltd.
- Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.
- Shapoorji Pallonji Infrastructure Capital Co Private Limited
- Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.
- Shapoorji Pallonji International LLC (w.e.f.12/02/2018)
- Shapoorji Pallonji International, FZC
- Shapoorji Pallonji International, FZE
- Shapoorji Pallonji Investment Advisors Pvt. Ltd.
- Shapoorji Pallonji Kazakhstan LLC
- Shapoorji Pallonji Lanka Pvt. Ltd.
- Shapoorji Pallonji Libya Company for General Construction
- Shapoorji Pallonji Logispace & Investment Advisors Pvt. Ltd. (w.e.f.01/02/2019)
- Shapoorji Pallonji Malta Ltd
- Shapoorji Pallonji Mid East LLC
- Shapoorji Pallonji Nigeria FZE (w.e.f.12/09/2018)
- Shapoorji Pallonji Nigeria Ltd.
- Shapoorji Pallonji Oil and Gas Godavari Pvt Ltd
- Shapoorji Pallonji Oil and Gas International FZE
- Shapoorji Pallonji Oil and Gas Pvt Ltd
- Shapoorji Pallonji Ports Pvt. Ltd.
- Shapoorji Pallonji Power Company Ltd (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Shapoorji Pallonji Projects Pvt. Ltd.
- Shapoorji Pallonji Properties LLC
- Shapoorji Pallonji Qatar WLL
- Shapoorji Pallonji Qatar WLL
- Shapoorji Pallonji Renewables Pvt. Ltd.
- Shapoorji Pallonji Roads Pvt. Ltd.

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

- Shapoorji Pallonji Rural Solutions Pvt Ltd.
- Shapoorji Pallonji Saurpower Pvt. Ltd. (w.e.f. 26/10/2018)
- Shapoorji Pallonji Solar Holdings Pvt Ltd
- Shapoorji Pallonji Solar PV Pvt. Ltd.
- Shapoorji Pallonji Suryaprakash Pvt. Ltd. (w.e.f. 09/10/2018)
- Shapoorji Pallonji Technologies FZE
- Shapoorji Pallonji Transportation Projects Pvt. Ltd.
- Shapoorji Pallonjii Pandoh Takoli highways private limited
- Sharus Steels Products Pvt. Ltd.
- Simar Port Pvt. Ltd.
- Solar Edge Power and Energy Pvt. Ltd.
- SP Advanced Engineering Materials Pvt. Ltd.
- SP Agri Management Services P Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- SP Aluminium System Pvt. Ltd.
- SP Architectural Coatings Pvt. Ltd.
- SP Bio Science Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- SP Biofuel Ventures Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- SP Consulting Services DMCC UAE
- SP Energy (Egypt) S.A.E.
- SP Energy Venture AG
- SP Engineering Services Pte. Ltd.
- SP Fabricators Pvt. Ltd.
- SP Infocity Developers Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- SP International Property Developer LLC
- SP Jammu Udhampur Highway Pvt. Ltd.
- SP Lanka Properties Pvt. Ltd.
- SP Nano Products Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- SP Oil and Gas Malaysia SDN BHD
- SP Oil Exploration Pvt. Ltd
- SP Photovoltaic Pvt. Ltd. (upto 29 March 2019)
- SP Ports Pvt. Ltd.
- SP Properties Holding Ltd.
- SP Sierra Joint Venture (Pvt) Ltd
- SP Solren Pvt. Ltd. (upto 29 March 2019)
- SP Trading (Partnership Firm)
- SPCL Holdings Pte Ltd.
- SPCPL-SMCIPL Joint Venture (w.e.f. 02/09/2018)
- SPI Nowa Energia spó ka zograniczoną odpowiedzialnością (w.e.f.14/02/2019)
- SPM 5 Investment L.L.C
- SP-NMJ Project Private Limited
- Steppe Developers Pvt. Ltd.
- Sterling & Wilson Australia Pty Ltd
- Sterling & Wilson Nigeria Ltd.
- Sterling & Wilson Power Solutions LLC
- Sterling & Wilson Powergen LLC
- Sterling and Wilson Cogen Solutions AG
- Sterling and Wilson Cogen Solutions Ltd. (formerly Sterling and Wilson Royal Power Solutions Ltd.)
- Sterling and Wilson Co-Gen Solutions Private Limited
- Sterling and Wilson HES UK Ltd. (formerly Sterling & Wilson UK Holdings Ltd.)
- Sterling and Wilson International FZE
- Sterling and Wilson International solar FZO
- Sterling and Wilson International Solar LLP (w.e.f. 27/06/2018)
- Sterling and Wilson Middle East Electromechanical (Bahrain) WLL
- Sterling and Wilson Middle East Electromechanical LLC, Dubai
- Sterling and Wilson Middle East Sanitation, Electrical, Cooling & Conditioning Contracting LLC, Kuwait
- Sterling and Wilson Middle East WLL
- Sterling and Wilson Power Systems Inc.
- Sterling and Wilson Powergen FZE
- Sterling and Wilson Powergen Private Limited
- Sterling and Wilson Private Limited
- Sterling and Wilson Security Systems Private Limited
- Sterling Generators Private Limited
- Sterling and Wilson Co-Gen FZCO (w.e.f 13 February 2019)
- Stonebricks Developers Pvt.Ltd. (w.e.f.11/05/2018)
- Stonebricks Property Development Pvt.Ltd. (w.e.f.04/06/2018)
- Sun Energy One Pvt. Ltd.
- Sunny View Estates Pvt. Ltd
- Sunrays Power One (Pvt.) Ltd.
- Sunrise Energy Pvt. Ltd.
- Sunshine Energy Kenya Ltd. (Upto 06/03/2020)
- Surya Power One Pvt. Ltd.
- Surya Prakash Vietnam Energy Company Limited
- Suryoday Energy Pvt. Ltd. (upto 29 March 2019)
- Suryoday One Energy Pvt. Ltd.
- SWB Power Limited
- SWB St. Helen Ltd.
- SWB Skelmesdale Ltd.
- TN Solar Power Energy Pvt. Ltd.
- Transform Sun Energy Pvt. Ltd. (upto 29 March 2019)
- Transtonnelstroy Afcons Joint Venture
- Turner Property Developers LLP (w.e.f. 25/06/2018)
- United Motors (India) Pvt. Ltd.
- Universal Mine Developers and Service Providers Pvt. Ltd.
- Vizion Business Parks Private Limited
- Volkart Fleming Shipping & Services Ltd.
- Lux Welity Polska sp. z o.o.
- Shapoorji Pallonji UK Ltd. (w.e.f. 23/01/2020)
- West Coast Liquid Terminal Pvt. Ltd.

4) Joint ventures of fellow subsidiary

- Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium
- STC Power SRL
- Co.Stell SRL
- P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017)
- Sterling and Wilson Cogen Solutions LLC

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

A. Related parties and their relationship
Category of related parties

5) Key Management Personnel ("KMP")	Mrs Zarine Y Daruvala, Director (upto 27 March 2019)
	Mr. Khurshed Y Daruvala, Chairman
	Mr. Pallon Shapoor Mistry, Non-Executive Director
	Mr. Bikesh Ogra, Non-Executive Director (w.e.f 27 March 2019)
	Mr. Bahadur Dastoor, CFO (w.e.f 1 April 2018)
	Mr. Jagannadha Rao, Company Secretary (w.e.f 8 May 2018)
	Mr. K. Kannan, Manager (w.e.f 27 March 2019)
6) Relatives of Key Management Personnel	Mrs Kainaz K. Daruvala
	Mrs Parvin Zarine Madan
7) Entities over which key managerial person or their relatives exercise control	Delsys Infotech Private Limited, Transtel Systems Private Limited
	M/S. Fahudco
	Sterling Viking Power Private Limited
	Iris Energy Private Limited
	Daric Consultancy FZC
	Sterling and Wilson Energy Systems Private Limited
8) Entities over which Holding Company exercise significant influence	Afcons (Mideast) Constructions & Investments Pvt. Ltd.
	Afcons Jal Joint Venture (w.e.f.20/09/2017)
	Afcons KPTL Joint Venture (Dhaka Tongi) (w.e.f. 09/11/2016)
	Afcons Pauling Joint Venture
	AFCONS Sener LNG Construction Projects Pvt.Ltd.
	Afcons SMC Joint Venture
	Afcons Vijeta Joint Venture
	Afcons-Sibmost Joint Venture
	Afcons-Vijeta -PES Joint Venture
	Always Remember Properties Pvt. Ltd.
	AMC Cookware PTE Ltd.
	Armada 98/2 Pte. Ltd.
	Armada C7 Pte Ltd.(Singapore)
	Armada D1 Pte Ltd.(Singapore)
	Armada Madura EPC Ltd
	Awesome Properties Pvt. Ltd.
	Behold Space Developers Pvt. Ltd. (Upto 02/05/2019)
	Bengal Shapoorji Housing Development Pvt. Ltd.
	Bigsearch Properties Pvt. Ltd.
	Blue Stone Middle East Ltd
	BNV Gujarat Rail Private Ltd.
	Coventry Properties Pvt. Ltd.
	Dream Chalet Pvt. Ltd.
	Euro P2P Direct (Thailand) Co Ltd.
	Forbes Aquatech Ltd.
	Forbes Bumi Armada Ltd.
	Forbes Concept Hospitality Services Pvt. Ltd.
	Forbes G4S Solutions Private Limited
	G. S. Enterprises (Partnership Firm)
	Grand View Estates Pvt. Ltd.
	Heart Beat Properties Pvt. Ltd.
	HPCL Shapoorji Energy Ltd.
	Image Realty LLP
	Infinite Water Solutions Private Limited
	Insight Properties Pvt. Ltd.
	Ircon Afcons Joint venture
	Jess Realty Pvt. Ltd.
	Joyous Housing Ltd.
	Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)
	JV Hochtief – Nahdat AL Emaar-Shapoorji
	Karapan Armada Madura Pte. Ltd.
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture
	Minean SP Construction Corporation
	Mirth Property Developers Pvt. Ltd.
	Nandadevi Infrastructure Private Limited
	Natural Oil Ventures Co Ltd.
	Newtech Planners & Consultancy Services Pvt. Ltd.
	P T Gokak Indonesia
	P.T.C. S.a.s. di Barzanti Massimo
	Redstone Films Pvt Ltd
	S. D. Corporation Pvt. Ltd.
	S. D. New Samata Nagar Development Pvt. Ltd.
	S. D. Recreational Services Pvt. Ltd.
	S. D. Service Management Pvt. Ltd.
	S. D. SVP Nagar Redevelopment Pvt. Ltd.
	S. D. Town Development Pvt. Ltd.
	S.D. Imperial Property Maintenance Pvt. Ltd.
	Saipem Afcons Joint Venture
	Satori Property Developers Pvt. Ltd.
	SD Palm Lands Redevelopment Pvt. Ltd.
	SD Powai Redevelopment Pvt. Ltd.
	SDC Mines Pvt Ltd
	SDC Township Pvt. Ltd.
	Seaward Realty Pvt. Ltd.
	Shapoorji Pallonji and OEG Services Private Limited
	Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.
	Shapoorji Pallonji Bumi Armada Offshore Ltd.
	Shapoorji Pallonji Finance Pvt. Ltd.
	Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture
	Solar Capital De Aar 3 (RF)Proprietary Limited
	SP Armada Oil Exploration Pvt. Ltd.
	SP Imperial Star Pvt. Ltd.
	SP Trading (Partnership Firm)
	Space Square Developers Pvt. Ltd.
	Sterling Motors (Partnership Firm)
	Strabag Afcons Joint Venture
	Sunny Recreational Property Developers Pvt. Ltd
	Turner Films Pvt Ltd
	West Coast Liquid Terminal Pvt. Ltd. (W.e.f. 09/05/2018)
	Zhanakorgan Energy LLP

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

B Transactions and balances with related parties
Related party disclosures for the year ended 31 March 2020

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	533.85	1,138.47	-	1,672.32
II	Revenue from operation and maintenance services	-	27.85	-	27.85
III	Sale of traded goods	-	5.32	-	5.32
IV	Purchase of services	-	1,212.86	-	1,212.86
V	Purchases of construction material	-	18,420.42	0.14	18,420.56
VI	Advance received from customers	23.92	57.13	-	81.05
VII	Advance paid to vendors	-	1,027.48	-	1,027.48
VIII	Management support fees	130.56	-	-	130.56
IX	Interest income	-	2,003.53	-	2,003.53
X	Other income	-	26.73	-	26.73
XI	Corporate guarantee commission	-	27.29	-	27.29
XII	Recovery towards expenses and others	-	1,481.00	-	1,481.00
XIII	Reimbursement of expenses	-	90.22	-	90.22
XIV	Remuneration and sitting fees paid	-	-	70.36	70.36
XV	Interest expense	20.64	0.04	-	20.68
XVI	Short term borrowings obtained	2,800.00	22.78	-	2,822.78
XVII	Short term borrowings repaid	2,800.00	-	-	2,800.00
XVIII	Corporate guarantee issued	-	11,065.29	-	11,065.29
XIX	Corporate guarantee released	-	1,180.85	-	1,180.85
XX	Inter-corporate deposits/ Loan given - Prior to date of listing	-	16,868.00	-	16,868.00
XX(a)	Inter-corporate deposits/ Loan given to subsidiaries - Post date of listing	-	542.57	-	542.57
XXI	Inter-corporate deposits/ Loan repaid - Prior to date of listing	-	11,092.19	-	11,092.19
XXI(a)	Inter-corporate deposits/ Loan repaid - Post date of listing	-	12,966.37	-	12,966.37
XXII	Interest receivable	-	1,161.48	-	1,161.48
XXIII	Interest payable	18.64	0.03	-	18.67
XXIV	Trade Receivables	399.36	833.66	-	1,233.02
XXV	Trade payable	-	16,030.99	0.13	16,031.12
XXVI	Other receivables	-	1,503.97	-	1,503.97
XXVII	Other Payables	-	13.93	-	13.93
XXVIII	Corporate guarantee outstanding	-	10,002.81	-	10,002.81
XXIX	Unbilled receivables	7.61	218.57	-	226.18
XXX	Short term borrowings outstanding	-	22.78	-	22.78
XXXI	Inter-corporate deposits/ Loan receivable	-	9,403.03	-	9,403.03

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2020

(Currency: Indian rupees in million)

Sr. No	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	533.85	-	-	533.85
	Shapoorji Pallonji Energy Egypt S.A.E	-	129.55	-	129.55
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	721.13	-	721.13
	Sterling Generators Private Limited	-	3.01	-	3.01
	Shapoorji Pallonji Solar Holdings Private Limited	-	173.58	-	173.58
	Forbes & Company Ltd.	-	32.86	-	32.86
	Shapoorji Pallonji Solar PV Private Limited	-	78.34	-	78.34
II	Revenue from operation and maintenance services				
	Shapoorji Pallonji Energy Egypt S.A.E	-	25.79	-	25.79
	Sterling and Wilson Private Limited	-	2.06	-	2.06
III	Sale of traded goods				
	Sterling and Wilson International Solar FZCO	-	5.32	-	5.32
IV	Purchases of services				
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	716.92	-	716.92
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	112.67	-	112.67
	Sterling and Wilson Private Limited	-	331.80	-	331.80
	Forvol International Services Limited	-	51.47	-	51.47
V	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	1.03	-	1.03
	Sterling and Wilson Private Limited	-	69.05	-	69.05
	Sterling Viking Power Private Limited	-	-	0.14	0.14
	Sterling Generators Private Limited	-	20.02	-	20.02
	Sterling and Wilson International Solar FZCO	-	18,330.32	-	18,330.32
VI	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	23.92	-	-	23.92
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	57.13	-	57.13
VII	Advance paid to vendors				
	Sterling and Wilson International Solar FZCO	-	1,027.48	-	1,027.48
VIII	Management support fees				
	Shapoorji Pallonji and Company Private Limited	130.56	-	-	130.56
IX	Interest income				
	Sterling and Wilson Private Limited	-	1,649.63	-	1,649.63
	Sterling & Wilson - Waaree Private Limited	-	6.12	-	6.12
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	12.10	-	12.10
	Esterlina Solar Engineers Private Limited	-	2.98	-	2.98
	Sterling and Wilson International Solar FZCO	-	332.70	-	332.70

Notes to the Standalone Financial Statements
for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2020

(Currency: Indian rupees in million)

Sr. No	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
X	Other income				
	Sterling and Wilson International Solar FZCO	-	26.73	-	26.73
XI	Corporate guarantee commission				
	Sterling and Wilson International Solar FZCO	-	27.29	-	27.29
XII	Recovery towards expenses and others				
	Sterling and Wilson International Solar FZCO	-	1,366.74	-	1,366.74
	Sterling and Wilson Private Limited	-	113.00	-	113.00
	Sterling and Wilson Solar LLC	-	1.26	-	1.26
XIII	Reimbursement of expenses				
	Sterling and Wilson Private Limited	-	90.22	-	90.22
XIV	Remuneration and sitting fees paid				
	Mr. Bahadur Dastoor, CFO				
	- Short-term employee benefits	-	-	28.91	28.91
	- Post-employment benefits	-	-	0.51	0.51
	- Other long-term benefits	-	-	0.87	0.87
	Mr. K. Kannan, Manager				
	- Short-term employee benefits	-	-	19.29	19.29
	- Post-employment benefits	-	-	0.11	0.11
	- Other long-term benefits	-	-	1.04	1.04
	Mr. Jagannadha Rao Ch. V., Company Secretary				
	- Short-term employee benefits	-	-	15.26	15.26
	- Post-employment benefits	-	-	0.26	0.26
	- Other long-term benefits	-	-	1.04	1.04
	Mr. Khurshed Y Daruvala, Chairman	-	-	1.40	1.40
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.87	0.87
	Mr. Bikesh Ogra, Non-Executive Director	-	-	0.80	0.80
XV	Interest expense				
	Shapoorji Pallonji and Company Private Limited	20.64	-	-	20.64
	Sterling & Wilson - Waaree Private Limited	-	0.04	-	0.04
XVI	Short term borrowings obtained				
	Shapoorji Pallonji and Company Private Limited	2,800.00	-	-	2,800.00
	Sterling & Wilson - Waaree Private Limited	-	22.78	-	22.78
XVII	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	2,800.00	-	-	2,800.00
XVIII	Corporate guarantee issued				
	Sterling and Wilson International Solar FZCO	-	11,065.29	-	11,065.29
XIX	Corporate guarantee released				
	Sterling and Wilson International Solar FZCO	-	1,180.85	-	1,180.85
XX	Inter-corporate deposits/ Loan given - Prior to date of listing				
	Sterling and Wilson Private Limited	-	16,620.00	-	16,620.00
	Sterling and Wilson International Solar FZCO	-	240.58	-	240.58
	Sterling & Wilson - Waaree Private Limited	-	1.18	-	1.18
	Esterlina Solar Engineers Private Limited	-	6.24	-	6.24

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2020

(Currency: Indian rupees in million)

Sr. No	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
XX(a)	Inter-corporate deposits/ Loan given to subsidiaries - Post date of listing				
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	441.43	-	441.43
	Sterling & Wilson - Waaree Private Limited	-	100.20	-	100.20
	Esterlina Solar Engineers Private Limited	-	0.94	-	0.94
XXI	Inter-corporate deposits/ Loan repaid - Prior to date of listing				
	Sterling and Wilson Private Limited	-	11,092.19	-	11,092.19
XXI(a)	Inter-corporate deposits/ Loan repaid - Post date of listing				
	Sterling and Wilson Private Limited	-	12,410.28	-	12,410.28
	Sterling & Wilson - Waaree Private Limited	-	101.38	-	101.38
	Esterlina Solar Engineers Private Limited	-	13.28	-	13.28
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	441.43	-	441.43
XXII	Interest receivable				
	Sterling and Wilson Private Limited	-	328.65	-	328.65
	Esterlina Solar Engineers Private Limited	-	0.00	-	0.00
	Sterling and Wilson (Thailand) Limited	-	0.20	-	0.20
	Sterling and Wilson International Solar FZCO	-	832.63	-	832.63
XXIII	Interest payable				
	Sterling & Wilson - Waaree Private Limited	-	0.03	-	0.03
	Shapoorji Pallonji and Company Private Limited	18.64	-	-	18.64
XXIV	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	399.36	-	-	399.36
	Shapoorji Pallonji Energy Egypt S.A.E	-	59.22	-	59.22
	Shapoorji Pallonji Mideast LLC	-	8.53	-	8.53
	Sterling Generators Private Limited	-	0.51	-	0.51
	Forbes & Company Limited	-	4.71	-	4.71
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	77.89	-	77.89
	Sterling and Wilson Powergen Private Limited	-	11.14	-	11.14
	Shapoorji Pallonji Solar Holdings Private Limited	-	90.85	-	90.85
	Shapoorji Pallonji Solar PV Private Limited	-	9.57	-	9.57
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	571.24	-	571.24
XXV	Trade payable				
	Forvol International Services Limited	-	1.53	-	1.53
	Sterling Generators Private Limited	-	3.04	-	3.04
	Sterling and Wilson Powegen FZE	-	1.00	-	1.00
	Sterling Viking Power Private Limited	-	-	0.13	0.13
	Sterling and Wilson Powergen Private Limited	-	2.13	-	2.13

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2020

(Currency: Indian rupees in million)

Sr. No	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	2,030.24	-	2,030.24
	Sterling and Wilson Private Limited	-	120.80	-	120.80
	Sterling and Wilson International Solar FZCO	-	13,872.25	-	13,872.25
XXVI	Other receivables				
	Sterling and Wilson International FZE	-	1.28	-	1.28
	Sterling and Wilson International Solar FZCO	-	1,501.25	-	1,501.25
	Sterling and Wilson Solar LLC	-	1.44	-	1.44
XXVII	Other payables				
	Sterling and Wilson Private Limited	-	13.56	-	13.56
	Sterling and Wilson Co-Gen Solutions Private Limited	-	0.37	-	0.37
XXVIII	Corporate guarantee outstanding				
	Sterling and Wilson International Solar FZCO	-	10,002.81	-	10,002.81
XXIX	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	7.61	-	-	7.61
	Sterling Generators Private Limited	-	2.52	-	2.52
	Shapoorji Pallonji Solar Holdings Private Limited	-	67.85	-	67.85
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	144.85	-	144.85
	Sterling and Wilson Private Limited	-	3.35	-	3.35
XXX	Short term borrowings outstanding				
	Sterling & Wilson - Waaree Private Limited	-	22.78	-	22.78
XXXI	Inter-corporate deposits/ Loan receivable				
	Sterling and Wilson Private Limited	-	5,653.03	-	5,653.03
	Esterlina Solar Engineers Private Limited	-	14.50	-	14.50
	Sterling and Wilson (Thailand) Limited	-	1.27	-	1.27
	Sterling and Wilson International Solar FZCO	-	3,734.23	-	3,734.23

*The Company has issued letters of undertakings to provide need based financial support to its subsidiaries Sterling and Wilson Saudi Arabia Limited and Sterling and Wilson Solar LLC, Oman.

The transactions with related parties are at arm's length and were in ordinary course of business. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year in respect of outstanding balances.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts	489.69	4,359.57	-	4,849.27
II	Sale of traded goods	-	1,966.43	-	1,966.43
III	Purchase of services	-	7,674.16	-	7,674.16
IV	Purchases of construction material	-	29,091.68	-	29,091.68
V	Advance received from customers	3.76	289.21	-	292.96
VI	Management support fees	102.18	-	-	102.18
VII	Interest income	-	1,394.56	-	1,394.56
VIII	Remuneration paid	-	-	21.74	21.74
IX	Investment in Subsidiary	-	19.21	-	19.21
X	Interest expense	0.25	-	-	0.25
XI	Short term borrowings received	1,700.00	-	-	1,700.00
XII	Short term borrowings repaid	1,700.00	-	-	1,700.00
XIII	Loan given	-	18,003.65	-	18,003.65
XIV	Loan repaid	-	8,725.67	-	8,725.67
XV	Interest receivable	-	1,505.19	-	1,505.19
XVI	Trade Receivables	442.98	3,161.39	-	3,604.36
XVII	Trade payable	110.36	19,443.05	-	19,553.41
XVIII	Recoverable expenses	-	120.62	-	120.62
XIX	Other receivables	-	0.15	-	0.15
XX	Other Payables	-	32.77	-	32.77
XXI	Unbilled receivables	70.41	0.48	-	70.89
XXII	Loan receivable	-	15,784.27	-	15,784.27

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	489.69	-	-	489.69
	Shapoorji Pallonji Energy Egypt S.A.E	-	3,378.41	-	3,378.41
	Afcons Infrastructure Limited	-	34.84	-	34.84
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	563.17	-	563.17
	Shapoorji Pallonji Mideast LLC	-	4.26	-	4.26
	Sterling and Wilson Powergen Private Limited	-	31.15	-	31.15
	Sterling and Wilson Private Limited	-	189.42	-	189.42
	Esterlina Solar Engineers Private Limited	-	78.18	-	78.18
	Transform Sun Energy Private Limited	-	80.15	-	80.15
II	Sale of traded goods				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	1,699.95	-	1,699.95
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	266.48	-	266.48
III	Purchases of services				
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	7,648.24	-	7,648.24
	Forvol International Services Limited	-	25.92	-	25.92

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
IV	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	5.82	-	5.82
	Sterling and Wilson Powergen FZE	-	1.00	-	1.00
	Sterling Generators Private Limited	-	74.30	-	74.30
	Sterling and Wilson International Solar FZCO	-	29,010.55	-	29,010.55
V	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	3.76	-	-	3.76
	Esterlina Solar Engineers Private Limited	-	7.00	-	7.00
	Shapoorji Pallonji Energy Egypt S.A.E	-	282.21	-	282.21
VI	Management support fees				
	Shapoorji Pallonji and Company Private Limited	102.18	-	-	102.18
VII	Interest income				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	221.10	-	221.10
	Sterling and Wilson Powergen Private Limited	-	1.42	-	1.42
	Sterling and Wilson Private Limited	-	842.87	-	842.87
	Sterling & Wilson - Waaree Private Limited	-	10.13	-	10.13
	Esterlina Solar Engineers Private Limited	-	0.62	-	0.62
	Sterling and Wilson (Thailand) Limited	-	0.10	-	0.10
	Sterling and Wilson International Solar FZCO	-	318.32	-	318.32
VIII	Remuneration paid				
	Mr. Bahadur Dastoor, CFO	-	-	21.14	21.14
	Mr. K. Kannan, Manager	-	-	0.16	0.16
	Mr. Bikesh Ogra	-	-	0.44	0.44
IX	Investment in Subsidiary				
	Sterling and Wilson Solar LLC	-	19.21	-	19.21
X	Interest expense				
	Shapoorji Pallonji and Company Private Limited	0.25	-	-	0.25
XI	Short term borrowings received				
	Shapoorji Pallonji and Company Private Limited	1,700.00	-	-	1,700.00
XII	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	1,700.00	-	-	1,700.00
XIII	Loan given				
	Sterling and Wilson Powergen Private Limited	-	20.00	-	20.00
	Sterling and Wilson Private Limited	-	17,600.00	-	17,600.00
	Sterling & Wilson - Waaree Private Limited	-	362.65	-	362.65
	Esterlina Solar Engineers Private Limited	-	21.00	-	21.00
XIV	Loan repaid				
	Sterling and Wilson Private Limited	-	8,342.63	-	8,342.63
	Sterling & Wilson - Waaree Private Limited	-	362.65	-	362.65
XIV	Loan repaid (continued)				
	Esterlina Solar Engineers Private Limited	-	0.40	-	0.40
	Sterling and Wilson Powergen Private Limited	-	20.00	-	20.00
XV	Interest receivable				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	198.99	-	198.99
	Sterling and Wilson Private Limited	-	842.87	-	842.87
	Sterling and Wilson Powergen Private Limited	-	1.42	-	1.42

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Subsdiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
	Esterlina Solar Engineers Private Limited	-	0.62	-	0.62
	Sterling & Wilson - Waaree Private Limited	-	10.13	-	10.13
	Sterling and Wilson (Thailand) Limited	-	0.20	-	0.20
	Sterling and Wilson International Solar FZCO	-	450.96	-	450.96
XVI	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	442.98	-	-	442.98
	Shapoorji Pallonji Energy Egypt S.A.E	-	1,368.28	-	1,368.28
	Shapoorji Pallonji Mideast LLC	-	4.23	-	4.23
	Sterling and Wilson Private Limited	-	215.31	-	215.31
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	794.16	-	794.16
	Sterling and Wilson Powergen Private Limited	-	83.29	-	83.29
	Esterlina Solar Engineers Private Limited	-	92.25	-	92.25
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	603.86	-	603.86
XVII	Trade payable				
	Shapoorji Pallonji and Company Private Limited	110.36	-	-	110.36
	Forvol International Services Limited	-	4.17	-	4.17
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	243.13	-	243.13
	Sterling Generators Private Limited	-	1.49	-	1.49
	Sterling and Wilson Powegen FZE	-	1.09	-	1.09
	Sterling and Wilson Powergen Private Limited	-	1.98	-	1.98
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	4,141.95	-	4,141.95
	Sterling and Wilson International Solar FZCO	-	15,049.25	-	15,049.25
XVIII	Recoverable expenses				
	Shapoorji Pallonji and Company Private Limited	-	25.50	-	25.50
	Mr. Khurshed Y Daruvala	-	12.75	-	12.75
	Esterlina Solar Engineers Private Limited	-	0.45	-	0.45
	Sterling and Wilson International Solar FZCO	-	80.48	-	80.48
	Sterling and Wilson Powergen FZE	-	1.23	-	1.23
	Sterling and Wilson Solar LLC	-	0.21	-	0.21
XIX	Other receivables				
	Sterling and Wilson Powergen FZE	-	0.15	-	0.15
XX	Other payables				
	Sterling and Wilson Private Limited	-	13.56	-	13.56
	Sterling and Wilson Solar LLC	-	19.21	-	19.21
XXI	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	70.41	-	-	70.41
	Sterling and Wilson Private Limited	-	0.48	-	0.48
XXII	Loan receivable				
	Sterling and Wilson Private Limited	-	12,535.50	-	12,535.50
	Esterlina Solar Engineers Private Limited	-	20.60	-	20.60
	Sterling and Wilson (Thailand) Limited	-	1.27	-	1.27
	Sterling and Wilson International Solar FZCO	-	3,226.89	-	3,226.89

*The Company has issued letters of undertakings to provide need based financial support to its wholly owned subsidiary Sterling and Wilson Saudi Arabia Limited.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

49 SEGMENT REPORTING

A. Basis for segmentation

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

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

B. Business Segment

The Company's revenues and assets represents company's businesses viz. Solar EPC and Solar Operation and maintenance service. Accordingly, Revenue and expenses have been identified to a segment on the basis of direct relationship to operating activities of the segment. Expenditure which are not directly identifiable but has a relationship to the operating activities of the segment are allocated on a reasonable basis.

Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other common assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Information about reportable segments

31 March 2020

(Currency: Indian rupees in million)

Nature of transaction	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	43,654.41	1,696.22	0.41	45,351.04
Total revenue	43,654.41	1,696.22	0.41	45,351.04
Segment Results	4,668.30	513.38	0.41	5,182.09
Unallocated expenses				
Finance costs			1,461.77	1,461.77
Depreciation and amortisation expense			63.18	63.18
Employee benefits and other expenses			2,593.29	2,593.29
Total unallocated expenses	-	-	4,118.24	4,118.24
Unallocated income				
Interest income			2,012.70	2,012.70
Other income			1,167.78	1,167.78
Total unallocated income	-	-	3,180.48	3,180.48
Profit before tax	4,668.30	513.38	(937.35)	4,244.33
Tax expense			1,129.92	1,129.92
Profit after tax	4,668.30	513.38	(2,067.27)	3,114.41
Other information				
Segment assets	20,415.50	1,166.93	17,165.99	38,748.42
Segment liabilities	24,387.78	726.36	7,021.97	32,136.11
Capital Expenditure	-	-	137.70	137.70
Depreciation and amortisation expense	-	-	63.18	63.18

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

31 March 2019

(Currency: Indian rupees in million)

Nature of transaction	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	81,293.06	809.45	1.28	82,103.79
Total revenue	81,293.06	809.45	1.28	82,103.79
Segment Results	2,642.14	230.15	1.28	2,873.57
Unallocated expenses				
Interest expense			561.77	561.77
Depreciation and amortisation			31.79	31.79
Employee benefits and other expenses			444.70	444.70
Total unallocated expenses	-	-	1,038.26	1,038.26
Unallocated income				
Interest income			1,179.89	1,179.89
Other income			25.73	25.73
Total unallocated income	-	-	1,205.62	1,205.62
Profit before tax				3,040.93
Tax expense			1,079.45	1,079.45
Profit after tax			1,079.45	1,961.48
Other information				
Segment assets	22,794.53	489.72	22,467.64	45,751.89
Segment liabilities	28,652.29	87.97	12,621.46	41,361.72
Capital Expenditure			52.45	52.45
Depreciation and amortisation			31.79	31.79

C. Geographical information

The geographic information analyses the Company's revenues and non-current assets by the company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from external customers

Particulars	As at March 31, 2020			As at March 31, 2019		
	Solar EPC business	Operation and maintenance service	Unallocated	Solar EPC business	Operation and maintenance service	Unallocated
India	12,098.66	1,109.14	0.41	24,130.89	724.00	1.28
South east Asia	6,515.59	56.60	-	7,705.34	-	-
Middle East and North Africa	9,764.51	471.17	-	40,383.89	85.45	-
Rest of Africa	2,500.59	30.50	-	6,121.32	-	-
United states of america and Latin America	12,775.06	28.81	-	2,951.62	-	-
	43,654.41	1,696.22	0.41	81,293.06	809.45	1.28

Business in India, the Company's country of domicile, represented approximately 29.12% during the year ended 31 March 2020 (31 March 2019: 30.27%) of its net revenues.

The Company's business in Chile and Vietnam represented 27.10% and 14.49% of its net revenues during the year ended 31 March 2020 (31 March 2019: UAE and Egypt represented 30.86% and 17.79% respectively). No other country individually comprised 10% or more of the Company's Standalone net revenues during these periods.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

b) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
India	323.24	114.63
South east Asia	5.07	8.23
Rest of Africa	4.07	1.52
Middle East and North Africa	3.61	4.94
United states of america and Latin America	11.58	-
	347.57	**129.32**

Information about major customers

Revenue from two customers of the Company is ₹ 12,289.20 million (31 March 2019: one customer represent approximately ₹ 25,341.60 million) which accounts for more than 10% of the Company's total revenue for the year ended 31 March 2020.

50 DISCLOSURE UNDER IND AS 116, LEASES

A) Right-of-use assets

Nature of transaction	Land and Buildings *	Total
Cost		
Balance as at 1 April 2019	35.51	35.51
Add: Additions during the year	67.90	67.90
Less: Disposals during the year	-	-
Balance as at 31 March 2020	103.41	103.41
Accumulated depreciation and impairment		
Balance as at 1 April 2019	-	-
Add: Depreciation for the year	20.89	20.89
Add: Impairment losses durinng the year	-	-
Balance as at 31 March 2020	20.89	20.89
Carrying amounts		
Balance as at 1 April 2019	35.51	35.51
Balance as at 31 March 2020	82.52	82.52

* Carrying amount of Right-of-use assets at the end of the reporting period is towards property taken on lease for office premises, the underlying leasehold improvements is presented in note 4 under "Property, plant and equipment and capital work-in-progress".

B) Breakdown of lease expenses

Particulars	For the year ended 31 March 2020
Short-term lease expense	261.22
Total lease expense	**261.22**

C) Cash outflow on leases

Particulars	For the year ended 31 March 2020
Repayment of lease liabilities (Including Interest on lease liabilities)	22.41
Short-term lease expense	261.22
Total cash outflow on leases	**283.63**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

D) Maturity analysis of lease liabilities

31 March 2020	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities						
Tech Info Private Limited, office premises at Delhi	18.23	-	-	-	18.23	11%
MGF Developments Limited, office premises at Delhi	3.55	3.99	19.37	41.47	68.38	11%
Total	**21.78**	**3.99**	**19.37**	**41.47**	**86.61**	

E) Impact of changes in accounting policies

Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

F) Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Nature of transaction	₹ in million
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	39.33
Less: Discounting impact	3.82
Lease liabilities recognised in the statement of financial position as at 1 April 2019	35.51

51 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classification and fair values

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

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non-current financial assets								
Loans	-	-	14.42	14.42	-	-	-	-
Current financial assets								
Investment in government securities and mutual funds	2.69	-	1.89	4.58	-	2.69	-	2.69
Trade receivables	-	-	15,397.56	15,397.56	-	-	-	-
Cash and cash equivalents	-	-	1,817.20	1,817.20	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	104.71	104.71	-	-	-	-
Loans	-	-	9,491.92	9,491.92	-	-	-	-
Other financial assets	-	-	3,515.45	3,515.45	-	-	-	-
	2.69	**-**	**30,343.15**	**30,345.84**	**-**	**2.69**	**-**	**2.69**
Non-current financial liabilities								
Lease liabilities	-	-	64.83	64.83	-	-	64.83	64.83
Current financial liabilities								
Short term borrowings	-	-	6,000.93	6,000.93	-	-	-	-
Lease liabilities	-	-	21.78	21.78	-	-	21.78	21.78
Trade payables	-	-	23,061.39	23,061.39	-	-	-	-
Derivatives	62.27	-	-	62.27	-	62.27	-	62.27
Other current financial liabilities	-	-	379.51	379.51	-	-	-	-
	62.27	**-**	**29,528.44**	**29,590.71**	**-**	**62.27**	**86.61**	**148.88**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non-current financial assets								
Loans	-	-	11.72	11.72	-	11.72	-	11.72
Financial assets								
Investment in government securities	-	-	1.69	1.69	-	-	-	-
Cash and cash equivalents	-	-	3,098.79	3,098.79	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	48.94	48.94	-	-	-	-
Loans	-	-	15,817.09	15,817.09	-	-	-	-
Derivative	39.53	-	-	39.53	-	39.53	-	39.53
Trade receivables	-	-	17,254.27	17,254.27	-	-	-	-
Other financial assets	-	-	2,328.70	2,328.70	-	-	-	-
	39.53	**-**	**38,561.20**	**38,600.73**	**-**	**51.25**	**-**	**51.25**
Financial liabilities								
Short term borrowings	-	-	11,746.16	11,746.16	-	-	-	-
Trade payables	-	-	26,259.60	26,259.60	-	-	-	-
Other current financial liabilities	-	-	203.87	203.87	-	-	-	-
	-	**-**	**38,209.63**	**38,209.63**	**-**	**-**	**-**	**-**

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current and current financial assets and liabilities measured at amortised cost	Discounted cash flow approach: The valuation model considers the present value of expected payments/ receipts, discounted using a risk adjusted discount rate.	Not applicable	Not applicable

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Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting year.

Sensitivity Analysis for level 3

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

Particulars	Discounting rate	For the year ended 31 March 2020
Lease liabilities - Discount rate + 100 basis points	11.00%	(2.63)
Lease liabilities - Discount rate - 100 basis points	11.00%	2.77

(c) Financial risk management

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

i) Credit risk;

ii) Liquidity risk; and

iii) Market risk

Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

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

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

i. Credit risk

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

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for the year ended March 31, 2020

carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables

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

Total trade receivable as on 31 March 2020 is ₹ 15,397.56 million (31 March 2019: ₹ 17,254.27 million).

Three largest customers have a total concentration of 47.31% (31 March 2019: One largest customer has a total concentration of 14.41%) of total trade receivable.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables and other receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Currency: Indian rupees in million)

Particulars	Amount
Balance as at 1 April 2019	220.50
Add: Impairment losses recognised during the year	54.40
Less: Written back during the year	58.00
Balance as at 31 March 2020	**216.90**
Balance as at 1 April 2018	20.50
Add: Impairment losses recognised during the year	200.00
Balance as at 31 March 2019	**220.50**

Cash and bank balances

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 1,921.91 million and ₹ 3,147.73 million as at 31 March 2020 and 31 March 2019 respectively. The credit worthiness of such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The Credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries. During the year ended 31 March 2020, the Company has issued guarantees of ₹ 11,065.29 million (31 March 2019: ₹ Nil) to a banks in respect of credit facilities availed by a subsidiary of the Company. The total guarantee outstanding as at 31 March 2020 is ₹ 10,002.81 million (31 March 2019: ₹ Nil).

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at 31 March 2020 and 31 March 2019. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Inter-corporate deposits/ Loans, investments in group companies

The Company has given unsecured Inter-corporate deposits/ loans to its subsidiaries and fellow subsidiaries as at 31 March 2020 and 31 March 2019.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

The Company has reviewed the carrying amounts of Inter-corporate deposits/ loans to determine whether there is any indication that those loans have suffered an impairment loss. As such indication exists, the Company has recognised impairment loss.

Other than the trade receivables and other receivables, the Company has no other financial assets that are past due but not impaired.

ii ***Liquidity risk***

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

As at 31 March 2020, the Company had buyers credit of ₹ Nil (31 March 2019: ₹ 496.16 million), unsecured borrowings from banks and others of ₹ 3,097.48 million (31 March 2019: ₹ 11,250.00 million), secured borrowings from banks of ₹ 2,697.38 million (31 March 2019: ₹ Nil), cash credit loan from banks of ₹ 206.07 million (31 March 2019: ₹ Nil), cash and cash equivalents of ₹ 1,817.20 million (31 March 2019: ₹ 3,098.79 million) and other bank balances of ₹ 104.71 million (31 March 2019: 48.94 million).

Exposure to liquidity risk

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

(Currency: Indian rupees in million)

31 March 2020	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Secured loans	2,903.45	2,968.11	2,968.11	-	-	-
Unsecured loans	3,097.48	3,106.98	3,106.98	-	-	-
Trade payables	23,061.39	23,061.39	23,061.39	-	-	-
Interest accrued and due	7.38	7.38	7.38	-	-	-
Interest accrued and not due	42.75	42.75	42.75	-	-	-
Lease liabilities	86.61	127.13	29.90	10.82	36.32	50.09
Other current financial liabilities	329.38	329.38	329.38	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	62.27	3,015.88	3,015.88	-	-	-
Inflow		(2,953.61)	(2,953.61)	-	-	-
	29,590.71	**29,705.39**	**29,608.16**	**10.82**	**36.32**	**50.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

31 March 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	-	10.70	10.70	-	-	-
Unsecured loans	11,746.16	11,973.26	11,973.26			
Trade payables	26,259.60	26,259.60	26,259.60	-	-	-
Interest accrued and due	0.43	0.43	0.43	-	-	-
Interest accrued and not due	3.86	3.86	3.86	-	-	-
Other current financial liabilities	199.58	199.58	199.58	-	-	-
	38,209.63	38,447.44	38,447.44	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii ***Market risk***

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

(a) Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 are as below:

Amounts in ₹	31 March 2020		
	USD	EUR	Others *
Financial assets			
Trade receivables	10,127.33	-	-
Loan given to subsidiaries	3,734.23	-	-
Interest accrued on loans to subsidiaries	832.83	-	-
Cash and Cash Equivalents	170.27	-	-
Bank balances other than cash and cash equivalents	0.79	-	-
Other recoverable from subsidiary and fellow subsidiary	1,503.97	-	-
Other receivables	52.24		-
Exposure to foreign currency assets	**16,421.66**	**-**	**-**
Less: Forward exchange contract	2,618.38	-	-
Net exposure to foreign currency assets	**13,803.28**	**-**	**-**
Financial liabilities			
Trade payables and other payable	15,647.01	40.53	68.32
Exposure to foreign currency liabilities	**15,647.01**	**40.53**	**68.32**
Less: Forward exchange contract	-	-	-
Net exposure to foreign currency liabilities	15,647.01	40.53	68.32
Net Exposure	(1,843.73)	(40.53)	(68.32)

*others include CHF, AED, JOD, AUD and EGP

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for the year ended March 31, 2020

The currency profile of financial assets and financial liabilities as at 31 March 2019 are as below:

(Currency: Indian rupees in million)

	31 March 2019			
Amounts in ₹	USD	EUR	ARS	Others *
Financial assets				
Trade receivables	12,818.54	-	-	-
Loan given to subsidiaries	3,226.89	-	-	-
Interest accrued on loans to subsidiaries	450.96	-	-	-
Cash and Cash Equivalents	131.37	-	18.66	-
Bank balances other than cash and cash equivalents	0.06	-	-	-
Recoverable expenses	80.69	-	-	-
Unbilled receivables	2,368.54	-	-	-
Other receivables	0.15	-	-	-
Exposure to foreign currency assets	**19,077.21**	**-**	**18.66**	**-**
Forward exchange contract	1,408.69			
Net exposure to foreign currency liabilities	**17,668.52**	**-**	**18.66**	**-**
Financial liabilities				
Trade payables and other payable	19,364.81	47.40	-	72.90
Exposure to foreign currency liabilities	**19,364.81**	**47.40**	**-**	**72.90**
Forward exchange contract	506.85			
Net exposure to foreign currency liabilities	**18,857.96**	**47.40**	**-**	**72.90**
Net Exposure	**(1,189.43)**	**(47.40)**	**18.66**	**(72.90)**

*others include CHF, AED, JOD, AUD, NAD and EGP

a. **The forward contracts booked also includes the future purchase transaction exposure.**

b. **Hedged foreign currency exposure**

Particulars		As at March 31, 2020		As at March 31, 2019	
		Foreign currency (in million)	Indian Rupees (in million)	Foreign currency (in million)	Indian Rupees (in million)
Foreign exchange forward contracts (To hedge Buyers credit)	USD	-	-	7.31	506.85
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	USD	4.69	351.05	-	-
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	EUR	-	-	4.71	366.24
Foreign exchange forward contracts (To hedge receivables)	USD	35.00	2,618.38	20.32	1,408.69
		39.69	**2,969.43**	**32.34**	**2,281.78**

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

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for the year ended March 31, 2020

Effect in ₹ million	31 March 2020 Profit or loss		31 March 2019 Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD	(92.19)	92.19	(59.47)	59.47
EUR	(2.03)	2.03	(2.37)	2.37
ARS	-	-	0.93	(0.93)
Others	(3.42)	3.42	(3.64)	3.64

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 22 of these financial statements.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Fixed rate instruments		
Financial assets	9,531.09	15,879.02
Financial liabilities	(5,881.47)	(6,246.16)
	3,649.62	**9,632.86**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(206.07)	(5,500.00)
	(206.07)	**(5,500.00)**

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

INR	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2020		
Variable-rate instruments	(2.06)	2.06
Cash flow sensitivity (net)	**(2.06)**	**2.06**

INR	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2019		
Variable-rate instruments	(55.00)	55.00
Cash flow sensitivity (net)	**(55.00)**	**55.00**

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The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

(c) Capital Management

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

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under leases, less cash and cash equivalents. Adjusted equity comprises all components of equity. Charge for the year on goodwill amortisation has been deducted while calculating total equity of the company since it represents a pure non-cash expense.

The Company's adjusted net debt to equity ratio was as follows:

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Borrowings	6,087.54	11,746.16
Gross debt	**6,087.54**	**11,746.16**
Less : Cash and cash equivalents	1,817.20	3,098.79
Adjusted net debt	**4,270.34**	**8,647.37**
Total equity	6,612.31	4,390.17
Adjusted net debt to adjusted equity ratio	**0.65**	**1.97**

52 Pursuant to a resolution dated 16 July 2018, the shareholders of the Company expressed their intent to convert loan given to Sterling and Wilson International Solar FZCO, a subsidiary of the Company, into equity. Accordingly, the loan given to subsidiary will be converted into equivalent amount of equity shares subject to approval from statutory and regulatory approvals in India and the United Arab Emirates.

53 The Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company (customer) to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer (developer). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018, the National Company Law Tribunal (NCLT) actions were initiated against the customer group and the Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Company, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Company that they would make the payment if the customer failed to pay. As on date the customer owes the Company ₹ 924.54 million. In addition, an amount of ₹ 641.04 million under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by Company, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer's bank refused to make the payment to the Company's bank citing prevention against doing the same due to the NCLT order, and the Company had to return the amount back to its bank.

During the year ended 31 March 2020, the Company has initiated legal proceedings in both these matters: the matter in respect of the customer / developer in currently pending with the NCLT and the matter in respect of the customers bank is currently pending with the National Company Law Appellate Tribunal.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

The Company has sought legal opinion regarding the amount due from the developer as per their assurance letter and from the customer's bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are fully recoverable. The amount of ₹ 924.54 million and ₹ 641.04 million is shown under the head Trade Receivables and Other Financial Assets, respectively.

Basis the aforementioned legal opinion and the management assessment, inspite of being confident of full recovery, considering the expected credit loss requirement of Ind AS 109 Financial Instruments, the management has recognised the provision to the extent of ₹ 213.30 million (31 March 2019: ₹ 160.00 million) as at 31 March 2020, based on management's best estimate of collection of the aforementioned receivables.

54 The Red Herring Prospectus dated 29 July 2019 stated that Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala (Selling Shareholders) shall use a portion of net offer proceeds towards funding full repayment of the outstanding inter-corporate deposits payable by a fellow subsidiary to the Company within a period of 90 days from the date of listing of equity shares i.e. by 18 November 2019. The Selling Shareholders pursuant to their letter dated 14 November 2019 however requested the Board of Directors of the Company to consider a revised payment schedule for the outstanding inter-corporate deposits of ₹ 17,271.80 million (including interest thereon of ₹ 1,708.20 million) as at 30 September 2019 with additional interest of 50 basis points per annum.

The Board of Directors in their meeting held on 31 December 2019 had considered the revised payment schedule of the outstanding inter-corporate deposits of ₹ 10,457.77 million (including accrued interest thereon of ₹ 499.21 million) as at that date, in three quarterly installments by 31 March 2020, by 30 June 2020 and balance amount by 30 September 2020 (which would include further accruals of interest beyond 31 December 2019). The Selling Shareholders have already facilitated the repayment of inter-corporate deposits amounting to ₹ 14,576.23 million by the fellow subsidiary to the Company, from the date of listing i.e. 20 August 2019 till 31 March 2020. The inter-corporate deposits outstanding (including interest accrued) as at 31 March 2020 aggregate to ₹ 5,981.68 million.

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

55 During the year, the Selling Shareholders have made an offer for sale which was subscribed for 36,533,820 Equity shares of Re 1 each for cash at a price of ₹ 780 per equity share (including a share premium of ₹ 779 per equity share) aggregating to ₹ 28,496.38 million.

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID SWSOLAR and BSE Limited (BSE) via ID 542760 on 20 August 2019.

The Company has incurred ₹ 38.25 million and ₹ 798.96 million in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 837.21 million (excluding Goods and Services Tax and including Securities Transaction Tax of ₹ 56.99 million which is directly paid from IPO ESCROW Account) in respect of sale of shares, these expenses were recovered from the Selling Shareholders in the ratio of their existing shareholding percentage. These expenses include a sum of ₹ 8.76 million and ₹ 5.96 million incurred in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 14.72 million (excluding Goods and Services Tax) paid to Statutory auditors of the Company.

56 On 27 March 2019, The Board of Directors' of the Company has proposed to Institute the Scheme for Employee Stock Option Plan ('ESOP') subject to approval of Shareholders'. Accordingly, no provision has been created in the books towards the liability of ESOP as at 31 March 2019 and 31 March 2020.

57 The Company's international transactions with related parties are at arm's length as per the Independent accountants report for the year ended 31 March 2019. Management believes that the Company's international transactions with related parties post 31 March 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision for taxation.

58 The Board of Directors at their meeting held on 16 March 2020 has approved the Scheme of Arrangement ('the Scheme') for merger of the Sterling & Wilson - Warree

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals from the applicable statutory authorities.

59 During the year ended 31 March 2019, a subsidiary of the Company has paid to non-executive directors of the Company remuneration in excess of the limit laid down under Section 197 of the Act by ₹ 6.35 million. The excess remuneration paid has been approved by the shareholders of the Company in the Extraordinary General Meeting held on 10 June 2019.

60 During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to ₹.1 per share. This stock split became effective on 23 January, 2019. Unless otherwise indicated, per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

61 The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information.The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

62 OTHER MATTERS

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) section 129 read with rule 5 of Companies (Accounts) Rules, 2014

PART "A": SUBSIDIARIES

(in ₹ Million)

1. Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2. Name of the subsidiary	Sterling & Wilson - Waaree Private Limited	Esterlina Solar Engineers Private Limited	Sterling and Wilson International Solar FZCO	Sterling and Wilson Thailand Limited	Sterling and WilsonSaudi Arabia Limited	Sterling and Wilson Solar LLC	Sterling and Wilson Middle East Solar Energy LLC	Sterling and Wilson Singapore Pte Ltd	Sterling and Wilson Engineering (Pty) Ltd	Sterling and Wilson Solar Solutions LLC	Renovable Energia Contracting S.L.	Sterling and Wilson Solar Solutions Inc	GCO Electrical Pty. Ltd.	Sterling and Wilson Solar Australia Pty Ltd.	Sterling and Wilson Solar Malaysia SDN. BHD.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	AED / 20.3425	TBH / 2.1735	SAR / 19.8316	OMR / 193.550	AED / 20.3425	SGD / 52.3923	ZAR / 4.1635	USD / 74.6977	Euro / 82.5889	USD / 74.6977	AUD / 45.9360	AUD / 45.9360	MYR / 17.2126
5. Share capital	0.05	0.10	17.47	0.02	17.36	26.94	6.10	3.06	0.00	18.75	0.37	0.01	169.26	-	13.37
6. Reserves & surplus	411.65	10.58	4,069.88	(1.16)	(23.81)	(11.22)	1,070.79	(11.97)	(139.19)	(0.06)	(35.11)	(774.94)	(257.06)	(99.16)	(2.50)
7. Total assets	435.56	30.29	30,790.62	-	20.33	566.42	2,581.46	2.83	1,095.14	18.69	142.24	2,967.88	136.97	2,240.88	11.93
8. Total Liabilities	23.86	19.61	26,703.26	1.14	26.78	550.70	1,504.57	11.75	1,234.33	-	176.99	3,742.82	224.77	2,340.05	1.06
9. Investments	-	-	85.90	-	-	-		0.28	-	-	-	18.75	-	-	-
10. Turnover	16.86	22.27	24,049.29	-	-	1,530.92	929.77	-	114.03	-	92.17	1,949.80	405.55	2,837.15	-
11. Profit before taxation	70.49	5.96	1,158.55	-	(10.51)	(11.29)	75.44	(2.71)	(102.85)	0.05	(13.37)	(319.36)	(64.69)	(147.01)	(2.03)
12. Provision for taxation	17.90	1.58	-	-	-	-	-	-	(28.49)	-	(3.32)	0.68	-	(44.10)	-
13. Profit after taxation	52.59	4.38	1,158.55	-	(10.51)	(11.29)	75.44	(2.71)	(74.36)	0.05	(10.05)	(320.04)	(64.69)	(102.90)	(2.03)
14. Proposed Dividend	-	-		-											
15. % of shareholding	100%	100%	100%	100%	95%	70%	49%	100%	60%	100%	99%	100%	76%	100%	100%

Note(s):

1. There are no subsidiaries which are yet to commence operations

2. There are no subsidiaries which have been liquidated or sold during the year other than Sterling and Wilson Brasil Servicos Ltda., a wholly owned subsidiary of the Company, incorporated under the Municipality of Sao Paulo, which has been dissolved

PART "B": ASSOCIATES AND JOINT VENTURES

As on March 31, 2020, the Company does not have any Associate and/or Joint Venture with any other Company.

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:U74999MH2017PLC292281

Khurshed Daruvala
Chairman and Non-Executive Director
DIN: 00216905

Pallon Mistry
Non-Executive Director
DIN: 05229734

Bikesh Ogra
Non-Executive Director
DIN: 08378235

K. Kannan
Manager

Bahadur Dastoor
Chief Financial Officer
Membership No. 48936

Jagannadha Rao Ch. V.
Company Secretary
Membership No. F2808

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (₹ in Million)	Audited Figures (as reported after adjusting for qualification) (₹ in Million)*
	1	Turnover / Total income	49,003.30	49,003.30
	2	Total Expenditure	44,758.97	44,758.97
	3	Net Profit/(Loss) after tax	3,114.41	3,114.41
	4	Earnings Per Share (₹)	19.42	19.42
	5	Total Assets	38,748.42	38,748.42
	6	Total Liabilities	32,136.11	32,136.11
	7	Net Worth	6,612.31	6,612.31
	8	Any other financial item(s) (as felt appropriate by the management)	None	None

* Audit qualification is in respect of an item, the impact of which is not quantifiable, Accordingly, we have kept the figures in (as reported after adjusting for qualification) column the same (as before adjustment of qualification) column.

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

We draw attention to note 6 to the standalone annual financial results relating to extension in repayment period of outstanding inter-corporate deposits of ₹ 17,271.80 million (including interest accrued thereon of ₹ 1,708.20 million) as on 30 September 2019 made to a fellow subsidiary by the Company from the 90 days period as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of Company's shares by the Selling Shareholders. The Selling Shareholders have facilitated repayment of ₹ 14,576.23 million from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the schedule approved by the Board of Directors. The inter-corporate deposits outstanding (including interest accrued) as at 31 March 2020 aggregate to ₹ 5,981.68 million.

The Company has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Company has submitted its replies. The Company has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Company in respect of this matter. We are unable to evaluate the impact of adjustments, if any, that may arise from this matter, on the standalone annual financial results of the Company.

b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: **Qualified Opinion**

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: **First time**

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: **Not applicable**

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: **NIL**

(ii) If management is unable to estimate the impact, reasons for the same: **Not Applicable**

(iii) Auditors' Comments on (i) or (ii) above: **Impact not determinable**

III. Signatories

Mr. Khurshed Daruvala, Chairman

Ms. Rukhshana Mistry, Chairperson of Audit Committee

Mr. Kannan K, Manager

Mr. Bahadur Dastoor, Chief Financial Officer

Statutory Auditor

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Place: Mumbai
Date: June 23, 2020

Independent Auditors' Report

To the Members of
Sterling and Wilson Solar Limited

Report on the Audit of Consolidated financial statements

QUALIFIED OPINION

We have audited the consolidated financial statements of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) (hereinafter referred to as 'the Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of branch auditors and other auditors on separate / consolidated financial statements of such branches and subsidiaries as were audited by the branch auditors and other auditors, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR QUALIFIED OPINION

We draw attention to note 54 to the consolidated financial statements relating to extension in repayment period of outstanding inter-corporate deposits/loans of ₹ 23,415.30 million (net) (including interest accrued thereon of ₹ 2,493.70 million) as on 30 September 2019 made to fellow subsidiaries by the Group from the 90 days period as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of Holding Company's shares by the Selling Shareholders. The Selling Shareholders have facilitated repayment of ₹ 15,122.43 million from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the schedule approved by the Board of Directors. The inter-corporate deposits/loans outstanding (including interest accrued) as at 31 March 2020 aggregate to ₹ 12,166.01 million (net).

The Group has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Group has submitted its replies. The Group has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Group in respect of this matter. We are unable to evaluate the impact of adjustments, if any, that may arise from this matter, on the consolidated financial statements of the Group.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors and other auditors referred to in paragraphs (a) and (b) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined matters described below to be the key audit matters to be communicated in our report.

Measurement of contract revenue and margin (refer note 2(d)(i), 3.15, 33 and 49 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue from works contracts represents 96.70% of the total revenue from operations of the Group. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. Revenue recognition involves significant estimates related to measurement of costs to complete, valuation of claims and penalties / liquidated damages and in turn evaluation of the related receivables and liabilities at each reporting date. The Group uses input method based on costs to measure progress of individual contracts. Under this approach, the Group recognises revenue and margin based on the costs incurred and accrued to date relative to the estimated total costs to complete the performance obligation. Penalties/ liquidated damages specified in the contracts are inherent in the determination of transaction price and forms part of variable consideration. Overstatement of revenue is considered to be a significant audit risk as it is the key driver of returns to investors and incentives linked to performance for a reporting period.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessing compliance of the Group's policies in respect of revenue recognition with the applicable accounting standards; • Evaluating the design and implementation and tested operating effectiveness of key internal controls around revenue recognition and recording of contract costs; • Selecting a sample of contracts to test, using risk-based criteria, which included individual contracts with: - significant revenue recognised during the year; - nil margin; or - significantly high, low or negative profit margins. • For these sample contracts, we critically assessed the estimated costs to complete, variations in contract price and contract costs and the adequacy of provision for penalties / liquidated damages arising from customer disputes. This assessment included: - inspection of original contracts and its amendments for key terms and milestones to verify the estimated total revenue and costs to complete and / or any changes thereto;
Due to significant judgment involved in the estimate of total revenue, costs to complete and significant audit risk of overstatement, we have considered measurement of contract revenue as a key audit matter.	- interviewing and challenging project and commercial heads on changes to estimated total revenue and costs to complete and settlement and recoverability of contract related receivables; - comparing revenue recorded during the year with the underlying contracts, milestones achieved and invoices raised on the customers; - sighting the correspondence and minutes of meeting with customers around recoverability of claims and penalties / liquidated damages. • Assessing the costs incurred and accrued to date on the balance sheet by examining underlying invoices and signed contracts; • Appropriate cut-off procedures for determination of revenue in the correct reporting period; • Comparing, on a sample basis, the outcome of contracts completed during the year with the original budgets and estimated margins for those contracts to determine the reliability of previous estimates; • Comparing details of a sample of revenue journal entries raised throughout the reporting period, using risk-based criteria, with the relevant underlying documentation; • Considering the adequacy of disclosures made in note 2(d)(i) to the Group's consolidated financial statements in respect of these judgments and estimates.

Recoverability of inter-corporate deposits / loans to group companies (refer note 2(d)(vi), 3.12 and 17 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of inter- corporate deposits / loans to group companies represents 22.99% of the Group's total assets. The Group has extended inter-corporate deposits / loans to group companies which are assessed for recoverability at each period end. Due to the nature of construction industry in which borrower operates, the Group is exposed to heightened risk in respect of the recoverability of inter- corporate deposits / loans granted to these group companies. Considering their relative significance vis-a-vis the total assets of the Group and extension of repayment schedule of certain inter-corporate deposits, they are considered to have a major effect on our overall audit strategy and planning.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Evaluating the design and implementation of key internal controls. We tested operating effectiveness of controls placed around the recognition of loss allowance for expected credit losses on the inter-corporate deposits / loans to group companies; • Testing the key controls in place for issuing new inter-corporate deposits / loans, compliance with provisions of the Companies Act, 2013 and inspecting the Board approvals obtained; • Testing Group's assessment of the recoverability of inter-corporate deposits / loans. We tested the Group's assessment of the cash flows the Group expects to receive;
We have identified measurement of inter-corporate deposits / loans to group companies as key audit matter because recoverability assessment involves Group's significant judgement and estimate.	• We checked the net worth of group companies on the basis of latest available financial statements; • Inspecting the correspondence in respect of the commitment provided by the shareholders of the borrower group companies used by the Group to assess significant increase in credit risk on inter-corporate deposits / loans. This assessment was made by the Group as at balance sheet date; • Checking the Group's computation of contractual cash flows due to the Group in accordance with the contract; • Checking the measurement of expected credit loss recognised; • Testing the payments made / receipts received in relation to these inter-corporate deposits / loans during the year through bank statement; • Obtaining external confirmation of inter- corporate deposits / loans held by group companies as on 31 March 2020.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of branch auditors and other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to evaluate the impact of adjustments, if any, that may arise from the said matter on the consolidated financial statements of the Group. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to the said matter.

MANAGEMENT'S AND BOARD OF DIRECTORS'/ DESIGNATED PARTNERS RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/Designated Partners of the Partnership Firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/ partnership firm 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements 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 consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies / Designated Partners of the Partnership Firm included in the Group are responsible for assessing the ability of each company/ partnership firm to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / Designated Partners either intends to liquidate the Company/ Partnership Firm or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/Designated Partners of the Partnership Firm included in the Group is responsible for overseeing the financial reporting process of each company/ partnership firm.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 in preparation of consolidated financial statements 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 consolidated 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 Group (Holding Company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the branches and other entities included in the consolidated financial statements, which have been audited by branch auditors and other auditors, such branch auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraphs (a) and (b) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors and other auditors referred to in paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial information of 14 branches included in the consolidated financial statements of the Group whose financial information reflect total assets of ₹ 7,517.40 million as at 31 March 2020 and the total revenue of ₹ 7,294.67 million for the year ended on that date, as considered in the consolidated financial statements. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

(b) We did not audit the financial statements of 11 subsidiaries, whose financial statements reflect total assets of ₹ 38,927.65 million as at 31 March 2020, total revenues of ₹ 31,813.88 million and net cash inflows amounting to ₹ 1,516.18 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors

(c) Certain of these subsidiaries and branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors and other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these subsidiaries and branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and branches located outside India is based on the report of branch auditors and other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(d) The financial statements of six subsidiaries, whose financial information reflect total assets of ₹ 156.87 million as at 31 March 2020, total revenues of ₹ 92.17 million and net cash inflows amounting to ₹ 8.02 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(A) As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the branch auditors and other auditors on separate / consolidated financial statements of such branches and subsidiaries as were audited by branch auditors and other auditors as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) we have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(c) except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors of the Holding Company and subsidiary companies incorporated in India as on 31 March 2020 and taken on record by the Board of Directors of the Holding Company and subsidiary companies, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(B) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors on separate / consolidated financial statements of the branches and subsidiaries, as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group – Refer Note 45 to the consolidated financial statements;

ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 28 and 31 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020; and

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAEF2122

Mumbai
23 June 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) ("the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies (the Holding Company and its subsidiary companies incorporated in India together referred to as the "Group"), as of that date.

In our opinion, , the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAEF2122

Mumbai
23 June 2020

Consolidated Balance Sheet

as at March 31, 2020

(Currency : Indian Rupees in million)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	293.81	265.41
Capital work-in-progress	5	32.63	-
Right-of-use assets	50	103.20	-
Goodwill	6	33.57	31.15
Other intangible assets	7	24.31	18.33
Intangible assets under development		3.20	-
Financial assets			
(i) Loans	8	14.42	11.72
Deferred tax assets (net)	9	363.69	321.23
Non-current tax assets (net)	10	1.43	-
Other non-current assets	11	38.10	24.47
Total non-current assets		**908.36**	**672.31**
Current assets			
Inventories	12	145.10	131.47
Financial assets			
(i) Investments	13	4.58	1.69
(ii) Trade receivables	14	20,303.15	19,002.18
(iii) Cash and cash equivalents	15	4,632.79	4,207.70
(iv) Bank balances other than cash and cash equivalents	16	360.72	337.71
(v) Loans	17	11,853.20	19,533.94
(vi) Derivatives	18	-	39.53
(vii) Other financial assets	19	2,330.23	2,416.78
Current tax assets (net)	20	7.90	8.39
Other current assets	21	9,798.78	7,567.49
Total current assets		**49,436.45**	**53,246.88**
Total assets		**50,344.81**	**53,919.19**
Equity and liabilities			
Equity			
Equity share capital	22	160.36	160.36
Other equity	23		
Capital reserve on demerger		(1,817.37)	(1,817.37)
Capital reserve		(16.50)	(16.50)
Foreign currency translation reserve		502.95	14.93
Legal reserve		2.65	2.65
Retained earnings		11,977.55	10,065.99
Capital redemption reserve		0.00	-
Total equity attributable to owners of the Company		**10,809.64**	**8,410.06**
Non-controlling interests	57	(83.58)	(34.85)
Total equity		**10,726.06**	**8,375.21**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	24	0.02	0.02
(ii) Lease liabilities	50	67.93	-
Provisions	25	136.11	86.11
Total non-current liabilities		**204.06**	**86.13**
Current liabilities			
Financial liabilities			
(i) Borrowings	26	12,240.37	22,277.74
(ii) Lease liabilities	50	32.06	-
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		398.85	19.28
Total outstanding dues of creditors other than micro enterprises and small enterprises		21,812.52	19,106.21
(iv) Derivatives	28	62.27	-
(v) Other financial liabilities	29	969.79	337.52
Other current liabilities	30	2,533.92	2,446.03
Provisions	31	1,136.72	768.50
Current tax liabilities (net)	32	228.19	502.57
Total current liabilities		**39,414.69**	**45,457.85**
Total liabilities		**39,618.75**	**45,543.98**
Total equity and liabilities		**50,344.81**	**53,919.19**

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
INCOME			
Revenue from operations	33	55,752.88	82,404.08
Other income	34	3,034.88	2,095.25
Total income		**58,787.76**	**84,499.33**
Expenses			
Cost of construction materials, stores and spare parts	35	35,892.96	56,090.93
Changes in inventories of stock-in-trade	36	-	12.67
Direct project costs	37	12,709.94	16,450.41
Employee benefits expense	38	2,402.67	1,778.88
Finance costs	39	1,949.26	846.51
Depreciation and amortisation expense	40	142.35	78.04
Other expenses	41	1,705.59	1,650.18
Total expenses		**54,802.77**	**76,907.62**
Consolidated profit before income tax		**3,984.99**	**7,591.71**
Tax expense:	**42**		
Current tax		985.12	1,392.56
Current tax relating to earlier period		(0.40)	28.22
Deferred tax (credit)		(42.45)	(211.40)
		942.27	**1,209.38**
Consolidated profit for the year after income tax		**3,042.72**	**6,382.33**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(i) Remeasurements of defined benefit liability		(32.51)	(5.24)
(ii) Income tax relating to the items that will not be reclassified to profit and loss		4.58	1.83
Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences in translating financial statements of foreign operations		497.16	53.23
Other comprehensive income for the year, net of income tax		**469.23**	**49.82**
Total comprehensive income for the year		**3,511.95**	**6,432.15**
Consolidated profit /(loss) attributable to:			
Owners of the Company		3,100.59	6,389.89
Non-controlling interests		(57.87)	(7.56)
Consolidated profit for the year		**3,042.72**	**6,382.33**
Other comprehensive income attributable to:			
Owners of the Company		460.09	46.55
Non-controlling interests		9.14	3.27
Other comprehensive income for the year		**469.23**	**49.82**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		3,560.68	6,436.44
Non-controlling interests		(48.73)	(4.29)
Total comprehensive income for the year		**3,511.95**	**6,432.15**
Earnings per equity share			
Basic and diluted earnings per share (₹) (face value of ₹ 10 split into face value of Re 1 each)	43	19.33	39.85

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

(Currency : Indian Rupees in million)

Particulars	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	160.36	160.36
Add: Issued during the year	-	-
Balance as at the end of the year	**160.36**	**160.36**

B. OTHER EQUITY

	Attributable to the Owners of the Company						Total attributable to owners of the parent	Attributable to non-controlling interests of the Company	Total
	Reserves and Surplus					Items of other comprehensive income Foreign currency translation reserve			
	Capital reserve on Demerger	Capital Reserve	Legal Reserve	Capital redemption reserve	Retained earnings				
Balance as at 1 April 2019	(1,817.37)	(16.50)	2.65	-	10,065.99	14.93	8,249.70	(34.85)	8,214.85
Adjustments:									
Total comprehensive income for the year									
Profit for the year	-	-	-	-	3,100.59	-	3,100.59	(57.87)	3,042.72
Items of OCI for the year, net of tax:									
Remeasurement of the defined benefit liability	-	-	-	-	(27.93)	-	(27.93)	-	(27.93)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	488.02	488.02	9.14	497.16
Total comprehensive income	-	-	-	-	3,072.66	488.02	3,560.68	(48.73)	3,511.95
Transactions with owners, recorded directly in equity									
Payment of Equity Dividend	-	-	-	-	(961.82)	-	(961.82)	-	(961.82)
Dividend distribution tax	-	-	-	-	(199.28)	-	(199.28)	-	(199.28)
Transfer to Capital redemption reserve*	-	-	-	0.00	(0.00)	-	-	-	-
Balance as at 31 March 2020	(1,817.37)	(16.50)	2.65	0.00	11,977.55	502.95	10,649.28	(83.58)	10,565.70
*** Amount less than ₹ 0.01 million**									
Balance as at 1 April 2018	(1,817.37)	(16.50)	2.65		3,671.95	(35.18)	1,805.55	(27.15)	1,778.40
Adjustments:									
Total comprehensive income for the year									
Profit for the year	-	-	-		6,389.89	-	6,389.89	(7.56)	6,382.33
Items of OCI for the year, net of tax:									
Remeasurement of the defined benefit liability	-	-	-		(3.41)	-	(3.41)	-	(3.41)
Exchange differences in translating financial statements of foreign operations	-	-	-		-	49.96	49.96	3.27	53.23
Total comprehensive income	-	-	-		6,386.48	49.96	6,436.44	(4.29)	6,432.15
Transactions with owners, recorded directly in equity									
Arising on acquisition of subsidiaries during the year (refer note 6)	-	-	-		-	-	-	4.30	4.30
Transfer to non controlling interests	-	-	-		7.56	0.15	7.71	(7.71)	-
Balance as at 31 March 2019	(1,817.37)	(16.50)	2.65		10,065.99	14.93	8,249.70	(34.85)	8,214.85

The attached notes 1 - 62 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

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Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Consolidated Statement of Cash Flow

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		3,984.99	7,591.71
Adjustments for:			
Depreciation and amortisation expense		142.35	78.04
Expected credit loss on financial assets		75.20	200.00
Bad debts written off		36.45	43.28
Write back of provision for bad and doubtful debts		(58.00)	-
Fair value gain on investment in mutual fund measured at FVTPL		(0.09)	-
Supplier balances/ liabilities written back		(16.58)	(20.08)
(Profit) / loss on sale of property, plant and equipments (net)		(0.64)	4.37
Profit on sale of mutual funds		(2.95)	-
Finance costs		1,949.26	846.51
Interest income		(2,241.13)	(1,634.39)
Provision for mark-to-market loss / (gain) on derivative instruments		62.27	(39.53)
Unrealised foreign exchange loss (net)		165.42	87.68
Liabilities no longer required written back		(348.44)	-
Operating profit before working capital changes		**3,748.11**	**7,157.59**
Working capital adjustments:			
(Increase) / Decrease in inventories		(13.62)	67.89
(Increase) in trade receivables		(987.87)	(1,083.40)
(Increase) in loans and advances		(103.27)	(97.40)
(Increase)/ Decrease in other financial assets and derivative assets*		(276.75)	12,521.16
(Increase) in other current assets		(2,231.29)	(1,973.64)
Decrease/ (Increase) in restricted cash		63.55	(61.84)
(Decrease) in trade payable, derivatives, other financial liabilities, other liabilities and provisions		3,983.72	(22,784.31)
(Increase) / Decrease in other non-current assets		(13.63)	29.47
Net change in working capital		**420.84**	**(13,382.10)**
Cash flows generated from / (used in) operating activities		4,168.95	(6,224.51)
Income tax (paid) (net)		(1,282.74)	(1,055.69)
Effects of exchange differences on translation of assets and liabilities		491.06	46.76
Net cash flows generated from / (used in) operating activities	**(A)**	**3,377.27**	**(7,233.44)**
B) CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase) of property, plant and equipment and intangible assets		(175.38)	(98.61)
(Investment) in fixed deposits (net)		(86.56)	(189.21)
Proceeds from sale of property, plant and equipment		23.54	13.34
(Investment) in mutual funds / treasury bills		(1,900.00)	(0.10)
Proceeds from redumption of mutual funds		1,900.26	-
Interest received		2,643.96	46.27
Inter-corporate deposits/loans given to fellow subsidiaries* (net)		(5,037.28)	(18,025.35)
Inter-corporate deposits/loans repaid by fellow subsidiaries		12,797.81	8,969.49
Acquisition of subsidiary (refer note 6)		(31.48)	(4.16)
Net cash flows generated from / (used in) from investing activities	**(B)**	**10,134.87**	**(9,288.33)**
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from cash credit borrowings (net)		206.07	-
Proceeds from secured short-term borrowings (net)		6,188.14	928.14
Proceeds from unsecured short-term borrowings		18,260.19	27,956.27
(Repayment) of unsecured short-term borrowings		(34,691.77)	(8,450.00)
Finance costs paid		(1,882.32)	(712.32)
Dividend and dividend distribution tax paid		(1,161.10)	-
Repayment of lease liabilities		(52.04)	-
Net cash flows (used in) /generated from financing activities	**(C)**	**(13,132.83)**	**19,722.09**
Net movement in currency translation	**(D)**	45.78	46.30
Net increase in cash and cash equivalents	**(A+B+C+D)**	425.09	3,246.62
Cash and cash equivalents at the beginning of the year		4,207.70	954.66
Cash and cash equivalents of subsidiaries acquired during the year(refer note 6)		-	6.42
Cash and cash equivalents at the end of the year		**4,632.79**	**4,207.70**

* During the year ended 31 March 2019, receivables from related party amounting to ₹ 10,298.76 million has been converted into loan.

Consolidated Statement of Cash Flow

for the year ended March 31, 2020

Notes :

1 The above consolidated statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Statement of Cash Flows.

2 Current account balances with banks include ₹ 0.79 million (31 March 2019: ₹ 0.42 million) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions and an amount of ₹ 0.37 million (31 March 2019: ₹ Nil) on account of earmarked balance for unclaimed dividend.

3 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).

(Currency : Indian Rupees in million)

Particulars	March 31, 2020	March 31, 2019
Balance with banks		
- in current accounts	4,581.67	2,877.16
- in fixed deposit (with original maturity of less than 3 months)	38.42	318.83
Cheques on hand	-	1,005.12
Cash on hand	12.70	6.59
	4,632.79	**4,207.70**

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

Particulars	As at 1 April 2019	Changes considered in consolidated statement of cash-flows	Non-cash changes on account of foreign exchange	As at 31 March 2020
Long-term borrowings	0.02	-	-	0.02
Short-term borrowings	22,277.74	(10,037.37)	-	12,240.37

Particulars	As at 1 April 2018	Changes considered in consolidated statement of cash-flows	Non-cash changes on account of foreign exchange	As at 31 March 2019
Long-term borrowings	0.02	-	-	0.02
Short-term borrowings	1,841.35	20,431.41	1.98	22,277.74

6 The above consolidated statement of cash flows includes ₹ 30.03 million (31 March 2019: ₹ 13.50 million) towards corporate social responsibility (refer note: 48).

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

1 BACKGROUND

Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) ("the Company" or "Holding Company") was incorporated as a Private Limited Company on 9 March 2017 under Companies Act, 2013. The Company is one of India's leading Solar EPC contractor with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe, South America, Latin America, Australia and USA. These consolidated financial statements comprise the Company and its subsidiaries (hereinafter collectively referred to as "the Group").

The Group is specialised in complete turn-key and Roof top solutions for Solar EPC solutions with having experience of executing more than 161 projects. The principal activity of the Group includes import, export and trading of Solar modules, structures, invertors and related accessories, installation and maintenance of Solar power generating facilities and other related activities.

The Company was incorporated on 9 March 2017 as Rashmika Energy Private Limited. The Company was renamed as Sterling and Wilson Solar Private Limited on 24 April 2018. Further the Company was renamed to Sterling and Wilson Solar Limited on 25 January 2019. The Company was listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India on 20 August 2019.

Sterling and Wilson Solar Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 9 March 2017.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company at their meeting held on 23 June 2020.

This is the first set of the Group's consolidated financial statements in which Ind AS 116, Leases has been applied. Changes to significant accounting policies are described in note 3.10 and the impact of transition to Ind AS 116 on the consolidated financial statements is disclosed in note 50.

b Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All amounts have been rounded off to the nearest two decimal places in million, unless otherwise stated.

c Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

d Use of estimates and judgments

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 are as follows:

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

effect of changes, if any, to estimates is recognised in the consolidated financial statements for the period in which such changes are determined.

(ii) Estimated useful lives of property, plant and equipment and Intangible assets

The Group estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised. The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Group reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Group's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years/periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. 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 based on the market yields on Government securities as at the balance sheet date.

(v) Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the consolidated statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vi) Impairment losses on financial assets

The Group reviews its financial assets to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the consolidated statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash

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for the year ended March 31, 2020

(Currency : Indian Rupees in million)

flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(vii) Impairment losses on investment

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(viii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:-

- Note 53 – financial instruments

(ix) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(x) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

(xi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(xii) Determination of lease term and Discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Principles of consolidation

a Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., 31 March 2020. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

For a list of Legal entities / business fully included in these financial statements, refer Note 55 - List of branches and subsidiaries.

b Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

c Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

3.2 Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(v) The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.

(vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.3 Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the Solar engineering, procurement and construction services (EPC) segment of the Group, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities. For the operations and maintenance operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

3.4 Foreign currency

(i) Foreign currency transactions

-Initial Recognition

All transactions that are not denominated in the Group's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the consolidated statement of profit and loss.

-Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the consolidated statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the consolidated statement profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated statement of profit and loss.

3.5 Financial instruments

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.

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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 and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

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

- amortised cost;

- FVOCI – debt investment;

- FVOCI – equity investment; or

- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

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

- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency : Indian Rupees in million)

considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the consolidated statement of profit and loss.

(ii) Financial assets at amortised cost:
These assets 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 consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in the consolidated statement of profit and loss.

(iii) Debt investments at FVOCI:
These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.

(iv) Equity investments at FVOCI:
These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the consolidated statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss. See Note 3.5 (e) for financial liabilities designated as hedging instruments.

(c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial

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asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement of profit and loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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.

(e) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the consolidated statement of profit and loss.

The Group designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the consolidated statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the consolidated statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition

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or for other cash flow hedges, it is reclassified to the consolidated statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the consolidated statement of profit and loss.

3.6 Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

3.7 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the consolidated statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method over the estimated useful lives prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding

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machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Group's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years	Schedule II useful lives
Building	10 years to 30 years	30 years
Plant and equipment	5 years to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

3.8 Goodwill

For measurement of goodwill that arises on a business combination, refer note 3.2. Subsequent measurement is at cost less any accumulated impairment losses.

3.9 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems) and licenses (including construction license and ISO license). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period as follows using straight line method.

Assets	Life in no. of years	Schedule II useful lives
Computer Software	1 years to 5 years	5 years
Licenses	5 years	5 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss in the period the asset is derecognised.

3.10 Leases

Policy applicable before April 01, 2019:

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

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Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

Lease payments

Payments made under operating leases are generally recognised in the consolidated statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Policy applicable after April 01, 2019

At the inception of a contract, the Group 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 of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the tight to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group measures right-of-use assets at cost less accumlated depreciation and any accumulated impairment losses.

Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Group's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

Changes in accounting policies and Transition note

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

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Effective from 1 April 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

On transition to Ind AS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

Accordingly, a right-of-use asset of ₹ 84.27 million and lease liability of ₹ 84.27 million has been recognised. The cumulative effect of transition to Ind AS 116 on retained earnings is ₹ Nil. The weighted average incremental borrowing rate of 11% for Indian entities and 6% for overseas entities has been applied to lease liabilities recognised in the Consolidated balance sheet at the date of initial application.

3.11 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.12 Impairment

Impairment of non-derivative 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 Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

(i) Trade receivables, lease receivables and contract assets; and

(ii) Financial assets measured at amortised cost (other than trade receivables, lease receivables and contract assets).

In case of trade receivables, lease receivables and contract assets, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. 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 Group 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 defaults 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 probability 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 consolidated statement of profit and loss.

Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest

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group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Group pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Group has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of profit and loss in the year during which the related services are rendered by employees. In respect of overseas entities, the Group's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.

(ii) Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures 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 based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the consolidated statement of profit and loss in the subsequent period. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period

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by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the consolidated statement of profit and loss.

In respect of the overseas subsidiaries, up to 31 March 2018, provision were made for employees' terminal benefits on the basis prescribed under the labor laws of the respective countries in which the overseas subsidiaries operates and was determined based on arithmetic calculation. Subsequently the present value of the obligation is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method.

Other long-term employee benefits

The Group's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.14 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected

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future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

3.15 Revenue recognition

The Group has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the

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percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group.

Revenue from sale of goods

The Group recognises revenue from sale of goods once the customer takes possession of the goods. Revenue respresents the invoice value of goods provided to third parties net of discounts and sales laxes/value added taxes/ Good and Service Tax.

Operation and maintenance income:

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

3.16 Contract assets and Contract liabilities

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

3.17 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other income in the consolidated financial statements.

3.18 Recognition of dividend income, interest income or expense

Dividend income is recognised in the consolidated statement of profit and loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.19 Income tax

Income tax comprises current and deferred tax. It is recognised in the consolidated statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods

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beginning on or after April 1, 2019. As per the Group's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.20 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset

Notes to the Consolidated Financial Statements

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which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

3.21 Consolidated statement of cash flows

The Group's consolidated statement of cash flows are prepared using the Indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

3.22 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

3.23 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting year the impact of such events is adjusted with the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

4 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

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5 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Reconciliation of carrying amount for the year ended 31 March 2020

(Currency: Indian rupees in million)

Particulars	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in progress (B)	Total (A+B)
Gross carrying amount :									
Balance as at 1 April 2019	1.83	35.13	299.67	12.17	46.85	51.90	447.55	-	447.55
Add: Additions during the year	-	20.88	77.32	2.91	15.42	19.48	136.01	32.38	168.39
Less: Disposals during the year	-	-	43.16	-	39.54	-	82.70	-	82.70
Add: Exchange differences on translation of foreign operations	(0.16)	3.06	6.86	0.89	(0.89)	0.55	10.31	0.25	10.56
Balance as at 31 March 2020	**1.67**	**59.07**	**340.69**	**15.97**	**21.84**	**71.93**	**511.17**	**32.63**	**543.80**
Accumulated depreciation and amortisation :									
Balance as at 1 April 2019	-	11.56	113.54	2.53	30.29	24.22	182.14	-	182.14
Add: Depreciation and amortisation for the year	-	10.28	58.68	3.04	4.71	13.30	90.01	-	90.01
Less: Disposals during the year	-	-	31.81	-	27.98	-	59.79	-	59.79
Add: Exchange differences on translation of foreign operations	-	1.25	3.23	1.00	(0.78)	0.30	5.00	-	5.00
Balance as at 31 March 2020	**-**	**23.09**	**143.64**	**6.57**	**6.24**	**37.82**	**217.36**	**-**	**217.36**
Carrying amounts (net)									
At 1 April 2019	**1.83**	**23.57**	**186.13**	**9.64**	**16.56**	**27.68**	**265.41**	**-**	**265.41**
At 31 March 2020	**1.67**	**35.98**	**197.05**	**9.40**	**15.60**	**34.11**	**293.81**	**32.63**	**326.44**
Reconciliation of carrying amount for the year ended 31 March 2019									
Gross carrying amount :									
Balance as at 1 April 2018	-	3.07	196.14	20.03	4.18	30.40	253.82	28.74	282.56
Add: Acquisition of a subsidiary (refer note 6)	-	1.03	42.01	-	40.68	-	83.72	-	83.72
Add: Additions during the year	1.84	33.17	57.49	7.80	1.83	21.57	123.70	-	123.70
Less: Disposals during the year	-	2.02	1.74	15.75	-	0.21	19.72	-	19.72
Less: Capitalised during the year	-	-	-	-	-	-	-	28.74	28.74
Add: Exchange differences on translation of foreign operations	(0.01)	(0.12)	5.77	0.09	0.16	0.14	6.03	-	6.03
Balance as at 31 March 2019	**1.83**	**35.13**	**299.67**	**12.17**	**46.85**	**51.90**	**447.55**	**-**	**447.55**
Accumulated depreciation and amortisation :									
Balance as at 1 April 2018	-	0.26	34.34	1.50	1.30	14.27	51.67	-	51.67
Add: Acquisition of a subsidiary (refer note 6)	-	-	31.26	-	26.98	-	58.24	-	58.24
Add: Depreciation for the year	-	11.71	48.08	3.10	1.90	10.04	74.83	-	74.83
Less: Disposals during the year	-	0.34	0.26	1.36	-	0.05	2.01	-	2.01
Add: Exchange differences on translation of foreign operations	-	(0.07)	0.12	(0.71)	0.11	(0.04)	(0.59)	-	(0.59)
Balance as at 31 March 2019	**-**	**11.56**	**113.54**	**2.53**	**30.29**	**24.22**	**182.14**	**-**	**182.14**
Carrying amounts (net)									
At 1 April 2018	**-**	**2.81**	**161.80**	**18.53**	**2.88**	**16.13**	**202.15**	**28.74**	**230.89**
At 31 March 2019	**1.83**	**23.57**	**186.13**	**9.64**	**16.56**	**27.68**	**265.41**	**-**	**265.41**

*Amounts less than ₹ 0.01 million

Notes:

a) Borrowing cost capitalised ₹ Nil for the year ended 31 March 2020 (31 March 2019: ₹ Nil).

b) Impairment loss recognised ₹ Nil for the year ended 31 March 2020 (31 March 2019: ₹ Nil).

c) Adjustments includes the exchange fluctuation of ₹ 10.56 million for the year ended 31 March 2020 (31 March 2019: ₹ 6.03 million) on gross block and ₹ 5.00 million for the year ended 31 March 2020 (31 March 2019: ₹ (0.59) million) on accumulated depreciation / amortisation due to translation of property, plant and equipment and capital work-in-progress of all foreign operations at closing exchange rate.

d) Movable fixed assets with carrying amount of ₹ 161.92 million for the year ended 31 March 2020 (31 March 2019: ₹ Nil) are subject to first charge to secured bank loans obtained by the Holding Company.

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6 BUSINESS COMBINATION

Acquisition of subsidiaries in the current year

During the year ended 31 March 2019, the Group has acquired the following two subsidiaries:

Name of subsidiary	Country of registration and principal place of business	Proportion of ownership interest held by the Group
GCO Electrical Pty Ltd.	Australia	76%
Sterling and Wilson International LLP (formerly known as A&S Company LLP)	Kazakhstan	100%

A) Acquisition of Sterling and Wilson International LLP- Kazakhstan (formerly known as A&S Company LLP)

On 22 June 2018, the Group acquired 100% ownership interest in Sterling and Wilson International LLP (formerly A&S Company LLP) in Kazakhstan for a total consideration of USD 60,000 (equivalent to ₹ 4.16 million).

The determined fair values of the assets and liabilities of Sterling and Wilson International LLP (formerly A&S Company LLP) as at the date of acquisition are as follows:

(Currency: Indian rupees in million)

Description	Amounts
Other receivables	0.07
Net identifiable assets acquired	0.07
Add Intangible assets (Construction license) arising on acquisition (Note 7)	4.09
Total	4.16
Purchase consideration paid in cash	4.16
Goodwill on acquisition	-

The management of the Group has allocated the excess of purchase consideration over the net identifiable assets acquired to the expected synergies arising from a construction license held by Sterling and Wilson International LLP (formerly A&S Company LLP).

From the date of acquisition, Sterling and Wilson International LLP (formerly A&S Company LLP) did not contribute any amount to the revenue and profit of the Group. Further, if the acquisition has occurred on 1 April 2018, the Group's revenue and profit for the year ended 31 March 2019 would have remained unchanged. This is due to Sterling and Wilson International LLP not having any operations during the year ended 31 March 2019.

Acquisition-related cost

The Company incurred acquisition related cost ₹ 0.31 million.

B) Acquisition of GCO Electrical Proprietary Limited

Effective 31 December 2018, the Group acquired 76% ownership interest in GCO Electrical Pty Ltd., Australia.

The determined fair values of the assets and liabilities of GCO Electrical Pty Ltd. as at the date of acquisition are as follows:

Description	Amounts
Property, plant and Equipment	25.48
Inventories	13.81
Trade receivables	41.35
Cash and cash equivalents	6.42
Other Financial Liabilities	(12.61)
Trade payables	(56.58)

Notes to the Consolidated Financial Statements

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(Currency: Indian rupees in million)

Description	Amounts
Total identifiable net assets acquired	17.87
Less: Share of NCI in total net assets	4.30
Add: Intangible asset (Certification and licenses) arising on acquisition (Note 7)	3.58
Less: Purchase Consideration Payable (Refer Note 29)	48.30
Goodwill on acquisition	31.15
Add: Exchange differences on translation of foreign operations for the year ended 31 March 2020	2.42
Goodwill as at 31 March 2020	33.57

For the non-controlling interest, the Group has elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

The gross contractual amounts and the fair value of trade receivables acquired is ₹ 41.35 million. None of the trade receivables are credit impaired and it is expected that the full contractual amounts will be recoverable. Goodwill on acquisition was ₹ 31.15 million and it is not expected to be deductible for tax purpose.

From the date of acquisition, GCO Electrical Proprietary Limited contributed ₹ 26.03 million of revenue and ₹ 17.45 million of loss to the Group. If the acquisition had taken place at the beginning of the period, the Group's revenue and profit would have been ₹ 85,017.57 million and ₹ 7,509.43 million respectively.

The Company incurred acquisition related cost: ₹ 8.88 million.

The purchase consideration payable by the Holding Company was transferred to an escrow account as per the share purchase and shareholders agreement (the agreement), (Refer note 16) . The purchase consideration shall be payable from the Escrow account on the respective dates as follows:

a) Upfront consideration representing 25% of the purchase consideration less the closing loss (loss for the period from 30 June 2018 to 6 December 2018) is payable on 6 December 2018. Since the amount of closing loss exceeded the 25% of the purchase consideration, no amount was paid on 6 December 2018.

b) Conditional consideration representing 75% of the purchase consideration payable in 2 tranches as follows:

i) First tranche consideration representing 25% of the purchase consideration shall be adjusted for subsidiary's loss for the period from 6 December 2018 to 6 June 2019, other losses due to the occurrence of any event of default as defined in the agreement, receivables at 30 June 2018 not collected as of 6 June 2019 and loss incurred by GCO Electrical Pty Ltd. from payment of a claim made by liquidators of a customer. The first tranche was payable on 6 June 2019, however, the above mentioned conditions were not met on the due date accordingly the consideration amounting to ₹ 16.10 million towards the first tranche was not payable and written back during the year.

ii) Second tranche consideration representing 50% of the purchase consideration shall be adjusted for certain carry forward deductions not fully able to be deducted from the first tranche consideration, other losses due to the occurrence of any event of default as defined in the agreement and loss incurred by GCO Electrical Pty Ltd. from payment of a claim made by liquidators of a customer. Accordingly the consideration amounting to ₹ 31.48 million was paid and balance consideration amounting to ₹ 0.72 million has been written back during the year.

Further, as per the agreement, if in the 3 financial years following 6 December 2018, the subsidiary is able to set off its assessable profit against its carried forward tax losses which have accrued prior to 6 December 2018, the Holding Company shall pay to the sellers an amount equal to 76% of the tax benefit which accrues to GCO Electrical Pty Ltd due to the set off of the accrued losses.

Notes to the Consolidated Financial Statements

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7 OTHER INTANGIBLE ASSETS

Reconciliation of carrying amount for the year ended 31 March 2020

(Currency: Indian rupees in million)

	Computer software	Licenses*	Total	Intangible assets under development	Total
Balance as at 1 April 2019	19.35	7.56	26.91	-	26.91
Add: Additions during the year	9.83	-	9.83	3.20	13.03
Add: Exchange differences on translation of foreign operations	(0.04)	0.65	0.61	-	0.61
Balance as at 31 March 2020	**29.14**	**8.21**	**37.35**	**3.20**	**40.55**
Accumulated amortisation and impairment losses:					
Balance as at 1 April 2019	8.24	0.34	8.58	-	8.58
Add: Amortisation for the year	3.23	1.16	4.39	-	4.39
Add: Exchange differences on translation of foreign operations	0.04	0.03	0.07	-	0.07
Balance as at 31 March 2020	**11.51**	**1.53**	**13.04**	**-**	**13.04**
Carrying amounts (net)					
At 1 April 2019	**11.11**	**7.22**	**18.33**	**-**	**18.33**
At 31 March 2020	**17.63**	**6.68**	**24.31**	**3.20**	**27.51**

* includes Construction License and ISO License.

Reconciliation of carrying amount for the year ended 31 March 2019

	Computer software	Licenses*	Total
Balance as at 1 April 2018	15.70	-	15.70
Add: Additions during the year	3.65	-	3.65
Add: Acquisition of subsidiaries (refer note 6)	-	7.67	7.67
Add: Exchange differences on translation of foreign operations	-	(0.11)	(0.11)
Balance as at 31 March 2019	**19.35**	**7.56**	**26.91**
Accumulated amortisation and impairment losses:			
Balance as at 1 April 2018	5.34	-	5.34
Add: Amortisation for the year	2.90	0.31	3.21
Add: Exchange differences on translation of foreign operations	-	0.03	0.03
Balance as at 31 March 2019	**8.24**	**0.34**	**8.58**
Carrying amounts (net)			
At 1 April 2018	**10.36**	**-**	**10.36**
At 31 March 2019	**11.11**	**7.22**	**18.33**

* includes Construction License and ISO License.

Notes:

a) Nil amount of borrowing cost is capitalised during the year ended 31 March 2020 (31 March 2019: ₹ Nil)

b) Nil amount of impairment loss is recognised during the year ended 31 March 2020 (31 March 2019: ₹ Nil)

c) Adjustments includes the exchange fluctuation of ₹ 0.61 million for the year ended 31 March 2020 (31 March 2019: ₹ (0.11) million) on gross block and ₹ 0.07 million for the year ended 31 March 2020 (31 March 2019: ₹ 0.03 million) on accumulated amortisation due to translation of intangible assets and intangible assets under development of all foreign operations at closing exchange rate.

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8 LOANS (NON-CURRENT)

(Unsecured, considered good)

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
To parties other than related parties		
Security deposit	14.42	11.72
	14.42	**11.72**

9 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Carry forward business losses	91.84	19.73
Employee benefits	77.45	67.39
Expected credit loss on financial assets	57.15	77.07
Provision for mark to market losses on derivative instruments	15.89	-
Provision for liquidated damages	120.86	138.26
Amortisation of expenses on demerger	0.01	0.40
Provision for Bonus	-	31.45
Others	3.84	4.14
	367.04	**338.44**
Deferred tax liabilities		
Excess of depreciation as per book depreciation over Income tax Act, 1961	(1.62)	(1.55)
Mark to market gain on derivative instruments	-	(14.69)
Fair valuation of financial liabilities	(0.02)	-
Others	(1.71)	(0.97)
	(3.35)	**(17.21)**
Deferred tax assets (net)	**363.69**	**321.23**

10 NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax (net of provision for tax ₹ 93.45 million (31 March 2019: ₹ Nil))	1.43	-
	1.43	**-**

11 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
To parties other than related parties		
Prepayments	19.60	7.06
Balance with government authorities	18.50	17.41
	38.10	**24.47**

Notes to the Consolidated Financial Statements

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12 INVENTORIES

(valued at lower of cost or net realisable value unless otherwise stated)

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Construction materials, stores and spare parts	133.72	120.09
Stock-in-trade	11.38	11.38
	145.10	**131.47**
Carrying amount of inventories (included above) pledged as securities for borrowings	145.10	-
The write-down/ (reversal of write down) of inventories to net realisable value during the year	-	(4.40)
Carrying amount of inventories in transit	-	-

13 CURRENT INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Treasury bills (Measured at amortised cost)	1.89	1.69
Investment in mutual fund: Aditya Birla Sun Life - Liquid fund, (measured at fair value through profit and loss)	2.69	-
(No. of units 8,420.23 (31 March 2019: Nil units))		
	4.58	**1.69**
The aggregate book value of unquoted current investments are as follows:		
Aggregate book value of unquoted current investments	4.58	1.69
Aggregate amount of impairment in the value of current investments	-	-

12. TRADE RECEIVABLES

(Unsecured)

Particulars	As at March 31, 2020	As at March 31, 2019
- Considered good (refer note 60)	20,303.15	19,002.18
- Significant increase in credit risk	-	-
- Credit impaired	216.98	220.50
	20,520.13	**19,222.68**
Less: Loss allowances*	(216.98)	(220.50)
	(216.98)	**(220.50)**
	20,303.15	**19,002.18**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	3,235.83	2,885.33
Loss allowances*	-	-
	3,235.83	**2,885.33**

* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 53 and 60.

As at 31 March 2020, trade receivables includes retention of ₹ Nil (31 March 2019: ₹ Nil) relating to construction contracts in progress.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Dues from firms or private companies in which any director is a partner or a director or member:

Particulars	As at March 31, 2020	As at March 31, 2019
Shapoorji Pallonji Infrastructure Capital Company Private Limited	2,023.27	793.27
Shapoorji Pallonji and Company Private Limited	960.45	442.98
Sterling and Wilson Private Limited	23.33	197.49
Sterling and Wilson Powergen Private Limited	11.14	83.29
Sterling Generators Private Limited	0.51	-
	3,018.70	**1,517.03**

15 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Bank	4,581.67	2,877.16
- in current accounts	38.42	318.83
- in fixed deposit (with original maturity of less than 3 months)		
Cheques on hand	-	1,005.12
Cash on hand	12.70	6.59
	4,632.79	**4,207.70**

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts*	1.16	64.71
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)**	359.56	273.00
	360.72	**337.71**

* Current account balances with banks include ₹ 0.79 million (31 March 2019: ₹ 0.42 million) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions, an amount of ₹ 0.37 million (31 March 2019: ₹ Nil) on account of earmarked balance for unclaimed dividend and ₹ Nil (31 March 2019: ₹ 64.29 million) held in escrow account on account of purchase consideration payable for acquisition of GCO Electrical Proprietary Limited (Refer Note 6).

** The balance in deposit accounts includes ₹ 322.04 million (31 March 2019: ₹ 273.00 million) is held as margin money or security against the borrowings, guarantees and other commitments.

17 LOANS (CURRENT)

(Unsecured)

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Inter-Corporate Deposits / Loans given to fellow subsidiaries (net)	11,573.31	19,354.63
To parties other than related parties		
Other receivables	0.63	-
Security deposits	245.24	169.03
Loan to employees	34.02	10.28
	11,853.20	**19,533.94**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Dues from firms or private companies in which any director is a partner or a director or member:

Inter-Corporate Deposits / Loans given to fellow subsidiaries:

Particulars	As at March 31, 2020	As at March 31, 2019
Sterling and Wilson International FZE (net)	5,822.83	6,452.91
Sterling and Wilson Powergen Private Limited	-	110.00
Sterling and Wilson Private Limited (net)	5,750.48	12,791.72
	11,573.31	**19,354.63**

* Loans given to fellow subsidiaries are unsecured, repayable within a range of 11 months to 11 months and 25 days (31 March 2019: repayable on demand) and carry interest ranging from 9.70% to 13.80% (31 March 2019: 9.90% to 13.50%) for loans given by Indian entities and 7.5% to 8% (31 March 2019: 7%) for loans given by the overseas entities.

18 DERIVATIVES

Particulars	As at March 31, 2020	As at March 31, 2019
Foreign currency forward exchange contract assets	-	39.53
	-	**39.53**

19 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
From related parties		
Interest accrued on loan to fellow subsidiaries	1,127.00	1,389.14
Interest accrued on receivables from fellow subsidiary	-	198.99
Recoverable expenses from shareholders	-	38.25
Other receivables*	1.86	1.38
From parties other than related parties		
Interest accrued on receivable from customer	58.29	-
Other receivables** (refer note 60)	1,143.08	789.02
	2,330.23	**2,416.78**

* includes receivable towards the employee liability taken over.

** includes receivable towards encashment of irrevocable letter of credit, claim against suppliers, insurance claims, etc.

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on loan to fellow subsidiaries		
Sterling and Wilson International FZE	788.70	527.88
Sterling and Wilson Private Limited	338.30	851.40
Sterling and Wilson Powergen Private Limited	-	9.86
	1,127.00	**1,389.14**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accured on receivables from fellow subsidiaries		
Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	198.99
	-	**198.99**
Recoverable expenses from shareholders		
Shapoorji Pallonji and Company Private Limited	-	25.50
Mr. Khurshed Y Daruvala	-	12.75
	-	**38.25**
Other receivables		
Sterling and Wilson Powergen Private Limited	-	0.15
GCO Australia Pty Ltd	0.58	-
Sterling and Wilson International FZE	1.28	1.23
	1.86	**1.38**

* During the year ended 31 March 2019, the Company had incurred ₹ 38.25 million towards proposed initial public offering of equity shares of face value of Re 1 each. The expenses were recovered from selling shareholders in the ratio of their holding.

20 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax {net of provision for tax of ₹ 0.02 million (31 March 2019: ₹ Nil)}	7.90	8.39
	7.90	**8.39**

21 OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
From related parties		
Unbilled receivables	226.18	75.94
Advances for supply of goods	23.46	-
From parties other than related parties		
Unbilled receivables	4,787.76	3,429.06
Advances for supply of goods	1,556.46	1,130.93
Advance for projects	32.48	-
Other recoverables*	0.09	12.05
Balance with government authorities	2,967.53	2,683.10
Prepayments	192.39	212.16
Advances to employees	12.43	24.25
	9,798.78	**7,567.49**

* Includes insurance claim receivables

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Dues from firms or private companies in which any director is a partner or a director or member

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled receivables		
Shapoorji Pallonji and Company Private Limited	7.61	70.41
Shapoorji Pallonji Infrastructure Capital Co Private Limited	144.85	-
Sterling Generators Private Limited	2.52	-
Sterling and Wilson Private Limited	3.35	5.53
	158.33	**75.94**
Advances for supply of goods		
Sterling and Wilson International FZE	23.46	-
	23.46	**-**

22 SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
180,000,000 equity shares of Re 1 each (31 March 2019: 180,000,000 equity shares of ₹ 1 each)	180.00	180.00
Issued, subscribed and fully paid up:		
160,360,000 equity shares of Re 1 each (31 March 2019: 160,360,000 equity shares of ₹ 1 each, fully paid-up)	160.36	160.36
	160.36	**160.36**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning of the year (Pre-split)	160,360,000	160.36	16,036,000	160.36
Adjustment for Sub-Division of Equity Shares (refer note (f) below)	-	-	144,324,000	-
Balance as at the end of the year (Post-split)	160,360,000	160.36	160,360,000	160.36
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	**160,360,000**	**160.36**	**16,036,000**	**160.36**

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(C) Shares held by holding company

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	81.11	10,546,667	105.47

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	50.58%	105,466,670	65.77%
Khurshed Daruvala, Chairman	41,274,990	25.74%	53,452,930	33.33%

(E) Initial Public Offer

During the year, Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala ("Selling Shareholders") have made an offer for sale of 36,533,820 Equity shares aggregating to ₹ 28,496.38 million. The equity shares of the Holding Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on August 20, 2019. Expenses incurred by the Holding Company in connection with the IPO have been recovered from the selling shareholders. The initial public offer was an offer for sale by the Selling shareholders, hence the disclosure requirement on utilisation of funds is not applicable.

(F) Share Split

During the year ended 31 March 2019, the Board of Directors of the Holding company approved a split of the Holding company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to Re 1 per share. This stock split became effective on 23 January 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

23 OTHER EQUITY

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Capital reserve on demerger	(i)	(1,817.37)	(1,817.37)
Capital reserve	(ii)	(16.50)	(16.50)
Foreign currency translation reserve	(iii)	502.95	14.93
Legal Reserve	(iv)	2.65	2.65
Retained earnings	(v)	11,977.55	10,065.99
Capital redemption reserve*	(vi)	0.00	-
		10,649.28	**8,249.70**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Capital reserve on demerger		
Balance as at the beginning of the year	(1,817.37)	(1,817.37)
Balance as at the end of the year	**(1,817.37)**	**(1,817.37)**
(ii) Capital reserve		
Balance as at the beginning of the year	(16.50)	(16.50)
Balance as at the end of the year	**(16.50)**	**(16.50)**
(iii) Foreign currency translation reserve		
Balance as at the beginning of the year	14.93	(35.18)
Add: Exchange difference on translation of foreign operations arisen during the year	488.02	49.96
Add: Transfer to non controlling interests	-	0.15
Balance as at the end of the year	**502.95**	**14.93**
(iv) Legal reserve		
Balance as at the beginning of the year	2.65	2.65
Balance as at the end of the year	**2.65**	**2.65**
(v) Retained earnings		
Balance as at the beginning of the year	10,065.99	3,671.95
Add: Profit for the year	3,100.59	6,389.89
Less: Remeasurements of defined benefit liability, net of tax (refer note (vii) below)	(27.93)	(3.41)
Less: Transfer to capital redemption reserve*	(0.00)	-
Less: Transfer to non controlling interests	-	7.56
Less: Appropriations for Dividend and dividend distribution tax (refer note (viii) below)	(1,161.10)	-
Balance as at the end of the year	**11,977.55**	**10,065.99**
(vi) Capital redemption reserve		
Balance as at the beginning of the year	-	-
Add: Transferred from retained earnings*	0.00	-
Balance as at the end of the year	**0.00**	**-**
Total other equity	**10,649.28**	**8,249.70**

*Amounts less than ₹ 0.01 million

Nature and purpose of reserves

(i) Capital reserve on demerger

The Company's capital reserve on demerger is on account of the difference between the net assets and liabilities taken over relating to the S-EPC business pursuant to the scheme of arrangement.

(ii) Capital reserve

Capital Reserve is mainly on account of acquisition of ownership interests in Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen L.L.C.), registered in UAE.

(iii) Foreign currency translation reserve

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

(iv) Legal Reserve

Legal reserve is created out of net profits of subsidiary company, in accordance with article 255 of the Federal Law No 8 of 1984 and its amendments relating to Commercial Companies Law of United Arab Emirates.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

10% of net income for the period is to be transferred to legal reserve. Further, in accordance with the provisions of the said laws, the subsidiary companies have resolved to discontinue such annual transfers since the balance in the reserve account is 50% of the share capital. The reserve is not available for distribution except in circumstances as stipulated in the said laws.

(v) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to the owners of the Group.

(vi) Capital redemption reserve

Capital redemption reserve is created out of profits available for distribution towards buy back of equity share of a subsidiary. This reserve can be used for the purpose of issue of Bonus shares.

(vii) Analysis of accumulated Other comprehensive income, net of tax

Remeasurement of Defined Benefit Liability

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(9.67)	(6.26)
(Loss) on remeasurement of defined benefit liability	(27.93)	(3.41)
Closing balance	**(37.60)**	**(9.67)**

(viii) Appropriations for dividend and dividend distribution tax

The following dividend were declared and paid by the Holding Company during the year.

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend to equity share holders, ₹ 6 per equity share (31 March 2019: ₹ Nil)	961.82	-
Less: Dividend distribution tax on dividend to equity share holders	199.28	-
Closing balance	**1,161.10**	**-**

24 NON-CURRENT BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Preference shares (Unsecured)		
(Measured at amortised cost)		
510 (31 March 2019: 510) 7%, Non-convertible, non-cumulative preference shares of 100 baht each, 25 baht paid-up (refer note below)	0.02	0.02
	0.02	**0.02**

7%, Non-convertible, Non-cumulative Preference shares of 100 baht each, 25 baht paid-up, were issued by Sterling and Wilson (Thailand) Limited, a subsidiary of the Company. Preference shares carry a preferential right as to dividend over equity shareholders. These preference shares are entitled to one vote per thirty shares at every general meeting of the subsidiary. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

25 LONG-TERM PROVISIONS

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (refer note 46)		
Gratuity	90.51	61.86
Terminal benefits	45.60	24.25
	136.11	**86.11**

26 CURRENT BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Secured loans		
Cash credit loan (refer note (a) below)	206.07	-
Working capital loan from banks (refer note (m) below)	1,697.38	-
Loan from banks (refer note (b), (n), (o) and (p) below)	5,021.86	2,771.46
Trust receipt (refer note (q) below)	2,240.36	-
Unsecured loans		
Buyers credit (refer note (k) below)	-	496.16
Working capital loan from banks (refer note (d), (e), (f) and (h) below)	2,000.00	12,018.63
Working capital loan from others (refer note (c) and (g) below)	-	2,000.00
Commercial papers (refer note (i) and (j) below)	-	3,000.00
Trust receipt (refer note (q) below)	-	1,991.49
Packing Credit loan (refer note (l) below)	1,074.70	-
	12,240.37	**22,277.74**

Details of the security and repayment terms :

(a) Secured cash credit facilities from banks under Conosortium arrangement, the bank includes HDFC Bank, IDFC Bank, DBS Bank, Union Bank of India, Axis Bank, ICICI Bank, IDBI Bank and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The cash credit is repayable on demand and carries a variable interest rate of 9.10% p.a. to 11.55% p.a.. The cash credit is secured by first pari passu charge over the current assets of the Group.

(b) Secured short term loan from ICICI Bank having carring amount as at 31 March 2020 of ₹ 1,000.00 million carries a variable interest rate of MCLR (1 year) plus 90 basis points and the range is 9.00% p.a. to 10.50% p.a.The same is repayable in two equal quarterly installments by 30 September 2020. The loan is secured by first pari passu charge over the current assets of the Holding Company.

(c) Unsecured working capital loan from HDFC Limited having carrying amount as at 31 March 2019 of ₹ 1,000.00 million carries a variable interest rate of CPLR plus 660 basis points. The loan carries interest rate ranging from 11.75% p.a. to 12.50% p.a.. (31 March 2019: 11.75% p.a. to 12.50% p.a.) and was repaid in April 2019.

(d) Unsecured working capital loan from ICICI bank having carrying amount as at 31 March 2019 of ₹ 2,000.00 million carries a variable interest rate of MCLR (1 year) plus 60 basis points. The loan carries interest rate ranging from 9.00% p.a. to 10.20% p.a. (31 March 2019: 9.00% p.a.) and was repaid in August 2019.

(e) Unsecured working capital loan from HSBC bank having carrying amount as at 31 March 2020 of ₹ 2,000.00 million (31 March 2019: ₹ 2,500.00 million) carries a variable interest rate of MCLR plus mutually agreed basis points. The loan carries interest rate ranging from 10.20% p.a. to 10.70% p.a. (31 March 2019: 10.20% p.a. to 10.70% p.a.).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Subsequent to the year-end, the Group has repaid ₹ 250.00 million in April 2020 and the balance amount is repayable in July 2020.

(f) Unsecured working capital loan from First Rand Bank having carrying amount as at 31 March 2019 of ₹ 250.00 million carries a variable interest rate mutually agreed on each draw down date. The loan carries interest rate ranging from 9.80% p.a. to 10.10% p.a. (31 March 2019: 9.80% p.a. to 10.10% p.a.) and was repaid in December 2019.

(g) Unsecured working capital loan from L & T Finance Ltd having carrying amount as at 31 March 2019 of ₹ 1,000.00 million carries a fixed interest of 9.95% p.a. to 10.00% p.a. (31 March 2019: 9.95% p.a. to 10.00% p.a.). The loan was repaid in June 2019.

(h) Unsecured working capital loan from Deustsche Bank having carrying amount as at 31 March 2019 of ₹ 1,500.00 million carries a fixed interest of 11.00% p.a. (31 March 2019: 11.00% p.a.). The loan was repaid in September 2019.

(i) Unsecured commercial paper from Indian Bank having carrying amount as at 31 March 2019 of ₹ 2500.00 million carries a fixed interest of 9.55% p.a. (31 March 2019: 9.55% p.a.). The loan was repaid in June 2019.

(j) Unsecured commercial paper from ICICI having carrying amount as at 31 March 2019 of ₹ 500.00 million carries a fixed interest of 10.00% p.a. (31 March 2019: 10.00% p.a.). The loan was repaid in May 2019.

(k) Unsecured Buyers credit facility from HDFC bank having carrying amount as at 31 March 2019 of ₹ 496.16 million carrying an interest of 5.18% p.a. (31 March 2019: 5.18% p.a.) (in case of buyers' credit in USD) and was repaid in August 2019.

(l) Unsecured packing credit facility from Deustsche Bank having carrying amount as at 31 March 2020 of ₹ 1,074.70 million carries a fixed interest of 13.00% p.a.. Subsequent to the year-end, the Group has repaid ₹ 174.70 million in June 2020 and the balance amount is repayable in July 2020.

(m) Secured working capital loans from banks under Consortium arrangement having carring amount as at 31 March 2020 of ₹ 1,697.38 million, the bank includes HDFC Bank, IDFC Bank, DBS Bank, Union Bank of India, Axis Bank, ICICI Bank, IDBI Bank and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The loans carry a variable interest rate which ranges from 9.10% to 11.55%. The loans are secured by first pari passu charge over the current assets of the Group. Subsequent to the year-end, the Group has repaid ₹ 420.00 million in May 2020 and the balance loan of ₹ 803.62 million, ₹ 220.00 million, ₹ 190.00 million and ₹ 63.76 million is repayable in the month of July 2020, August 2020, September 2020 and October 2020 respectively.

(n) Working capital loan from a State Bank of India is denominated in United States Dollar (USD). The loan carries an interest rate of 3-month Libor + 2% per annum and is repayable on 31 May 2020. The loan is secured by stand-by letter of credit of USD 20.00 million and lien over margin money deposit amounting to 10% of the loan facility availed by a subsidiary company in UAE.

(o) Working capital loan from a Duetsche bank is denominated in United States Dollar (USD). The loan carries an interest rate ranging from 4.70% to 4.80% per annum and is repayable within a period of 12 months. The loan is secured by irrevocable stand-by letter of credit issued in favor of the bank.

(p) Overdraft facility from Emirates NBD Bank is denominated in Arab Emirates Dirham (AED). The loan carries an interest rate of 1-month Eibor + 2.25% per annum on actual amount utilised, and are repayable on demand. The overdraft facility is secured by charge over assignment of receivables of a subsidary company in UAE.

(q) Trust receipts are availed from Union Bank of India and is denominated in United States Dollar (USD). Trust receipts are secured by charge over assignment of receivables of a subsidiary company in UAE on pari-passu basis, carrying an interest rate of 3-month Libor + 2.50% per annum and are repayable within 180 to 360 days from the draw down date.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020

27 TRADE PAYABLES

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	398.85	19.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,323.05	18,063.18
Acceptances*	489.47	1,043.03
	22,211.37	**19,125.49**

* Acceptances are repayable within a period of 180 days from the date of acceptance.

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to any supplier as at the end of each accounting year	398.85	19.28
Interest due thereon	7.38	0.43
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the each accounting year	7.38	0.43
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

28 DERIVATIVES

Particulars	As at March 31, 2020	As at March 31, 2019
Foreign currency forward exchange contract liabilities	62.27	-
	62.27	**-**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020

29 OTHER FINANCIAL LIABILITIES

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Interest accrued and not due		
- To others	18.67	-
Other payables*	614.87	26.30
To parties other than related parties		
Interest accrued and due :		
- To micro enterprises and small enterprises (refer note 27)	7.38	0.43
Interest accrued and not due :		
- To banks	97.93	87.69
- To others	3.17	2.07
Employee expenses payable	0.98	3.36
Payable for capital goods	9.08	-
Employee benefits payable	217.71	169.37
Payable for acquisition of subsidiary (refer note 6)	-	48.30
	969.79	**337.52**

* Payable to fellow subsidiary on account of transfer of branch w.e.f 1 January 2019, reimbursement of expenses, letter of credit etc.

30 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
To related parties		
Advances from customers	-	6.61
To parties other than related parties		
Advances from customers	2,421.86	2,302.20
Statutory liabilities		
- TDS payable	39.22	30.22
- Provident fund payable	22.38	10.54
- Profession tax payable	0.22	0.11
- Employees State Insurance payable	30.71	1.95
- Value added tax payable	19.53	94.40
	2,533.92	**2,446.03**

31 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (refer note 46)		
Gratuity	2.72	1.71
Compensated absences	292.71	130.15
Other provisions		
Provision for liquidated damages	674.73	460.39
Provision for product warranty	157.99	176.25
Provision for foreseeable loss/ onerous contracts	8.57	-
	1,136.72	**768.50**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Provision for liquidated damages:

Liquidated damages are contractual obligations affecting the contract revenue in case of the works contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.

Provision for product warranty:

The warranty provision represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

Provision for foreseeable loss/ onerous contracts

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

(Currency: Indian rupees in million)

Provision for:	Liquidated damages	Product warranty	Onerous contracts/ Foreseeable Loss
As at 1 April 2019	460.39	176.25	-
Add: Additions during the year (including foreign exchange adjustments)	445.95	-	8.57
Less: Utilisation/ Write back during the year (including foreign exchange adjustments)	(231.61)	(18.26)	-
As at 31 March 2020	**674.73**	**157.99**	**8.57**
As at 1 April 2018	149.30	298.00	-
Add: Additions during the year (including foreign exchange adjustments)	395.57	-	-
Less: Utilisation/ Write back during the year (including foreign exchange adjustments)	(84.48)	(121.75)	-
As at 31 March 2019	460.39	176.25	-

32 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for current tax (net of advance tax of ₹ 3,109.28 million (31 March 2019: ₹ 1,859.78 million)	228.19	502.57
	228.19	**502.57**

33 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services		
Income from works contracts	53,912.81	81,452.55
Revenue from operation and maintenance services	1,835.42	935.76
Other operating income		
Sale of scrap	4.65	13.76
Others	-	2.01
	55,752.88	**82,404.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

34 OTHER INCOME

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest method on:		
- financial assets	-	18.85
- deposits with banks	18.23	13.14
- loan to fellow subsidiaries	2,163.89	1,375.45
- loan to employees	0.71	0.90
- deferred payment terms	58.29	4.95
- receivables from fellow subsidiaries	-	221.10
Write back of provision for bad and doubtful debts	58.00	-
Gain on forward cover premium	20.91	68.03
Mark-to-market gains on derivative instruments (net)	-	39.53
Foreign exchange gain (net)	123.95	300.51
Supplier balances written back	16.58	20.08
Export incentive	52.96	-
Fair value gain on investment in mutual fund measured at FVTPL	0.09	-
Insurance claim received	88.97	-
Profit on sale of mutual funds	2.95	-
Liabilities no longer required written back	348.44	-
Profit on sale of property, plant and equipments (net)	0.64	
Miscellaneous income	80.27	32.71
	3,034.88	**2,095.25**

35 COST OF CONSTRUCTION MATERIALS, STORES AND SPARE PARTS

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory of materials at the beginning of the year	120.09	161.51
Add: Purchase during the year	35,906.59	56,049.51
Inventory of materials at the end of the year	133.72	120.09
	35,892.96	**56,090.93**

36 CHANGE IN INVENTORY OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory of stock-in-trade at the beginning of the year	11.38	24.05
Inventory of stock-in-trade at the end of the year	11.38	11.38
Decrease in inventory	**-**	**12.67**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

37 DIRECT PROJECT COSTS

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Communication expenses	26.53	22.01
Stores and spare parts consumed	68.03	178.94
Commission expenses	1.37	2.80
Legal and professional fees	295.60	274.93
Printing and stationery expenses	9.16	10.82
Insurance costs	111.33	91.82
Repairs and maintenance - others	38.33	25.52
Selling and marketing expenses	3.49	1.14
Traveling and conveyance expenses	181.28	130.00
Rent (refer note 44 and 50)	216.11	209.64
Rates and taxes	92.31	92.72
Electricity, power and fuel	37.62	98.01
Donation	-	0.06
Bank charges	438.34	525.32
Provision for foreseeable losses	8.57	-
Security Charges	147.75	121.90
Miscellaneous expenses	349.69	495.97
	2,025.51	**2,281.60**
Employee benefits expense		
Salaries, wages and bonus	1,259.84	973.83
Contribution to provident and other funds (refer note 46)	15.97	17.47
Staff welfare expenses	114.68	71.41
	1,390.49	**1,062.71**
Sub-contractor expenses	**9,293.94**	**13,106.10**
	12,709.94	**16,450.41**

38 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	2,138.81	1,586.53
Contribution to provident and other funds (refer note 46)	68.53	58.66
Gratuity and terminal benefits (refer note 46)	31.42	41.34
Compensated absences (refer note 46)	122.50	44.90
Staff welfare expenses	41.41	47.45
	2,402.67	**1,778.88**

Notes to the Consolidated Financial Statements

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39 FINANCE COSTS

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
- on secured loans	903.36	62.95
- on unsecured loans	895.90	604.22
- on dues of micro enterprises and small enterprises	6.95	0.43
- on income tax and indirect taxes	22.69	64.91
- on lease liabilities	7.30	-
- on others	49.02	12.65
Other borrowing costs	64.04	101.35
	1,949.26	**846.51**

40 DEPRECIATION AND AMORTISATION

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation and amortisation on property, plant and equipment	90.01	74.83
Depreciation on Right-of-use of assets	47.95	-
Amortisation of intangible assets	4.39	3.21
	142.35	**78.04**

41 OTHER EXPENSES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Communication expenses	40.07	47.28
Stores and spare parts consumed	3.04	0.79
Commission expenses	1.25	-
Legal and professional fees	314.28	380.15
Printing and stationery expenses	9.73	11.18
Insurance costs	73.25	70.35
Repairs and maintenance - others	48.96	38.77
Selling and marketing expenses	14.80	13.54
Traveling and conveyance expenses	285.12	304.84
Rent (refer note 44 and 50)	116.13	107.88
Rates and taxes	14.26	22.14
Electricity, power and fuel	18.97	8.92
Payment to auditors (refer note (a) below)	11.35	8.04
Loss on sale of property, plant and equipment (net)	-	4.37
Donation	0.10	0.77
Management support fees	138.19	103.41
Bank charges	247.64	154.22
Bad debts written off	36.45	43.28
Corporate social responsibility expenses (refer note 48)	34.12	13.50
Expected credit loss on financial assets	75.20	200.00
Security Charges	10.11	4.59
Provision for mark-to-market losses on derivative instruments (net)	62.27	-
Miscellaneous expenses	150.30	112.16
	1,705.59	**1,650.18**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(a) Payment to auditors

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
Statutory audit	7.87	5.35
In other capacity		
Tax audit	0.84	0.25
Certification services	1.89	2.44
Other services* (including reimbursement of expenses)	6.71	8.76
	17.31	**16.80**

* Includes ₹ 5.96 million (31 March 2019: ₹ 8.76 million) towards payment made to the auditors on account of initial public offering of equity shares of face value of Re 1 each. The expenses were recovered from Selling Shareholders in the ratio of their existing shareholding percentage.

42 INCOME TAXES

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense :		
Current year	985.12	1,392.56
Adjustment of tax relating to earlier years	(0.40)	28.22
	984.72	**1,420.78**
Deferred tax (credit) :		
Origination and reversal of temporary differences	**(42.45)**	**(211.40)**
	(42.45)	**(211.40)**
Tax expenses for the year	**942.27**	**1,209.38**

b) Income tax recognised in other comprehensive income

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(32.51)	4.58	(27.93)
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	497.16	-	497.16

Particulars	31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(5.24)	1.83	(3.41)
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	53.23	-	53.23

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

c) Reconciliation of effective tax rate

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	3,984.99	7,591.71
Tax using the Group's domestic tax rate at 25.168% (31 March 2019: 34.944%)	1,002.94	2,652.85
Tax effect of:		
Difference in tax rates	(0.87)	(19.47)
Tax relating to previous periods	(0.40)	28.22
Tax losses utilised on which deferred tax was not created earlier	-	(9.88)
Employee benefits	-	(31.45)
Impact due to change in tax rate from 34.944% to 25.168%	76.01	-
Current year losses on which no deferred tax asset was recognised	150.97	-
Items on which deferred tax was not recognised in the previous year, now recognised	-	(28.71)
Effect of consolidation of profits of subsidiaries in tax free zone	(275.13)	(1,536.36)
Item taxable at lower Income tax rate	(62.54)	-
Impact due to consolidation adjustments	-	55.99
Non-deductible expenses	51.29	98.19
Total tax expense	**942.27**	**1,209.38**

d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Movement in deferred tax balances for the year ended 31 March 2020

Particulars	Net asset/ (liability) 1 April 2019	Recognised in profit or loss during the year	Recognised in OCI during year	Other adjustments/ Forex	Net asset/ (liability) 31 March 2020
Employee benefits	67.39	5.52	4.58	(0.04)	77.45
Expected credit loss on financial assets	77.07	(19.92)	-	-	57.15
Provision for mark to market losses on derivative instruments	(14.69)	30.58	-	-	15.89
Fair valuation of financial assets	-	(0.02)	-	-	(0.02)
Tax losses carried forward	19.73	75.90	-	(3.79)	91.84
Provision for liquidated damages	138.26	(17.40)	-	-	120.86
Provision for Bonus	31.45	(31.45)		-	-
Amortisation of expenses on merger	0.40	(0.39)	-	-	0.01
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(1.55)	(0.07)	-	-	(1.62)
Others	3.17	(0.30)	-	(0.74)	2.13
Net deferred tax asset	**321.23**	**42.45**	**4.58**	**(4.57)**	**363.69**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Movement in deferred tax balances for the year ended 31 March 2019 (Currency: Indian rupees in million)

Particulars	Net asset/ (liability) 1 April 2018	Recognised in profit or loss during the year	Recognised in OCI during year	Other adjustments/ Forex	Net asset/ (liability) 31 March 2019
Employee benefits	50.15	15.42	1.83	(0.01)	67.39
Provision for bad and doubtful debts	7.19	69.88	-	(0.00)	77.07
Provision for mark to market losses on derivative instruments	35.54	(50.23)	-	-	(14.69)
Fair valuation of financial assets	2.17	(2.17)	-	-	-
Tax losses carried forward	12.18	9.48	-	(1.93)	19.73
Provision for liquidated damages	-	138.26	-	-	138.26
Provision for Bonus	-	31.45		-	31.45
Amortisation of expenses on merger	0.52	(0.12)	-	-	0.40
Provision for onerous contracts	5.02	(5.02)	-	-	-
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(3.44)	1.89	-	-	(1.55)
Fair valuation of financial liabilities	(2.57)	2.57	-	-	-
Others	3.47	(0.01)	-	(0.29)	3.17
Net deferred tax asset	**110.23**	**211.40**	**1.83**	**(2.23)**	**321.23**

The Group has recognised deferred tax asset to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Group's subsidiaries in South Africa, Australia and Spain.

e) **Unrecognised deferred tax assets**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	1,770.41	(288.66)	247.61	(138.37)
Unabsorbed depreciation	7.53	(2.27)	5.56	(1.59)
	1,777.94	(290.93)	253.17	(139.96)

As included in the table above, the subsidiary of the Company, Sterling Wilson - SPCPL - Chint Moroccan Venture and the subsidiaries of Sterling and Wilson International Solar FZCO, UAE, in Singapore, Australia, USA and Kazakhstan are subject to income tax in accordance with the countries' respective income tax laws. Since the subsidiaries had incurred losses in the previous periods, the management had decided not to consider the potential deferred tax assets arising from carry forward tax losses of the aforementioned entities in absence of convincing evidence that future profitability will be consistently demonstrated.

f) **Unrecognised deferred tax liabilities**

Deferred tax liabilities is not recognised amounting to ₹ 752.90 million for the year ended 31 March 2020 (31 March 2019: ₹ 649.42 million) for temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

g) **Tax losses carried forwarda** (Currency: Indian rupees in million)

Particulars	Year ended 31 March 2019	Expiry date	Year ended 31 March 2019	Expiry date
Expire	1,169.47	2028-2040	39.86	2033-39
	1,169.47		39.86	
Never expire	608.47		213.31	

43 EARNINGS PER SHARE

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Basic and diluted earnings per share			
Numerator:			
Consolidated profit after tax attributable to equity shareholders	A	3,100.59	6,389.89
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		160,360,000	16,036,000
Add: Effect of share split (refer note 1 below)		-	144,324,000
Number of equity shares outstanding at the end of the year		160,360,000	160,360,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	160,360,000	160,360,000
Basic and diluted earnings per share (₹)	A / B	19.33	39.85
Face value per share		1.00	1.00

Notes:

1 During the year ended 31 March 2019, the Board of Directors of the Holding company approved a split of the Holding company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to Re 1 per share. This stock split became effective on 23 January, 2019 and unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

2 Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

44 OPERATING LEASE

The Group has taken office premises on cancelable and non-cancelable operating leases and has taken vehicles on cancelable operating leases. The future minimum lease payments in respect of office premises and vehicles is as follows:

Sr. No.	Lease obligations	31 March 2019
	Lease payments recognised in the consolidated statement of profit and loss	
	- Cancellable	252.54
	- Non-cancellable	64.98
	Future minimum lease payments under non-cancellable operating leases	
I	Due not later than one year	63.16
II	Due later than one year but not later than five years	54.06
III	Later than five years	7.14
	Minimum lease payment	124.36

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

45 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

A. Contingent Liabilities

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Claims against the Group not acknowledged as debts	1.42	1.72
(b) The Claim against Group under Andhra Pradesh Goods and Services Tax Act, 2017 demanding tax, penalty and interest. The Group has filed an appeal against the order to the Appellate Authority*	1,401.40	-
Total	**1,402.82**	**1.72**

* The demand was raised on Sterling and Wilson Private Limited ('SWPL') by Authorities. However, Pursuant to the Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from 9 March 2017 to 28 March 2018 (the date on which Scheme become approved by regulatory authorities). Accordingly, the contingent liability is considered in the books of the Holding Company.

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Group's results of operations or financial condition.

The Hon'ble Supreme Court of India (SC) by it's order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March 2020 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

B. Capital and other commitments

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.10	0.10
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance ₹ Nil (31 March 2019: ₹ Nil))	21.00	-

46 EMPLOYEE BENEFITS

Defined contribution plan:

Contribution to provident fund and and Employees State Insurance Scheme aggregating to ₹ 84.50 million (31 March 2019: ₹ 76.13 million) is recognised as an expense and included in 'Employee benefits expense' and 'direct project costs'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company and its subsidiaries in India has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of ₹ 2.00 million.

Terminal benefits (Defined benefit plan)

In respect of the overseas subsidiaries, the Group has made provision of ₹ 14.31 million for the year 31 March 2020 (31 March 2019: ₹ 24.25 million), for employees' terminal benefits on the basis prescibed under the labour laws of respective countries in which the overseas subsidiaries operates and same is determined based on acturial valuation basis. Accordingly, the Group has disclosed information related to defined benefits for overseas subsidiaries in the table below.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement.

Change in the present value of the defined benefit obligation (Gratuity and terminal benefits)

I Reconciliation of the present value of defined benefit obligation

(Currency: Indian rupees in million)

Particulars	Gratuity	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Defined benefit obligation at the beginning of the year	87.82	45.61
Benefits paid	(14.08)	(7.87)
Current service cost	25.69	37.77
Past Service Cost- Vested Benefits	-	-
Interest cost	5.73	3.57
Liability transferred in / acquisitions	1.85	9.48
Liability transferred out	(3.10)	(5.84)
Impact of foreign exchange translation	2.41	(0.15)
Actuarial (gains) recognised in other comprehensive income	-	-
- changes in financial assumptions	11.96	0.38
- experience adjustments	20.55	4.86
Balance at the end of the year	**138.83**	**87.82**

II Amount recognised in the consolidated statement of profit and loss under employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i **Expense recognised in the Consolidated Statement of Profit and Loss**		
Current service cost	25.69	37.77
Interest cost	5.73	3.57
	31.42	**41.34**

III. Remeasurement recognised in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i **Expense recognised in the Consolidated Statement of other comprehensive income**		
Actuarial (losses) on obligation for the year	(32.51)	(5.24)
	(32.51)	**(5.24)**

Notes to the Consolidated Financial Statements
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IV **Actuarial assumptions**

The principal assumptions used in determining gratuity benefit obligation for the Group's plan is shown below:

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial assumptions taken for domestic entities:		
Discount rate	6.60%	7.74%
Salary escalation	7.00%	7.00%
Employee turnover	Service < 5 : 14% Service>=5 : 2%	Service < 5 : 14% Service>=5 : 2%
Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Weighted average duration of the projected benefit obligation	18 years	16 years

The principal assumptions used in determining terminal benefit obligation for the Group's plan is shown below:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial assumptions taken for overseas entities:		
Discount rate	3.20%	5.00%
Salary escalation	5.00%	3.10%
Employee Turnover		
20 - 30 years age	1.00%	1.00%
31 - 49 years age	1.00%	1.00%
Mortality tables	AM-92	AM-92
Weighted average duration of the projected benefit obligation	17 years	19 years

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.

Assumptions regarding future mortality are based on published Statistics and Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions.

V **Sensitivity Analysis**

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.

Particulars	As at March 31, 2020		As at March 31, 2019	
For the Company and its subsidaries in India:				
Discount rate (100 basis point movement)	(12.94)	16.12	(8.56)	10.60
Salary escalation rate (100 basis point movement)	11.47	(10.15)	7.42	(6.74)
Employee turnover (100 basis point movement)	0.97	(1.23)	1.71	(2.09)

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for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	As at March 31, 2020		As at March 31, 2019	
For overseas subsidaries:				
Discount rate (100 basis point movement)	(6.39)	7.92	(3.48)	4.28
Salary escalation rate (100 basis point movement)	7.69	(6.35)	4.15	(3.45)
Employee turnover (100 basis point movement)	(1.56)	1.77	(0.97)	1.09

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.

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

VI **Maturity profile of defined benefit obligation (Gratuity and terminal benefits)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Within next 12 months	2.25	1.94
Between 1 and 5 years	12.60	10.30
Above 5 years	278.09	274.76

Compensated absences

Compensated absences for employee benefits of ₹ 122.50 million for the year ended 31 March 2020 (31 March 2019: ₹ 44.90 million) expected to be paid in exchange for the services is recognised as an expense during the year.

47 LOANS AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Investments in government securities and mutual funds (unquoted)

Particulars	As at 1 April 2019	Investment during the year	Redemption during the year	Foreign exchange/ adjustment during the year	As at 31 March 2020
Treasury bills	1.69	-	-	0.20	1.89
Investment in mutual fund	-	1,900.00	1,897.40	0.09	2.69

Particulars	As at 1 April 2018	Investment during the year	Redemption during the year	Foreign exchange/ adjustment during the year	As at 31 March 2019
Esterlina Solar Engineers Private Limited (refer note 6)	1.59	0.10	-	-	1.69

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B. Details of loans given by the Indian entities of the Group are as follows:

(Currency: Indian rupees in million)

Name of the entity	As at 1 April 2019	Converted to loan	Loan given during the year (refer note 51)	Loan repaid during the year (refer note 51)	Foreign exchange/ adjustment during the year	As at 31 March 2020
Sterling and Wilson Private Limited (refer note 1 below) (net)	12,791.73	-	5,622.35	(12,653.50)	-	5,760.58
Sterling and Wilson Powergen Private Limited (refer note 2)	110.00	-	-	(110.00)	-	-

Particulars	As at 1 April 2018	Converted to loan	Loan given during the year	Loan repaid during the year	Foreign exchange/ adjustment during the year	As at 31 March 2019
Sterling and Wilson Private Limited (refer note 1 below)	-	3,278.14	17,895.35	(8,381.76)	-	12,791.73
Sterling and Wilson Powergen Private Limited (refer note 2)	-	-	130.00	(20.00)	-	110.00

Note 1: Sterling and Wilson Private Limited

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	11 months to 11 months and 25 days	Repayable on demand
Rate of Interest	9.70% to 13.80% p.a.	9.90% to 13.50% p.a.

Note 2: Sterling and Wilson Powergen Private Limited

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	12 % p.a.	10.5% to 12 % p.a.

48 CORPORATE SOCIAL RESPONSIBILITY

The Group has consituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The funds are utilised during the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards various activities.

The details set below are for the amount spent by the Group. The Holding Company and one of its Indian subsidiary qualifies for CSR contribution, based on threshold prescribed in the Act.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020

(Currency: Indian rupees in million)

Particulars	31 March 2020		
A. Gross amount required to be spent by the Group during the year			56.79
	In cash	Yet to be paid in cash	Total
B. Amount spent during the year ended 31 March 2020			
i) CSR spents for roof top solar projects at various Schools, Hospital, Ashtam and research centre	8.85	-	8.85
ii) Contribution for Academic Coaching and infrastructure development (Solar Building & convert Container)	6.60	2.20	8.80
iii) Contribution for facilitating toilets and sanitation for school Students in Nashik	1.50	-	1.50
iv) Contribution for facilitating sanitary vending machine, sanitary napkin and incinerator for college students	1.80	-	1.80
v) Contribution provide jousing and sanitation facility to Karjat tribal community	1.25	-	1.25
vi) Contribution for providing financial support to critical patients	1.00	-	1.00
vii) Contribution for set up of library and language lab	1.20	0.60	1.80
viii) Contribution for anemia reducation program for adolescent girls and BCC-Health	1.01	0.34	1.35
ix) Contribution towards Academic Coaching and Counseling up to primary level at Chilwadi-Osmanabad	0.50	0.65	1.15
x) Contribution to Mitti Café for training disable youth and providing livelihood	0.71	-	0.71
xi) Contribution for skill training of blind students	0.63	-	0.63
xii) Contribution for Mid-day meal to School Students in Silvasa	0.99	-	0.99
xiii) Contribution Sushrut Hospital to provide financial help for poor Patients	0.60	-	0.60
xiv) Contribution for renovation of old age home	0.84	-	0.84
xv) Other donations and contributions	2.55	0.30	2.85
	30.03	**4.09**	**34.12**
C. Related party transactions in relation to Corporate Social Responsibility			Nil
D. Provision movement during the year			
Opening balance as at 1 April 2019			-
Addition during the year			-
Utilised during the year			-
Closing balance as at 31 March 2020			-

Particulars	31 March 2019		
A. Gross amount required to be spent by the Group during the year			**46.40**
	In cash	Yet to be paid in cash	Total
B. Amount spent during the year ended 31 March 2019			
i) Contribution towards Restoration of School in Chilwadi	2.57	-	2.57
ii) Installation of Water purification plant	1.65	-	1.65
iii) Installation of Solar power plant	4.65	-	4.65
iv) Contribution towards ensuring environmental sustainability	2.00	-	2.00

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(Currency: Indian rupees in million)

Particulars	31 March 2019		
A. Gross amount required to be spent by the Group during the year			46.40
	In cash	Yet to be paid in cash	Total
v) Contribution of nursery school at Khandwa	0.42	-	0.42
vi) Contribution towards development of physically disabled students	0.36	-	0.36
vii) Contribution towards scholarship of students	0.30	-	0.30
viii) Other donations	1.56	-	1.56
	13.50	-	13.50
C. Related party transactions in relation to Corporate Social Responsibility			Nil

49 DISCLOSURE UNDER IND AS 115, REVENUE FROM CONTRACTS WITH CUSTOMERS

A) The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. There is no impact on the Group's revenue on applying Ind AS 115 from the contracts with customers.

B) Disaggreagtion of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Group's reportable segments is given in the note 52.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	3,505.00	13,349.75
Less: Billing during the year	50,095.06	64,925.87
Add Revenue recognised during the year	51,604.00	74,770.62
Contract assets as at end of the year	**5,013.94**	**3,505.00**
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	2,308.81	6,933.66
Add: Addition during the year	2,421.86	2,057.08
Less: Applied during the year	2,308.81	6,681.93
Contract liabilities as at end of the year	**2,421.86**	**2,308.81**

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

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020

D) Reconciliation of revenue as per Ind AS 115

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from works contracts	54,149.38	81,830.21
Adjustment on account of:		
Less: Liquidated damages provided during the year	(389.37)	(458.57)
Add: Reversal of provision for liquidated damages	231.61	84.48
Less: Deferment of revenue pertaining to free operation and maintenance period	(78.81)	(3.57)
Total	**53,912.81**	**81,452.55**
Revenue from operation and maintenance services	1,805.87	920.24
Adjustment on account of:		
Add: Recognition of revenue towards free operation and maintenance period	29.55	15.52
Total	**1,835.42**	**935.76**
Other operating Income	4.65	-
Adjustment on account of:	-	-
Total	**4.65**	**-**

E) Performance obligation

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020 and 31 March 2019. "

F) **Practical expedients:**
Applying the practical expedient in paragraph 63 of Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the year between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that ha ve original expected duration of one year or less.

50 DISCLOSURE UNDER IND AS 116, LEASES

A) Right-of-use assets

(Currency: Indian rupees in million)

Nature of transaction	Land and Buildings *	Total
Cost		
Balance as at 1 April 2019	84.27	84.27
Add: Additions during the year	67.91	67.91
Less: Disposals during the year		
Balance as at 31 March 2020	152.18	152.18
Accumulated depreciation and impairment		
Balance as at 1 April 2019	-	-
Add: Depreciation for the year	47.95	47.95
Add: Impairment losses durinng the year	-	-
Add: Exchange differences on translation of foreign operations	1.03	1.03
Balance as at 31 March 2020	48.98	48.98
Carrying amounts		
Balance as at 1 April 2019	84.27	84.27
Balance as at 31 March 2020	103.20	103.20

* Carrying amount of Right-of-use assets at the end of the reporting period is towards property taken on lease for office premises, the underlying leasehold improvements is presented in note 5 under "Property, plant and equipment and capital work-in-progress.

B) Breakdown of lease expenses

Particulars	For the year ended 31 March 2020
Short-term lease expense	332.24
Total lease expense	**332.24**

C) Cash outflow on leases

Particulars	For the year ended 31 March 2020
Repayment of lease liabilities (including Interest on lease liabilities)	52.04
Short-term lease expense	332.24
Total cash outflow on leases	**384.28**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

D) Maturity analysis of lease liabilities

(Currency: Indian rupees in million)

31 March 2020	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities						
- Indian entities	21.78	3.97	19.37	41.47	86.59	11.00%
- Overseas entities	10.28	3.12	-	-	13.40	6.00%
Total	**32.06**	**7.09**	**19.37**	**41.47**	**99.99**	

E) Impact of changes in accounting policies

Effective from 1 April 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

F) Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Nature of transaction	₹ in million
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	124.36
Less: Discounting impact	40.09
Lease liabilities recognised in the statement of financial position as at 1 April 2019	84.27

51 RELATED PARTY DISCLOSURES

A. Related parties and their relationship

Category of related parties

1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Fellow subsidiaries	Abhipreet Trading Pvt. Ltd.
	Acreage Farm Pvt. Ltd.
	Afcons Construction Mideast LLC
	Afcons Corrosion Protection Pvt. Ltd.
	Afcons Gulf International Project Services FZE
	Afcons Gunanusa Joint Venture
	Afcons Infra projects Kazakistan LLP
	Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL
	Afcons Infrastructure Ltd.
	Afcons Mauritius Infrastructure Ltd.
	Afcons Offshore and Marine Services Pvt. Ltd.
	Afcons Overseas Project Gabon SARL
	Afcons Overseas Singapore Pte Ltd.
	Afcons Saudi Construction LLC
	Afcons Shareholding (Education Assistance) Trust nos. 1, 2 and 3*
	Afcons Shareholding (General assistance) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Health promotion) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Hobbies and Craft Training) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Holiday Assistance) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Medical Benefit) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Personnel Development) Trust nos. 1, 2 and 3*
	Afcons Shareholding (Training and Development) Trust nos. 1, 2 and 3*
	Afcons Shareholding Employees Welfare Trust nos. 1, 2, 3 and 4*
	Alaya Properties Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	Aquadiagnostics Water Research & Technology Centre Ltd.
	Aqualgnis Technologies Pvt. Ltd. (w.e.f 13 June 2018)
	Archaic Properties Pvt. Ltd.
	Arena Stud Farm Pvt. Ltd.
	Arina Solar Private Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

- Armada Madura EPC Ltd
- Arme Investment Company Ltd
- Aspire Properties Holdings Ltd
- Ativa Real Estate Developers Pvt Ltd (w.e.f 1 February 2019)
- Atnu Solar Pvt. Ltd. (w.e.f. 21/09/2018)
- Aurinko Energy Private Limited
- Awesome Space Creations LLP (w.e.f. 25/06/2018)
- Balgad Power Company Pvt. Ltd.
- Banglore streetlighting Pvt. Ltd. (w.e.f. 28/03/2019)
- Belva Farms Pvt. Ltd.
- Bengal Shapoorji Infrastructure Development Pvt. Ltd.
- Bisho infra projects ltd
- Blue Riband Properties Pvt. Ltd.
- Bracewall Builders Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Callidora Farms Pvt. Ltd.
- Campbell Properties and Hospitality Services Ltd.
- Chinsha Property Pvt. Ltd.
- Cyrus Engineers Pvt. Ltd.
- Dahej Standby Jetty Project Undertaking
- Delna Finance & Investments Pvt. Ltd.
- Delphi Properties Pvt. Ltd.
- Devine Realty & Construction Pvt. Ltd.
- Dhan Gaming Solution (India) Pvt. Ltd.
- Dynamic sun energy private limited
- EFL Mauritius Ltd.
- Egni Generation Pvt. Ltd. (w.e.f.20/12/2018)
- Elaine Renewable Energy Pvt. Ltd. (w.e.f.05/09/2018)
- Eloise Energy Pvt. Ltd. (w.e.f. 03/08/2018)
- Empower Builder Pvt. Ltd.
- Esem Stables Pvt. Ltd. (w.e.f. 16/05/2018)
- ESPI Farms Pvt. Ltd. (w.e.f.21/05/2018)
- ESPI Holdings Mauritius Ltd.
- ESPI Homested Pvt. Ltd. (w.e.f. 17/05/2018)
- ESPI Stables and farms Pvt. Ltd. (w.e.f. 21/05/2018)
- Eureka Forbes Ltd.
- Euro Forbes Financial Services Ltd.
- Euro Forbes Ltd. Dubai
- Fayland Estates Pvt. Ltd.
- Filippa Farms Pvt. Ltd.
- Fine Energy Solar Pvt. Ltd.
- Flamboyant Developers Pvt. Ltd.
- Flooraise Developers Pvt. Ltd.
- Floral Finance Pvt. Ltd.
- Floreat Investments Ltd.
- Flotilla Finance Pvt. Ltd.
- Forbes & Company Ltd.
- Forbes Campbell Finance Ltd.
- Forbes Campbell Services Ltd.
- Forbes Edumetry Ltd.
- Forbes Enviro Solutions Ltd.
- Forbes Facility Services Pvt. Ltd.
- Forbes International AG
- Forbes Lux FZCO
- Forbes Lux International AG
- Forbes Technosys Ltd.
- Forvol International Service Ltd.
- Gallops Developers Pvt. Ltd.
- Global Bulk Minerals FZE ("GBM")
- Global Energy projects holding
- Global Energy S.L. Ltd. (Upto 25/12/2019)
- Global Energy Ventures Mauritius.
- Global Infra FZCO
- Global Resource and Logistics Pte. Ltd.
- Global solar energy holding
- Gokak Power & Energy Ltd.
- Gokak Textiles Ltd.
- Gossip Properties Pvt. Ltd.
- GRL Mozambique S A (Upto 08/07/2019)
- Haul Power Pvt. Ltd. (w.e.f. 26/12/2018)
- Hazarat & Co Pvt. Ltd.
- Hermes Commerce Ltd. (Upto 05/02/2020)
- High Point Properties Pvt. Ltd.
- Instant Karma Properties Pvt. Ltd.
- Jaykali Developers Pvt. Ltd.
- Kamal Power Ltd. (Tanzania)
- Kanpur River Management Pvt. Ltd. (w.e.f.16/11/2018)
- Kavinam Property Development Pvt.Ltd. (w.e.f.31/01/2019)
- Khvafar Investments Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Khvafar Property Developers Pvt. Ltd.
- Leader Shipyard Pvt. Ltd.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

- LIAG Trading and Investments Ltd.
- Lucrative Properties Pvt. Ltd.
- Lux (Deutschland) GmbH
- Lux Aqua Czech s.r.o. (upto 30 April 2018)
- Lux Aqua Hungaria Kft (upto 30 April 2018)
- Lux Aqua Paraguay SA
- Lux del Paraguay S.A.
- Lux Hungária Kereskedelmi Kft.
- Lux Interantional AG
- Lux International Service Kft (Upto 30/09/2018)
- Lux International Services and Logistics GmbH (Formerly: Lux Service GmbH)
- Lux Italia srl
- Lux Norge A/S
- Lux Oesterreich GmbH
- Lux Professional International GmbH
- Lux Schweiz AG
- Magpie Finance Pvt. Ltd
- Make Home Realty & Construction Pvt. Ltd.
- Malabar Trustee Co. Ltd (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Manjri Farmsted Pvt. Ltd. (w.e.f. 11/05/2018)
- Manjri Horse Breeders Farm Pvt. Ltd.
- Manor Stud Farm Pvt. Ltd.
- Mazsons Builders & Developers Pvt. Ltd.
- Meridian Enterprise (Joint venture)
- Meriland Estates Pvt. Ltd.
- Mileage Properties Pvt. Ltd.
- Mrunmai Properties Ltd
- Musamdam Rock LLC
- National Power Generation Company Limited (Upto 09/07/2019)
- Neil Properties Pvt. Ltd
- Next Gen Publishing Ltd.
- Nuevo Consultancy Services Ltd.
- Nursery Projects and Agri Development Pvt. Ltd.
- Nutan Bidyut (Bangladesh) Ltd.
- OSCO SP Facilities Management LLC
- Palchin Real Estates Pvt. Ltd.
- Parikar Real Estate Pvt. Ltd. (w.e.f.22/06/2018)
- Precaution Properties Pvt. Ltd.
- PT. Nusantara Global Resources.
- Radiance Solar Pvt. Ltd.
- Range Consultants Private Limited
- Relationship Properties Pvt. Ltd.
- Renaissance Commerce Pvt. Ltd.
- Ricardo Construction Pvt. Ltd.
- Rihand Floating Solar Pvt. Ltd. (w.e.f.24/12/2018)
- S C Motors Pvt. Ltd.
- S P Global Operations Ltd.
- S P International
- S P Kam Synthetics Pvt. Ltd.
- S. C. Impex Pvt. Ltd.
- Sabeena Properties Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
- Sagar Premi Builders and Developers Pvt. Ltd.
- Samalpatti Power Co Pvt. Ltd.
- Saral SP Algeria
- Sashwat Energy Private Limited
- Shachin Real Estate Pvt. Ltd.
- Shapoorji AECOS Construction Pvt. Ltd.
- Shapoorji Data Processing Pvt. Ltd.
- Shapoorji Holding Limited
- Shapoorji Hotels Pvt. Ltd.
- Shapoorji Pallonji 98/2 Company Pte Ltd
- Shapoorji Pallonji and Co KIPL JV (Partnership Firm)
- Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)
- Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.
- Shapoorji Pallonji Construction Private Limited
- Shapoorji Pallonji Consulting Services Pvt. Ltd. (w.e.f. 04/01/2019)
- Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.
- Shapoorji Pallonji Egypt LLC.(w.e.f. 18/02/2019)
- Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
- Shapoorji Pallonji Energy Company INC
- Shapoorji Pallonji Europe Ltd.(w.e.f. 27/08/2018)
- Shapoorji Pallonji Finance Pvt. Ltd.
- Shapoorji Pallonji Forbes Shipping Ltd.
- Shapoorji Pallonji General Contracting Company for Buildings
- Shapoorji Pallonji Ghana Ltd.
- Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.
- Shapoorji Pallonji Infrastructure Capital Co Private Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

	Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.
	Shapoorji Pallonji International LLC (w.e.f.12/02/2018)
	Shapoorji Pallonji International, FZC
	Shapoorji Pallonji International, FZE
	Shapoorji Pallonji Investment Advisors Pvt. Ltd.
	Shapoorji Pallonji Kazakhstan LLC
	Shapoorji Pallonji Lanka Pvt. Ltd.
	Shapoorji Pallonji Libya Company for General Construction
	Shapoorji Pallonji Logispace & Investment Advisors Pvt. Ltd. (w.e.f.01/02/2019)
	Shapoorji Pallonji Malta Ltd
	Shapoorji Pallonji Mid East LLC
	Shapoorji Pallonji Nigeria FZE (w.e.f.12/09/2018)
	Shapoorji Pallonji Nigeria Ltd.
	Shapoorji Pallonji Oil and Gas Godavari Pvt Ltd
	Shapoorji Pallonji Oil and Gas International FZE
	Shapoorji Pallonji Oil and Gas Pvt Ltd
	Shapoorji Pallonji Ports Pvt. Ltd.
	Shapoorji Pallonji Power Company Ltd (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	Shapoorji Pallonji Projects Pvt. Ltd.
	Shapoorji Pallonji Properties LLC
	Shapoorji Pallonji Qatar WLL
	Shapoorji Pallonji Qatar WLL
	Shapoorji Pallonji Renewables Pvt. Ltd.
	Shapoorji Pallonji Roads Pvt. Ltd.
	Shapoorji Pallonji Rural Solutions Pvt Ltd.
	Shapoorji Pallonji Saurpower Pvt. Ltd. (w.e.f. 26/10/2018)
	Shapoorji Pallonji Solar Holdings Pvt Ltd
	Shapoorji Pallonji Solar PV Pvt. Ltd.
	Shapoorji Pallonji Suryaprakash Pvt. Ltd. (w.e.f. 09/10/2018)
	Shapoorji Pallonji Technologies FZE
	Shapoorji Pallonji Transportation Projects Pvt. Ltd.
	Shapoorji Pallonjii Pandoh Takoli highways private limited
	Sharus Steels Products Pvt. Ltd.
	Simar Port Pvt. Ltd.
	Solar Edge Power and Energy Pvt. Ltd.
	SP Advanced Engineering Materials Pvt. Ltd.
	SP Agri Management Services P Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	SP Aluminium System Pvt. Ltd.
	SP Architectural Coatings Pvt. Ltd.
	SP Bio Science Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	SP Biofuel Ventures Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	SP Consulting Services DMCC UAE
	SP Energy (Egypt) S.A.E.
	SP Energy Venture AG
	SP Engineering Services Pte. Ltd.
	SP Fabricators Pvt. Ltd.
	SP Infocity Developers Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	SP International Property Developer LLC
	SP Jammu Udhampur Highway Pvt. Ltd.
	SP Lanka Properties Pvt. Ltd.
	SP Nano Products Pvt. Ltd. (merged with Shapoorji Hotels Pvt. Ltd dated 04/09/2019)
	SP Oil and Gas Malaysia SDN BHD
	SP Oil Exploration Pvt. Ltd
	SP Photovoltaic Pvt. Ltd. (upto 29 March 2019)
	SP Ports Pvt. Ltd.
	SP Properties Holding Ltd.
	SP Sierra Joint Venture (Pvt) Ltd
	SP Solren Pvt. Ltd. (upto 29 March 2019)
	SP Trading (Partnership Firm)
	SPCL Holdings Pte Ltd.
	SPCPL-SMCIPL Joint Venture (w.e.f. 02/09/2018)
	SPI Nowa Energia spó ka zograniczon odpowiedzialno ci (w.e.f.14/02/2019)
	SPM 5 Investment L.L.C
	SP-NMJ Project Private Limited
	Steppe Developers Pvt. Ltd.
	Sterling & Wilson Australia Pty Ltd
	Sterling & Wilson Nigeria Ltd.
	Sterling & Wilson Power Solutions LLC
	Sterling & Wilson Powergen LLC
	Sterling and Wilson Cogen Solutions AG
	Sterling and Wilson Cogen Solutions Ltd. (formerly Sterling and Wilson Royal Power Solutions Ltd.)
	Sterling and Wilson Co-Gen Solutions Private Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

	Sterling and Wilson HES UK Ltd. (formerly Sterling & Wilson UK Holdings Ltd.)
	Sterling and Wilson International FZE
	Sterling and Wilson International solar FZO
	Sterling and Wilson International Solar LLP (w.e.f. 27/06/2018)
	Sterling and Wilson Middle East Electromechanical (Bahrain) WLL
	Sterling and Wilson Middle East Electromechanical LLC, Dubai
	Sterling and Wilson Middle East Sanitation, Electrical, Cooling & Conditioning Contracting LLC, Kuwait
	Sterling and Wilson Middle East WLL
	Sterling and Wilson Power Systems Inc.
	Sterling and Wilson Powergen FZE
	Sterling and Wilson Powergen Private Limited
	Sterling and Wilson Private Limited
	Sterling and Wilson Security Systems Private Limited
	Sterling Generators Private Limited
	Sterling and Wilson Co-Gen FZCO (w.e.f 13 February 2019)
	Stonebricks Developers Pvt.Ltd. (w.e.f.11/05/2018)
	Stonebricks Property Development Pvt.Ltd. (w.e.f.04/06/2018)
	Sun Energy One Pvt. Ltd.
	Sunny View Estates Pvt. Ltd
	Sunrays Power One (Pvt.) Ltd.
	Sunrise Energy Pvt. Ltd.
	Sunshine Energy Kenya Ltd. (Upto 06/03/2020)
	Surya Power One Pvt. Ltd.
	Surya Prakash Vietnam Energy Company Limited
	Suryoday Energy Pvt. Ltd. (upto 29 March 2019)
	Suryoday One Energy Pvt. Ltd.
	SWB Power Limited
	SWB St. Helen Ltd.
	SWB Skelmesdale Ltd.
	TN Solar Power Energy Pvt. Ltd.
	Transform Sun Energy Pvt. Ltd. (upto 29 March 2019)
	Transtonnelstroy Afcons Joint Venture
	Turner Property Developers LLP (w.e.f. 25/06/2018)
	United Motors (India) Pvt. Ltd.
	Universal Mine Developers and Service Providers Pvt. Ltd.
	Vizion Business Parks Private Limited
	Volkart Fleming Shipping & Services Ltd.
	Lux Welity Polska sp. z o.o.
	Shapoorji Pallonji UK Ltd. (w.e.f. 23/01/2020)
	West Coast Liquid Terminal Pvt. Ltd.
3) Joint ventures of fellow subsidiary	Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium
	STC Power SRL
	Co.Stell SRL
	P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017)
	Sterling and Wilson Cogen Solutions LLC
4) Key Management Personnel ("KMP")	Mrs Zarine Y Daruvala, Director (upto 27 March 2019)
	Mr. Khurshed Y Daruvala, Chairman
	Mr. Pallon Shapoor Mistry, Non-Executive Director
	Mr. Bikesh Ogra, Non-Executive Director (w.e.f 27 March 2019)
	Mr. Bahadur Dastoor, CFO (w.e.f 1 April 2018)
	Mr. Jagannadha Rao, Company Secretary (w.e.f 8 May 2018)
	Mr. K. Kannan, Manager (w.e.f 27 March 2019)
5) Relatives of Key Management Personnel	Mrs Kainaz K. Daruvala
	Mrs Parvin Zarine Madan
6) Entities over which key managerial person or their relatives exercise control	Delsys Infotech Private Limited, Transtel Systems Private Limited
	M/S. Fahudco
	Sterling Viking Power Private Limited
	Iris Energy Private Limited
	Daric Consultancy FZC
	Sterling and Wilson Energy Systems Private Limited
7) Entities over which Holding Company exercise significant influence	Afcons (Mideast) Constructions & Investments Pvt. Ltd.
	Afcons Jal Joint Venture (w.e.f.20/09/2017)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

A. Related parties and their relationship

Category of related parties

Afcons KPTL Joint Venture (Dhaka Tongi) (w.e.f. 09/11/2016)
Afcons Pauling Joint Venture
AFCONS Sener LNG Construction Projects Pvt. Ltd.
Afcons SMC Joint Venture
Afcons Vijeta Joint Venture
Afcons-Sibmost Joint Venture
Afcons-Vijeta -PES Joint Venture
Always Remember Properties Pvt. Ltd.
AMC Cookware PTE Ltd.
Armada 98/2 Pte. Ltd.
Armada C7 Pte Ltd.(Singapore)
Armada D1 Pte Ltd.(Singapore)
Armada Madura EPC Ltd
Awesome Properties Pvt. Ltd.
Behold Space Developers Pvt. Ltd. (Upto 02/05/2019)
Bengal Shapoorji Housing Development Pvt. Ltd.
Bigsearch Properties Pvt. Ltd.
Blue Stone Middle East Ltd
BNV Gujarat Rail Private Ltd.
Coventry Properties Pvt. Ltd.
Dream Chalet Pvt. Ltd.
Euro P2P Direct (Thailand) Co Ltd.
Forbes Aquatech Ltd.
Forbes Bumi Armada Ltd.
Forbes Concept Hospitality Services Pvt. Ltd.
Forbes G4S Solutions Private Limited
G. S. Enterprises (Partnership Firm)
Grand View Estates Pvt. Ltd.
Heart Beat Properties Pvt. Ltd.
HPCL Shapoorji Energy Ltd.
Image Realty LLP
Infinite Water Solutions Private Limited
Insight Properties Pvt. Ltd.
Ircon Afcons Joint venture
Jess Realty Pvt. Ltd.
Joyous Housing Ltd.
Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)
JV Hochtief – Nahdat AL Emaar-Shapoorji
Karapan Armada Madura Pte. Ltd.
Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture
Minean SP Construction Corporation
Mirth Property Developers Pvt. Ltd.
Nandadevi Infrastructure Private Limited
Natural Oil Ventures Co Ltd.
Newtech Planners & Consultancy Services Pvt. Ltd.
P T Gokak Indonesia
P.T.C. S.a.s. di Barzanti Massimo
Redstone Films Pvt Ltd
S. D. Corporation Pvt. Ltd.
S. D. New Samata Nagar Development Pvt. Ltd.
S. D. Recreational Services Pvt. Ltd.
S. D. Service Management Pvt. Ltd.
S. D. SVP Nagar Redevelopment Pvt. Ltd.
S. D. Town Development Pvt. Ltd.
S.D. Imperial Property Maintenance Pvt. Ltd.
Saipem Afcons Joint Venture
Satori Property Developers Pvt. Ltd.
SD Palm Lands Redevelopment Pvt. Ltd.
SD Powai Redevelopment Pvt. Ltd.
SDC Mines Pvt Ltd
SDC Township Pvt. Ltd.
Seaward Realty Pvt. Ltd.
Shapoorji Pallonji and OEG Services Private Limited
Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.
Shapoorji Pallonji Bumi Armada Offshore Ltd.
Shapoorji Pallonji Finance Pvt. Ltd.
Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture
Solar Capital De Aar 3 (RF)Proprietary Limited
SP Armada Oil Exploration Pvt. Ltd.
SP Imperial Star Pvt. Ltd.
SP Trading (Partnership Firm)
Space Square Developers Pvt. Ltd.
Sterling Motors (Partnership Firm)
Strabag Afcons Joint Venture
Sunny Recreational Property Developers Pvt. Ltd
Turner Films Pvt Ltd
West Coast Liquid Terminal Pvt. Ltd. (W.e.f. 09/05/2018)
Zhanakorgan Energy LLP

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2020

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	1,273.12	3,083.01	-	4,356.13
II	Revenue from Operation and maintenance aervices	-	27.85	-	27.85
III	Purchase of services	-	383.27	-	383.27
IV	Purchases of construction material	-	21.08	0.14	21.22
V	Advance received from customers	23.92	57.13	-	81.05
VI	Management support fees	138.19	-	-	138.19
VII	Interest income	-	2,163.89	-	2,163.89
VIII	Remuneration and sitting fees paid	-	-	215.69	215.69
IX	Interest expense	20.64	20.27	-	40.91
X	Expenses recovered	-	212.96	-	212.96
XI	Transfer of fixed assets	-	1.75	-	1.75
XII	Sale of assets	-	21.89	-	21.89
XIII	Reimbursement of expenses and others	-	741.54	-	741.54
XIV	Short term borrowings obtained	2,800.00	-	-	2,800.00
XV	Short term borrowings repaid	2,800.00	-	-	2,800.00
XVI	Inter-corporate deposits/ Loan given / (repaid) - Prior to date of listing (net)	-	5,037.28	-	5,037.28
XVII	Inter-corporate deposits/ Loan repaid - Post date of listing	-	12,797.81	-	12,797.81
XVIII	Interest receivable	-	1,127.00	-	1,127.00
XIX	Corporate guarantee released	-	277.76	-	277.76
XX	Trade Receivables	960.45	2,275.38	-	3,235.83
XXI	Trade payable	5.93	142.65	0.14	148.72
XX1I	Other receivables	-	1.86	-	1.86
XXIII	Advance to vendors	-	23.46	-	23.46
XXIV	Other Payables	-	614.87	-	614.87
XXV	Unbilled receivables	7.61	218.57	-	226.18
XXVI	Interest payable	18.64	-	-	18.64
XXVII	Inter-corporate deposits / Loan receivable	-	11,594.11	-	11,594.11

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	1,273.12	-	-	1,273.12
	Shapoorji Pallonji Energy Egypt S.A.E	-	165.72	-	165.72
	Shapoorji Pallonji Solar Holdings Private Limited	-	173.58	-	173.58
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	2,594.37	-	2,594.37
	Sterling Generators Private Limited	-	3.01	-	3.01
	Forbes and Company Limited	-	32.86	-	32.86
	Shapoorji Pallonji Solar PV Private Limited	-	78.34	-	78.34
	Gco Australia Pty Ltd	-	17.00	-	17.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Australia Pty Ltd.	-	7.12	-	7.12
	Sterling and Wilson Private Limited	-	11.01	-	11.01
II	Revenue from Operation and maintenance services				
	Shapoorji Pallonji Energy Egypt S.A.E	-	25.79	-	25.79
	Sterling and Wilson Private Limited	-	2.06	-	2.06
III	Purchases of services				
	Sterling and Wilson Private Limited	-	331.80	-	331.80
	Forvol International Services Limited	-	51.47	-	51.47
IV	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	1.03	-	1.03
	Sterling and Wilson Power Solutions LLC	-	0.03	-	0.03
	Sterling and Wilson Viking Private Limited	-	-	0.14	0.14
	Sterling Generators Private Limited	-	20.02	-	20.02
V	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	23.92	-	-	23.92
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	57.13	-	57.13
VI	Management support fees				
	Shapoorji Pallonji and Company Private Limited	138.19	-	-	138.19
VII	Interest income				
	Sterling and Wilson Powergen Private Limited	-	13.20	-	13.20
	Sterling and Wilson Private Limited	-	1,687.58	-	1,687.58
	Sterling and Wilson International FZE	-	463.11	-	463.11
VIII	Remuneration and sitting fees paid*				
	Mr. Khurshed Y Daruvala, Chairman	-	-	57.84	57.84
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.87	0.87
	Mr. Bikesh Ogra, Non Executive Director	-	-	89.68	89.68
	Mr. Bahadur Dastoor, CFO				
	- Short-term employee benefits	-	-	28.91	28.91
	- Post-employment benefits	-	-	0.51	0.51
	- Other long-term benefits	-	-	0.87	0.87
	Mr. Jagannadha Rao Ch.V., Company Secretary				
	- Short-term employee benefits	-	-	15.26	15.26
	- Post-employment benefits	-	-	0.26	0.26
	- Other long-term benefits	-	-	1.04	1.04
	Mr. K. Kannan, Manager				
	- Short-term employee benefits	-	-	19.29	19.29
	- Post-employment benefits	-	-	0.11	0.11
	- Other long-term benefits	-	-	1.04	1.04
IX	Interest expense				
	Shapoorji Pallonji and Company Private Limited	20.64	-	-	20.64
	Sterling and Wilson Private Limited	-	20.27	-	20.27
X	Expenses recovered				
	Sterling and Wilson Private Limited	-	113.00	-	113.00
	Sterling and Wilson International FZE	-	99.96	-	99.96
XI	Transfer of fixed assets				

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Middle East Electromechanical LLC	-	1.75	-	1.75
XII	Sale of assets				
	Gco Australia Pty Ltd	-	21.89	-	21.89
XIII	Reimbursement of expenses and others				
	Sterling and Wilson Private Limited	-	671.73	-	671.73
	Sterling and Wilson International FZE	-	5.05	-	5.05
	Gco Australia Pty Ltd	-	64.76	-	64.76
XIV	Short term borrowings obtained				
	Shapoorji Pallonji and Company Private Limited	2,800.00	-	-	2,800.00
XV	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	2,800.00	-	-	2,800.00
XVI	Inter-corporate deposits/ Loan given / (repaid) - Prior to date of listing (net)	-	5,037.28	-	5,037.28
	Sterling and Wilson Private Limited	-	5,622.35	-	5,622.35
	Sterling and Wilson International FZE	-	(585.07)	-	(585.07)
XVI(a)	Inter-corporate deposits/ Loan given - Prior to date of listing				
	Sterling and Wilson Private Limited	-	16,727.55	-	16,727.55
XVI(b)	Inter-corporate deposits/ Loan repaid - Prior to date of listing				
	Sterling and Wilson Private Limited	-	11,105.20	-	11,105.20
	Sterling and Wilson International FZE	-	585.07	-	585.07
XVII	Inter-corporate deposits/ Loan repaid - Post date of listing				
	Sterling and Wilson Powergen Private Limited	-	110.00	-	110.00
	Sterling and Wilson International FZE	-	34.31	-	34.31
	Sterling and Wilson Private Limited	-	12,653.50	-	12,653.50
XVIII	Interest receivable*				
	Sterling and Wilson Private Limited	-	338.30	-	338.30
	Sterling and Wilson International FZE	-	788.70	-	788.70
XIX	Corporate guarantee released				
	Sterling and Wilson Private Limited	-	277.76	-	277.76
XX	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	960.45	-	-	960.45
	Shapoorji Pallonji Energy Egypt S.A.E	-	59.22	-	59.22
	Shapoorji Pallonji Middle East LLC	-	8.53	-	8.53
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	2,023.27	-	2,023.27
	Shapoorji Pallonji Solar Holdings Private Limited	-	90.84	-	90.84
	Shapoorji Pallonji Solar PV Private Limited	-	9.57	-	9.57
	Forbes and Company Limited	-	4.71	-	4.71
	Sterling Generators Private Limited	-	0.51	-	0.51
	Sterling and Wilson Powergen Private Limited	-	11.14	-	11.14
	Gco Australia Pty Ltd	-	43.82	-	43.82
	Sterling and Wilson Australia Pty Ltd.	-	0.44	-	0.44

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Private Limited	-	23.33	-	23.33
XXI	Trade payable				
	Shapoorji Pallonji and Company Private Limited	5.93	-	-	5.93
	Forvol International Services Limited	-	1.53	-	1.53
	Gco Australia Pty Ltd	-	14.15	-	14.15
	Sterling and Wilson Private Limited	-	120.80	-	120.80
	Sterling Viking Power Private Limited	-	-	0.14	0.14
	Sterling Generators Private Limited	-	3.04	-	3.04
	Sterling and Wilson Powegen FZE	-	1.00	-	1.00
	Sterling and Wilson Powergen Private Limited	-	2.13	-	2.13
XXII	Other receivables				
	Sterling and Wilson International FZE	-	1.28	-	1.28
	GCO Australia Pty Ltd	-	0.58	-	0.58
XXIII	Advance to vendors				
	Sterling and Wilson International FZE	-	23.46	-	23.46
XXIV	Other payables				
	Sterling and Wilson Private Limited*	-	589.61	-	589.61
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	24.89	-	24.89
	Sterling and Wilson Cogen Solutions Private Limited	-	0.37	-	0.37
XXV	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	7.61	-	-	7.61
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	144.85	-	144.85
	Shapoorji Pallonji Solar Holdings Private Limited	-	67.85	-	67.85
	Sterling Generators Private Limited	-	2.52	-	2.52
	Sterling and Wilson Private Limited	-	3.35	-	3.35
XXVI	Interest payable				
	Shapoorji Pallonji and Company Private Limited	18.64	-	-	18.64
XXVII	Inter-corporate deposits / Loan receivable*				
	Sterling and Wilson Private Limited	-	5,760.58	-	5,760.58
	Sterling and Wilson International FZE	-	5,833.53	-	5,833.53

The transactions with related parties are at arm's length and were in ordinary course of business. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year in respect of outstanding balances.

* The inter-corporate deposits/loans (including interest accrued) outstanding as at 31 March 2020 aggregate to ₹ 12,166.01 million is net of other payables amounting to ₹ 555.10 million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	1,405.81	3,390.91	-	4,796.72
II	Purchase of services	-	28.81	-	28.81
III	Purchases of construction material	-	81.12	-	81.11
IV	Advance received from customers	19.35	282.21	-	301.56
V	Management support fees	103.41	-	-	103.41
VI	Interest income	-	1,596.55	-	1,596.55
VII	Remuneration paid	-	-	66.98	66.98
VIII	Interest expense	0.25	-	-	0.25
IX	Reimbursement of expenses	-	343.05	-	343.05
X	Short term borrowings received	1,700.00	-	-	1,700.00
XI	Short term borrowings repaid	1,700.00	-	-	1,700.00
XII	Loan given	-	18,025.35	-	18,025.35
XIII	Loan repaid	-	8,969.49	-	8,969.49
XIV	Interest receivable	-	1,588.13	-	1,588.13
XV	Advance from customer	6.61	-	-	6.61
XVI	Trade Receivables	442.98	2,442.34	-	2,885.33
XVII	Trade payable	110.36	251.86	-	362.22
XVIII	Recoverable expenses	-	38.25	-	38.25
XIX	Other receivables	-	1.38	-	1.38
XX	Other Payables	-	26.30	-	26.30
XXI	Gross amount due from customer	70.41	5.53	-	75.94
XXII	Loan receivable	-	19,354.63	-	19,354.63
XXIII	Corporate Guarantee outstanding	-	277.76	-	277.76

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	1,405.81	-	-	1,405.81
	Shapoorji Pallonji Energy Egypt S.A.E	-	2,921.57	-	2,921.57
	Afcons Infrastructure Limited	-	34.84	-	34.84
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	129.52	-	129.52
	Shapoorji Pallonji Mideast LLC	-	4.26	-	4.26
	Sterling and Wilson Powergen Private Limited	-	31.15	-	31.15
	Sterling and Wilson Private Limited	-	189.42	-	189.42
	Transform Sun Energy Private Limited	-	80.15	-	80.15
II	Purchases of services				
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	2.89	-	2.89
	Forvol International Services Limited	-	25.92	-	25.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
III	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	5.82	-	5.82
	Sterling and Wilson Powergen FZE	-	1.00	-	1.00
	Sterling Generators Private Limited	-	74.30	-	74.30
IV	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	19.35	-	-	19.35
	Shapoorji Pallonji Energy Egypt S.A.E	-	282.21	-	282.21
V	Management support fees				
	Shapoorji Pallonji and Company Private Limited	103.41	-	-	103.41
VI	Interest income				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	221.10	-	221.10
	Sterling and Wilson Powergen Private Limited	-	11.01	-	11.01
	Sterling and Wilson Private Limited	-	852.35	-	852.35
	Sterling and Wilson International FZE	-	512.09	-	512.09
VII	Remuneration paid*				
	Mr. Khurshed Y Daruvala, Chairman	-	-	45.24	45.24
	Mr. Bikesh Ogra, Non Executive Director	-	-	0.44	0.44
	Mr. Bahadur Dastoor, CFO	-	-	21.14	21.14
	Mr. K. Kannan, Manager	-	-	0.16	0.16
VIII	Interest expense				
	Shapoorji Pallonji and Company Private Limited	0.25	-	-	0.25
IX	Reimbursement of expenses				
	Sterling and Wilson Private Limited	-	343.05	-	343.05
X	Short term borrowings received				
	Shapoorji Pallonji and Company Private Limited	1,700.00	-	-	1,700.00
XI	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	1,700.00	-	-	1,700.00
XII	Loan given				
	Sterling and Wilson Powergen Private Limited	-	130.00	-	130.00
	Sterling and Wilson Private Limited	-	17,895.35	-	17,895.35
XIII	Loan repaid				
	Sterling and Wilson International FZE (net)	-	567.73	-	567.73
	Sterling and Wilson Powergen Private Limited	-	20.00	-	20.00
	Sterling and Wilson Private Limited	-	8,381.76	-	8,381.76
XIV	Interest receivable				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	198.99	-	198.99
	Sterling and Wilson Private Limited	-	851.40	-	851.40
	Sterling and Wilson Powergen Private Limited	-	9.86	-	9.86
	Sterling and Wilson International FZE	-	527.88	-	527.88
XV	Advance from customer				

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Private Limited	6.61	-	-	6.61
XVI	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	442.98	-	-	442.98
	Shapoorji Pallonji Energy Egypt S.A.E	-	1,368.29	-	1,368.29
	Sterling and Wilson Private Limited	-	197.49	-	197.49
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	793.27	-	793.27
	Sterling and Wilson Powergen Private Limited	-	83.29	-	83.29
XVII	Trade payable				
	Shapoorji Pallonji and Company Private Limited	110.36	-	-	110.36
	Forvol International Services Limited	-	4.17	-	4.17
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	243.13	-	243.13
	Sterling Generators Private Limited	-	1.49	-	1.49
	Sterling and Wilson Powegen FZE	-	1.09	-	1.09
	Sterling and Wilson Powergen Private Limited	-	1.98	-	1.98
XVIII	Recoverable expenses				
	Shapoorji Pallonji and Company Private Limited	-	25.50	-	25.50
	Mr. Khurshed Y Daruvala	-	12.75	-	12.75
XIX	Other receivables				
	Sterling and Wilson Powergen Private Limited	-	0.15	-	0.15
	Sterling and Wilson International FZE	-	1.23	-	1.23
XX	Other payables				
	Sterling and Wilson Private Limited	-	13.56	-	13.56
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	12.01	-	12.01
	Sterling and Wilson Powergen FZE	-	0.73	-	0.73
XXI	Gross amount due from customer				
	Shapoorji Pallonji and Company Private Limited	70.41	-	-	70.41
	Sterling and Wilson Private Limited	-	5.53	-	5.53
XXII	Loan receivable				
	Sterling and Wilson Private Limited	-	12,791.72	-	12,791.72
	Sterling and Wilson PowerGen Private Limited	-	110.00	-	110.00
	Sterling and Wilson International FZE	-	6,452.91	-	6,452.91
XXIII	Corporate Guarantee outstanding				
	Sterling and Wilson Private Limited	-	277.76	-	277.76

* As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

52 SEGMENT REPORTING

A. Basis for segmentation

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

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

B. Business Segment

The Group's revenues and assets represents company's businesses viz. Solar EPC and Solar Operation and maintenance service. Accordingly, Revenue and expenses have been identified to a segment on the basis of direct relationship to operating activities of the segment. Expenditure which are not directly identifiable but has a relationship to the operating activities of the segment are allocated on a reasonable basis.

Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other common assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Information about reportable segments

31 March 2020 (Currency: Indian rupees in million)

Nature of transaction	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	53,912.81	1,835.42	4.65	55,752.88
Total revenue	**53,912.81**	**1,835.42**	**4.65**	**55,752.88**
Segment Results	**6,572.77**	**887.25**	**4.65**	**7,464.67**
Unallocable Expense				
Finance costs	-	-	1,949.26	1,949.26
Depreciation and amortisation expense	-	-	142.35	142.35
Employee benefits and other expenses	-	-	3,934.35	3,934.35
Total unallocated expenses	**-**	**-**	**6,025.96**	**6,025.96**
Unallocable Income				
Interest income	-	-	2,182.84	2,182.84
Other income	-	-	363.44	363.44
Total unallocated income	**-**	**-**	**2,546.28**	**2,546.28**
Consolidated profit before tax	6,572.77	887.25	(3,475.03)	3,984.99
Tax expense	-	-	942.27	942.27
Consolidated profit after tax	**6,572.77**	**887.25**	**(4,417.30)**	**3,042.72**
Other information				
Segment assets	28,963.37	1,167.87	20,213.57	50,344.81
Segment liabilities	25,287.51	240.70	14,090.54	39,618.75
Capital Expenditure	-	-	175.38	175.38
Depreciation and amortisation expense	-	-	142.35	142.35

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

31 March 2019 (Currency: Indian rupees in million)

Nature of transaction	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	81,452.55	935.76	15.77	82,404.08
Total revenue	81,452.55	935.76	15.77	82,404.08
Segment Results	7,059.92	334.52	15.77	7,410.21
Unallocable Expense				
Interest expense	-	-	765.77	765.77
Depreciation	-	-	78.04	78.04
Employee benefits and other expenses	-	-	638.27	638.27
Total unallocated expenses	-	-	1,482.09	1,482.09
Unallocable Income				
Interest income	-	-	1,408.33	1,408.33
Other income	-	-	255.26	255.26
Total unallocated income	-	-	1,663.59	1,663.59
Profit before tax				7,591.71
Tax expense/ (credit)			1,209.38	1,209.38
Profit after tax	-	-	1,209.38	6,382.33
Other information				
Segment assets	24,159.31	489.83	29,270.05	53,919.19
Segement liabilities	21,973.42	97.53	23,473.04	45,543.98
Capital Expenditure	-	-	98.61	98.61
Depreciation and amortisation	-	-	78.04	78.04

C. Geographical information

The geographic information analyses the Group's revenues and non-current assets by the Group's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from external customers

31 March 2020

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India	13,994.11	1,109.14	0.41
South East Asia	6,292.66	56.60	-
Middle East and North Africa	12,886.15	471.17	4.24
Rest of Africa	2,455.29	169.70	-
United States of America and Latin America	15,001.71	28.81	-
Australia	3,282.89	-	-
	53,912.81	1,835.42	4.65

31 March 2020

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India	24,129.71	724.00	1.28
South East Asia	7,927.97	-	-
Middle East and North Africa	39,187.97	85.45	14.49
Rest of Africa	6,592.60	126.31	-
United States of America and Latin America	3,546.21	-	-
Australia	68.09	-	-
	81,452.55	935.76	15.77

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Business in India, the Group's country of domicile, represented approximately 27.09% during the year ended 31 March 2020 (31 March 2019: 30.16%) of its consolidated net revenues.

The Group's business in Chile, Oman and Vietnam represented 22.54% , 12.58% and 11.39% of its consolidated net revenues during the year ended 31 March 2020 (31 March 2019: UAE and Egypt represented 25.83% and 17.33% respectively). No other country individually comprised 10% or more of the Group's consolidated net revenues during these periods.

b) Non-current assets (other than financial instruments and deferred tax assets)

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
India	323.87	114.66
South-east Asia	5.07	9.75
Middle East and North Africa	134.91	112.49
Rest of Africa	7.64	23.09
United States of America and Latin America	43.08	10.41
Australia	5.36	59.16
Europe	10.32	9.80
	530.25	**339.36**

The following countries hold 10% or more of the Group's consolidated Non-current assets (other than financial instruments and deferred tax assets):

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
United Arab Emirates	22.46%	27.63%
Australia	-	17.43%

c) Information about major customers

Revenue from single customer of the Group is ₹ 7,198.27 million (31 March 2019: ₹ 21,286.20 million) which is more than 10% of the Group's total revenue.

53 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classification and fair values

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

(Currency: Indian rupees in million)

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non-current								
(i) Loans	-	-	14.42	14.42	-	-	-	-
Current								
(i) Investments	2.69	-	1.89	4.58	-	2.69	-	2.69
(ii) Trade receivables	-	-	20,303.15	20,303.15	-	-	-	-
(iii) Cash and cash equivalents	-	-	4,632.79	4,632.79	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	360.72	360.72	-	-	-	-
(v) Loans	-	-	11,853.20	11,853.20	-	-	-	-
(vi) Other financial assets	-	-	2,330.23	2,330.23	-	-	-	-
Total	**2.69**	**-**	**39,496.40**	**39,499.09**	**-**	**2.69**	**-**	**2.69**
Financial liabilities								
Non Current								
(i) Borrowings	-	-	0.02	0.02	-	-	0.02	0.02
(ii) Lease liabilities	-	-	67.93	67.93	-	-	67.93	67.93
Current								
(i) Borrowings	-	-	12,240.37	12,240.37	-	-	-	-
(ii) Lease liabilities	-	-	32.06	32.06	-	-	32.06	32.06
(iii) Trade payables	-	-	22,211.37	22,211.37	-	-	-	-
(iv) Derivatives	62.27	-	-	62.27	-	62.27	-	62.27
(v) Other financial liabilities	-	-	969.79	969.79	-	-	-	-
Total	**62.27**	**-**	**35,521.54**	**35,583.81**	**-**	**62.27**	**100.01**	**162.28**

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets								
Non-current								
(i) Loans	-	-	11.72	11.72	-	11.72	-	11.72
Current								
(i) Investments	-	-	1.69	1.69	-	-	-	-
(ii) Trade receivables	-	-	19,002.18	19,002.18	-	-	-	-
(iii) Cash and cash equivalents	-	-	4,207.70	4,207.70	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	337.71	337.71	-	-	-	-
(v) Loans	-	-	19,533.94	19,533.94	-	-	-	-
(vi) Other financial assets	-	-	2,416.78	2,416.78	-	-	-	-
(vii) Derivatives	39.53	-	-	39.53	-	39.53	-	39.53
TOTAL	**39.53**	**-**	**45,511.72**	**45,551.25**	**-**	**51.25**	**-**	**51.25**
Financial liabilities								
Non Current							-	
(i) Borrowings	-	-	0.02	0.02	-	0.02	-	0.02
Current								
(i) Borrowings	-	-	22,277.74	22,277.74	-	-	-	-
(ii) Trade payables	-	-	19,125.49	19,125.49	-	-	-	-
(iii) Other financial liabilities	-	-	337.52	337.52	-	-	-	-
TOTAL	**-**	**-**	**41,740.77**	**41,740.77**	**-**	**0.02**	**-**	**0.02**

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

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Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current and current financial assets and liabilities measured at amortised cost	Discounted cash flow approach: The valuation model considers the present value of expected receipts/ payments, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Investments in mutual Funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Non-current investments in unquoted instruments accounted for as fair value through profit and loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting year.

Sensitivity Analysis for level 3

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

Particulars	Discounting rate	For the year ended 31 March 2020
Lease liabilities - Discount rate + 100 basis points	Indian entities - 11.00%	(2.71)
Lease liabilities - Discount rate - 100 basis points	Foreign entities - 6.00%	2.85

(c) Financial risk management

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

i) Credit risk;

ii) Liquidity risk; and

iii) Market risk

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Risk management framework

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

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

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

i. Credit risk

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

Trade and other receivables

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

Total trade receivable as on 31 March 2020 is ₹ 20,303.15 million (31 March 2019: ₹ 19,002.18 million).

Two largest customers have a total concentration of 27.26% (31 March 2019: One largest customer has a total concentration of 14.36%) of total trade receivables.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables and other receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Currency: Indian rupees in million)

Particulars	Amount
Balance as at 1 April 2019	220.50
Add: Impairment losses recognised during the year	54.48
Less: Provision written back	(58.00)
Balance as at 31 March 2020	**216.98**
Balance as at 1 April 2018	20.50
Add: Impairment losses recognised during the year	200.00
Balance as at 31 March 2019	**220.50**

Cash and bank balances

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 4,993.51 million and ₹ 4,545.41 million as at 31 March 2020 and 31 March 2019 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

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Inter-Corporate Deposits/ Loans to fellow subsidiaries

The Group has given unsecured Inter-corporate deposits /loans to its fellow subsidiaries for meeting its working capital requirements. The Group does not perceive any credit risk pertaining to inter-corporate deposits/ loans provided to fellow subsidiaries.The Group makes provision of expected credit losses to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The Credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries. During the year ended 31 March 2020, the Company has issued guarantees of ₹ 8,965.08 million (USD 119.84 million) (31 March 2019: ₹ Nil) to a bank in respect of credit facilities availed by a subsidiary of the Company. The Company has also provided guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligations. Pursuant to the Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from 9 March 2017. As at 31 March 2019, pending split of existing banking facilities, SWPL has issued the guarantees of ₹ 277.76 million (USD 4.00 million) to a bank in respect of credit facilities availed by a subsidiary of the Company. SWPL has also provided guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligations."

Security deposits given to lessors

The Group has given security deposit to lessors for premises leased by the Group as at 31 March 2020 and 31 March 2019. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

Other than the trade receivables, and other receivables the Group has no other financial assets that are past due but not impaired.

ii ***Liquidity risk***

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

The Group has obtained fund and non-fund based working capital lines from various banks and financial institutions. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibity. The management monitor's the company net liquidity position through rolling forecasts on the basis of expected cash flow.

As at 31 March 2020, the Group had buyers credit of ₹ Nil (31 March 2019: ₹ 496.16 million) trust receipts of ₹ 2,240.36 million (31 March 2019: ₹ 1,991.49 million), secured borrowings from banks of ₹ 6,925.31 million (31 March 2019: ₹ 2,771.46 million), unsecured borrowings from banks and others of ₹ 3,074.70 million (31 March 2019: ₹ 17,018.63 million), cash and cash equivalents of ₹ 4,632.79 million (31 March 2019: ₹ 4,207.70 million) and other bank balances of ₹ 360.72 million (31 March 2019: ₹ 337.71 million)."

Exposure to liquidity risk

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

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(Currency: Indian rupees in million)

31 March 2020	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02	-	-	-	0.02
Lease liabilities	99.99	141.02	40.65	13.94	36.32	50.11
Secured loans	6,925.31	7,037.82	7,037.82	-	-	-
Unsecured loans	3,074.70	3,084.20	3,084.20	-	-	-
Trust receipts	2,240.36	2,261.67	2,261.67	-	-	-
Trade payables	22,211.37	22,211.37	22,211.37	-	-	-
Interest accrued and due	7.38	7.38	7.38	-	-	-
Interest accrued and not due	119.76	119.76	119.76	-	-	-
Other current financial liabilities	842.65	842.65	842.65	-	-	-
	35,521.54	**35,705.89**	**35,605.50**	**13.94**	**36.32**	**50.13**
Derivative financial liabilities:						
Forward exchanged contracts used for hedging						
- Outflow	62.27	3,015.88	3,015.88	-	-	-
- Inflow		(2,953.61)	(2,953.61)	-	-	-
	62.27	**62.27**	**62.27**	**-**	**-**	**-**

31 March 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02		-	-	0.02
Secured loans	2,771.46	2,809.97	2,809.97	-	-	-
Unsecured loans	17,018.63	17,404.20	17,404.20			
Trust receipts	1,991.49	2,027.97	2,027.97			
Trade payables	19,125.49	19,125.49	19,125.49	-	-	-
Interest accrued and due	0.43	0.43	0.43	-	-	-
Interest accrued and not due	89.76	89.76	89.76	-	-	-
Other current financial liabilities	247.32	247.32	247.32	-	-	-
	41,244.60	41,705.16	41,705.14	-	-	0.02

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii ***Market risk***

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange

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rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(a) Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

(Currency: Indian rupees in million)

Amounts in ₹	31 March 2020				
	USD	EUR	JOD	AED	Others *
Financial assets					
Trade Receivables	10,462.91	-	-	-	-
Cash and Cash Equivalents	193.08	-	-	-	124.56
Bank balances other than cash and cash equivalents	0.79	-	-	-	1.16
Other receivables	53.52	-	-	-	0.81
Exposure to foreign currency assets	**10,710.30**	**-**	**-**	**-**	**126.53**
Less: Forward exchange contract	2,618.38	-	-	-	-
Net exposure to foreign currency Asset	**8,091.92**	**-**	**-**	**-**	**126.53**
Financial liabilities					
Trade payables and other payable	460.29	59.86	61.18	7.08	1.22
Exposure to foreign currency liabilities	**460.29**	**59.86**	**61.18**	**7.08**	**1.22**
Less: Forward exchange contract	-	-	-	-	-
Net exposure to foreign currency liabilities	**460.29**	**59.86**	**61.18**	**7.08**	**1.22**
Net Exposure	**7,631.63**	**(59.86)**	**(61.18)**	**(7.08)**	**125.31**

* others include West African Franc (XOF), Moroccon Dirhams (MAD), Swiss Franc (CHF), Israeli Shekel (ILS) and Australian Dollar (AUD)

	31 March 2019				
Amounts in ₹	**USD**	**EUR**	**Peso**	**ARS**	**Others ***
Financial assets					
Trade Receivable	13,498.31	-	-	-	-
Cash and Cash Equivalents	143.40	-	-	18.66	126.18
Bank balances other than cash and cash equivalents	0.06	-	-	-	-
Unbilled receivables	2,368.54	-	-	-	-
Exposure to foreign currency assets	**16,010.31**	**-**	**-**	**18.66**	**126.18**
Forward exchange contract	1,408.69	-	-	-	-
Net exposure to foreign currency assets	14,601.63	-	-	18.66	126.18
Financial liabilities					
Buyers Credit	496.16	-	-	-	-
Trade payables and other payable	19,969.82	899.21	-	-	92.58
Exposure to foreign currency liabilities	**20,465.98**	**899.21**	**-**	**-**	**92.58**
Forward exchange contract	506.85	-	-	-	-
Net exposure to foreign currency liabilities	**19,959.13**	**899.21**	**-**	**-**	**92.58**
Net exposure	**(5,357.50)**	**(899.21)**	**-**	**18.66**	**33.60**

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a. The forward contracts booked also includes the future purchase transaction exposure.

b. Hedged foreign currency exposure

(Currency: Indian rupees in million)

Particulars		As at March 31, 2020		As at March 31, 2019	
		Foreign currency (in million)	Indian Rupees (in million)	Foreign currency (in million)	Indian Rupees (in million)
Foreign exchange forward contracts (To hedge Buyers credit)	USD	-	-	7.31	506.85
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	USD	4.69	351.05	-	-
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	EUR	-	-	4.71	366.24
Foreign exchange forward contracts (To hedge receivables)	USD	35.00	2,618.38	20.32	1,408.69
		39.69	**2,969.43**	**32.34**	**2,281.78**

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹ million	31 March 2020		31 March 2019	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD	381.58	(381.58)	(267.87)	267.87
EUR	(2.99)	2.99	(44.96)	44.96
Peso	(3.06)	3.06	-	-
ARS	(0.35)	0.35	0.93	(0.93)
Others *	6.27	(6.27)	1.68	(1.68)

* others include West African Franc (XOF), Moroccon Dirhams (MAD), Swiss Franc (CHF), Australian Dollar (AUD), British Pound (GBP), Zambian Kwacha (ZMW), Namibia Dollar (NAD), Egyptian Pound (EGP), South African Rand (SAR), Thailand Baht(THB).

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to security deposits, loans given and borrowings from financial institutions.

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 24 and 26 of these financial statements.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Fixed rate instruments		
Financial Assets	12,007.20	20,139.19
Financial liabilities	(8,112.45)	(6,246.16)
	3,894.75	**13,893.03**
Variable rate instruments		
Financial liabilities	(4,227.93)	(16,031.58)
	(4,227.93)	**(16,031.58)**

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Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

INR	31 March 2020 Profit or loss		31 March 2019 Profit or loss	
	100 bp increas	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(42.28)	42.28	(160.32)	160.32
Cash flow sensitivity (net)	(42.28)	42.28	(160.32)	160.32

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

(c) Capital Management

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

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio is as follows:

(Currency: Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Non-Current Borrowings	67.95	0.02
Current Borrowings	12,272.43	22,277.74
Gross debt	12,340.38	22,277.76
Less : Cash and cash equivalents	4,632.79	4,207.70
Adjusted net debt	7,707.59	18,070.06
Total equity	10,726.06	8,375.21
Adjusted net debt to adjusted equity ratio	**0.72**	**2.16**

54 The Red Herring Prospectus dated 29 July 2019 stated that Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala ("Selling Shareholders") shall use a portion of net offer proceeds towards funding full repayment of the outstanding inter-corporate deposits/ loans payable by two fellow subsidiaries to the Group within a period of 90 days from the date of listing of equity shares i.e. by 18 November 2019. The Selling Shareholders pursuant to their letter dated 14 November 2019 however requested the Board of Directors of the Holding Company to consider a revised payment schedule for the outstanding inter-corporate deposits/loans of ₹ 23,415.30 million (net) (including interest thereon of ₹ 2,493.70 million) as at 30 September 2019 with additional interest of 50 basis points per annum.

The Board of Directors in their meeting held on 31 December 2019 had considered the revised payment schedule of the outstanding inter-corporate deposits/ loans of ₹ 16,508.40 million (net) (including accrued

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interest thereon of ₹ 1,155.31 million) as at that date, in three quarterly instalments of ₹ 5,000.00 million by 31 March 2020, ₹ 5,000.00 million by 30 June 2020 and balance amount by 30 September 2020 (which would include further accruals of interest beyond 31 December 2019). The Selling Shareholders have already facilitated the repayment of inter-corporate deposits/loans amounting to ₹ 15,122.43 million by the fellow subsidiaries to the Holding Company and its subsidiary, from the date of listing i.e. 20 August 2019 till 31 March 2020. The inter-corporate deposits/loans (including interest accrued) outstanding as at 31 March 2020 aggregate to ₹ 12,166.01 million (net).

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

55 DETAILS OF BRANCHES AND COMPANY

The Consolidated Financial Statements includes the financial statements of the following entities:

Sr. No.	Name of Branch/ Company	Country of Incorporation	% Holding as at 31 March 2020	Control and share of profit / loss as at 31 March 2020
	Branches			
1	Sterling and Wilson - Philippines	Phillipines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Vietnam (3 branches)	Vietnam	NA	NA
5	Sterling and Wilson - Argentina	Argentina	NA	NA
6	Sterling and Wilson - Egypt	Egypt	NA	NA
7	Sterling and Wilson - Australia	Australia	NA	NA
8	Sterling and Wilson - Indonesia	Indonesia	NA	NA
9	Sterling and Wilson - Jordan (2 branches)	Jordon	NA	NA
10	Sterling and Wilson - Mexico	Mexico	NA	NA
11	Sterling and Wilson - Kenya	Kenya	NA	NA
12	Sterling and Wilson - Morocoo	Morocco	NA	NA
13	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
14	Sterling and Wilson - Chile	Chile	NA	NA
	Subsidiaries:			
1	Sterling and Wilson International Solar FZCO	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda. (upto 26 August 2019)	Brazil	100%	100%
7	Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)	India	100%	100%
8	Sterling and Wilson Solar LLC	Oman	70%	100%
	Subsidiaries of Sterling and Wilson International Solar FZCO:			
1	Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC).	"United Arab Emirates"	49%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Sr. No.	Name of Branch/ Company	Country of Incorporation	% Holding as at 31 March 2020	Control and share of profit / loss as at 31 March 2020
3	Sterling and Wilson Engineering (Pty) Ltd	South Africa	60%	60%
4	Sterling and Wilson Solar Solutions Inc.	United States of America	100%	100%
5	Renovable Energia Contracting S.L.*	Spain	99%	99%
6	Geco Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd) (w.e.f. 1 December 2018)	Australia	76%	76%
7	Sterling and Wilson International LLP (w.e.f. 1 July 2018) (formerly A&S Company LLP)	Kazakhstan	100%	100%
8	Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. 16 April 2019)	Australia	100%	100%
9	Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. 4 June 2019)	Malasiya	30%	100%
	Subsidiary of Sterling and Wilson Singapore Pte Ltd:			
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%
	Subsidiary of Sterling and Wilson Solar Solutions Inc.			
1	Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)	United States of America	100%	100%

The Consolidated Financial Statements includes the financial statements of the following entities:

Sr. No.	Name of Branch/ Company	Country of Incorporation	% Holding as at 31 March 2019	Control and share of profit / loss as at 31 March 2019
	Branches:			
1	Sterling and Wilson - Philippines	Phillipines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Vietnam	Vietnam	NA	NA
5	Sterling and Wilson - Bangladesh (up to 31 December 2018)	Bangladesh	NA	NA
6	Sterling and Wilson - Argentina	Argentina	NA	NA
7	Sterling and Wilson - Egypt	Egypt	NA	NA
8	Sterling and Wilson - Australia	Australia	NA	NA
9	Sterling and Wilson - Indonesia	Indonesia	NA	NA
10	Sterling and Wilson - Jordon	Jordon	NA	NA
11	Sterling and Wilson - Mexico	Mexico	NA	NA
12	Sterling and Wilson - Kenya	Kenya	NA	NA
13	Sterling and Wilson - Morocoo	Morocco	NA	NA
14	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
	Subsidiaries:			
1	Sterling and Wilson International Solar FZCO	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda.	Brazil	100%	100%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Sr. No.	Name of Branch/ Company	Country of Incorporation	% Holding as at 31 March 2019	Control and share of profit / loss as at 31 March 2019
7	Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)	India	100%	100%
8	Sterling and Wilson Solar LLC	Oman	70%	100%
	Subsidiaries of Sterling and Wilson International Solar FZCO:			
1	Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC).	"United Arab Emirates"	49%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%
3	Sterling and Wilson Engineering (Pty) Ltd	South Africa	60%	60%
4	Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)	United States of America	100%	100%
5	Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)*	Spain	99%	99%
6	GCO Electrical Pty. Ltd. (w.e.f. 1 December 2018)	Australia	76%	76%
7	Sterling and Wilson International LLP (w.e.f. 1 July 2018) (formerly A&S Company LLP)	Kazakhstan	100%	100%
	Subsidiary of Sterling and Wilson Singapore Pte Ltd:			
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%
	Subsidiary of Sterling and Wilson Solar Solutions Inc.			
1	Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)	United States of America	100%	100%

56 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013

31 March 2020 (Currency: Indian rupees in million)

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Limited	61.65%	6,612.31	102.36%	3,114.41	28.73%	134.83	92.52%	3,249.24
Subsidiaries								
Indian								
Sterling & Wilson - Waaree Private Limited	3.84%	411.70	1.73%	52.59	0.00%	-	1.50%	52.59
Sterling Wilson-SPCPL-Chint Moroccan Venture	-1.60%	(171.89)	-4.77%	(145.03)	-5.95%	(27.90)	-4.92%	(172.93)
Esterlina Solar Engineers Private Limited	0.10%	10.68	0.14%	4.40	0.00%	-	0.13%	4.40
Foreign								
Sterling and Wilson International Solar FZCO and its subsidiaries								
Sterling and Wilson International Solar FZCO	38.10%	4,086.62	38.08%	1,158.55	78.23%	367.09	43.44%	1,525.64
Sterling and Wilson Middle East Solar Energy LLC	15.89%	1,704.17	2.48%	75.44	-3.22%	(15.12)	1.72%	60.32

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Sterling and Wilson Singapore Pte Ltd.	-0.08%	(9.01)	-0.09%	(2.71)	0.00%	-	-0.08%	(2.71)
Sterling and Wilson Kazakhstan LLP	-0.06%	(6.37)	-0.20%	(6.15)	0.00%	-	-0.18%	(6.15)
Sterling and Wilson International LLP - Kazakhstan (formerly known as A&S Company LLP)	0.00%	(0.22)	0.00%	-	0.00%	-	0.00%	-
Geco Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd)	-0.64%	(68.98)	-1.62%	(49.16)	0.00%	-	-1.40%	(49.16)
Sterling and Wilson Engineering (Pty) Ltd.	-0.92%	(99.18)	-1.47%	(44.61)	0.00%		-1.27%	(44.61)
Sterling and Wilson Solar Solutions Inc.	-7.23%	(775.32)	-10.53%	(320.40)	0.00%	-	-9.12%	(320.40)
Renovable Energia Contracting S.L.	-0.34%	(36.78)	-0.33%	(10.05)	0.00%	-	-0.29%	(10.05)
Sterling and Wilson Solar Australia Pty. Ltd.	-1.00%	(106.81)	-3.38%	(102.90)	0.00%	-	-2.93%	(102.90)
Sterling and Wilson Solar Malaysia Sdn. Bhd.	0.10%	11.26	-0.07%	(2.03)	0.00%	-	-0.06%	(2.03)
Sterling and Wilson Solar Solutions LLC	0.00%	-	0.00%	-	0.00%		0.00%	-
Other Foreign Subsidiaries								
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson (Thailand) Limited	-0.01%	(1.14)	0.00%	-	-0.03%	(0.15)	0.00%	(0.15)
Sterling and Wilson Solar LLC	0.15%	15.81	-0.37%	(11.29)	0.34%	1.61	-0.28%	(9.68)
Sterling & Wilson Saudi Arabia Limited	-0.06%	(6.45)	-0.35%	(10.51)	-0.06%	(0.27)	-0.31%	(10.78)
Non Controlling Interest in all subsidiaries	-0.78%	(83.58)	-1.90%	(57.87)	1.95%	9.14	-1.39%	(48.73)
Total Eliminations on Consolidation	-7.09%	(760.76)	-19.72%	(599.96)	0.00%	(0.00)	-17.08%	(599.96)
Total	**100.00%**	**10,726.06**	**100.00%**	**3,042.72**	**100.00%**	**469.23**	**100.00%**	**3,511.95**

31 March 2019

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Private Limited	51.44%	4,307.81	31.96%	2,039.84	157.28%	78.35	32.93%	2,118.19
Subsidiaries								
Indian								
Sterling & Wilson Waaree Private Limited	4.29%	359.12	3.46%	220.72	0.00%	-	3.43%	220.72

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Sterling Wilson-SPCPL-Chint Moroccan Venture	-0.48%	(40.02)	2.77%	176.92	21.11%	10.52	2.91%	187.44
Esterlina Solar Engineers Pvt. Ltd.	0.08%	6.31	0.10%	6.21	0.00%	-	0.10%	6.21
Foreign								
Sterling and Wilson International Solar FZCO and its subsidaries								
Sterling and Wilson International Solar FZCO	41.54%	3,478.81	105.93%	6,760.70	-84.41%	(42.05)	104.45%	6,718.65
Sterling and Wilson Middle East Solar Energy LLC	18.18%	1,522.73	33.74%	2,153.15	0.00%	-	33.47%	2,153.15
Sterling and Wilson Singapore Pte Ltd.	-0.07%	(5.75)	-0.10%	(6.20)	0.00%	-	-0.10%	(6.20)
Sterling and Wilson Kazakhstan LLP	0.00%	(0.20)	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Sterling and Wilson International LLP - Kazakhstan (formerly known as A&S Company LLP)	0.00%	0.01	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
GCO Electrical Pty Ltd	-0.20%	(16.65)	-0.96%	(61.20)	0.00%	-	-0.95%	(61.20)
Sterling and Wilson Engineering (Pty) Ltd.	-1.10%	(92.04)	-1.42%	(90.61)	0.00%	-	-1.41%	(90.61)
Sterling and Wilson Solar Solutions Inc.	-4.90%	(410.70)	-5.03%	(321.29)	0.00%	-	-4.99%	(321.29)
Renovable Energia Contracting S.L.	-0.29%	(24.44)	-0.18%	(11.71)	0.00%	-	-0.18%	(11.71)
Sterling and Wilson Solar Solutions LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Other Foreign Subsidaries								
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson (Thailand) Limited	-0.01%	(0.87)	0.00%	(0.15)	-0.25%	(0.13)	0.00%	(0.28)
Sterling and Wilson Solar LLC	0.30%	25.50	-0.02%	(1.44)	0.00%		-0.02%	(1.44)
Sterling & Wilson Saudi Arabia Limited	0.04%	3.68	-0.21%	(13.68)	1.29%	0.64	-0.20%	(13.04)
Non Controlling Interest in all subsidiaries	-0.42%	(34.85)	-0.12%	(7.56)	6.57%	3.27	-0.07%	(4.28)
Total Eliminations on Consolidation	-8.57%	(718.17)	-69.90%	(4,461.19)	-1.58%	(0.79)	-69.37%	4,461.98)
Exchange differences on translation of foreign operations	0.18%	14.93	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**8,375.21**	**100.00%**	**6,382.33**	**100.00%**	**49.82**	**100.00%**	**6,432.15**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

57 NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra-group eliminations:

(Currency: Indian rupees in million)

31 March 2020	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Solar Proprietary Limited. (formerly known as GCO Electrical Proprietary Limited)	Total
Percentage of non-controlling interests	8%	40%	24%	
Non-current assets	11.38	43.05	4.44	58.87
Current assets	1,062.68	872.74	128.57	2,063.99
Non-current liabilities	-	-	-	-
Current liabilities	(1,258.08)	(1,058.12)	(215.38)	(2,531.58)
Net assets	**(184.02)**	**(142.33)**	**(82.37)**	**(408.72)**
Consolidation adjustment	**-**	**19.59**		**19.59**
Net assets attributable to NCI	**(14.72)**	**(49.09)**	**(19.77)**	**(83.58)**

31 March 2020	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Profit after income tax	(157.64)	(77.75)	(59.05)	(294.44)
Other comprehensive income	(30.33)	24.24	8.01	1.92
Total comprehensive income	(187.97)	(53.51)	(51.04)	(292.52)
Profit attributable to NCI	(12.61)	(31.10)	(14.16)	(57.87)
Consolidation adjustment	-	-	-	-
Total profit attributable to NCI	**(12.61)**	**(31.10)**	**(14.16)**	**(57.87)**
Other comprehensive income attributable to NCI	**(2.43)**	**9.65**	**1.92**	**9.14**
Total comprehensive income attributable to NCI	**(15.04)**	**(21.45)**	**(12.24)**	**(48.73)**
Cash flows generated from / (used in) operating activities	(405.41)	(222.43)	(56.00)	(683.84)
Cash flows generated from investing activities	(0.84)	(3.87)	(26.25)	(30.96)
Cash flows (used in) / generated from financing activities	263.91	235.87	86.08	585.86
Net increase / (decrease) in cash and cash equivalents	**(142.34)**	**9.57**	**3.83**	**(128.94)**
Net increase / (decrease) in cash and cash equivalents attributable to NCI	**(11.39)**	**3.83**	**0.92**	**(6.64)**

31 March 2019	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Percentage of non-controlling interests	8%	40%	24%	
Non-current assets	13.60	18.58	24.49	56.67
Current assets	1,432.56	1,149.87	78.45	2,660.88
Non-current liabilities	-	-	-	-
Current liabilities	(1,486.28)	(1,239.51)	(130.21)	(2,856.00)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(Currency: Indian rupees in million)

31 March 2019	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Net assets	**(40.12)**	**(71.06)**	**(27.27)**	**(138.45)**
Consolidation adjustment	**41.63**	**-**	**-**	**41.63**
Net assets attributable to NCI	**0.11**	**(28.42)**	**(6.54)**	**(34.85)**
Profit after income tax	195.86	(54.31)	(45.66)	95.89
Other comprehensive income	11.43	9.55	0.28	21.26
Total comprehensive income	207.29	(44.76)	(45.38)	117.15
Profit attributable to NCI	16.58	(15.54)	(10.96)	(9.91)
Consolidation adjustment	2.36	-	-	2.36
Total profit attributable to NCI	**18.94**	**(15.54)**	**(10.96)**	**(7.56)**
Other comprehensive income attributable to NCI	**0.91**	**2.29**	**0.07**	**3.27**
Total comprehensive income attributable to NCI	**19.85**	**(13.25)**	**(10.89)**	**(4.29)**
Cash flows generated from / (used in) operating activities	(415.91)	(222.43)	(56.00)	(694.34)
Cash flows generated from investing activities	7.31	(3.87)	(26.25)	(22.81)
Cash flows (used in) / generated from financing activities	(5.69)	235.87	86.08	316.26
Net increase / (decrease) in cash and cash equivalents	**(414.29)**	**9.57**	**3.83**	**(400.89)**
Net increase / (decrease) in cash and cash equivalents attributable to NCI	**(33.14)**	**3.83**	**0.92**	**(28.39)**

58 TRANSFER PRICING

The Group's international transactions with related parties are at arm's length as per the Independent accountants report for the year ended 31 March 2019. Management believes that the Group's international transactions with related parties post 31 March 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these consolidated financial statements, particularly on amount of tax expense and that of provision for taxation.

59 The Board of Directors at their meeting held on 16 March 2020 have approved the Scheme of Arrangement ('the Scheme') for merger of Sterling & Wilson - Warree Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals from the applicable statutory authorities.

60 The Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company (customer) to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer (developer). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018, the National Company Law Tribunal (NCLT) actions were initiated against the customer group and the Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Company, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Company that they would make the payment if the customer failed to pay. As on date the customer owes SWPL ₹ 924.54 million. In addition, an amount of ₹ 641.04 million under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by SWPL, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer's bank refused to make the payment to the Company's bank citing prevention against doing the same due to the NCLT order, and the Company had to return the amount back to its bank.

During the year ended 31 March 2020, the Company has initiated legal proceedings in both these matters: the matter in respect of the customer / developer in currently pending with the NCLT and the matter in respect of the customers bank is currently pending with the National Company Law Appellate Tribunal.

The Company has sought legal opinion regarding the amount due from the developer as per their assurance letter and from the customer's bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are recoverable. The amount of ₹ 924.54 million and ₹ 641.04 million is shown under the head Trade Receivables and Other Financial Assets, respectively.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Basis the aforementioned legal opinion and the management assessment, inspite of being confident of full recovery, considering the expected credit loss requirement of Ind AS 109 Financial Instruments, the management has recognised the provision to the extent of ₹ 213.30 million (31 March 2019: ₹ 160.00 million) for the year ended and as at 31 March 2020, based on management's best estimate of collection of the aforementioned receivables as at 31 March 2020.

61 During the year, the Selling Shareholders made an offer for sale which was subscribed for 36,533,820 Equity shares of ₹ 1 each for cash at a price of ₹ 780 per equity share (including a share premium of ₹ 779 per equity share) aggregating to ₹ 28,496.38 million.

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID SWSOLAR and BSE Limited (BSE) via ID 542760 on 20 August 2019.

The Holding Company has incurred ₹ 38.25 million and ₹ 798.96 million in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 837.21 million (excluding Goods and Services Tax and including Securities Transaction Tax of ₹ 56.99 million which is directly paid from IPO ESCROW Account) in respect of sale of shares, these expenses were recovered from the Selling Shareholders in the ratio of their existing shareholding percentage. These expenses include a sum of ₹ 8.76 million and ₹ 5.96 million incurred in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 14.72 million (excluding Goods and Services Tax) paid to Statutory auditors of the Holding Company.

62 On 27 March 2019, The Board of Directors' of the Company has proposed to Institute the Scheme for Employee Stock Option Plan ('ESOP') subject to approval of Shareholders'. Accordingly, no provision has been created in the books towards the liability of ESOP as at 31 March 2019 and 31 March 2020.

63 During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to ₹.1 per share. This stock split became effective on 23 January 2019. Unless otherwise indicated, per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

64 During the year ended 31 March 2019, a subsidiary of the Holding Company has paid to non-executive directors of the Holding Company remuneration in excess of the limit laid down under Section 197 of the Act by ₹ 6.35 million. The excess remuneration paid has been approved by the shareholders of the Holding Company in the Extraordinary General Meeting held on 10 June 2019.

65 The Group has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has used internal and external sources of information. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties in future periods, if any.

66 **Other matters**

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Group for the year.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

K. Kannan
Manager
Chennai

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
23 June 2020

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
23 June 2020

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (₹ in Million)	Audited Figures (as reported after adjusting for qualification) (₹ in Million)*
	1	Turnover / Total income	58,787.76	58,787.76
	2	Total Expenditure	54,802.77	54,802.77
	3	Net Profit/(Loss)	3,042.72	3,042.72
	4	Earnings Per Share (₹)	19.33	19.33
	5	Total Assets	50,344.81	50,344.81
	6	Total Liabilities	39,618.75	39,618.75
	7	Net Worth	10,726.06	10,726.06
	8	Any other financial item(s) (as felt appropriate by the management)		

* Audit qualification is in respect of an item, the impact of which is not quantifiable, Accordingly, we have kept the figures in (as reported after adjusting for qualification) column the same (as before adjustment of qualification) column.

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

We draw attention to note 7 to the consolidated annual financial results relating to extension in repayment period of outstanding inter-corporate deposits of ₹ 23,415.30 million (net) (including interest accrued thereon of ₹ 2,493.70 million) as on 30 September 2019 made to fellow subsidiaries by the Group from the 90 days period as stated in the Red Herring Prospectus dated 29 July 2019 for the purpose of Offer of Sale to public of Holding Company's shares by the Selling Shareholders. The Selling Shareholders have facilitated repayment of ₹ 15,122.43 million from the date of listing i.e. 20 August 2019 to 31 March 2020 as per the schedule approved by the Board of Directors. The inter-corporate deposits/loans outstanding (including interest accrued) as at 31 March 2020 aggregate to ₹ 12,166.01 million (net).

The Group has received queries from SEBI, Registrar of Companies, Mumbai (ROC) and certain shareholders regarding matters connected with delay in facilitating repayment of inter-corporate deposits by the Selling Shareholders on which the Group has submitted its replies. The Group has represented to us that, based on independent legal opinions obtained by it, it is of the view that there is no non-compliance with any laws and regulations by the Group in respect of this matter. We are unable to evaluate the impact of adjustments, if any, that may arise from this matter, on the consolidated annual financial results of the Group.

b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: **Qualified Opinion**

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: **First time**

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: **Not applicable**

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: **NIL**

(ii) If management is unable to estimate the impact, reasons for the same: **Not Applicable**

(iii) Auditors' Comments on (i) or (ii) above: **Impact not determinable**

III. Signatories

Mr. Khurshed Daruvala, Chairman

Ms. Rukhshana Mistry, Chairperson of Audit Committee

Mr. Kannan K, Manager

Mr. Bahadur Dastoor, Chief Financial Officer

Statutory Auditor

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Place: Mumbai
Date: June 23, 2020

STERLING & WILSON

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