

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300

Fax +91 (22) 4345 5399

## Independent Auditors' Report

### To the Board of Directors of Sterling and Wilson Solar Limited

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### Report on the audit of the Consolidated Annual Financial Results

##### Qualified Opinion

We have audited the accompanying consolidated annual financial results 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"), as listed in Annexure I, for the year ended 31 March 2020, attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Morocco, Namibia, Philippines, Vietnam and Zambia, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 audited financial results of the branches and subsidiaries, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities listed in Annexure I;
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

##### Basis for Qualified Opinion

We draw attention to note 7 to the consolidated annual financial results relating to extension in repayment period of outstanding inter-corporate deposits of Rs 23,415.30 million (net) (including interest accrued thereon of Rs 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 Rs 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 Rs 12,166.01 million (net).

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### **Basis for Qualified Opinion (Continued)**

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.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence 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 annual financial results.

#### **Management's and Board of Directors'/ Designated Partners Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of each company / partnership firm 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 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 annual financial results 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 annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective 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.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### **Management's and Board of Directors'/ Designated Partners Responsibilities for the Consolidated Annual Financial Results (Continued)**

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 Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of consolidated financial statements on whether the Holding Company has adequate internal financial controls with reference to consolidated 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 consolidated financial results 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 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 annual financial results 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)**

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the branches and other entities included in the consolidated annual financial results, 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 communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- (a) The consolidated annual financial results include the audited financial results of 14 branches, whose financial results reflect total assets (before consolidation adjustments) of Rs 7,517.40 million as at 31 March 2020, total revenue (before consolidation adjustments) of Rs 7,294.67 million and total net profit after tax (before consolidation adjustments) of Rs 1,344.30 million, and net cash (inflows) of Rs 87.44 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial results of these branches have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- (b) The consolidated annual financial results include the audited financial results of 11 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs 38,927.65 million as at 31 March 2020, total revenue (before consolidation adjustments) of Rs 31,813.88 million and total net profit after tax (before consolidation adjustments) of Rs 490.01 million, and net cash (inflows) of Rs 1,516.18 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial results of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

## Independent Auditors' Report (*Continued*)

### Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

#### Other Matters (*Continued*)

- (c) Certain of these subsidiaries and branches are located outside India whose financial results 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 results 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 consolidated annual financial results include the unaudited financial results of six subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 156.87 million as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 92.17 million and total net (loss) after tax (before consolidation adjustments) of Rs. 18.23 million, and net cash (inflows) of Rs 8.02 million for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial results have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such annual financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial results are not material to the Group.

Our opinion on the consolidated annual financial results 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 results certified by the Board of Directors.

- (e) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

ANIRUDDHA SHREEKANT GODBOLE  
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**Aniruddha Godbole**  
*Partner*

Membership No: 105149  
UDIN: 20105149AAAE2599

Mumbai  
23 June 2020

**Independent Auditors' Report (Continued)****Sterling and Wilson Solar Limited***(formerly known as Sterling and Wilson Solar Private Limited)***Annexure I**

List of entities consolidated as at 31 March 2020:

<b>Name of the Entity</b>	<b>Relationship</b>
Sterling & Wilson – Waaree Private Limited	Wholly owned subsidiary
Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)	Wholly owned subsidiary
Sterling and Wilson International Solar FZCO	Wholly owned subsidiary
Sterling and Wilson Singapore Pte. Ltd.	Wholly owned subsidiary
Sterling and Wilson Kazakhstan LLP	Wholly owned subsidiary
Sterling and Wilson International LLP (w.e.f. 27 June 2018) <i>(formerly known as A&amp;S Company LLP)</i>	Wholly owned subsidiary
Sterling and Wilson Solar Solutions Inc	Wholly owned subsidiary
Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)	Wholly owned subsidiary
Sterling and Wilson Brasil Servicos Ltda (upto 26 August 2019)	Wholly owned subsidiary
Sterling and Wilson (Thailand) Limited	Wholly owned subsidiary
Sterling and Wilson Saudi Arabia Limited	Wholly owned subsidiary
Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. 16 April 2019)	Wholly owned subsidiary
Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. 4 June 2019)	Subsidiary
Sterling Wilson-SPCPL-Chint Moroccan Venture	Subsidiary
Sterling and Wilson Middle East Solar Energy LLC <i>(formerly known as Sterling and Wilson Powergen LLC)</i>	Subsidiary
GCO Solar Pty Ltd. <i>(formerly known as GCO Electrical Pty Ltd.)</i> (w.e.f. 1 December 2018)	Subsidiary
Sterling and Wilson Engineering (Pty) Ltd	Subsidiary
Renovable Energia Contracting S.L.	Subsidiary
Sterling and Wilson Solar LLC	Subsidiary

# STERLING & WILSON

## Sterling and Wilson Solar Limited

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

### Statement Of Audited Consolidated Financial Results For The Quarter and Year Ended March 31, 2020

(₹ in million)

Sr No.	Particulars	For the quarter ended			For the year ended	
		31-Mar-20 (Audited) (Refer Note 10)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited) (Refer Note 10)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
1	<b>Income</b>					
	Revenue from operations	20,606.28	10,763.81	23,252.64	55,752.88	82,404.08
	Other income	598.76	1,069.02	429.10	3,034.88	2,095.25
	<b>Total Income</b>	<b>21,205.04</b>	<b>11,832.83</b>	<b>23,681.74</b>	<b>58,787.76</b>	<b>84,499.33</b>
2	<b>Expenses</b>					
	Cost of construction materials, stores and spare parts	13,966.33	7,788.95	9,816.36	35,892.96	56,090.93
	Purchase of stock-in-trade	-	-	-	-	-
	Changes in inventories of stock-in-trade	-	-	3.43	-	12.67
	Direct project costs	4,108.21	2,138.57	9,108.92	12,709.94	16,450.41
	Employee benefits expense	693.42	569.08	500.83	2,402.67	1,778.88
	Finance costs	309.25	509.27	316.20	1,949.26	846.51
	Depreciation and amortisation expense	34.33	37.58	22.26	142.35	78.04
	Other expenses	502.55	168.58	504.43	1,705.59	1,650.18
	<b>Total expenses</b>	<b>19,614.09</b>	<b>11,212.03</b>	<b>20,272.43</b>	<b>54,802.77</b>	<b>76,907.62</b>
3	<b>Profit before tax</b>	<b>1,590.95</b>	<b>620.80</b>	<b>3,409.31</b>	<b>3,984.99</b>	<b>7,591.71</b>
4	<b>Tax expense</b>					
	- Current tax	406.04	130.01	530.95	985.12	1,392.56
	- Current tax relating to earlier period	2.42	(2.82)	-	(0.40)	28.22
	- Deferred tax (credit)	(103.34)	(9.16)	(69.67)	(42.45)	(211.40)
5	<b>Profit for the period / year</b>	<b>1,285.83</b>	<b>502.77</b>	<b>2,948.03</b>	<b>3,042.72</b>	<b>6,382.33</b>
6	<b>Other comprehensive income for the period / year</b>					
	Items that will not be reclassified to profit or loss	(27.99)	(1.51)	(3.00)	(32.51)	(5.24)
	Income tax relating to items that will not be reclassified to profit or loss	3.42	0.40	0.46	4.58	1.83
	Items that will be reclassified to profit or loss	361.39	26.94	48.36	497.16	53.23
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other comprehensive income for the period / year (net of tax)</b>	<b>336.82</b>	<b>25.83</b>	<b>45.82</b>	<b>469.23</b>	<b>49.82</b>
7	<b>Total comprehensive income for the period / year</b>	<b>1,622.65</b>	<b>528.60</b>	<b>2,993.85</b>	<b>3,511.95</b>	<b>6,432.15</b>
8	<b>Profit / (loss) for the period / year attributable to:</b>					
	- Owners of the Company	1,322.76	496.18	2,958.89	3,100.59	6,389.89
	- Non-controlling interests	(36.93)	6.58	(10.86)	(57.87)	(7.56)
9	<b>Other comprehensive income / (loss) for the period / year (net of tax) attributable to:</b>					
	- Owners of the Company	322.81	32.68	43.74	460.09	46.55
	- Non-controlling interests	14.01	(6.85)	2.08	9.14	3.27
10	<b>Total comprehensive income / (loss) for the period / year attributable to:</b>					
	- Owners of the Company	1,645.57	528.86	3,002.63	3,560.68	6,436.44
	- Non-controlling interests	(22.92)	(0.27)	(8.78)	(48.73)	(4.29)
11	Paid-up equity share capital (face value ₹ 1/-)	160.36	160.36	160.36	160.36	160.36
12	Other equity				10,649.28	8,249.70
13	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)					
	(a) Basic	8.25	3.09	18.45	19.33	39.85
	(b) Diluted	8.25	3.09	18.45	19.33	39.85
	See accompanying notes to the audited consolidated financial results					



**STERLING & WILSON**

Sterling and Wilson Solar Limited

CIN: U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

**Audited Consolidated Statement of Assets and Liabilities as at March 31, 2020**

(₹ in million)

Particulars	As at	
	31-Mar-20	31-Mar-19
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	293.81	265.41
(b) Capital work-in-progress	32.63	-
(c) Right-of-use assets	103.20	-
(d) Goodwill	33.57	31.15
(e) Other intangible assets	24.31	18.33
(f) Intangible assets under development	3.20	-
(g) Financial Assets		
(i) Loans	14.42	11.72
(h) Deferred tax assets, net	363.69	321.23
(i) Non-current tax assets	1.43	-
(j) Other non-current assets	38.10	24.47
<b>Total non-current assets</b>	<b>908.36</b>	<b>672.31</b>
<b>Current assets</b>		
(a) Inventories	145.10	131.47
(b) Financial Assets		
(i) Investments	4.58	1.69
(ii) Trade receivables	20,303.15	19,002.18
(iii) Cash and cash equivalents	4,632.79	4,207.70
(iv) Bank balances other than (iii) above	360.72	337.71
(v) Loans	11,853.20	19,533.94
(vi) Derivatives	-	39.53
(vii) Other financial assets	2,330.23	2,416.78
(c) Current tax assets (net)	7.90	8.39
(d) Other current assets	9,798.78	7,567.49
<b>Total current assets</b>	<b>49,436.45</b>	<b>53,246.88</b>
<b>TOTAL ASSETS</b>	<b>50,344.81</b>	<b>53,919.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	160.36	160.36
(b) Other Equity	10,649.28	8,249.70
Total equity attributable to owners of the Company	10,809.64	8,410.06
(c) Non-controlling interests	(83.58)	(34.85)
<b>Total equity</b>	<b>10,726.06</b>	<b>8,375.21</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	0.02	0.02
(ii) Lease liabilities	67.93	-
(b) Provisions	136.11	86.11
<b>Total non-current liabilities</b>	<b>204.06</b>	<b>86.13</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	12,240.37	22,277.74
(ii) Lease liabilities	32.06	-
(iii) Trade payables		
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	62.27	-
(v) Other financial liabilities	969.79	337.52
(b) Other current liabilities	2,533.92	2,446.03
(c) Provisions	1,136.72	768.50
(d) Current tax liabilities, net	228.19	502.57
<b>Total current liabilities</b>	<b>39,414.69</b>	<b>45,457.85</b>
<b>Total liabilities</b>	<b>39,618.75</b>	<b>45,543.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,344.81</b>	<b>53,919.19</b>



# STERLING & WILSON

**Sterling and Wilson Solar Limited**

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

## Audited Consolidated Statement of Cash flows for the Year Ended March 31, 2020

Particulars	(₹ in million)	
	For the Year ended	
	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	3,984.99	7,591.71
<i>Adjustments for:</i>		
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)	-
<b>Operating profit before working capital changes</b>	3,748.11	7,157.59
<i>Working capital adjustments:</i>		
(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 and non-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
<b>Net change in working capital</b>	420.84	(13,382.10)
<b>Cash flows generated from / (used in) operating activities</b>	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
<b>Net cash flows generated from / (used in) operating activities</b>	3,377.27	(7,233.44)
<b>Cash flows from investing activities</b>		
(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 redemption of mutual funds	1,900.26	-
Interest received	2,643.96	46.27
Inter-corporate deposits/loans given to fellow subsidiaries	(5,037.28)	(18,025.35)
Inter-corporate deposits/loans repaid by fellow subsidiaries	12,797.81	8,969.49
Acquisition of subsidiary	(31.48)	(4.16)
<b>Net cash flows generated from / (used in) investing activities</b>	10,134.87	(9,288.33)
<b>Cash flows from financing activities</b>		
Proceeds from cash credit borrowings (net)	206.07	-
Proceeds from 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)	-
<b>Net cash flows (used in) / generated from financing activities</b>	(13,132.83)	19,722.09
<b>Net movement in currency translation</b>	45.78	46.30
<b>Net increase in cash and cash equivalents</b>	425.09	3,246.62
Cash and cash equivalents - Opening balance	4,207.70	954.66
Cash and cash equivalents of subsidiaries acquired during the year	-	6.42
<b>Cash and cash equivalents - Closing balance</b>	4,632.79	4,207.70



**STERLING & WILSON****Sterling and Wilson Solar Limited**

CIN: U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

**Audited Consolidated Statement of Cash flows for the Year Ended March 31, 2020 (Continued)**

Particulars	(₹ in million)	
	For the Year ended	
	31-Mar-20	31-Mar-19
	(Audited)	(Audited)
<b>Reconciliation of cash and cash equivalents as per the Consolidated Statement of Cash Flows</b>		
Cash and cash equivalents as per the above comprise of the following:		
Cash and cash equivalents as per the Consolidated Balance Sheet	4,632.79	4,207.70
Less: Bank overdrafts repayable on demand	-	-
<b>Cash and cash equivalents as per the Consolidated Statement of Cash Flows</b>	<b>4,632.79</b>	<b>4,207.70</b>



# STERLING & WILSON

**Sterling and Wilson Solar Limited**

CIN:U74999MH2017PLC292281

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## Audited Consolidated Segment-Wise Revenue, Assets, Liabilities and Capital Employed for the Quarter and Year Ended March 31, 2020

Particulars	(₹ in million)				
	For the quarter ended			For the year ended	
	31-Mar-20 (Audited) (Refer Note 10)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited) (Refer Note 10)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>Segment Revenue</b>					
Solar EPC business	20,125.30	10,180.59	22,906.86	53,912.81	81,452.55
Operation and maintenance service	518.43	543.04	345.18	1,835.42	935.76
<b>Total</b>	<b>20,643.73</b>	<b>10,723.63</b>	<b>23,252.04</b>	<b>55,748.23</b>	<b>82,388.31</b>
Other operating income	(37.45)	40.18	0.60	4.65	15.77
<b>Revenue from operations</b>	<b>20,606.28</b>	<b>10,763.81</b>	<b>23,252.64</b>	<b>55,752.88</b>	<b>82,404.08</b>
<b>Segment Results</b>					
Solar EPC business	2,529.08	667.29	3,521.61	6,572.77	7,059.91
Operation and maintenance service	354.80	128.82	48.69	887.25	334.52
<b>Total</b>	<b>2,883.88</b>	<b>796.11</b>	<b>3,570.30</b>	<b>7,460.02</b>	<b>7,394.43</b>
Add: Unallocable income	72.72	1,109.19	402.06	2,550.93	1,679.36
Less: Unallocable expenditure	(1,365.65)	(1,284.51)	(563.05)	(6,025.96)	(1,482.08)
<b>Total profit before tax</b>	<b>1,590.95</b>	<b>620.79</b>	<b>3,409.31</b>	<b>3,984.99</b>	<b>7,591.71</b>
<b>Segment Assets</b>					
Solar EPC business	28,986.84	26,779.40	24,159.31	28,986.84	24,159.31
Operation and maintenance service	1,167.87	864.51	489.83	1,167.87	489.83
Unallocated	20,190.10	23,743.37	29,270.05	20,190.10	29,270.05
<b>Total</b>	<b>50,344.81</b>	<b>51,387.28</b>	<b>53,919.19</b>	<b>50,344.81</b>	<b>53,919.19</b>
<b>Segment Liabilities</b>					
Solar EPC business	25,287.51	25,157.62	21,973.42	25,287.51	21,973.42
Operation and maintenance service	240.70	475.27	97.53	240.70	97.53
Unallocated	14,090.54	15,495.83	23,473.03	14,090.54	23,473.03
<b>Total</b>	<b>39,618.75</b>	<b>41,128.72</b>	<b>45,543.98</b>	<b>39,618.75</b>	<b>45,543.98</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>					
Solar EPC business	3,699.33	1,621.78	2,185.89	3,699.33	2,185.89
Operation and maintenance service	927.17	389.24	392.30	927.17	392.30
Unallocated	6,099.56	8,247.54	5,797.02	6,099.56	5,797.02
<b>Total</b>	<b>10,726.06</b>	<b>10,258.56</b>	<b>8,375.21</b>	<b>10,726.06</b>	<b>8,375.21</b>



**STERLING & WILSON****Sterling and Wilson Solar Limited**

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043

**Statement Of Audited Consolidated Financial Results For The Quarter and Year Ended March 31, 2020****Notes :**

- 1 The above audited consolidated financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 23, 2020. These audited consolidated financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The Statutory Auditors have carried out audit of the Consolidated financial results for the year ended March, 31 2020.
- 3 During the year ended March 31, 2020, the Selling Shareholders made an offer for sale which was subscribed for 36,533,820 equity shares aggregating to Rs 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.

- 4 Financial results of Sterling and Wilson Solar Limited (Standalone information):

Particulars	For the quarter ended			For the year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
Total Income	16,338.05	9,598.32	23,813.48	49,003.30	83,658.46
Profit before tax	2,286.80	418.33	1,231.88	4,244.33	3,040.93
Profit for the period / year	1,783.86	303.90	783.92	3,114.41	1,961.48

- 5 The Group is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Solar Power projects. The Holding Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Solar EPC business 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) business; and
- Operation and maintenance service.

The financial information of these segments has been provided in the audited consolidated financials results as per Ind AS 108.

- 6 Effective April 1, 2019, the Group has adopted Ind AS 116 'Leases', applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarter and year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is not material on profit for the quarter and year ended March 31, 2020 and earnings per share. In the audited consolidated financial results for the quarter and year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance costs for interest accrued on lease liability.
- 7 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 Rs. 23,415.30 million (net) (including interest thereon of Rs. 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 Rs 16,508.40 million (net) (including accrued interest thereon of Rs. 1,155.31 million) as at that date, in three quarterly instalments of Rs. 5,000.00 million by 31 March 2020, Rs. 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 Rs 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 Rs 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.

- 8 The Holding Company and its Indian subsidiary companies have elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section.



# STERLING & WILSON

**Sterling and Wilson Solar Limited**

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

## Statement Of Audited Consolidated Financial Results For The Quarter and Year Ended March 31, 2020

### Notes : (Continued)

- 9 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.
- 10 The figures of the last quarter ended 31 March 2020 and corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of relevant financial years. Also the figures upto the end of third quarter i.e. December 31, 2019 had only been reviewed and not subjected to audit. Cost of construction materials, stores and spare parts includes Rs 1,785.39 million towards reclassification of Purchase of stock-in-trade for the quarter ended 31 March 2019.
- 11 The Board of Directors of the Holding Company at their meeting held on 16 March 2020 has approved the "Scheme of Arrangement" ('the Scheme') for merger of the Sterling & Wilson - Warrce Private Limited ('SWWPL') with the Holding Company subject to obtaining necessary approvals from the applicable statutory authorities.
- 12 The results of the Group are available for investors at [www.sterlingandwilsonsolar.com](http://www.sterlingandwilsonsolar.com), [www.nseindia.com](http://www.nseindia.com) and [www.bscindia.com](http://www.bscindia.com).

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BY ORDER OF THE BOARD OF DIRECTORS

For Sterling and Wilson Solar Limited

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Yazdi Daruvala

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Yazdi Daruvala  
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Mr. Khurshed Daruvala  
Chairman  
DIN: 00216905

Date : June 23, 2020  
Place : Mumbai

## ANNEXURE I

### 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				
<i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (Rs. in Million)	Audited Figures (as reported after adjusting for qualification) (Rs. 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 (Rs.)	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)		
<p>* 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.</p>				
II. Audit Qualification (each audit qualification separately):				
<p>a. Details of Audit Qualification:</p> <p>We draw attention to note 7 to the consolidated annual financial results relating to extension in repayment period of outstanding inter-corporate deposits of Rs 23,415.30 million (net) (including interest accrued thereon of Rs 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 Rs 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 Rs 12,166.01 million (net).</p> <p>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.</p>				
<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p style="text-align: center;">Qualified Opinion</p>				

	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Not applicable</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NIL</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Not Applicable</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>Impact not determinable</p>
<b>III. Signatories</b>	
	<p>Khurshed Daruvala, Chairman</p> <p> <b>Khurshed Yazdi Daruvala</b>  <small>Digitally signed by Khurshed Yazdi Daruvala Date: 2020.06.23 22:31:25 +05'30'</small> </p>
	<p>Ms. Rukhshana Mistry, Chairperson of Audit Committee</p> <p><b>Sd/-</b></p> <p>_____</p>
	<p>Mr. Kannan K, Manager</p> <p><b>Sd/-</b></p> <p>_____</p>

Mr. Bahadur Dastoor, Chief Financial Officer

Sd/-

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Statutory Auditor

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

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**Aniruddha Godbole**

*Partner*

Membership No: 105149

Place: Mumbai

Date: June 23, 2020

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300

Fax +91 (22) 4345 5399

## Independent Auditors' Report

### To the Board of Directors of Sterling and Wilson Solar Limited

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### Report on the audit of the Standalone Annual Financial Results

#### Qualified Opinion

We have audited the accompanying standalone annual financial results of Sterling and Wilson Solar Limited *(formerly known as Sterling and Wilson Solar Private Limited)* (hereinafter referred to as "the Company") for the year ended 31 March 2020, attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Namibia, Philippines, Vietnam and Zambia, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 audited financial results of the branches, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

#### Basis for Qualified Opinion

We draw attention to note 6 to the standalone annual financial results relating to extension in repayment period of outstanding inter-corporate deposits of Rs 17,271.80 million (including interest accrued thereon of Rs 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 Rs 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 Rs 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.

## **Independent Auditors' Report (Continued)**

### **Sterling and Wilson Solar Limited**

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### **Basis for Qualified Opinion (Continued)**

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors referred to in sub paragraph (a) of the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone annual financial results.

#### **Management’s and Board of Directors’ Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company’s Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the 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 responsible for overseeing the Company’s financial reporting process.

#### **Auditor’s Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

## **Independent Auditors' Report (*Continued*)**

### **Sterling and Wilson Solar Limited**

*(formerly known as Sterling and Wilson Solar Private Limited)*

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (*Continued*)**

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to 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 results 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 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 standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the branches of the Company to express an opinion on the standalone annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such branches included in the standalone annual financial results of which we are the independent auditors. For the other branches included in the standalone annual financial results, 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

## Independent Auditors' Report (*Continued*)

### Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

#### Other Matters

- (a) The standalone annual financial results include the audited financial results of 13 branches, whose financial results reflect total assets (before consolidation adjustments) of Rs 6,376.71 million as at 31 March 2020, total revenue (before consolidation adjustments) of Rs 6,673.59 million and total net profit after tax (before consolidation adjustments) of Rs 857.33 million, and net cash (inflows) of Rs 183.72 million for the year ended on that date, as considered in the standalone annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial results of these branches have been furnished to us by the management and our opinion on the standalone annual financial results, in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these branches are located outside India whose financial results 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 results 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 on the standalone annual financial results 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.

- (b) The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

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**Aniruddha Godbole**

*Partner*

Membership No: 105149

UDIN: 20105149AAAEC3414

Mumbai  
23 June 2020

# STERLING & WILSON



**Sterling and Wilson Solar Limited** (formerly known as Sterling and Wilson Solar Private Limited)

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

**Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2020**

(₹ in million)

Sr No.	Particulars	For the quarter ended			Year ended	
		31-Mar-20 (Audited) (Refer Note 8)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited) (Refer Note 8)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
1	<b>Income</b>					
	Revenue from operations	14,748.63	8,730.88	23,376.91	45,351.04	82,103.79
	Other income	1,589.42	867.44	436.57	3,652.26	1,554.67
	<b>Total Income</b>	<b>16,338.05</b>	<b>9,598.32</b>	<b>23,813.48</b>	<b>49,003.30</b>	<b>83,658.46</b>
2	<b>Expenses</b>					
	Cost of construction materials, stores and spare parts	10,943.09	6,834.77	11,447.70	27,189.08	60,139.49
	Purchase of stock-in-trade	(34.52)	291.78	30.33	4,089.91	1,815.72
	Changes in inventories of stock-in-trade	-	-	3.43	-	12.67
	Direct project costs	2,051.94	1,161.37	10,204.50	9,208.82	15,639.42
	Employee benefits expense	456.41	318.55	290.98	1,383.73	1,036.72
	Finance costs	184.69	458.70	282.01	1,461.77	561.77
	Depreciation and amortisation expense	13.86	17.78	7.85	63.18	31.79
	Other expenses	435.78	97.54	314.80	1,362.48	1,379.94
	<b>Total expenses</b>	<b>14,051.25</b>	<b>9,179.99</b>	<b>22,581.60</b>	<b>44,758.97</b>	<b>80,617.53</b>
3	<b>Profit before tax (1 - 2)</b>	<b>2,286.80</b>	<b>418.33</b>	<b>1,231.88</b>	<b>4,244.33</b>	<b>3,040.93</b>
4	<b>Tax expense</b>					
	- Current tax	536.41	121.59	498.45	1,099.56	1,256.13
	- Current tax relating to earlier period	-	(2.82)	-	(2.82)	28.22
	- Deferred tax charge / (credit)	(33.47)	(4.34)	(50.49)	33.18	(204.90)
5	<b>Profit for the period / year</b>	<b>1,783.86</b>	<b>303.90</b>	<b>783.92</b>	<b>3,114.41</b>	<b>1,961.48</b>
6	<b>Other comprehensive income for the period / year</b>					
	Items that will not to be reclassified to profit or loss	(13.69)	(1.51)	(1.31)	(18.21)	(5.24)
	Income tax relating to items that will not to be reclassified to profit or loss	3.42	0.40	0.46	4.58	1.83
	Items that will be reclassified to profit or loss	89.64	16.79	35.92	148.46	81.77
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other comprehensive income for the period / year (net of tax)</b>	<b>79.37</b>	<b>15.68</b>	<b>35.07</b>	<b>134.83</b>	<b>78.36</b>
7	<b>Total comprehensive income for the period / year</b>	<b>1,863.23</b>	<b>319.58</b>	<b>818.99</b>	<b>3,249.24</b>	<b>2,039.84</b>
8	Paid-up equity share capital (face value ₹ 1/-)	160.36	160.36	160.36	160.36	160.36
9	Other equity				6,451.95	4,229.81
10	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)					
	(a) Basic	11.12	1.90	4.89	19.42	12.23
	(b) Diluted	11.12	1.90	4.89	19.42	12.23
	See accompanying notes to the Audited standalone financial results					



# STERLING & WILSON



**Sterling and Wilson Solar Limited** (formerly known as Sterling and Wilson Solar Private Limited)

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

## Audited Standalone Statement Of Assets And Liabilities As At March 31, 2020

Particulars	(₹ in million)	
	As at	
	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	181.90	111.43
(b) Capital work-in-progress	24.22	-
(c) Right-of-use assets	82.52	-
(d) Other intangible assets	17.63	11.03
(e) Intangible assets under development	3.20	-
(f) Financial Assets		
(i) Investments	36.83	54.62
(ii) Loans	14.42	11.72
(g) Deferred tax assets, net	269.27	297.87
(h) Other non-current assets	38.10	6.86
<b>Total non-current assets</b>	<b>668.09</b>	<b>493.53</b>
<b>Current assets</b>		
(a) Inventories	145.10	120.27
(b) Financial Assets		
(i) Investments	4.58	1.69
(ii) Trade receivables	15,397.56	17,254.27
(iii) Cash and cash equivalents	1,817.20	3,098.79
(iv) Bank balances other than (iii) above	104.71	48.94
(v) Loans	9,491.92	15,817.09
(vi) Derivatives	-	39.53
(vii) Other financial assets	3,515.45	2,328.70
(c) Other current assets	7,603.81	6,549.08
<b>Total current assets</b>	<b>38,080.33</b>	<b>45,258.36</b>
<b>TOTAL ASSETS</b>	<b>38,748.42</b>	<b>45,751.89</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	160.36	160.36
(b) Other Equity	6,451.95	4,229.81
<b>Total equity</b>	<b>6,612.31</b>	<b>4,390.17</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Lease liabilities	64.83	-
(b) Provisions	90.51	61.86
<b>Total non-current liabilities</b>	<b>155.34</b>	<b>61.86</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	6,000.93	11,746.16
(ii) Lease liabilities	21.78	-
(iii) Trade payables		
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	62.27	-
(v) Other financial liabilities	379.51	203.87
(b) Other current liabilities	1,567.45	2,208.25
(c) Provisions	673.82	527.43
(d) Current tax liabilities, net	213.62	354.55
<b>Total current liabilities</b>	<b>31,980.77</b>	<b>41,299.86</b>
<b>Total liabilities</b>	<b>32,136.11</b>	<b>41,361.72</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,748.42</b>	<b>45,751.89</b>



# STERLING & WILSON



**Sterling and Wilson Solar Limited** (formerly known as Sterling and Wilson Solar Private Limited)

CIN:U74999MH2017PLC292281

Registered Office: 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai 400 043.

Audited Standalone Statement Of Cash flows For The Year Ended March 31, 2020

(₹ in million)

Particulars	Year Ended	
	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	4,244.33	3,040.93
<i>Adjustments for:</i>		
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 subsidiary	17.79	1.49
Write back of provision for inventory obsolescence	-	(4.40)
Unrealised foreign exchange loss/ (gain) (net)	994.72	(21.96)
<b>Operating profit before working capital changes</b>	<b>3,847.18</b>	<b>2,396.39</b>
<i>Working capital adjustments:</i>		
(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	(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)
<b>Net change in working capital</b>	<b>(5,453.56)</b>	<b>(16.83)</b>
<b>Cash flows (used in)/ generated from operating activities</b>	<b>(1,606.38)</b>	<b>2,379.56</b>
Income tax (paid) (net)	(1,259.47)	(969.88)
Effects of exchange differences on translation of assets and liabilities	148.46	81.77
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>(2,717.39)</b>	<b>1,491.45</b>
<b>Cash flows from investing activities</b>		
(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 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	(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
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>9,619.40</b>	<b>(9,345.02)</b>



**STERLING & WILSON**

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**Audited Standalone Statement Of Cash flows For The Year Ended March 31, 2020 (Continued)**

(₹ in million)

Particulars	Year Ended	
	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>Cash flows from financing activities</b>		
(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)
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(8,183.30)</b>	<b>10,558.47</b>
<b>Net movement in currency translation</b>	<b>(0.30)</b>	<b>-</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,281.59)</b>	<b>2,704.90</b>
Cash and cash equivalents - Opening balance	3,098.79	393.89
<b>Cash and cash equivalents - Closing balance</b>	<b>1,817.20</b>	<b>3,098.79</b>
<b>Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows</b>		
Cash and cash equivalents as per the above comprise of the following:		
Cash and cash equivalents as per the Standalone Balance Sheet	1,817.20	3,098.79
Less: Bank overdrafts repayable on demand	-	-
<b>Cash and cash equivalents as per the Standalone Statement of Cash Flows</b>	<b>1,817.20</b>	<b>3,098.79</b>



# STERLING & WILSON



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**Audited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed For The Quarter And Year Ended March 31, 2020**

(₹ in million)

Particulars	For the quarter ended			For the year ended	
	31-Mar-20 (Audited) (Refer Note 8)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited) (Refer Note 8)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>Segment Revenue</b>					
Solar EPC business	14,246.80	8,219.84	23,060.97	43,654.41	81,293.06
Operation and maintenance service	501.82	511.03	315.94	1,696.22	809.45
<b>Total</b>	<b>14,748.62</b>	<b>8,730.87</b>	<b>23,376.91</b>	<b>45,350.63</b>	<b>82,102.51</b>
Other operating income	0.01	0.01	-	0.41	1.28
<b>Revenue from operations</b>	<b>14,748.63</b>	<b>8,730.88</b>	<b>23,376.91</b>	<b>45,351.04</b>	<b>82,103.79</b>
<b>Segment Results</b>					
Solar EPC business	1,992.77	302.31	1,224.12	4,668.30	2,642.14
Operation and maintenance service	114.20	140.64	21.65	513.38	230.15
<b>Total</b>	<b>2,106.97</b>	<b>442.95</b>	<b>1,245.77</b>	<b>5,181.68</b>	<b>2,872.29</b>
Add: Unallocable income	1,117.65	867.45	448.62	3,180.89	1,206.90
Less: Unallocable expenditure	(937.82)	(892.07)	(465.51)	(4,118.24)	(1,038.26)
<b>Total profit before tax</b>	<b>2,286.80</b>	<b>418.33</b>	<b>1,231.88</b>	<b>4,244.33</b>	<b>3,040.93</b>
<b>Segment Assets</b>					
Solar EPC business	20,415.50	18,199.17	22,794.53	20,415.50	22,794.53
Operation and maintenance service	1,166.93	873.51	489.72	1,166.93	489.72
Unallocated	17,165.99	19,766.22	22,467.64	17,165.99	22,467.64
<b>Total</b>	<b>38,748.42</b>	<b>38,838.90</b>	<b>45,751.89</b>	<b>38,748.42</b>	<b>45,751.89</b>
<b>Segment Liabilities</b>					
Solar EPC business	24,387.78	25,122.12	28,652.29	24,387.78	28,652.29
Operation and maintenance service	726.36	527.10	87.97	726.36	87.97
Unallocated	7,021.97	7,412.67	12,621.46	7,021.97	12,621.46
<b>Total</b>	<b>32,136.11</b>	<b>33,061.89</b>	<b>41,361.72</b>	<b>32,136.11</b>	<b>41,361.72</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>					
Solar EPC business	(3,972.28)	(6,922.95)	(5,857.76)	(3,972.28)	(5,857.76)
Operation and maintenance service	440.57	346.41	401.75	440.57	401.75
Unallocated	10,144.02	12,353.55	9,846.18	10,144.02	9,846.18
<b>Total</b>	<b>6,612.31</b>	<b>5,777.01</b>	<b>4,390.17</b>	<b>6,612.31</b>	<b>4,390.17</b>



# STERLING & WILSON



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## Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2020

### Notes :

- 1 The Audited standalone financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 23, 2020. These audited standalone financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The Statutory Auditors have carried out audit of the Standalone financial results for the year ended March, 31 2020.
- 3 During the year ended March 31, 2020, the Selling Shareholders made an offer for sale which was subscribed for 36,533,820 equity shares aggregating to Rs 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.
- 4 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 business 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.The financial information of these segments has been provided in the audited standalone financials results as per Ind AS 108.
- 5 Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases', applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarter and year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is not material on profit for the quarter and year ended March 31, 2020 and earnings per share. In the audited standalone financial results for the quarter and year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance costs for interest accrued on lease liability.
- 6 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 Rs 17,271.80 million (including interest thereon of Rs. 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 Rs 10,457.77 million (including accrued interest thereon of Rs. 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 Rs 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 Rs 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.
- 7 The Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section.



# STERLING & WILSON



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## Statement Of Audited Standalone Financial Results For The Quarter And Year Ended March 31, 2020

### Notes : (Continued)

- 8 The figures of the last quarter ended March, 31 2020 and corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of relevant financial years. Also the figures upto the end of third quarter i.e. December 31, 2019 had only been reviewed and not subjected to audit.
- 9 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.
- 10 The Board of Directors of the Company at their meeting held on 16 March 2020 has approved the "Scheme of Arrangement" ('the Scheme') for merger of the Sterling & Wilson - Warree Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals from the applicable statutory authorities.
- 11 The results of the Company are available for investors at [www.sterlingandwilsonsolar.com](http://www.sterlingandwilsonsolar.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

ANIRUDDHA  
SHREEKANT  
GODBOLE

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SHREEKANT GODBOLE  
Date: 2020.06.23  
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BY ORDER OF THE BOARD OF DIRECTORS

For Sterling and Wilson Solar Limited

Khurshed  
Yazdi Daruvala

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Yazdi Daruvala  
Date: 2020.06.23 22:29:12  
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Mr. Khurshed Daruvala

Chairman

DIN: 00216905

Date : June 23, 2020  
Place : Mumbai

## ANNEXURE I

### 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				
<i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (Rs. in Million)	Audited Figures (as reported after adjusting for qualification) (Rs. 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 (Rs.)	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
<p>* 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.</p>				
II.	Audit Qualification (each audit qualification separately):			
	<p>a. Details of Audit Qualification:</p> <p>We draw attention to note 6 to the standalone annual financial results relating to extension in repayment period of outstanding inter-corporate deposits of Rs 17,271.80 million (including interest accrued thereon of Rs 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 Rs 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 Rs 5,981.68 million.</p> <p>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</p>			
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p style="text-align: center;">Qualified Opinion</p>			

	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Not applicable</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>NIL</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Not Applicable</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>Impact not determinable</p>
<b>III. Signatories</b>	
	<p>Mr. Khurshed Daruvala, Chairman</p> <p><b>Khurshed</b> <b>Yazdi Daruvala</b></p> <p>Digitally signed by Khurshed Yazdi Daruvala Date: 2020.06.23 22:30:37 +05'30'</p>
	<p>Ms. Rukhshana Mistry, Chairperson of Audit Committee</p> <p><b>Sd/-</b></p> <p>_____</p>
	<p>Mr. Kannan K, Manager</p> <p><b>Sd/-</b></p> <p>_____</p>

Mr. Bahadur Dastoor, Chief Financial Officer

Sd/-

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Statutory Auditor

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

ANIRUDDHA SHREEKANT  
GODBOLE

Digitally signed by  
ANIRUDDHA SHREEKANT  
GODBOLE  
Date: 2020.06.23 22:39:55  
+05'30'

**Aniruddha Godbole**

*Partner*

Membership No: 105149

Place: Mumbai

Date: June 23, 2020