

**REVIEW REPORT  
TO THE BOARD OF DIRECTORS  
STERLING AND WILSON RENEWABLE ENERGY LIMITED  
(FORMERLY KNOWN AS STERLING AND WILSON SOLAR LIMITED)**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of *Sterling and Wilson Renewable Energy Limited* (formerly known as *Sterling and Wilson Solar Limited*) ("the Company") for the quarter ended June 30, 2022, together with the notes thereon ("the Statement") attached herewith, in which are incorporated returns from branches in Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Morocco, Namibia, Philippines, United Kingdom, Vietnam, and Zambia. This Statement is being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"), (digitally signed by us for identification). This Statement which is the responsibility of the Company's Management has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 12, 2022. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, ("the Act") read with the relevant Rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted and procedures performed as stated in paragraph 2 above and based on the consideration of the review reports of the branch auditors referred to in paragraph 5(i) below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. **Emphasis of Matter**

We draw attention to Note 5 to the Statement which describes the Indemnity Agreement dated December 29, 2021, entered into by the Company with Shapoorji Pallonji and Company Private Limited, Khurshed Yazdi Daruvala (jointly the “Promoter Selling Shareholders”) and Reliance New Energy Limited (formerly known as Reliance New Energy Solar Limited) pursuant to which, the Promoter Selling Shareholders would indemnify and re-imburse the Company and its subsidiaries / branches for a net amount, on settlement of liquidated damages pertaining to certain identified past and existing projects (as on the date of signing the aforementioned agreement), old receivables, direct and indirect tax litigations as well as certain legal and regulatory matters, if such claims (net of receivables) exceeds Rs. 300 crore. Consequently, trade receivables from the customer undergoing a resolution process under the supervision of the National Company Law Tribunal (‘NCLT’) and bank guarantees encashed by certain customers would also be recoverable from the Promoter Selling Shareholders once crystallized, if not recovered from the customers. Since all future crystallized claims beyond Rs. 300 crore will be fully charged back and recovered from the Promoter Selling Shareholders, there will be no further impact on the results of the Company.

Our conclusion on the Statement is not modified in respect of the above matter.

5. **Other Matters**

- i) We did not review the interim financial information of 15 branches included in the unaudited standalone interim financial results of the Company, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 648.39 crore, total net loss after tax (before consolidation adjustments) of Rs. 65.23 crore and total comprehensive loss (before consolidation adjustments) of Rs. 65.23 crore, for the quarter ended June 30, 2022, as considered in the unaudited standalone interim financial results of the Company. The interim financial information of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion 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 branch auditors and the procedures performed by us as stated in paragraph 2 above.
- ii) Certain branches referred to above are located outside India whose interim financial information has been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been reviewed by the branch auditors under generally accepted auditing standards applicable in their respective countries. The Company’s Management has converted the interim financial information of such branches located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company’s Management.

Our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches located outside India is based on the report of such branch auditors and the conversion adjustments prepared by the Management of the Company and reviewed by us.

- iii) Attention is drawn to the fact that the figures in the Statement for the quarter ended June 30, 2021, included in the Statement were reviewed by a firm of Chartered Accountants other than Kalyaniwalla & Mistry LLP, Chartered Accountants. The previous auditors have expressed a modified conclusion for the said period vide their limited review report dated September 15, 2020, which have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.
- iv) Attention is drawn to the fact that the figures for the quarter ended March 31, as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year ended March 31 and the published year to date figures up to the end of the third quarter of the relevant financial year. The figures up to the end of the third quarter have only been reviewed by us and not subjected to audit.

Our conclusion on the Statement is not modified in respect of the above matters.

***For KALYANIWALLA & MISTRY LLP***  
***CHARTERED ACCOUNTANTS***

Firm Regn. No.: 104607W / W100166

*Daraius Z. Fraser*

***PARTNER***

M. No.: 42454

UDIN: 22042454AMRDLG9096

Mumbai: July 12, 2022.

**Sterling and Wilson Renewable Energy Limited** (formerly known as Sterling and Wilson Solar Limited)

CIN:L74999MH2017PLC292281

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

**Statement of Unaudited Standalone Financial Results for the Quarter Ended 30 June 2022**

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) (Refer note 4)	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
1	<b>Income</b>				
	Revenue from operations	793.32	618.72	846.39	3,459.58
	Other income	26.48	21.21	33.26	102.31
	<b>Total Income</b>	<b>819.80</b>	<b>639.93</b>	<b>879.65</b>	<b>3,561.89</b>
2	<b>Expenses</b>				
	Cost of construction materials, stores and spare parts	647.71	216.64	367.38	1,681.70
	Changes in inventories of stock-in-trade	-	-	-	-
	Direct project costs	164.37	442.39	395.65	1,670.48
	Employee benefits expense	34.84	30.01	30.29	124.83
	Finance costs	14.25	18.93	11.98	75.34
	Depreciation and amortisation expense	1.69	1.46	1.62	7.90
	Other expenses	58.90	(1.63)	117.83	207.06
	<b>Total Expenses</b>	<b>921.76</b>	<b>707.80</b>	<b>924.75</b>	<b>3,767.31</b>
3	<b>(Loss) before tax (1 - 2)</b>	<b>(101.96)</b>	<b>(67.87)</b>	<b>(45.10)</b>	<b>(205.42)</b>
4	<b>Tax Expense</b>				
	- Current tax	-	-	-	-
	- Current tax relating to earlier period / year	2.06	4.81	-	4.81
	- Deferred tax (credit)	-	(14.63)	(9.94)	(42.71)
5	<b>(Loss) for the period / year (3 - 4)</b>	<b>(104.02)</b>	<b>(58.05)</b>	<b>(35.16)</b>	<b>(167.52)</b>
6	<b>Other comprehensive income for the period / year</b>				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit liability	0.15	0.40	0.07	0.60
	- Income tax relating to items that will not be reclassified to profit or loss	-	(0.10)	(0.02)	(0.15)
	Items that will be reclassified to profit or loss				
	- Effective portion of (losses) / gain on hedging instruments in cash flow hedges	23.71	(17.78)	8.16	14.99
	- Effective portion of (losses) / gain on hedging instruments in cash flow hedges reclassified to profit or loss	(1.41)	(13.05)	80.44	55.13
	- Income tax relating to items that will be reclassified to profit or loss	(5.13)	7.76	(22.30)	(17.65)
	- Exchange differences in translating financial statements of foreign operations	(9.35)	(3.18)	4.57	10.08
	<b>Other comprehensive income for the period / year (net of income tax)</b>	<b>7.97</b>	<b>(25.95)</b>	<b>70.92</b>	<b>63.00</b>
7	<b>Total comprehensive (loss) / profit for the period / year (5 + 6)</b>	<b>(96.05)</b>	<b>(84.00)</b>	<b>35.76</b>	<b>(104.52)</b>
8	Paid-up equity share capital (face value ₹ 1/-)	18.97	18.97	16.04	18.97
9	Other equity				1,482.26
10	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)				
	(a) Basic	(5.48)	(3.17)	(2.19)	(9.99)
	(b) Diluted (Refer note 9)	(5.48)	(3.17)	(2.19)	(9.99)
	See accompanying notes to the unaudited standalone financial results				

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**Unaudited Standalone Segment-Wise Revenue, Assets, Liabilities and Capital Employed for the Quarter Ended 30 June 2022**

(₹ in crore)

Particulars	For the quarter ended			Year ended
	30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
	(Unaudited)	(Audited) (Refer note 4)	(Unaudited)	(Audited)
<b>Segment Revenue</b>				
EPC business	753.79	573.38	790.15	3,261.38
Operation and maintenance service	38.77	43.84	56.24	196.65
<b>Total</b>	<b>792.56</b>	<b>617.22</b>	<b>846.39</b>	<b>3,458.03</b>
Other operating income	0.76	1.50	-	1.55
<b>Revenue from operations</b>	<b>793.32</b>	<b>618.72</b>	<b>846.39</b>	<b>3,459.58</b>
<b>Segment Results</b>				
EPC business	(15.57)	(27.34)	(12.94)	11.83
Operation and maintenance service	(1.18)	(1.38)	14.22	31.52
<b>Total</b>	<b>(16.75)</b>	<b>(28.72)</b>	<b>1.28</b>	<b>43.35</b>
Add: Unallocable income	24.47	21.61	30.03	98.28
Less: Unallocable expenditure	(109.68)	(60.76)	(76.41)	(347.05)
<b>Total (loss) before tax</b>	<b>(101.96)</b>	<b>(67.87)</b>	<b>(45.10)</b>	<b>(205.42)</b>
<b>Segment Assets</b>				
EPC business	1,694.32	1,740.57	1,359.07	1,740.57
Operation and maintenance service	101.97	110.85	160.32	110.85
Unallocated	2,066.96	2,121.33	2,050.60	2,121.33
<b>Total</b>	<b>3,863.25</b>	<b>3,972.75</b>	<b>3,569.99</b>	<b>3,972.75</b>
<b>Segment Liabilities</b>				
EPC business	1,882.32	1,939.59	2,405.09	1,939.59
Operation and maintenance service	13.09	37.00	98.06	37.00
Unallocated	561.36	494.93	519.11	494.93
<b>Total</b>	<b>2,456.77</b>	<b>2,471.52</b>	<b>3,022.26</b>	<b>2,471.52</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>				
EPC business	(188.00)	(199.02)	(1,046.02)	(199.02)
Operation and maintenance service	88.88	73.85	62.26	73.85
Unallocated	1,505.60	1,626.40	1,531.49	1,626.40
<b>Total</b>	<b>1,406.48</b>	<b>1,501.23</b>	<b>547.73</b>	<b>1,501.23</b>

**Sterling and Wilson Renewable Energy Limited** (formerly known as Sterling and Wilson Solar Limited)

CIN:L74999MH2017PLC292281

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

**Notes to Unaudited Standalone Financial Results for the Quarter Ended 30 June 2022**

**Notes :**

- 1 The unaudited 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 respective meetings held on 12 July 2022. These unaudited 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 above unaudited standalone financial results have been subject to a "limited review" by the statutory auditors of the Company. The auditors have expressed an unmodified conclusion in the review report for the quarter ended 30 June 2022.
- 3 The Company is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Renewable Energy Power projects. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Engineering, Procurement and Construction (EPC) and Operation and Maintenance Service based on analysis of certain performance indicators viz. Gross margin, Profit after tax. Accordingly, the Company has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:
  - Engineering, Procurement and Construction business (EPC business); and
  - Operation and Maintenance Service.The financial information of these segments has been provided in the unaudited standalone financials results as per Ind AS 108.
- 4 The figures for the quarter ended 31 March 2022 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the previous financial year.
- 5 During the year ended 31 March 2022, the Company has signed an Indemnity Agreement with Shapoorji Pallonji and Company Private Limited, Khurshed Yazdi Daruvala (jointly the "Promoter Selling Shareholders") and Reliance New Energy Limited (formerly known as Reliance New Energy Solar Limited) pursuant to which, the Promoter Selling Shareholders would indemnify and re-imburse the Company and its subsidiaries/branches for a net amount, if it exceeds Rs 300.00 crore, on settlement of liquidated damages pertaining to certain identified past and existing projects (as on the date of signing the aforementioned agreements), old receivables, direct and indirect tax litigations as well as certain legal and regulatory matters. These amounts would be settled by 30 September 2022 and thereafter on 30 September of each succeeding year, on the basis of the final settlement amounts with customers/suppliers/other authorities. Consequently, trade receivables from the customer undergoing a resolution process under the supervision of the National Company Law Tribunal ('NCLT') and bank guarantees encashed by certain customers would also be recoverable from the Promoter Selling Shareholders once crystallized, if not recovered from the customers. The Promoter Selling Shareholders are consequently entitled to net off the amounts payable, with specific counter-claims levied and recovered by the Company and its subsidiaries/branches on its customers/vendors relating to these matters. As at 30 June 2022, the Company has made provisions equivalent to Rs 300 crore (including Rs 142.14 crore by the Company's subsidiaries). As explained above, since all future crystallized claims beyond the amount provided for Rs 300.00 crore will be fully charged back and recovered from the Promoter Selling Shareholders, there will be no further impact on the results of the Company.
- 6 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, 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 wherein 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 Rs 92.45 crore. In addition, an amount of Rs 64.10 crore under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by the 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.

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**Notes to Unaudited Standalone Financial Results for the Quarter Ended 30 June 2022****Notes : (Continued)**

During the year ended 31 March 2020, the Company had initiated legal proceedings in both these matters, which are now pending with the National Company Law Appellate Tribunal.

The Company has sought legal opinions 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 Rs 92.45 crore and Rs 64.10 crore is shown under the head Trade Receivables and Other Financial Assets, respectively. Both the above are covered under the Indemnity Agreement as given in Note 5 above.

Basis the aforementioned legal opinions 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 Rs 31.33 crore as at 30 June 2022 (31 March 2022 Rs 31.33 crore), based on Management's best estimate of collection of the aforementioned receivables as at 30 June 2022. This matter is also covered by the Indemnity Agreement (Refer Note 5).

- 7 During the year ended 31 March 2022, four customers of the Company encashed advance and performance bank guarantees amounting to Rs 588.51 crore. Three of the projects are completed and the last one is about 90% complete as of 30 June 2022. The Senior Management of the Company had several rounds of discussions with the customers and are actively engaged to resolve the matter. The Company has finalised Settlement Agreements with two customers, on the basis of which an amount of Rs 319.39 crore was refunded. Similar Settlement agreements are under discussion for the other two projects. Based on the current ongoing discussions, the Management is hopeful that the issue will be resolved amicably, and accordingly there is no need to make provision for the same during the quarter ended 30 June 2022.
- 8 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification.
- 9 The Company has incurred a loss for the quarter ended 30 June 2022 and accordingly, the effect of potential equity shares to be issued would be anti-dilutive.
- 10 The results of the Company are available for investors at <https://www.sterlingandwilsonre.com>, [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

BY ORDER OF THE BOARD OF DIRECTORS  
**Sterling and Wilson Renewable Energy Limited**  
(formerly known as Sterling and Wilson Solar Limited)

**Khurshed Daruvala**  
Chairman  
DIN: 00216905

Date : 12 July 2022  
Place : London

**Independent Auditor's Review Report on Unaudited Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

***THE BOARD OF DIRECTORS  
STERLING AND WILSON RENEWABLE ENERGY LIMITED  
(FORMERLY KNOWN AS STERLING AND WILSON SOLAR LIMITED)***

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of *Sterling and Wilson Renewable Energy Limited* (formerly known as *Sterling and Wilson Solar Limited*) ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2022, together with the notes thereon, ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), (digitally signed by us for identification).
2. This Statement, which is the responsibility of the Holding Company's Management has been reviewed by the Audit Committee and approved by the Holding Company's Board of Directors at their respective meetings held on July 12, 2022. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, ("the Act") read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes results of the following entities:

Name of the Entity	Relationship
i) Sterling and Wilson International Solar FZCO	Wholly owned subsidiary
a) Sterling and Wilson Singapore Pte. Ltd.	Wholly owned subsidiary
- Sterling and Wilson Kazakhstan LLP	Wholly owned subsidiary
b) Sterling and Wilson International LLP	Wholly owned subsidiary
c) Sterling and Wilson Solar Solutions Inc	Wholly owned subsidiary
- Sterling and Wilson Solar Solutions LLC	Wholly owned subsidiary
d) Sterling and Wilson Solar Australia Pty. Ltd.	Wholly owned subsidiary
e) GCO Solar Pty Ltd. (formerly known as GCO Electrical Pty Ltd.)	Wholly owned subsidiary
f) Sterling and Wilson Solar Malaysia Sdn. Bhd.	Subsidiary
g) Sterling and Wilson Middle East Solar Energy LLC	Wholly owned Subsidiary
h) Sterling and Wilson Engineering (Pty) Ltd	Subsidiary
i) Sterling and Wilson Solar Spain S.L. (formerly known as <i>Renovable Energia Contracting S.L</i> )	Wholly owned subsidiary
j) Sterling and Wilson Renewable Energy Spain S.L. (formerly known as <i>Esterlina Solar – Proyecto Diez, S.L.</i> )	Wholly owned subsidiary
- Esterlina Solar - Proyecto Uno, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Dos, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Tres, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Cuatro, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Cinco, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Seis, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Siete, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Ocho, S.L.	Wholly owned subsidiary
- Esterlina Solar – Proyecto Nueve, S.L.	Wholly owned subsidiary
ii) Esterlina Solar Engineers Private Limited	Wholly owned subsidiary
iii) Sterling and Wilson (Thailand) Limited	Wholly owned subsidiary
iv) Sterling and Wilson Saudi Arabia Limited	Wholly owned subsidiary
v) Sterling Wilson – SPCPL - Chint Moroccan Venture	Subsidiary
vi) Sterling and Wilson Solar LLC	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7(i) and 7(ii) below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Emphasis of Matters**

We draw attention to:

- i) Note 6 to the Statement which describes the Indemnity Agreement dated December 29, 2021, entered into by the Holding Company with Shapoorji Pallonji and Company Private Limited, Khurshed Yazdi Daruvala (jointly the “Promoter Selling Shareholders”) and Reliance New Energy Limited (formerly known as Reliance New Energy Solar Limited) pursuant to which, the Promoter Selling Shareholders would indemnify and re-imburse the Holding Company and its subsidiaries / branches for a net amount, on settlement of liquidated damages pertaining to certain identified past and existing projects (as on the date of signing the aforementioned agreement), old receivables, direct and indirect tax litigations as well as certain legal and regulatory matters, if such claims (net of receivables) exceeds Rs. 300 crore. Consequently, trade receivables from the customer undergoing a resolution process under the supervision of the National Company Law Tribunal (‘NCLT’) and bank guarantees encashed by certain customers would also be recoverable from the Promoter Selling Shareholders once crystallized, if not recovered from the customers. Since all future crystallized claims beyond Rs. 300 crores will be fully charged back and recovered from the Promoter Selling Shareholders, there will be no further impact on the results of the Holding Company and its subsidiaries.
- ii) Note 8(a) to the Statement which describes the uncertainty related to the recoverability of remediation costs amounting to Rs. 170.03 crore (USD 21.57 Million) estimated to be incurred by one of the subsidiary companies of the Group in a particular geography due to delays and default by a sub-contractor. The subcontractor has filed a counter claim on the subsidiary company of the Group for approximately Rs. 149.77 crore (USD 19 Million). In the opinion of the Management and based on external legal opinion obtained, the Subsidiary company is confident of recovering the above-mentioned remediation cost and believes that the subcontractor’s claim of Rs. 149.77 crore (USD 19 Million) is not tenable and hence not provided for.
- iii) Note 8(b) to the Statement where the Subsidiary company of the Group has incurred a cost amounting to Rs. 9.22 crore (USD 1.17 Million) on account of remediation cost in respect of defective parts supplied by a supplier. Management is confident of recovery of the same.

Our conclusion on the Statement is not modified in respect of the above matters.

7. **Other Matters**

- i) We did not review the interim financial information of 15 branches included in the unaudited standalone interim financial results of the Holding Company, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 684.39 crore and total net loss after tax (before consolidation adjustments) of Rs. 65.23 crore and total comprehensive loss (before consolidation adjustments) of Rs. 65.23 crore for the quarter ended June 30, 2022, as considered in the unaudited standalone interim financial results of the Holding Company.

The interim financial information of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion 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 branch auditors and the procedures performed by us as stated in paragraph 3 above.

- ii) We did not review the interim financial results of 9 subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 850.98 crore and total net loss after tax (before consolidation adjustments) of Rs. 380.01 crore and total comprehensive loss (before consolidation adjustments) of Rs. 343.74 crore for the quarter ended June 30, 2022, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
- iii) Certain of these branches and subsidiaries referred to above are located outside India whose interim financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been reviewed by the branch auditors and other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the interim financial information of such branches and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's Management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches and subsidiaries located outside India is based on the report of such other auditors and the conversion adjustments prepared by the Management of the Holding Company and reviewed by us.
- iv) The Statement includes the interim financial results of 17 subsidiaries which have not been reviewed, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. Nil and total net loss after tax (before consolidation adjustments) of Rs. 2.55 crore and total comprehensive loss (before consolidation adjustments) of Rs. 1.84 crore for the quarter ended June 30, 2022, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial results of the subsidiaries are not material to the Group.
- v) Attention is drawn to the fact that the figures in the Statement for the quarter ended June 30, 2021, included in the Statement were reviewed by a firm of Chartered Accountants other than Kalyaniwalla & Mistry LLP, Chartered Accountants. The previous auditors have expressed a modified conclusion for the said period vide their limited review report dated September 15, 2020, which have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

- vi) Attention is drawn to the fact that the figures for the quarter ended March 31, as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full financial year ended March 31 and the published year to date figures up to the end of the third quarter of the relevant financial year. The figures up to the end of the third quarter have only been reviewed by us and not subjected to audit.

Our conclusion on the Statement is not modified in respect of the above matters.

***For KALYANIWALLA & MISTRY LLP***

***CHARTERED ACCOUNTANTS***

Firm Regn. No.: 104607W / W100166

*Daraius Z. Fraser*

***PARTNER***

M. No.: 42454

UDIN: 22042454AMRDUC1462

Mumbai: July 12, 2022.

**Sterling and Wilson Renewable Energy Limited** (formerly known as Sterling and Wilson Solar Limited)

CIN:L74999MH2017PLC292281

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

**Statement Of Unaudited Consolidated Financial Results For The Quarter Ended 30 June 2022**

(₹ in crore)

Sr No.	Particulars	For the quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) (Refer Note 5)	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
1	<b>Income</b>				
	Revenue from operations	1,206.93	1,071.03	1,194.63	5,198.94
	Other income	4.13	23.44	32.57	94.70
	<b>Total Income</b>	<b>1,211.06</b>	<b>1,094.47</b>	<b>1,227.20</b>	<b>5,293.64</b>
2	<b>Expenses</b>				
	Cost of construction materials, stores and spare parts	893.32	339.41	460.30	2,419.44
	Changes in inventories of stock-in-trade	-	-	-	-
	Direct project costs	493.36	790.65	674.92	3,235.52
	Employee benefits expense	60.18	55.33	54.60	227.89
	Finance costs	14.66	18.83	12.52	76.71
	Depreciation and amortisation expense	3.46	3.82	3.08	14.67
	Other expenses	103.94	9.88	108.52	229.57
	<b>Total Expenses</b>	<b>1,568.92</b>	<b>1,217.92</b>	<b>1,313.94</b>	<b>6,203.80</b>
3	<b>(Loss) before tax (1 - 2)</b>	<b>(357.86)</b>	<b>(123.45)</b>	<b>(86.74)</b>	<b>(910.16)</b>
4	<b>Tax Expense</b>				
	- Current tax	-	1.09	0.25	-
	- Current tax relating to earlier period / year	2.06	3.70	(0.93)	3.70
	- Deferred tax charge / (credit)	(3.93)	(1.63)	(10.04)	1.90
5	<b>(Loss) for the period / year (3 - 4)</b>	<b>(355.99)</b>	<b>(126.61)</b>	<b>(76.02)</b>	<b>(915.76)</b>
6	<b>Other comprehensive income for the period / year</b>				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit liability	0.15	1.35	0.07	1.55
	- Income tax relating to items that will not be reclassified to profit or loss	-	(0.10)	(0.02)	(0.15)
	Items that will be reclassified to profit or loss				
	- Effective portion of (losses) / gain on hedging instruments in cash flow hedges	23.71	(17.73)	9.84	21.39
	- Effective portion of (gain) / losses on hedging instruments in cash flow hedges reclassified to profit	(1.41)	(13.05)	80.44	55.13
	- Income tax relating to items that will be reclassified to profit or loss	(5.13)	7.76	(22.30)	(17.65)
	- Exchange differences in translating financial statements of foreign operations	28.52	(9.43)	1.58	9.89
	<b>Other comprehensive income for the period / year (net of income tax)</b>	<b>45.84</b>	<b>(31.20)</b>	<b>69.61</b>	<b>70.16</b>
7	<b>Total comprehensive (loss) for the period / year (5 + 6)</b>	<b>(310.15)</b>	<b>(157.81)</b>	<b>(6.41)</b>	<b>(845.60)</b>
8	<b>(Loss) / Profit for the period / year attributable to:</b>				
	- Owners of the Company	(353.91)	(126.30)	(76.12)	(909.46)
	- Non-controlling interests	(2.08)	(0.31)	0.10	(6.30)
9	<b>Other comprehensive income for the period / year (net of tax) attributable to:</b>				
	- Owners of the Company	44.94	(30.83)	70.12	70.59
	- Non-controlling interests	0.90	(0.37)	(0.51)	(0.43)
10	<b>Total comprehensive (loss) for the period / year attributable to:</b>				
	- Owners of the Company	(308.97)	(157.13)	(6.00)	(838.87)
	- Non-controlling interests	(1.18)	(0.68)	(0.41)	(6.73)
11	Paid-up equity share capital (face value ₹ 1/-)	18.97	18.97	16.04	18.97
12	Other equity				897.79
13	Earnings per equity share (EPS) (of ₹ 1 each) (not annualised)				
	(a) Basic	(18.66)	(5.44)	(4.75)	(54.21)
	(b) Diluted (Refer note 12)	(18.66)	(5.44)	(4.75)	(54.21)
	See accompanying notes to the Unaudited consolidated financial results				



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

**Unaudited Consolidated Segment-Wise Revenue, Assets, Liabilities And Capital Employed For The Quarter Ended 30 June 2022**

(₹ in crore)

Particulars	For the quarter ended			Year ended
	30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
	(Unaudited)	(Audited) (Refer Note 5)	(Unaudited)	(Audited)
<b>Segment Revenue</b>				
EPC business	1,162.01	1,019.03	1,133.40	4,974.46
Operation and maintenance service	44.03	50.50	61.22	222.92
<b>Total</b>	<b>1,206.04</b>	<b>1,069.53</b>	<b>1,194.62</b>	<b>5,197.38</b>
Other operating income	0.89	1.50	0.01	1.56
<b>Revenue from operations</b>	<b>1,206.93</b>	<b>1,071.03</b>	<b>1,194.63</b>	<b>5,198.94</b>
<b>Segment Results</b>				
EPC business	(181.06)	(62.87)	(39.22)	(584.75)
Operation and maintenance service	3.19	0.69	21.39	55.45
<b>Total</b>	<b>(177.87)</b>	<b>(62.18)</b>	<b>(17.83)</b>	<b>(529.30)</b>
Add: Unallocable income	2.25	20.87	29.35	87.38
Less: Unallocable expenditure	(182.24)	(82.14)	(98.26)	(468.24)
<b>Total profit before tax</b>	<b>(357.86)</b>	<b>(123.45)</b>	<b>(86.74)</b>	<b>(910.16)</b>
<b>Segment Assets</b>				
EPC business	2,477.12	2,379.11	1,662.32	2,379.11
Operation and maintenance service	108.26	117.98	169.88	117.98
Unallocated	738.28	1,002.90	1,577.74	1,002.90
<b>Total</b>	<b>3,323.66</b>	<b>3,499.99</b>	<b>3,409.94</b>	<b>3,499.99</b>
<b>Segment Liabilities</b>				
EPC business	2,132.00	1,982.14	2,076.42	1,982.14
Operation and maintenance service	34.98	38.83	80.21	38.83
Unallocated	560.36	573.19	601.91	573.19
<b>Total</b>	<b>2,727.34</b>	<b>2,594.16</b>	<b>2,758.54</b>	<b>2,594.16</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>				
EPC business	345.12	396.97	(414.10)	396.97
Operation and maintenance service	73.28	79.15	89.67	79.15
Unallocated	177.92	429.71	975.83	429.71
<b>Total</b>	<b>596.32</b>	<b>905.83</b>	<b>651.40</b>	<b>905.83</b>



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CIN:L74999MH2017PLC292281

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

**Notes to Unaudited Consolidated Financial Results For The Quarter Ended 30 June 2022**

**Notes :**

- The above unaudited 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 respective meetings held on 12 July 2022. These unaudited 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.
- The above unaudited consolidated financial results have been subjected to a limited review by the statutory auditors of the Sterling and Wilson Renewable Energy Limited ('Parent Company' or 'Holding Company'). The auditors have expressed an unmodified conclusion in the review report for the quarter ended 30 June 2022.
- Financial results of Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Limited) (Standalone information):

Particulars	For the Quarter ended			Year ended
	30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
Total Income	819.80	639.93	879.65	3,561.89
(Loss) before tax for the period / year	(101.96)	(67.87)	(45.10)	(205.42)
(Loss) for the period / year	(104.02)	(58.05)	(35.16)	(167.52)

- The Holding Company and its Subsidiaries ('the Group') is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Renewable Energy Power projects. The Holding Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Engineering, Procurement and Construction (EPC) business and Operation and Maintenance Service based on analysis of certain performance indicators viz. Gross margin, Profit after tax. Accordingly, the Group has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:
  - Engineering, Procurement and Construction business ('EPC business'); and
  - Operation and Maintenance Service.

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

- The figures for the quarter ended 31 March 2022 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the previous financial year.

- During the year ended 31 March 2022, the Holding Company has signed an Indemnity Agreement with Shapoorji Pallonji and Company Pvt. Ltd., Khurshed Yazdi Daruvala (jointly the "Promoter Selling Shareholders") and Reliance New Energy Limited (formerly Reliance New Energy Solar Limited) pursuant to which, the Promoter Selling Shareholders would indemnify and re-imburse the Holding Company and its subsidiaries/branches for a net amount, if it exceeds Rs 300.00 crore, on settlement of liquidated damages pertaining to certain identified past and existing projects (as on the date of signing the aforementioned agreements), old receivables, direct and indirect tax litigations as well as certain legal and regulatory matters. These amounts would be settled by 30 September 2022 and thereafter on 30 September of each succeeding year, on the basis of the final settlement amounts with customers/suppliers/other authorities. Consequently, trade receivables from the customer undergoing a resolution process under the supervision of the National Company Law Tribunal ('NCLT') and bank guarantees encashed by certain customers would also be recoverable from the Promoter Selling Shareholders once crystallized, if not recovered from the customers. The Promoter Selling Shareholders are consequently entitled to net off the amounts payable, with specific counter-claims levied and recovered by the Holding Company and its subsidiaries/branches on its customers/vendors relating to these matters. As at 30 June 2022, the Holding Company and its subsidiaries/branches have made provisions equivalent to Rs 300.00 crore. As explained above, since all future crystallized claims beyond the amount provided for Rs 300.00 crore will be fully charged back and recovered from the Promoter Selling Shareholders, there will be no further impact on the results of the Holding Company and its subsidiaries/branches.

- The Holding 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 Holding Company Rs 92.45 crore. In addition, an amount of Rs 64.10 crore under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by Holding 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 Holding Company's bank citing prevention against doing the same due to the NCLT order, and the Holding Company had to return the amount back to its bank.

During the year ended 31 March 2020, the Holding Company had initiated legal proceedings in both these matters, which are now pending with the National Company Law Appellate Tribunal.

The Holding Company had 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 Rs 92.45 crore and Rs 64.10 crore is shown under the head Trade Receivables and Other Financial Assets, respectively. Both of the above are covered under the Indemnity Agreement as referred in Note 6 above.

Basis the aforementioned legal opinions 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 Rs 31.33 crore as at 30 June 2022 (31 March 2022: Rs 31.33 crore), based on Management's best estimate of collection of the aforementioned receivables as at 30 June 2022.

This matter is also covered by the Indemnity Agreement (Refer note 6).

**Notes to Unaudited Consolidated Financial Results For The Quarter Ended 30 June 2022 (Continued)****Notes : (Continued)**

- 8(a) A Subsidiary Company of the Group has terminated the contract with a significant subcontractor in a particular geography for delays and default of its obligations under the contract. The Subsidiary has filed a legal suit to claim the surety bond value of Rs 243.34 crore (USD 30.87 Million), which is submitted by the sub-contractor for performance of works. The surety bond value would cover the expected increase in cost to complete the sub contractor's scope of work of Rs 170.03 crore (USD 21.57 Million) and the balance would be on account of back charge of liquidated damages claim from a customer. The subcontractor has filed a lien on the project seeking a counter claim on the Group for approximately Rs 149.77 crore (USD 19 Million) which has been refuted by the Management. The Group is in the process of obtaining a release of this lien. In the opinion of the Management, as well as external legal opinion obtained, the subcontractor's claim is not tenable and accordingly, based on Management's best estimate, no provision is required to be made for the same. Rs 14.98 crore (USD 1.90 Million) has been incurred towards cost to complete the sub contractor's scope of work till date.
- 8(b) Rs 9.22 crore (USD 1.17 Million) has been incurred towards cost of remediation works undertaken by a Subsidiary Company due to defective parts supplied by a supplier. The Subsidiary has made a claim of Rs 76.46 crore (USD 9.7 Million) towards the expected remediation costs, liquidated damages due as per supply agreement and back charge of liquidated damages from the customer and holds the supplier's surety bond of value Rs 12.14 crore (USD 1.54 Million). The management is confident that the amount is fully recoverable.
- 9 During the year ended 31 March 2021, a significant subcontractor in a particular geography filed for bankruptcy. The subcontractor has levied a claim on a Subsidiary Company for approximately Rs 89.01 crore which has been refuted by the Management. The Subsidiary Company has filed a counter claim on the subcontractor for an amount of Rs 172.22 crore for non-compliance with contractual obligations. In the opinion of the Management, the subcontractor's claim is not tenable and accordingly, based on Management's best estimate, no provision is required to be made for the same.
- 10 During the year ended 31 March 2022, four customers of the Holding Company encashed advance and performance bank guarantees amounting to Rs 588.51 crore. Three of the projects are completed and the last one is about 90% completed as of 30 June 2022. The Senior Management of the Company had several rounds of discussions with the customers and are actively engaged to resolve the matter. The Holding Company has finalized Settlement Agreements with two customers, on the basis of which the amount of Rs 319.39 crore was refunded. Similar Settlement Agreements are under discussion for the other two projects. Based on the current ongoing discussions, the Management is hopeful that the issue will be resolved amicably, and accordingly there is no need to make provision for the same during the quarter ended 30 June 2022.
- 11 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification.
- 12 The Group has incurred a loss for the quarter ended 30 June 2022 and accordingly, the effect of potential equity shares to be issued would be anti-dilutive.
- 13 The results of the Group are available for investors at [www.sterlingandwilsonre.com](http://www.sterlingandwilsonre.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

BY ORDER OF THE BOARD OF DIRECTORS  
For Sterling and Wilson Renewable Energy Limited  
(formerly known as Sterling and Wilson Solar Limited)

**Khurshed Daruvala**  
Chairman  
DIN: 00216905  
Date : 12 July 2022  
Place : London