STERLING & WILSON

September 07, 2021

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

Sub.: **Annual Report of Sterling and Wilson Solar Limited** ("the Company") **for the Financial Year 2020-21 along with the Notice of the 4th Annual General Meeting** ("4th AGM")

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

Dear Sir/ Ma'am,

Pursuant to Regulation 30 and Regulation 34 of the SEBI Listing Regulations, please find enclosed herewith the Annual Report of the Company for the Financial Year 2020-21 along with the Notice of the 4th AGM of the Members of the Company. The Notice of the 4th AGM is given on Page nos. 33 to 44 of the Annual Report.

Further, in accordance with Circular No. 02/2021 dated January 13, 2021 read with Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2021 issued by the Ministry of Corporate Affairs and circular dated May 12, 2020 and January 15, 2021 issued by the Securities and Exchange Board of India; we wish to inform you that:

1) the 4th AGM of the Company will be held on **Thursday, September 30, 2021** at **04:30 p.m.** (IST) through Video Conferencing ("VC")/ Other Audio - Visual Means ("OAVM"); and
2) the Notice of the 4th AGM along with the Annual Report is being sent today, only by electronic mode to those Shareholders whose email address is registered with the Depository Participant(s)/ the Company/ the Company's Registrar and Share Transfer Agent. The Notice of the 4th AGM of the Company *inter alia* indicates the process and manner of remote e-voting/ e-voting at the 4th AGM and instructions for participation at the 4th AGM through VC/ OAVM.

The said Annual Report and Notice of 4th AGM are also available on the website of the Company at www.sterlingandwilsonsolar.com under the tab "Investor Relations".

Also, the agenda items proposed to be taken up at the 4th AGM are as follows:

Sr. No.	Agenda item	Resolution to be passed
1	a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, and the report of the Board and the Auditors thereon.	Ordinary Resolution
	b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, and the report of the Auditors thereon.	

Sr. No.	Agenda item	Resolution to be passed
2	To appoint a Director in place of Mr. Bikesh Ogra (DIN: 08378235), Non-Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution
3	To approve the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, as Statutory Auditors of the Company to fill casual vacancy.	Ordinary Resolution
4	To approve the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, as Statutory Auditors of the Company for a term of five years.	Ordinary Resolution
5	To approve appointment of Branch Auditors.	Ordinary Resolution
6	To approve change in name of the Company from Sterling and Wilson Solar Limited to "Sterling and Wilson Renewable Energy Limited" and consequent amendment to Memorandum and Articles of Association of the Company.	Special Resolution

Request you to take the same on records.

Thanking you.

Yours faithfully,
For Sterling and Wilson Solar Limited

Jagannadha Rao Ch. V.
Company Secretary & Compliance Officer
Encl.: As above

STERLING & WILSON

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Sterling and Wilson Solar Limited

STERLING & WILSON

Towards Resilient Growth

Annual Report

2020-21

WHAT'S INSIDE

To download this report or to read online log on to
www.sterlingandwilsonsolar.com

Towards Resilient Growth

Greater disruptions present greater opportunities and bring out the best in each one of us.

Sterling and Wilson Solar Limited is a journey of grit, perseverance, will and – above all – a strong vision and conviction. Despite these unprecedented and challenging market circumstances, we stood the test of time, persevered, had the will of steel and the desire to excel at all points of time.

As we enter this decade stronger than ever, we are acting now to reshape a sustainable and resilient future. We are strategically strengthening our business portfolio in domestic and existing international markets, besides exploring newer geographies with the strategic promise of growth opportunities.

To strengthen ourselves has never been more important than in the current challenging circumstances. We are charging ahead on the back of a healthy order book and our growing O&M business with improved margins. Our strong track record of executing complex and large-scale EPC projects, hub and spoke business model, strong relationship with customers, suppliers and lenders, quick decision-making process, helps us in timely execution of our projects.

As an Indian multinational and leading engineering, procurement and construction (EPC) contractors, we deliver sustainable solutions around the world. We remain committed to lead the global transition towards low carbon energy. Being an intrinsic part of the essential solar operations and maintenance (O&M) service industry, we are delivering optimum plant performance around the world.

Our Performance

₹ 4,826 crore
Revenue of EPC business

₹ 252 crore
Revenue of O&M business

Up 37%

We have the experience of building resilient and profitable businesses with very strong business models that are well prepared to meet extraneous challenges and push forward with our long-term strategic plans.

Lighting Up the World

About Us

We are a pure-play EPC player with a global portfolio of more than 11.4 (GWp) of solar photovoltaic (PV) projects commissioned and under construction. We also manage a portfolio of 8.1 GWp of operations and maintenance projects globally.

With an asset-light business model, we have established a presence in more than 24 countries across the world, providing EPC services primarily for utility-scale solar power projects with a key focus on project design and engineering.

Our Legacy

We are a part of the Shapoorji Pallonji (SP) Group, a global conglomerate with 150+ years of experience and expertise in project management and efficient execution.

Turnkey EPC Solutions

We are one of the leading turnkey EPC solution providers internationally, with project management, engineering and delivery expertise of 11.4 GWp of diversified energy offerings across geographies, along with our consortium partners. We remain committed to deliver our projects on-time, fully complying with stringent international quality and safety standards.

Concept to Commissioning

We manage all aspects of project execution from conceptualising to commissioning. We also provide Operations and Maintenance (O&M) services, including for projects constructed by third parties.

Our End-to-End Solutions

- Design
- Engineering
- Procurement
- Construction
- Connecting solar project to electricity grid
- Commissioning
- Testing
- Project Management

Key Numbers

256
Total EPC Projects

216 Projects
commissioned; 40 projects under construction

₹ 7,936 crore
Order Book

11.4 GWp
Strong and robust EPC portfolio

183
O&M Projects across 9 countries

51%
Third-Party O&M contracts

₹ 9,127 crore
Gross Unexecuted Order Value*

8.1 GWp
O&M portfolio (including third-party contracts)

24
Number of countries we are present in

1,400+
Solar professionals onboard

*Due to increase in module and commodity prices, there are orders worth approximately ₹ 2,030 crore for which there are on-going discussions with the customers for a revision in prices and timelines. These projects have not commenced and are a part of the UOV given above.

580 MWp, Bhadla, Rajasthan

Chairman's Message to Shareholders

Dear Shareholders,

It is my privilege to present to you the Report for FY 2020-21. I hope you and your families are safe and doing well.

Over the last year, the COVID-19 pandemic and the ensuing emergency disrupted the world order and challenged us to adapt. The intensity of the pandemic has been such that it has devastated lives and livelihoods. Myself and my colleagues on the Board offer our sincere condolences to all those whose lives have been affected by this pandemic.

The year under review had an exceptional impact both on the Company and on the world at large. As global growth across sectors slowed down due to nationwide lockdowns, India was affected as much as the rest of the world by the phenomena. And just when we thought normalcy was being restored and the pace of the economy picking up, the second wave hit India in March 2021.

Despite unprecedented challenges, our strong balance sheet, growth momentum, scaled up digital systems, efficient teams and focused strategies uniquely positioned us to deal with the crisis and helped our customers navigate the new normal. Our goal is to stay ahead, keep moving forward and leverage our strengths to chart a steady course in these turbulent times.

Passing the Baton

During the year, Mr. Bikesh Ogra expressed his desire to assign day-to-day business operations to the next level of leadership teams. He will continue as a Director on the Board of the Company and focus more on business strategy and organisational development, including mentoring and guiding the senior executives to ensure sustainability and overall growth of the Company. The Company takes this opportunity to express its sincere appreciation to Mr. Bikesh Ogra for his efforts in taking the business to a global level.

Mr. Amit Jain has since taken over the global operations from Mr. Ogra and we are delighted to have elevated him to the position of Global CEO. His rich experience in the EPC space across geographies coupled with his expertise in building long-term partnerships will be invaluable. We are confident he will be the right leader, given his strong command of business and proven ability to drive results in our largest market. This will not only strengthen our leadership team but also fortify our vision and bring in better synergies with various stakeholders.

Employee Well-Being

Last year, when the pandemic broke out, we swiftly implemented remote working for each employee. I am glad to acknowledge that employees, through these unprecedented times, have continued to display unstinted commitment and dedication towards their work. During the year, the Company took several initiatives towards employee well-being ranging from expert help in mental health to maintaining work-life balance. We continue to engage with our employees as they navigate the new but unusual standard that is Work from Home.

Our Performance

At Sterling and Wilson Solar Limited (SWSL), we are deeply passionate about the renewable industry and continue to strive towards making a valuable contribution to the world's transition to a low-carbon energy future. Our total portfolio today stands at 11.4 GWp, including completed and under-construction projects, while our O&M portfolio stands at 8.1 GWp, as of March 2021. During FY 2021-22, we are hopeful of bagging significant orders, and will be bidding for nearly 15 GWp of projects across key markets.

During the year under review, our order inflow stood at ₹ 7,936 crore (1.97 GW), higher by 72% as compared to the restated FY 2019-20 order book of ₹ 4,602 crore. Gross unexecuted order value as on March 31, 2021, stood at ₹ 9,127 crore, executable over the next 12-15 months. Our current bid pipeline continues to remain strong. Our revenue from operations stood at ₹ 5,081 crore, as against ₹ 5,575 crore in FY 2019-20. Cash flow from operations was ₹ 201 crore, down from ₹ 338 crore in the previous year. However, our term debt reduced to ₹ 138 crore as on March 31, 2021.

> "I believe Sterling and Wilson Solar Limited is well positioned to reap the benefits of the efforts that have been taken in the last year.

The Company met with 14.3% tendering success during the year. We also maintained a strong focus on the O&M business, a US$ 4 billion business worldwide, which is set to increase to US$ 9 billion by 2024. Revenue from our O&M vertical increased 37% to ₹ 252 crore.

Increase in raw material prices and input costs proved to be a stumbling block. Our overall financial performance was impacted due to a one-off event relating to the bankruptcy of a prime sub-contractor in Australia, increase in price of solar modules and commodities, higher freight cost and provision for liquidated damages on account of delays due to COVID-19. Prices of modules jumped by 16.3% in the six months ending March 2021, on account of a significant increase in the cost of polysilicon, a key raw material. Prices of aluminium, copper and steel also soared along with freight costs. We have been working with our clients to mitigate these issues.

Our Inherent Strengths

Today, the Company is the only pure-play global solar EPC player with rich operational experience and significant presence worldwide. Due to the strong parentage of the Shapoorji Pallonji Group, we have the ability to bid for projects of very large capacities. We have an asset-light business model with negative to low working capital requirements and very low fixed overheads. Our strong track record of executing complex and large-scale EPC projects has resulted in higher customer retention and a large percentage of repeat orders.

Our hub-and-spoke business model enables us to manage the complete supply chain including design and engineering from India and Dubai, providing us a cost advantage. The strong relationships we hold with top strategic global developers and other key stakeholders, such as engineers, suppliers, consultants and lenders, help us position ourselves as a preferred and efficient EPC player as well as build a strong global network. Additionally, we have a highly competent design and engineering team of 175 people, that enables us to provide innovative, efficient and cost-effective solutions to challenging problems.

Geographical Presence

Our global presence and local capabilities play a significant role in Sterling and Wilson Solar Limited becoming one of the world's leading solar EPC companies. We managed to secure good projects as we entered new markets and boosted our presence in developed markets to diversify our order book. During the year, we became the first Indian company to commission a solar PV project in Oman. This project will contribute to the country's vision by powering 15,000 homes, thus reducing annual CO_2 emissions by over 2,25,000 tonnes - equivalent to taking 23,000 cars off the road.

We spread our business to margin-accretive geographies and maintained a strategic focus on markets with conducive solar policies, high solar resources and long-term solar opportunities. After having bagged large orders in Australia, our next target market will be Europe, which has enormous opportunities and business potential. We also have projects in India, Jordan, Kenya and Chile, besides bidding in regions that allow for the ease of doing business such as APAC, Europe, and North and South America.

Our key focus areas, however, will continue to be the Americas, Australia and India, given the higher growth opportunities. About 90% of our EPC and O&M business is currently from these three geographies.

A Positive Future Beckons

Our deep-seated commitment to lead the world's transition to clean energy in addition to our expertise and operational experience makes us future positive. Considering our existing order book pipeline, along with foreseeable future business, we expect our turnover and profitability in FY 2021-22 to be better than the last fiscal, provided the COVID-19 situation doesn't further escalate in our target markets. We will continue to dominate the solar EPC space in the fashion that we have historically, as well as augment our geographical presence that helps us maintain an overall global leadership position in terms of market share.

Looking Ahead

I believe Sterling and Wilson Solar Limited is well positioned to reap the benefits of the efforts that have been taken in the last year. As I look ahead, I am optimistic of the enormous opportunity that lies ahead and very excited about the journey that we will embark upon together.

I would like to extend a sincere thank you to our Board of Directors, employees, customers, investors, channel partners and the wider community for placing their trust and confidence in us during these ever-challenging months. We draw inspiration from your support as we keep moving towards newer milestones.

Warm Regards,
Khurshed Yazdi Daruvala
Chairman

Time for Brave and Ingenious Action

The COVID-19 induced lockdown in the wake of the pandemic disrupted global supply chains, delayed projects and created a shortage of labour. The solar sector, one of the prime enablers in the government's bid to achieve clean energy, was not left unscathed by this unprecedented crisis of modern times. Yet, tough times call for strong measures. We moved forward and combatted the crisis during this challenging time.

Providers of EPC solutions, like every other industry, faced immediate challenges such as shortage of manpower, adherence to social distancing norms and lack of equipment. When prolonged, the lockdown brought economic activities to a grinding halt. This chapter broadly discusses the impact of the pandemic on our business and how we combatted this disruption.

Supply Chain Disturbance

EPC contracts are meticulously intricate and detailed, and encompass all aspects of a solar project from design and equipment procurement to construction, along with some performance guarantees. Hence, smooth flow in the supply chain is critical to timely project completion. Naturally, disruption in the supply chain due to the pandemic impacted project execution and delivery. We faced challenges like closed borders, restricted movements and shortage of labour. We also had to endure hurdles in project execution in United States, Australia, Latin America, Africa and Middle East. However, solar projects in countries like Australia and Chile were not significantly affected and work continued, albeit at a slower pace. In countries like India, Jordan and Kenya, work came to a grinding halt in the initial few months of the lockdown. The process of lifting the lockdown commenced gradually when governments gained control over the COVID-19 pandemic. As restrictions were eased, our proactive approach saw us ready to resume construction activities. Following resumption of business and supply of solar PV panels and other critical equipment, project execution picked up pace in the second half of the year.

Impact on Project Cost

Project delays due to COVID-19 and increase in prices of PV modules negatively impacted our project cost.

Engaged with Customers

We reached out to our customers during the pandemic and engaged with them on a regular basis. We focused on reimagining the customer experience and leveraged our capabilities to adapt to the fast-changing environment. We ensured remote monitoring and maintenance of solar plants. We enabled constant communication and uninterrupted support for all our projects to ensure that critical operations were not stalled. Through our innovative delivery model and digital-led experience, we helped customers navigate the pandemic safely and effectively.

Training Locals in Project Work

In India, to ensure business continuity and overcome labour shortage on account of the lockdown, when migrant workers returned to their villages, we employed out-of-work locals and trained them to work on our projects instead. We created local communities in each region and provided online training for them to acquire the necessary skills and commence work.

Employee Safety – Our Key Priority

We implemented work from home, help desks at regional centres and workstations. We also incorporated UYOD (Use Your Own Device) policy to enable individuals to use personal laptops, with necessary precautions to ensure data safety. The management's prompt efforts ensured that not a single day was lost at the sites worldwide due to the threat of COVID-19 transmission. Our efforts at mitigating pandemic risks are an extension of our efforts to harmonise health and safety at our workplaces.

Safety at Work and Our Neighbourhood

As an EPC, we are at the forefront of the renewable power sector's efforts in creating safe workplaces for our employees. We spread awareness on COVID-19 even beyond our project walls. We collaborated with local authorities across geographies to organise awareness campaigns, distribute masks, created hand sanitation stations and related resources for the local community. Through proactive measures, including isolation of suspected cases, social distancing, contact tracing and effective sanitisation, we controlled the disruption due to infection transmission, which remained at a manageable level within our sites.

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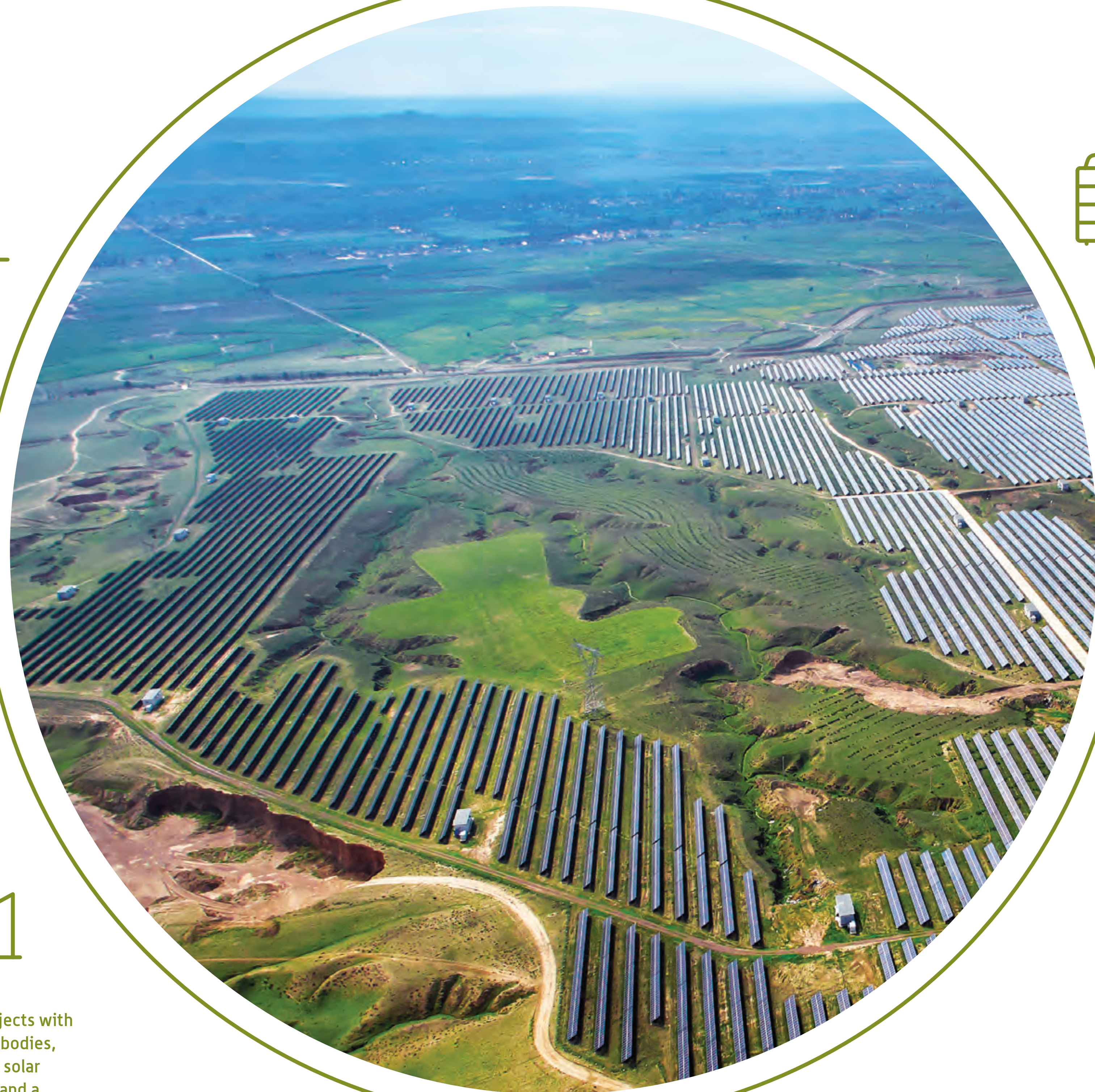
Customised EPC and O&M Solutions



1
Utility-Scale
Providing EPC services for utility-scale solar power projects, offering a complete range of turnkey and Balance of System (BoS) solutions

2
Floating Solar
Providing floating solar projects with capability to float on water bodies, powered by high efficiency solar panels installed on floaters and a floating substation

3
Solar & Energy Storage
Providing competitive and comprehensive Solar PV and Energy Storage Solutions with the lowest possible LCOE, satiating the need for flexible and dispatchable solar energy

4
Operations & Maintenance
Providing Operations & Maintenance (O&M) services, including for projects constructed by third parties

Key Milestones on a Unique Journey

FY 2011

- Ventured into Solar EPC business in India

FY 2014

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

FY 2015

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

FY 2016

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

FY 2017

- Demerged Sterling and Wilson Solar from the Sterling and Wilson Group, focusing on pure-play solar EPC business
- Expanded operations in the USA
- Bagged the world's largest single-location EPC project order of 1.18 GWp capacity in Abu Dhabi

FY 2018

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

FY 2019

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

FY 2020

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

FY 2021

- Order inflow touched 1.97 GW; Contracted O&M business of 8.1 GW
- Opened new office in Seville, Spain to leverage market opportunities in Europe

Our Board of Directors

Khurshed Yazdi Daruvala
Chairman and
Non-Executive Director

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

Pallon Shapoorji Mistry
Non-Executive Director

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

Bikesh Ogra
Non-Executive Director

Bikesh Ogra holds a bachelor's degree in electrical engineering from NIT Durgapur and is an industry veteran with over 24 years of experience in the niche EPC sector. He has been a long serving member of the Sterling and Wilson Group and was entrusted with the responsibility of developing the solar business when it was established in 2011. He has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

Keki Manchersha Elavia
Independent Director

Keki Elavia holds a bachelor's degree in commerce from the University of Mumbai and is a practising Chartered Accountant. He is a fellow member of the ICAI. He has, in the past, served as a partner of Kalyaniwalla & Mistry, Chartered Accountants and S.R. Batliboi & Co, Chartered Accountants. He has over 41 years of experience in Audit and Finance related matters and has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

Arif Salef Doctor
Independent Director

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

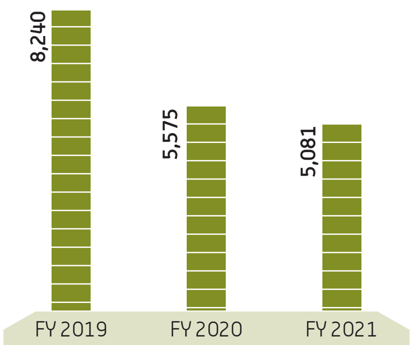
Rukhshana Jina Mistry
Independent Director

Rukhshana Mistry is a practising Chartered Accountant with over 30 years of experience. She has been on the Board of Sterling and Wilson Solar Limited since March 27, 2019.

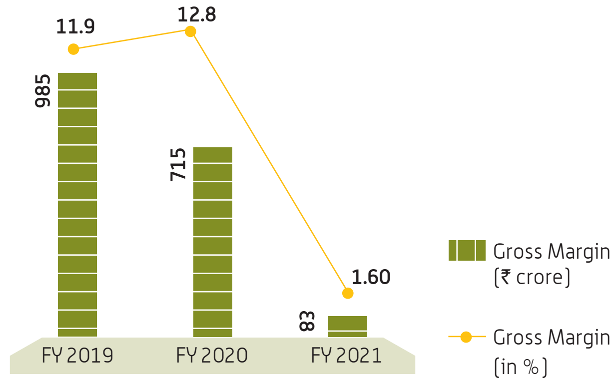
Our Resilient Performance

Key Financial Numbers – FY 2020-21

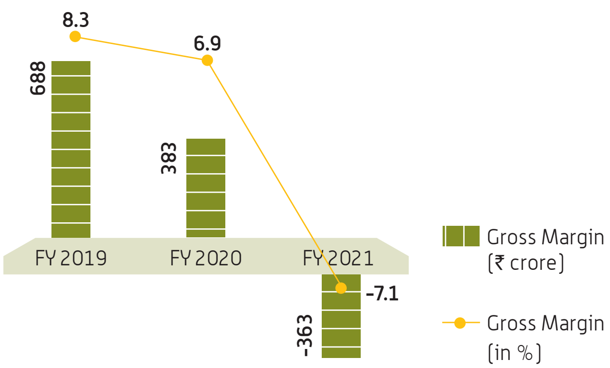
Revenue from Operations (₹ crore)



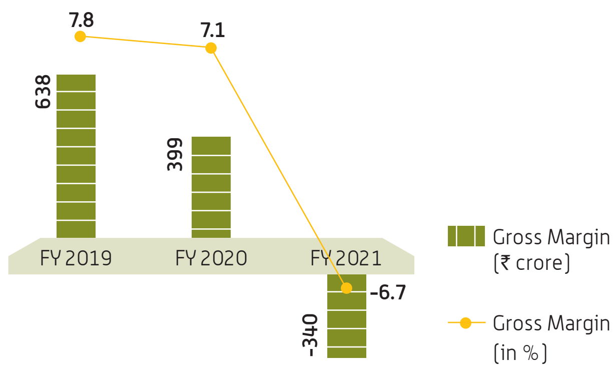
Gross Margin



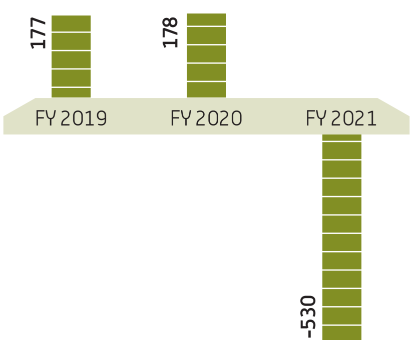
Operating EBITDA and EBITDA Margin



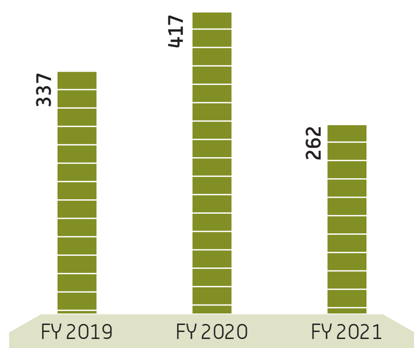
Profit Before Tax (PBT) and PBT Margin



Core Working Capital (₹ crore)



Net Cash Flow Generated from Operating Activities (₹ crore)



Operational Highlights of FY 2020-21

₹ 7,936 crore
Order Book of 1.97 GW, higher by 72% from FY 2019-20

Gross Unexecuted Order Value of
₹ 9,127 crore

Reduced recurred overheads due to cost efficiency measures and reduced cost of travel

Borrowings from banks include term debt of ₹ 138 crore and working capital of
₹ 468 crore

Decrease in borrowings is on account of repayment of inter-corporate deposits and Cash Flow from Operations

Constituted
51%
of third-party contracts for O&M

Contracted
8.1 GW
O&M business for
183 sites

O&M revenue increased
37% at
₹ 252 crore
vis-à-vis ₹ 184 crore earlier

O&M EBIT margin stood at
39.5% compared to 48.3% in FY 2019-20

Constitutes
4.9% of revenue, compared to 3.3% in FY 2019-20

Reinforcing Leadership in Americas

Our key focus is to become a significant player in North and South America, two of the largest renewable energy markets in the world. We have established a visible presence in these regions over the past few years by setting up a project management team. There have been major order wins and large projects procured in this region.

Successful delivery of major utility-scale projects has catapulted us among the leading solar EPC players in the United States and Latin America. With better customer acceptability, we have achieved increased traction from established IPPs.

Our American subsidiary won a large repeat order worth US$ 121.7 million (₹ 890 crore) from a leading sustainable energy company in the Pacific Northwest region of USA.

The order for turnkey execution, operation and maintenance of the solar project, is scheduled to be commissioned by March 2022. It will be managed by our strong team of talented professionals based in Western USA.

3.26 MWp, Oregon, USA

1.2 GWp
Cumulative order book in Americas

America Renews Commitment for Renewables

Our focus on the solar space in US leverages on the new administration's renewed commitment for renewable energy. We have capitalised on the government's additional thrust to grow solar power capacities that includes re-joining the Paris Climate Accord, investing US$ 2 trillion in clean energy, and fully decarbonising the power sector by 2035. We are confident that as a global solar EPC company with state-of-the-art technology and project execution capabilities, we are well poised to be a significant player in this energy transition. We continue to eye multiple opportunities, upholding our aim of becoming a key player in one of the largest renewable markets globally.

Spotlight on Latin America

Latin America continues to be a key focus region, as we sprint ahead in the global race of energy transition. At Sterling and Wilson Solar Limited, we are demonstrating our capabilities in this region with a strong commitment, reaping rich benefits with prestigious project wins. We have commissioned one project in Argentina of 93.3 MWp. We are well-established in Chile - one of Latin America's fastest-growing economies - with a cumulative order book of 674.64 MWp. During the year, we won two projects of 192.64 MWp valued at US$ 119.01 million. We now have six projects in Latin America, five being in Chile, that makes us one of the leading players in the region. We are also looking to participate in other parts of South America like Guatemala, Honduras, Colombia, and to explore the huge solar market in Brazil.

Strong Presence in Australia's Renewable Market

We are determined to maintain our leadership position in Australia, contributing to its mission of clean energy. We have been executing large-scale builds in an industry critical for Australia's economic future and for the world in decarbonising the globe, stimulating greater investment in solar and providing green energy jobs to people in the region.

At Sterling and Wilson Solar Limited, our vision is to maintain our market leadership in the EPC space, due to our capabilities and value propositions, while contributing to Australia's mission of clean energy.

Although, the pandemic affected our EPC works, caused delays and increased project cost, we overcame all of that.

Today, our total order book in Australia stands at around AUD 1.2 billion, with five large-scale solar projects and a portfolio of more than 1.1 GWp, making us the largest solar EPC player in the region. These projects were secured from global IPPs.

US$ 870 million
Order book in Australia

Powering Australia

Even as we work on creating well-engineered solar farms providing power to Australia, we are confident of a substantial portion of our international revenues coming from this market. Our order inflow has been rising sharply in Australia, with a growing footprint. Our Down Under foray with multiple solar power projects includes the ongoing 200 MWp Wellington Solar Farm and a large-scale solar farm in New South Wales that was among the first of oil giant British Petroleum's portfolio of solar projects. We are currently constructing the 460 MWp Western Downs project, which is the largest solar farm in Australia and one of the largest in the southern hemisphere. Our total order book in Australia now stands at about US$ 870 million (A$1.2bn) with five projects and a portfolio of more than 1.1 GWp, making us the largest home-grown solar EPC player in the region.

Acquisition of Power Firm

The acquisition of remaining shares of Australian electric and solar EPC firm GCO Solar Pty based in Perth, that made us the new owners of this company during the year, was a feather in our cap. With this move, we seek to establish a firm foothold in the Australian renewable energy sector. GCO Solar offers engineering, procurement and construction services for electrical equipment and solar photovoltaic projects in this territory.

A Promising Renewables Market

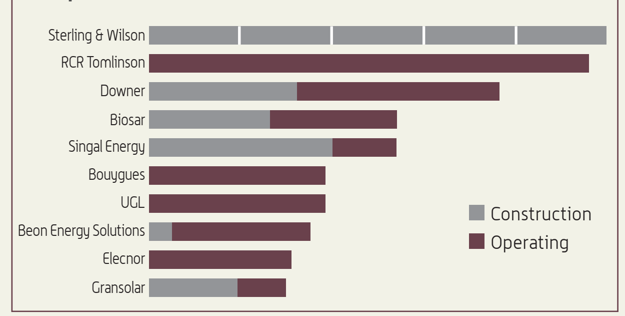
The Australian market is promising. There is significant scope for use of renewable energy and year-round sunshine with opportunities to harness it – as part of an energy mix – to power homes and industries. The market is fast maturing and we have the capabilities, workforce and technology to capitalise on this potential.

Our commercial viability in this region has improved, given the prevalence of high electricity tariff and the continent's regulatory environment becoming more conducive towards renewable energy. We are hoping for increased policy support to boost investment and encourage adoption of solar resources in the country.

Clean Energy Resource

Green hydrogen, a clean energy resource, is a critical component of Australia's low emissions future. It is being perceived as an opportunity even as the momentum for using green hydrogen as an alternate fuel is fast building up. Industries are seeking to take advantage of Australia's vast land area and abundant sunshine to split water and make hydrogen without recourse to climate-harming fossil fuels. With the goal of clean energy, Australia's natural gas networks are testing blending hydrogen with gas to produce green methane to replace fossil fuel and cut down on carbon emissions to achieve the net-zero goal by 2050. Hydrogen offers compelling benefits as it supports a gradual transition towards lower carbon sources of energy generated from natural gas and other non-renewable by-products. It can also be used as an energy carrier - a medium to store energy from renewable and other sources.

Top 10 Australia PV EPCs



Source: Rystad Energy RenewableCube

New Spain Office to Focus on Europe

A combination of favourable economics, accelerating action to adopt solar to address global climate change, and an increasingly hopeful outlook for COVID-19 control has reignited Europe's commercial and utility-scale solar market. We seek to use this opportunity with our established bankability and nurtured relationships as a major strength.

Opportunities in the solar market abound in Europe, driven by accelerating efforts to decarbonise the continent's electric power supply chain and address threats posed by climate change. The market has steadily improved in the past decade.

We maintain an aggressive focus on Europe's growing solar market, with an expected bid pipeline of 6-7 GW. We have opened a new office in Seville, Spain, as it offers a stable and well-integrated supply chain for solar equipment.

Spain was Europe's largest solar market in 2019, with an addition of 4.7 GW of capacity. Europe has enormous potential in terms of solar capacity and is expected to witness the commissioning of new solar PV capacities of about 7 GW each year, emerging as a 28 GW market by 2023.

Source: EU Market Outlook
For Solar Power / 2019 - 2023

6-7 GW
Expected bid pipeline in Europe

Poised for Expansion

Our well-designed projects across the world meet all performance expectations in addition to our strong bankability and well-nurtured relationships with IPPs that make us well poised to expand our operations and lead the global transition towards low-carbon energy. We remain in a strong position to support the solar market, following our international expansion strategy to tap into key markets. Our relationships with developers and financial institutions offer us an unmatched insight into specific engineering challenges and opportunities, not only in the Iberian Peninsula, but across the continent as a whole. We see growth potential in Europe for utility-scale projects (including storage solutions) as well as for commercial and industrial solar deployment. We see an order of 7-8 GW of capacity additions each year, growing to anywhere from 20-25 GW by the middle of the decade. Our approach to the market is to be highly strategic in securing new business.

Future Growth Potential

We foresee growth potential in Europe both for utility-scale projects (including storage solutions) as well as for commercial and industrial solar deployment. With capacity additions to the order of 7-8 GW each year, the expected quantum of growth could be anywhere from 20-25 GW by mid-decade. Our approach into this market is to be highly strategic in securing new business. Spain offers a stable and well-integrated supply chain for solar equipment.

From our base in Spain, we plan to tap into growth opportunities across the Iberian Peninsula, as well as in Greece, Italy, Poland, Romania, and Bulgaria, and elsewhere in Eastern Europe. In pursuing solar EPC work, we target a sizeable number of projects that are not only commercially viable, but also open up multiple opportunities. Currently seeking to expand into markets that may not attract the same amount of attention as Northern Europe, we are evaluating a number of greenfield opportunities. Having set up full-fledged operations with PMT, we are leveraging the enormous business potential in this region. We are looking at a healthy pipeline and hoping to acquire a large portfolio. The lowering of capex cost and solar PV site will continue to drive growth in this region.

Market Leadership in India

With our innovations and best practices that provide efficient and cost-effective engineering solutions to deliver sustainable energy, our success story has inspired other solar EPCs, showing the way forward, even as we continue our journey as the archetype market leaders in the pure-play EPC space in India. Despite our expanding geographic presence, our key focus will continue to be on India, even as we selectively choose our projects.

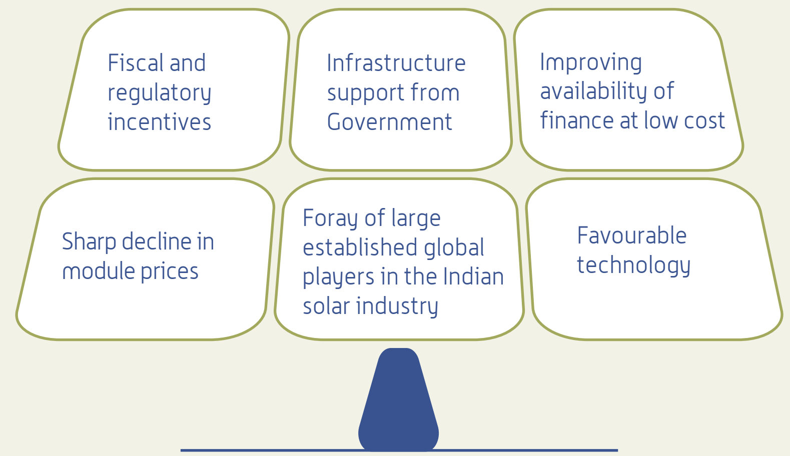
At Sterling and Wilson Solar Limited, we have been leveraging on India's solar potential to anchor the development of the electricity sector.

India's energy security scenario 2047 shows a possibility of achieving 100 GW of solar by 2022 and a high of 479 GW of solar PV by 2047. The primary objective of deploying renewable energy in India is to advance economic development, improve energy security, improve access to energy and mitigate climate change.

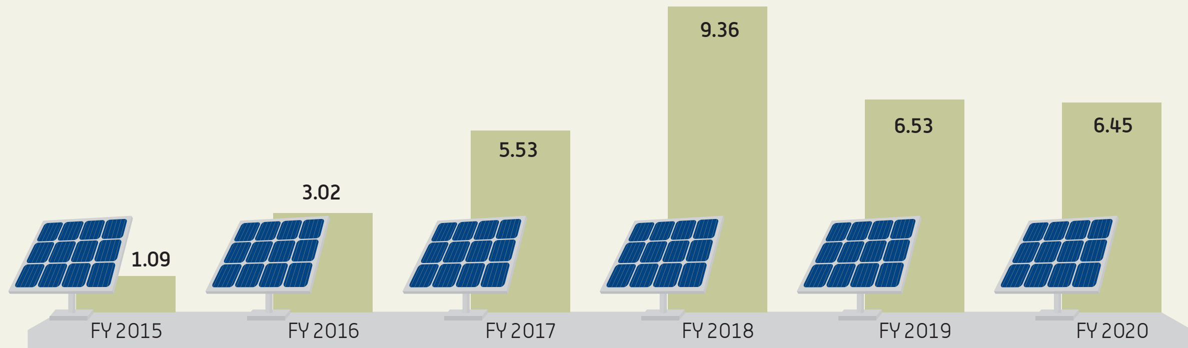
Sustainable development is possible by the use of renewable energy sources and by ensuring access to affordable, reliable, sustainable, and modern energy for citizens. Strong government support and the increasingly opportune economic situation have pushed India to be amongst the top leaders in the world's most attractive solar energy markets.

Source: India Energy Security Scenarios

Growth Drivers for India's Solar Sector



Solar Capacity Additions in India (GWp)



FY 2020-21 Highlights

Focus on Enterprise

Today, we are the most established player in the EPC market in India. We have an EPC portfolio of over 210 projects totalling 6.2 GWp of capacity as well as O&M portfolio of 6.7 GWp. The Company, through its competent workforce, is able to serve markets eager to deploy solar with cost-competitive design and engineering experts based in India.

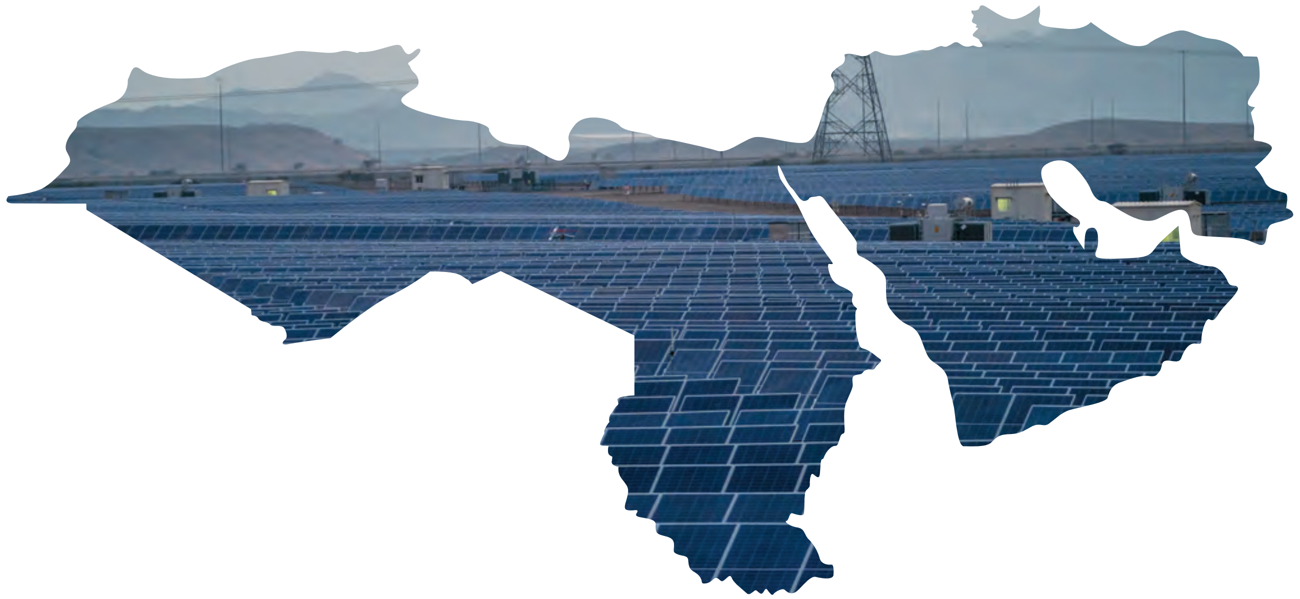
With most of the projects being BoS in which module procurement is done by the customer, project timelines were shorter, resulting in a higher book and build ratio. We see a pipeline of roughly 7 GW and our Indian market share growing.

210
EPC Projects

We have decided to go for selective projects, with a long-term plan to do capacity addition of 1 GW plus each year. We are targeting a sizeable number of projects that are not only commercially viable, but also open up multiple opportunities in different markets. We remain well positioned to support the Indian solar market across the value chain and deliver superior EPC solutions to markets and projects. Our existing relationships with developers offer us unmatched insight into specific engineering challenges and opportunities.

Supporting MENA's Energy Future

Our projects in Middle East and North Africa (MENA) outline the region's critical agenda in sustainability and diversification of energy solutions. We remain committed to offer clean energy and reduction in carbon emissions in accordance with global commitments and upholding GCC's vision of a clean and sustainable energy future.



During the year, we bagged a ₹ 930 crore order in Egypt, where we already have five projects of 322 MWp.

33 MWp, Oman

2.2 GWp
EPC portfolio

Today, sustainability isn't just a slogan, but a practice that is being taken seriously across the globe. The GCC region, in particular, has been driving this shift to renewable energy in order to mitigate carbon emissions.

At Sterling and Wilson Solar Limited, we have reaffirmed our dominant position in the MENA region and remain steadfast in supporting the government's future vision for this sector, as mirrored in the setup of prestigious clean energy projects. We will continue to deliver best-in-class services, while ensuring sustainability in all aspects of our business.

During the year, we bagged a ₹ 930 crore order in Egypt, where we already have five projects of 322 MWp. The order further strengthens our focus in this region, which has been a key market for us. We were the first Indian company to commission a solar PV project in Oman. Once operational, this project will produce enough solar energy to save 1,20,000 tonnes of carbon emissions.

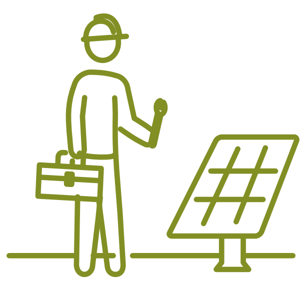
Middle East continues to remain a challenging market due to intense competition from Chinese EPC players. Our recent project in Egypt reiterates our commitment to remain relevant in this market. With this current win, our EPC portfolio in the region has grown to a significant 2.2 GWp.

We will continue to remain selective in bidding for projects in the Middle East region. At the same time, we will keep a close watch on the execution capabilities for large-sized projects.

Building Traction in Operations & Maintenance

With an 8.1 GWp portfolio, we are maintaining a strong focus on operations and maintenance services. Our revenues from O&M business increased 37% during the year. The segment now contributes nearly 5% to our total revenues, providing steady cash flows.

With India's solar footprint rising from 3.7 GW in 2015 to over 40 GW in the current year, the solar operations and maintenance business too is set for expansion. A US$ 4 billion business worldwide in 2019, the O&M segment is expected to double in the next five years to become a US$ 9 billion business by 2024.



At Sterling and Wilson Solar Limited, our O&M business continues to see strong traction. The portfolio on the O&M side has increased from 5.5 GW at the end of FY 2019 to 8.1 GWp at the end of FY 2021, as we acquired a substantial amount of our own EPC projects as well as third-party O&M contracts.

Our objective is to acquire targeted additional third-party O&M portfolio of at least 1 GW each in domestic and international markets during FY 2022. This will be incremental to the regular self-EPC executed O&M business. Currently, third-party O&M contracts constitute around 51% of our O&M portfolio. Revenue of O&M increased by 37% to ₹ 252 crore in FY 2021, compared with ₹ 184 crore in FY 2020.

Today, the O&M segment contributes 4.9% to the total revenues, as against 3.3% in the earlier year and provides steady cash flows, besides better profitability margins in the international geographies. Overall margins for O&M, on an average basis, are in the region of about 35% on a blended basis, with higher margins in certain international geographies. We are leveraging the growing opportunity for independent O&M operators – a segment that is expected to grow in the next wave of contracts. The market is growing with fresh capacity as recent projects hit the market for O&M. As the opportunity for third-party O&M projects increased, we received our first O&M project outside India on a competitive basis in Oman, and have been capitalising on our international presence to make inroads into the domestic O&M market too.

Grasping New Opportunities

We are banking on the emerging opportunity in the O&M space. Most solar contracts come with a defect liability period of 3-5 years. Considering a five-year exit clause, the majority of these are likely to come up for grabs into the market by 2022-23. Adding to this, there is a 30 GW project pipeline for solar projects, throwing up a large market in need of operations and maintenance.

Utilising Tech Potential

An emerging trend in third-party solar O&M is adoption of digitalisation. A major factor driving change in the O&M market is the shift from conventional manpower service to tech-driven O&M. Sterling and Wilson Solar Limited is also being driven towards robotic systems, using data and implementing analytics remotely to improve efficiency and reduce manpower requirement at the site.

Sustaining Profitability

Our key focus has been to lower manpower cost using tech upgrades and increased automation to maintain profitability. Also, with a firm focus to deliver the highest level of plant performance, we have an average availability of 99.72% for our plants, higher than the committed 99%. For operations and maintenance of solar rooftop projects, our state-of-the-art network operations centre gives instant business insights as a value-added service to our customers. Efficient and artificial intelligence (AI)-enabled monitoring platforms are already in use for predictive O&M. Use of drones and mobile vans to evaluate component as well cable level fault detections and rectifications has already transformed this industry.

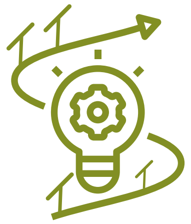
O&M Business

8.1 GW Projects with active service contracts	**183 Sites** Including third-party	**51%** Third-party O&M contracts

Our O&M Performance

Revenue increased **37%** at ₹ 252 crore vs ₹ 184 crore in FY2020	Constitutes **4.9%** of revenue, compared to 3.3% in FY2020	Gross margin stood at **39.5%** compared to 48.3% in FY2020

Creating Innovative Energy Solutions



In our constantly evolving mission to find innovating energy solutions, we have invested in floating solar and storage solutions, which are fast emerging as a promising, space-efficient trend in the renewable energy landscape.

These projects hold opportunities not only for further development of public generation assets on a strong commercial, technical and environmental basis, it also showcases the know-how required to operate a hybrid PV system.

450 kWp, Kerala, India

FLOATING SOLAR

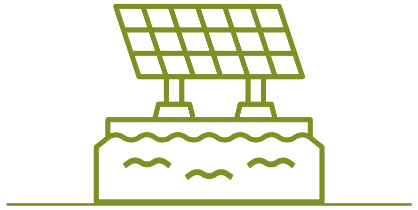
An efficient trend in RE space

As we constantly evolve and find innovative energy solutions, floating solar technology is an investment in the future of energy. It is an emerging technology where solar panels are mounted on floating structures and placed on a water body. These structures can be installed on reservoirs, industrial pools or small lakes. Solar panels will float on the surface of water in the reservoir.

India and China together account for the world's ten biggest floating solar projects in various stages of development. There is great potential for floating solar projects in South East Asian countries, considering the limited land availability, vast coastlines and numerous inland water bodies. In India, we have already commissioned a floating solar plant at Cochin International Airport, the world's first solar-powered airport.

At Sterling and Wilson Solar Limited, we select margin-accretive projects in this category. Under floating solar plants, the photovoltaic panels are deployed on the surface of water bodies and are considered as a viable alternative to land-based solar arrays. Setting up floating solar units on water bodies and huge reservoirs helps to cut down on costs.

For plant owners, these floating structures are considered to be significantly cost effective when compared with ground-mounted plants. Other benefits include reduced evaporation, reduced grid interconnection costs, low algal blooming and improved water quality.



SOLAR & STORAGE SOLUTIONS

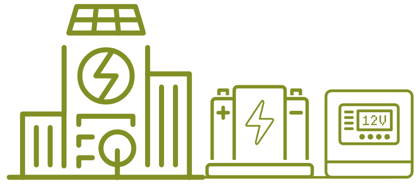
Solar capacity coupled with battery storage technology

Moving a step ahead from traditional projects, we are gaining capabilities in solar and storage solutions.

Large-scale solar plus storage competes effectively against gas as a source of peaking power. As one of the leading solar engineering, procurement and construction companies and with significant global footprint, we have been working with developers worldwide to design and engineer solutions that meet the growing appetite for clean, renewable alternatives to fossil fuels.

We are actively pursuing further opportunities across US, Europe, Middle East, Africa, Asia and Australia, with several power generation and distribution companies moving into renewables. We remain fully committed to deliver efficiently, fully complying with stringent quality and safety standards. Battery-based energy storage enables generated electricity to be stored and delivered at any given time, providing stability to the grid and enabling energy delivered on demand. It also aids flexibility and agility to better integrate solar and diesel energy into the city's electricity grid and ensure quality power.

Building in battery storage unlocks the untapped potential to harness solar energy generated during the day. It allows for intermittent solar energy to be stored for later use when needed, thus supporting the balancing of constantly changing levels of supply and demand through the day. Batteries can improve returns on large-scale solar investments allowing for maximum solar output at a time when investors have to price in factors such as grid congestion, curtailment and connections risks into their projects.



Delivering on Our Promises Together

At Sterling and Wilson Solar Limited, we remain deeply committed towards touching people's lives. Today, by virtue of our CSR projects and social initiatives on environment sustainability, community development, education and rural development, we have become the change initiators contributing to the society's development.

We have closely aligned our Principles of Corporate Behaviour with internationally recognised standards to help ensure that we serve the role that the society expects of us. We have identified three key CSR themes, which we consider to be the most important for the society and for us.

We believe that CSR is a dynamic process whereby continuous involvement and innovation is required with communities to improve performances over the years and make a meaningful contribution. Below we have indicated our action items for each of these, as well as our achievements and results.

Key CSR Projects

Environment Sustainability & Community Development

School renovation and boundary work
In partnership with Village Panchayat Schools, we undertook renovation of village school at Phalodi, Rajasthan by constructing and rectifying boundary work.

Number of Beneficiaries: 500
Budget: ₹ 25.07 Lakhs

Building boundary in school
Along with Village School in Rani, Rajasthan, we helped in boundary wall work by undertaking stone pitching and chain link fencing.

Number of Beneficiaries: 410
Budget: ₹ 20 Lakhs

Lift Irrigation and Drinking Water
In partnership with Shree Chaitanya Seva Trust (ISKCON), we undertook solar-powered lift irrigation for perennial farming and to provide drinking water facility to the villagers.

Number of Beneficiaries: 18 farmers and 390 villagers
Budget: ₹ 24.52 Lakhs

Community water harvesting
With the help of Swayam Shikshan Prayog, we undertook community water harvesting in the drought-prone regions of Deoni block in Latur district and Washi block in Osmanabad district. This work was handled by women. We also organised workshops to create awareness on water harvesting.

Number of Beneficiaries: Villagers in Deoni block in Latur and Washi block in Osmanabad
Budget: ₹ 29 Lakhs

Safety wall at school
We constructed a safety wall for a school, along with Sri Samajik Sanstha.

Number of Beneficiaries: School students
Budget: ₹ 6.50 Lakhs

Education and Skill Development

School bus and solar panel installation
We partnered with SAPREM to install solar panels at Bring a Smile English School at Thane. As part of this project, we donated a 14-seater Force Vehicle to the school. We also constructed an entrance gate for the school.

Number of Beneficiaries: 112
Budget: ₹ 11 Lakhs

Sanitation facility for school
Along with SAPREM, we also undertook sanitation work for Mentally Retarded School in Dombivali. This included repair work of toilets in order to provide proper sanitation facilities to the school children.

Number of Beneficiaries: 40
Budget: ₹ 6 Lakhs

Donation to Disabled Children Institute
As part of this project, we joined hands with Beautiful Tomorrow Foundation to pay the school fees of 25 specially-abled children from the Disabled Children Institute.

Number of Beneficiaries: 25
Budget: ₹ 12 Lakhs

Emotional well-being of students
We undertook this project along with VESLARC to provide support in the emotional well-being of the society by spreading awareness and education. With this, we benefited school students aged 12-22 years and their parents, teachers and the support staff.

Budget: ₹ 9.83 Lakhs

Mini Science Centre
Along with STEM Learning, we provided a Mini Science Centre to make science fun through 80 3D models of important concepts. This was provided at several schools in Ratnagiri, Chembur, Kalyan and Goa.

Number of Beneficiaries: School students
Budget: ₹ 25 Lakhs

Providing educational facilities
With Light of Life Trust, we made a contribution towards improving the educational facilities at two schools in Karjat.

Number of Beneficiaries: 247 Students, 2 Head Masters and 10 Teachers
Budget: ₹ 6.55 Lakhs

Rural Development

Housing and Sanitation
We partnered with Habitat for Humanity in order to provide housing and sanitation to the farm widows of the Amravati district in Maharashtra.

Number of Beneficiaries: 13
Budget: ₹ 25 Lakhs

Corporate Information

Board of Directors

Mr. Khurshed Yazdi Daruvala
Chairman and Non-Executive Director

Mr. Arif Doctor
Independent Director

Mr. Bikesh Ogra
Non-Executive Director

Mr. Keki Elavia
Independent Director

Mr. Pallon Mistry
Non-Executive Director

Ms. Rukhshana Mistry
Independent Director

Key Management Team

Mr. Amit Jain
Global CEO*

Mr. Chandra Kishore Thakur
Manager & CEO - Asia, Africa, Latin America and Europe

Mr. Bahadur Dastoor
Chief Financial Officer

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

Mr. Praveen Jaishwal
Head – Solar Operations & Maintenance

Mr. M Jayachandra
Head – Solar Rooftop

Mr. Rajneesh Shrotriya
Chief Technology Officer

Mr. Bikash Kumar
Head – Research & Development

Mr. Sanjeev Pushkarna
Head – Supply Chain Management

Mr. Basavarajappa C
Head – Human Resource

**on the rolls of Sterling and Wilson International Solar FZCO, wholly owned subsidiary.*

Registered Office

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

Statutory Auditor

BSR & CO LLP

Registrar and Transfer Agent

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

Bankers

Union Bank of India
State Bank of India
EXIM Bank
Axis Bank Limited
Hongkong and Shanghai Banking Corporation Limited
Deutsche Bank AG
DBS Bank Limited
IDBI Bank Limited
ICICI Bank Limited
IndusInd Bank Limited
RBL Bank Limited
YES Bank Limited
Societe Generale
HDFC Bank Limited
IDFC First Bank
Corporation Bank
Emirates NBD
Intesa Sanpaolo

STERLING & WILSON

Sterling and Wilson Solar Limited
An Associate of Shapoorji Pallonji Group
Regd. Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
Phone: (91-22) 25485300 | Fax: (91-22) 25485331 | CIN: L74999MH2017PLC292281
Email: info@sterlingwilson.com | www.sterlingandwilsonsolar.com

Notice of 4th Annual General Meeting

NOTICE is hereby given that the 4th Annual General Meeting ("AGM") of the Members of Sterling and Wilson Solar Limited will be held on **Thursday, September 30, 2021**, at **04:30 p.m.**, through Video Conferencing ("VC")/ Other Audio-Visual means ("OAVM"), to transact, the following businesses:

Ordinary Business

1. To consider and adopt:

   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, and the report of the Board and the Auditors thereon

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, and the report of the Auditors thereon

2. To appoint a Director in place of Mr. Bikesh Ogra (DIN: 08378235), Non-Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment

Special Business

3. **To approve the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accounts, as Statutory Auditors of the Company to fill casual vacancy**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Firm Registration No. 104607W/ W100166) be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/ W-100022).

   RESOLVED FURTHER THAT M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants shall hold office from August 15, 2021 till the conclusion of the ensuing 4th Annual General Meeting of the Company at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Kalyaniwalla & Mistry LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

   RESOLVED FURTHER THAT the Directors and the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution and for all matters incidental thereto."

4. **To approve the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, as Statutory Auditors of the Company for a term of five years**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Firm Registration No. 104607W/ W100166) be and are hereby appointed as Statutory Auditors of the Company for a term of five (5) consecutive years commencing from the conclusion of the 4th Annual General Meeting till the conclusion of the 9th Annual General Meeting of the Company, i.e from F.Y. 2021-22 till F.Y. 2025-26.

RESOLVED FURTHER THAT the Directors and the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution and for all matters connected therewith and/or incidental thereto, as may be necessary and to finalize and fix the terms and conditions (including the remuneration, scope, functioning and methodology for conducting Statutory Audit) of the Statutory Auditor plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them in mutual consultation with them."

5. **To approve appointment of Branch Auditors**

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

"**RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors or Audit Committee of the Company be and is hereby authorised to appoint Branch Auditor(s) of any branch office of the Company outside India, whether existing or which may be opened/ acquired hereafter, in consultation with the Company's Statutory Auditors, any person(s)/ firm(s) qualified to act as Branch Auditor in terms of the provisions of Section 143(8) of the Act to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration."

6. **To approve change in name of the Company from Sterling and Wilson Solar Limited to "Sterling and Wilson Renewable Energy Limited" and consequent amendment to Memorandum and Articles of Association of the Company.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 4, 13, 14 and other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable law(s), rule(s), regulation(s), guideline(s) or provision(s) and subject to approval of the Registrar of Companies, Mumbai, Stock Exchange(s) and/ or such other approval(s) as may be necessary for the Company in this regard, the consent of the Shareholders by way of special resolution be and is hereby accorded to change the name of the Company from 'Sterling and Wilson Solar Limited' to 'Sterling and Wilson Renewable Energy Limited' and consequently the Memorandum of Association of the Company be and is hereby altered by substituting the following Clause for existing Clause 1 thereof:

"The name of the Company is Sterling and Wilson Renewable Energy Limited."

RESOLVED FURTHER THAT consent of the Shareholders be and is hereby also accorded to alter the name of the Company appearing in the Articles of Association of the Company so adopted with new name i.e. 'Sterling and Wilson Renewable Energy Limited', subject to the necessary approvals, if any.

RESOLVED FURTHER THAT the name "Sterling and Wilson Solar Limited" wherever appearing in Memorandum and Articles of Association and other documents and papers of the Company be substituted by the name "Sterling and Wilson Renewable Energy Limited" upon approval of the same by the Registrar of Companies, Mumbai or such other approval(s) as may be necessary for the Company in this regard.

RESOLVED FURTHER THAT the Directors and the Key Managerial Personnel of the Company be and are hereby severally authorized to make application to the Registrar of Companies, Mumbai, Stock Exchanges or any other regulatory authority as may be applicable, for obtaining the necessary approval(s) for change in name of the Company and to sign and file forms and other documents with such authorities and do all other acts, deeds, things and matters as are necessary to give effect to the above said resolution and to agree to such modifications, terms & conditions as may be directed by the Registrar of Companies, Mumbai and to modify the same accordingly as necessary or expedient in this regard."

RESOLVED FURTHER THAT the Directors and the Key Managerial Personnel of the Company be and are hereby severally authorized to issue a certified copy of this resolution to the concerned parties including the Registrar of Companies, Mumbai."

By Order of the Board of Directors

Place: Mumbai — **Jagannadha Rao Ch. V.**
Date: August 14, 2021 — **Company Secretary**

Registered Office:
Sterling and Wilson Solar Limited
(CIN: L74999MH2017PLC292281)
Universal Majestic, 9th Floor, P. L. Lokhande Marg
Chembur (W), Mumbai – 400 043
Phone: 91-22 25485300
Website: www.sterlingandwilsonsolar.com

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Businesses to be transacted at the 4th AGM, is annexed hereto.

2. In view of the continuing Covid-19 pandemic and to ensure social distancing norms, the Ministry of Corporate Affairs ("MCA") has allowed conducting General Meetings through video conferencing ("VC") or other audio-visual means ("OAVM") without the physical presence of the Members. The MCA vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, (collectively referred to as 'SEBI Circulars') has prescribed the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the MCA Circulars, SEBI Circulars, the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") the 4th Annual General Meeting ("AGM") of the Members of the Company is to be held through VC/ OAVM. Hence, Members can attend and participate in the AGM through VC/ OAVM only. The detailed procedure for participating in the meeting through VC/ OAVM is annexed herewith and also available at the Company's website i.e., www.sterlingandwilsonsolar.com

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting. Hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Members who desire a change/ correction in the bank account details, should intimate the same to their concerned DPs and not to the Company's Registrar and Share Transfer Agent ("RTA"). Members are also requested to give the MICR Code of their banks to their DPs. The Company or its RTA will not be able to entertain any direct request from Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

5. Pursuant to the MCA Circulars and the SEBI Circulars, Notice of this AGM along with the Annual Report of the Company for the financial year 2020-21 is being sent only through electronic mode to those Members who have registered their e-mail addresses with their respective DPs. The Members are requested to register their e-mail address with the respective DP by following the procedure prescribed by the DP.

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

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

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

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

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

11. The annual financial statements of the Company's subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

12. Non-Resident Indian Members are requested to inform their concerned DPs, immediately:

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

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

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

14. In terms of Section 152 of the Act, Mr. Bikesh Ogra, Non-Executive Director of the Company is liable to retire by rotation at this AGM and being eligible, offers himself for re-appointment.

15. Details of the Director(s) pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards on General Meetings in respect of Directors seeking appointment/ re-appointment of Directorship at this AGM are appended as Annexure 1 to this Notice.

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

17. Members, desirous of obtaining any information/ clarification on the financial statements and operations of the Company, are requested to address their communication to the Company at its registered office or on ir@sterlingwilson.com, so as to reach at least one week before the date of the AGM, so that the required information can be made available at the Meeting, to the extent possible.

Participation at the AGM and Voting

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

2. The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding in the Company), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request from their registered E-mail ID mentioning their name, DP ID - Client ID, PAN, mobile number at ir@sterlingwilson.com between **9:00 a.m. (IST) on Tuesday, September 21, 2021 and 5:00 p.m. (IST) on Thursday, September 23, 2021**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

4. The Members who do not wish to speak during the AGM but have queries on financial statements or any matter to be placed at the AGM may send the same latest by **Thursday, September 23, 2021** mentioning their name, DP ID - Client ID, PAN, mobile number at ir@sterlingwilson.com. These queries will be replied suitably either at the AGM or by e-mail.

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

6. Members are encouraged to join the Meeting through Laptops/ Ipads connected through broadband to allow the camera functionality for a better and seamless experience. Please note that Members connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

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

The remote e-voting period begins on Monday, September 27, 2021 at 09:00 A.M. [IST] and ends on Wednesday, September 29, 2021 at 05:00 P.M. [IST]. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 23, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

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

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

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

STATUTORY REPORTS

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/ Easiest the user will be also able to see the e-voting Menu. The Menu will have links of **e-voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once you login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or **e-voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website?

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

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

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

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

   c) How to retrieve your ‘initial password’?

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

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

5. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:

   a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

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

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

6. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

7. Now, you will have to click on “Login” button.

8. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Instructions for Members for e-voting on the day of the AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

General Guidelines for Shareholders Regarding Voting

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 222 990, 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or to the Company at ir@sterlingwilson.com

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

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ir@sterlingandwilson.com. If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
2. Alternatively Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Members of the Company, at their 1st Annual General Meeting ("1st AGM") held on September 28, 2018, appointed M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.: 101248W/W-100022) as the Statutory Auditors of the Company to hold office till the conclusion of 6th Annual General Meeting ("6th AGM") of the Company to be held for the Financial Year 2022-23. However, M/s. B S R & Co. LLP, Chartered Accountants, vide their letter dated August 11, 2021, have resigned as Statutory Auditors of the Company effective from conclusion of the Board meeting of the Company held on August 14, 2021, on issuance of Limited Review Report on the Standalone and Consolidated Financial Results for the quarter ended June 30, 2021, in compliance with the SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019. The reason for resignation stated was that "Management of the Company had proposed substantial reduction in the Audit Fees (pursuant to the current Covid-19 situation and its impact on the operations of the Company) resulting in the revised fee not being commensurate with the efforts involved in the Audit. Accordingly, they have resigned as Statutory Auditors of the Company."

The members of the Audit Committee at its meeting held on August 14, 2021, have taken into account the experience and expertise of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Firm Registration No. 104607W/ W100166) ("K&M") and recommended to the Board their appointment. Accordingly, the Board of Directors at their Meeting held on August 14, 2021 have appointed them as Statutory Auditors of the Company to fill casual vacancy caused by resignation of M/s. B S R & Co. LLP, Chartered Accountants, from August 15, 2021 until the conclusion of the 4th AGM at a remuneration as may be mutually agreed to, between the Board of Directors and K & M, plus applicable taxes, out of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

The brief profile of the Auditors is as under:

K&M is a multi-service, multi-location, professional service organisation established in the year 1928 and is one of the leading accounting firms in India. It is a part of the Mazars network, an independent global organisation, specializing in audit and assurance, tax and advisory services. The firm has vast experience of handling large corporate clients across different sectors like Manufacturing Industry, Banking and Financial Services, Marketing & Communications, Health Care, Software, Automotive, Pharmaceuticals, Chemicals & Oil and Gas, FMCG, Shipping, Technology, Real Estate, Telecommunications, Airlines, Media, etc. K&M specializes in providing Audit & Assurance, Direct & Indirect Taxation, Consulting & Financial Advisory Services and Outsourcing & Accounting Services. K&M is equipped to meet the changing demands of its corporate and non-corporate clientele.

K&M have consented to the aforesaid appointment and confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 and Section 141 of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of the Companies Act, 2013 and the rules made thereunder.

Accordingly, consent of the Members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

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

Item No. 4

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Firm Registration No. 104607W/ W100166) ("K&M") have been appointed as Statutory Auditors of the Company to fill casual vacancy caused by resignation from August 15, 2021 until the conclusion of the 4th Annual General Meeting ("4th AGM").

Further, the Board of Directors at its meeting held on August 14, 2021 and after considering the recommendations of the Audit Committee, had recommended the appointment of, K&M as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 4th AGM till the conclusion of 9th AGM on such terms and conditions as may be fixed by the Board in mutual consultation with the Statutory Auditor.

Additional information pursuant to Regulation 36(5) of the SEBI Listing Regulations are provided below:

Proposed Audit fees payable to Auditor and material change in fee payable along with rationale for such change	₹ 70 Lakhs (Rupees Seventy Lakhs only) for the F.Y. 2021-22 in addition to applicable taxes and reimbursement of out-of-pocket expenses, if any and/ or such other remuneration as may be decided by the Board of Directors from time to time. Further, the outgoing Auditors have been paid a fee of ₹ 92 Lakhs (Rupees Ninety Two Lakhs only) in addition to applicable taxes and reimbursement of out-of-pocket expenses, if any, during the F.Y. 2020-21. Rationale for such change: As part of the overall cost reduction exercise carried out across the Company and its subsidiaries.
Basis of recommendation and Auditor credentials	K&M is a multi service, multi-location, professional service organisation established in the year 1928 and is one of the leading accounting firms in India. It is a part of the Mazars network, an independent global organisation, specializing in audit and assurance, tax and advisory services. The firm has vast experience of handling large corporate clients across different sectors like Manufacturing Industry, Banking and Financial Services, Marketing & Communications, Health Care, Software, Automotive, Pharmaceuticals, Chemicals & Oil and Gas, FMCG, Shipping, Technology, Real Estate, Telecommunications, Airlines, Media, etc. K&M specializes in providing Audit & Assurance, Direct & Indirect Taxation, Consulting & Financial Advisory Services and Outsourcing & Accounting Services. K&M is equipped to meet the changing demands of its corporate and non-corporate clientele.

K&M have consented to the aforesaid appointment and confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 and Section 141 of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of the Companies Act, 2013 and the rules made thereunder.

Pursuant to Section 139 of the Companies Act, 2013, approval of the Members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an Ordinary Resolution. Accordingly, approval of the Members is sought for appointment of K&M as the Statutory Auditors of the Company and to fix their remuneration set out at Item No. 4 of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

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

Item No. 5

In line with its global aspirations, the Company has set-up several branches outside India for the execution of several projects awarded to the Company in various countries. Further, the Company may also open new branches outside India in future. For carrying out the audit of the accounts of such branches, it is necessary to appoint Branch Auditors. The Members are requested to authorise the Board of Directors/ Audit Committee of the Company to appoint Branch Auditor(s) in consultation with the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

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

Item No. 6

The Members may note that the Board of Directors of the Company at its meeting held on July 29, 2021, had approved to expand its renewable energy offerings to include EPC solutions for Hybrid Energy power plants, Energy Storage solutions and Waste to Energy power plants. In this regard, the Board had also approved alteration in the Object Clause of the Memorandum of Association of the Company, subject to the approval of the Members of the Company by way of postal ballot. The Postal Ballot Notice for seeking the approval of the Members by passing a special resolution has been sent on July 30, 2021.

Further, the Board is of the view that the current name of the Company, i.e. Sterling and Wilson Solar Limited does not cover the proposed new businesses and hence, it is decided to also change the name of the Company to widen its scope and to cover the renewable offerings contemplated or such other green energy businesses that the Board may want to include in the future.

According to Regulation 45 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall be allowed to change its name subject to the following conditions:

(a) a time period of at least one year has elapsed from the last name change;

(b) at least fifty percent of the total revenue in the preceding one year period has been accounted for by the new activity suggested by the new name; or

(c) the amount invested in the new activity/ project is at least fifty percent. of the assets of the listed entity

The Standalone total revenue* of the Company as per Audited Standalone Statement of Profit and Loss for the year ended March 31, 2021 was ₹ 3,176.17 Crore which includes revenue of ₹ 2,941.41 Crore from Solar EPC business segment which works out to 92.61 % of Audited Standalone total revenue of the Company for the year ended March 31, 2021.

The Consolidated total revenue of the Company as per Audited Consolidated Statement of Profit and Loss for the year ended March 31, 2021 was ₹ 5,080.80 Crore which included revenue of ₹ 4,825.75 Crore from Solar EPC business segment which works out to 94.98% of Audited Consolidated total revenue of the Company for the year ended March 31, 2021.

*Note: *total revenue referred above means revenue from operations.*

The Company has obtained Certificate from G. N. Shanbagh and Co., Practicing Chartered Accountants certifying compliance of conditions (a) and (b) of Regulation 45(1) of SEBI Listing Regulations.

The Ministry of Corporate Affairs, Govt. of India vide its letter dated August 30, 2021 has informed the Company that the name Sterling and Wilson Renewable Energy Limited is available to be registered as the new name of the Company.

According to Section 12 of the Companies Act, 2013 where a company has changed its name or names during the last two years, it shall paint or affix or print, as the case may be, along with its name, the former name or names so changed during the last two years.

The change of name of the Company requires the approval of the Members by means of a Special Resolution pursuant to Section 13 of the Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

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

Annexure 1

Details of the Director seeking re-appointment in the 4th AGM pursuant to the provisions of Regulation 36 of SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings are as under:

Particulars	Mr. Bikesh Ogra
Director Identification Number	08378235
Date of Birth/ Age	October 10, 1972/ 48 years
Date of First Appointment on Board	March 27, 2019
Brief resume including Qualification, Experience and expertise in specific functional area	Mr. Bikesh Ogra holds a Bachelor's degree in Electrical Engineering from the University of Burdwan. He joined the Sterling & Wilson Group ("Group") in 1996. He has been a long serving member of the Group and has brought in a multi-geography and multi-cultural exposure for the solar business. He is a veteran in the industry with over 23 years of experience in the EPC sector. He was entrusted with the responsibility of developing the solar business when it was established in 2010. His strategic foresight and perseverance have scripted the growth of solar business to a multi-million-dollar arm within Sterling and Wilson Group, spread across 25 countries. Mr. Ogra is a Non-Executive Director of Sterling and Wilson Solar Limited and he has been on the Board of the Company since March 27, 2019.
Terms and conditions of appointment/ re-appointment	He is proposed to be re-appointed as a Non-Executive Director, liable to retire by rotation.
Shareholding in the Company as on March 31, 2021	16,03,600[1] Equity Shares representing 1.00% of the total Equity Share Capital of the Company.
Past remuneration drawn from the Company	Remuneration drawn by him from the Company comprises of sitting fees paid to him for attending the meetings of the Board of Directors and its Committees wherever he is a member.
Remuneration sought to be paid	Remuneration proposed to be paid to him by the Company would comprise the sitting fees for attending the meetings of the Board of Directors and/ or its Committees wherever he is a member and Commission, if any, as a % of the net profits of the Company for the relevant financial year as may be approved by the Board.
Relationship with the other Directors, Manager and Other Key Managerial Personnel of the Company	Nil
No. of Board Meetings attended during the financial year 2020-21	8 out of 9
List of other Indian Public Limited Companies in which Directorships held[2]	Nil
Listed Companies from which the Director has resigned in the past three years	Nil
Chairman/ Member of Committee(s) of Board of Directors of the Company[3]	Nil
Chairman/ Member of the Committee(s) of Board of Directors of other Companies in which he is a Member/ Chairman[3]	Nil

Notes:

(1) Off market transfer on March 19, 2021 of the Equity Shares of Sterling and Wilson Solar Limited ("the Company") held by Mr. Khurshed Yazdi Daruvala, Promoter and Chairman of the Company, pursuant to the share transfer agreement between Mr. Daruvala and Mr. Ogra, to incentivize Mr. Ogra in recognition and appreciation of his services as disclosed in the prospectus of the Initial Public Offering ("IPO") of the Company.

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

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

Directors' Report

Dear Members,

Your Directors are pleased to present the 4th Annual Report of the Company along with the Consolidated and Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2021.

1. Financial Results

The key highlights of the Audited Standalone and Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2021 along with comparison with the previous Financial Year ended March 31, 2020 are summarized below:

(₹ in Crore)

Particulars	2020-21		2019-20	
	Standalone	Consolidated	Standalone	Consolidated
EBIDTA	(189.60)	(362.37)	372.15	383.57
Less:				
Depreciation	8.20	16.51	6.33	14.24
Finance costs	67.59	93.09	146.25	194.93
Add:				
Interest Income	122.72	131.93	211.91	224.11
(Loss) / Profit before tax	(142.67)	(340.04)	431.48	398.51
Provision for tax (including deferred tax)	(31.23)	(50.00)	114.78	94.23
(Loss) / Profit after tax	(111.44)	(290.04)	316.70	304.27

Business Overview

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

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

Currently, the Company has a presence across 25 (Twenty Five) countries and uses its subsidiaries and branch offices globally for its operations. The Company leverages these offices to strategically tap solar opportunities in markets in which it does not have a permanent presence. The Company strategically focuses on markets that have conducive solar power policies and high solar resources and invests in geographies having long-term solar opportunities. The Company also adopts a disciplined expansion strategy that it customizes for each market with a view to enhancing its bidding abilities in these geographies.

Performance Review

The total standalone revenue from operations of the Company is ₹ 3,176.17 Crore as against ₹ 4,536.79 Crore in the Financial Year 2019-20. The total standalone loss after tax of the Company is ₹ (111.44) Crore as against profit after tax of ₹ 316.70 Crore in the Financial Year 2019-20. The total consolidated revenue from operations of the Company is ₹ 5,080.80 Crore and ₹ 5,575.29 Crore in the Financial Year 2020-21 and Financial Year 2019-20 respectively. The consolidated loss after tax of the Company is ₹ (290.04) Crore as against profit after tax of ₹ 304.27 Crore in the Financial Year 2019-20.

The outbreak of the Covid-19 pandemic globally caused significant disturbance and slowdown of economic activity. During the Financial Year ended March 31, 2021, there was delay in commencement of certain projects and construction activities at various sites witnessed a slowdown as per the directives issued by various regulatory authorities which has led to an increased cost of construction (including rise in module and commodity cost). Overheads also increased due to prolonged project execution time. Further, a significant subcontractor in a particular geography filed for bankruptcy causing enhanced replacement costs for a project. All the above has resulted in the Company losing its revenue and incurring a loss for the Financial Year ended March 31, 2021 as compared to the Financial Year ended March 31, 2020.

The Company seeks to limit its counterparty risk exposure by focusing on its project selection on solar power projects that achieve financial closure before it commences its operations.

During the year under review, the Company secured various orders, ending the year with a robust order book of ₹ 7,936 Crore as against ₹ 4,602* Crore at the end of the previous financial year, a growth of over 72.45 percent.

**Adjusted in line with the revised policy of the Company to include projects in the order book post signing of the contract with the customers.*

Change in Nature of Business

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

The Board of Directors at its meeting held on July 29, 2021, has accorded its approval to expand its renewable energy offerings to include EPC solutions for Hybrid Energy power plants, Energy Storage solutions and Waste to Energy plants, subject to the approval of the Shareholders, Registrar of Companies ("ROC") and such other regulatory authorities, as may be applicable.

The present main object clause of the Memorandum of Association ("MoA") of the Company did not cover the businesses considered for diversification. Accordingly, the Company has sought the approval of the Shareholders via Postal Ballot to alter the object clause of the MoA. The Notice of Postal Ballot has been circulated to the Shareholders on July 30, 2021 and the e-voting for the proposed resolution shall remain open till August 29, 2021.

Business Highlights during the year

During the year we have commissioned 14 (Fourteen) projects aggregating 469.92 MW power generating capacity across 2 countries.

During the Financial Year ended March 31, 2021, the Company has successfully signed contracts having aggregate power generating capacity of 1,977 MW. The region wise break-up of contracts signed during the year is as follows: 769 MW in Australia, 598 MW in Americas, 380 MW in India and 230 MW in Middle East and North Africa (MENA) region.

Our unexecuted order value as of March 31, 2021 is ₹ 9,127 Crore with very robust growth of 63.53 percent as compared to the previous year.

During the year, the Company experienced higher competitive intensity, in the MENA region. Foreseeing the challenging environment to continue, the Company has strategically shifted its focus to more conducive markets such as the US, Australia and Europe where returns are expected to be higher as compared to the MENA region.

Our O&M business continues to see strong traction. As of March 31, 2021, our contracted O&M portfolio is 8,094 MW which grew by 7.9 percent as compared to 7,500 MW as of March 31, 2020. Of this 8,094 MW of O&M portfolio i.e., 50.8 percent are third-party O&M contracts. During the year, we have recorded an O&M revenue of ₹ 252 Crore as compared to ₹ 184 Crore in the previous financial year, a growth of 36.9 percent. O&M is a very high margin business with gross margin of approximately 35 percent on a life cycle basis, and we continue to focus on increasing our O&M portfolio as it provides steady cash flow with better profitability.

Cash generated from operating activities for the Financial Year ended March 31, 2021, stood positive at ₹ 201 Crore.

Share Capital

The Company's paid-up equity share capital continues to stand at ₹ 16.04 Crore as on March 31, 2021.

The Board of Directors at its meeting held on March 22, 2021, have approved the following:

1) Sterling and Wilson Solar Limited Employee Stock Option Plan ("SWSL ESOP Plan"), subject to approval of Shareholders of the Company through Postal Ballot;
2) issuance of 16,03,600 stock options to the present/ future employees of the Company, its subsidiaries and branches in India or outside India, exercisable into not more than 16,03,600 Equity Shares of ₹ 1/- each being 1 percent of the paid-up Equity Share Capital of the Company, at such price, in one or more tranches, under the SWSL ESOP Plan.

The Shareholders of the Company have approved the said SWSL ESOP Plan by way of passing special resolution(s) via Postal Ballot on May 30, 2021.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors of the Company at its meeting held on August 14, 2021 has approved the grant of 13,01,213 out of total 16,03,600 employee stock options ("Options") to the eligible employees exercisable in four annual instalments after vesting.

Transfer to Reserves

No amount has been transferred to the general reserves for the Financial Year ended March 31, 2021.

Dividend

During the year under review, the Board has not recommended dividend on the equity shares of the Company.

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

Subsidiaries

The Board at its meeting held on March 16, 2020 had approved the Scheme of Amalgamation by absorption of Sterling & Wilson – Waaree Private Limited ("SW Waaree"), a wholly owned subsidiary of the Company, with and into the Company pursuant to Sections 230-232 and other relevant provisions of the Companies Act, 2013. The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated January 29, 2021 approved the said Scheme and certified true copy of the order was received by the Company on March 30, 2021. Copy of the said order is available on the website of the Company at www.sterlingandwilsonsolar.com. The Scheme has come into effect on April 07, 2021 with the appointed date as April 01, 2020.

The name of Renovable Energia Contracting S.L. and GCO Electrical Pty. Limited, subsidiaries of the Company, have been changed to Sterling and Wilson Solar Spain S.L. and GCO Solar Pty. Limited respectively.

The Company has 14 (Fourteen) subsidiaries as on March 31, 2021 comprising of 5 (Five) direct subsidiaries and 9 (Nine) step-down subsidiaries. The Company also has share in a partnership firm in India.

During the year, the Board of Directors reviewed the affairs of its material subsidiary, i.e. Sterling and Wilson International Solar FZCO.

As on March 31, 2021, in addition to Sterling and Wilson International Solar FZCO, Sterling and Wilson Solar Australia Pty. Limited and Sterling and Wilson Middle East Solar Energy L.L.C. have become material subsidiaries of the Company.

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

Performance Highlights

The Audit Committee/ Board reviews the Financial Statements, significant transactions and investments of all the subsidiary companies, and the minutes of the subsidiary companies are placed before the Board at its meetings. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

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

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

Consolidated Financial Statements

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

Deposits

The Company has not accepted any deposits within the meaning of Section 2(31) and Section 73 of the Act and the Rules framed thereunder. As on March 31, 2021, there were no deposits lying unpaid or unclaimed.

Particulars of Loans, Guarantees, Investments & Securities

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

Directors & Key Managerial Personnel

Directors

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

The Board of Directors of your Company comprises of 6 (Six) Directors, viz., 3 (Three) Non-Executive Directors, including the Chairman and 3 (Three) Independent Directors including 1 (One) Woman Director as on March 31, 2021.

Pursuant to the provisions of Section 152(6) of the Act, Mr. Bikesh Ogra, Non-Executive Director, is liable to retire by rotation at the ensuing 4th Annual General Meeting ("4th AGM") and being eligible, offers himself for re-appointment.

In compliance with Regulation 36(3) of the Listing Regulations, brief resume, expertise and other details of Mr. Ogra are given in the Notice convening the ensuing 4th AGM.

The Board recommends the re-appointment of Mr. Bikesh Ogra as Director of the Company in the ensuing 4th AGM.

Declaration by Directors

The Company has received necessary declaration from the Independent Directors required under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, confirming that they meet the criteria of independence.

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

Also, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, for attending meetings of the Company.

The details of sitting fees paid for attending the Board/ Committee meeting(s) are as under:

Name of Director	Designation	Sitting fees paid during F.Y. 2020-21[1] (₹)
Mr. Khurshed Daruvala	Non-Executive Director	8,35,000
Mr. Arif Doctor	Independent Director	4,25,000
Mr. Bikesh Ogra	Non-Executive Director	3,50,000
Mr. Keki Elavia	Independent Director	8,25,000
Mr. Pallon Mistry	Non-Executive Director	5,10,000
Ms. Rukhshana Mistry	Independent Director	7,85,000

Note:

[1]Gross amount (without deducting TDS).

Further, as approved by the Board by resolution passed by way of circulation on May 05, 2020, in terms of Section 175 of the Act read with Rules framed thereunder, no sitting fees were paid to the Non-Executive Directors and Independent Directors of the Company for attending the Board and/or Committee meeting(s) held during the period April 01, 2021 till September 30, 2020 due to the impact of Covid-19 pandemic.

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

Familiarization Programme

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

Board Evaluation

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

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

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

In a separate meeting of Independent Directors of the Company held on March 22, 2021, the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, considering the views of the Non-Executive Directors.

In the Board meeting held on March 22, 2021, that followed the meeting of the Independent Directors, the performance of the Board, its Committees, and individual Directors was discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Key Managerial Personnel

During the year under review, in order to take up a new role in the Sterling & Wilson Group as an Advisor, it was required for Mr. Kannan K. to relinquish his position as the Manager of the Company. Accordingly, Mr. Kannan K. ceased to be the Manager of the Company w.e.f. closing hours of August 31, 2020. Mr. Chandra Kishore Thakur, COO – Solar International Projects, was appointed as the Manager of the Company in place of Mr. Kannan K. w.e.f. September 01, 2020.

Pursuant to the provisions of Section 2(51) and Section 203 of the Act read with the Rules framed thereunder, the following persons are Key Managerial Personnel of the Company as on March 31, 2021:

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

Directors' Responsibility Statement

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

1. in the preparation of the annual financial statements for the financial year ended on March 31, 2021, the applicable Accounting Standards have been followed and no material departures have been made from the same;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended on March 31, 2021;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the financial year ended on March 31, 2021 are prepared on a going concern basis;
5. they have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Meetings of the Board of Directors

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

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

Committees of the Board

The Company has constituted the following Committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee; and
6. Management Committee.

The composition of each of the above Committees, their respective roles and responsibilities are provided in detail in the Corporate Governance Report, which is a part of this Annual Report.

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

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

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

Internal Financial Control Systems and their Adequacy

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

An extensive program of internal audits and management reviews supplement the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively considering the nature of our industry and are operating as intended.

The Audit Committee comprises of professionally qualified Directors, who interact with the Statutory Auditors, Internal Auditors and management in dealing with matters within its terms of reference. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

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

Annual Return

Pursuant to the provisions of Section 134 (3)(a) and Section 92(3) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year 2019-20 in the prescribed Form No. MGT-7 is available on the Company's website at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance.

Business Responsibility Report

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

Corporate Governance

Your Company believes that it is critical to ensure sound Corporate Governance for enhancing and retaining stakeholders' trust and your Company seeks to ensure that its performance goals are met accordingly. The efforts of your Company are focused on long term value creation to all its stakeholders including members, customers, partners, employees, lenders and the society at large. The Board reaffirms its continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations.

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

A certificate from M/s. Manish Ghia & Associates, Secretarial Auditors of the Company confirming compliance to the conditions of corporate governance as stipulated under the Listing Regulations, is annexed to this Report.

Credit Rating

The Company has obtained credit rating for the facilities availed/ being availed by the Company. For the details on the same, please refer to the Corporate Governance Report.

Employee Stock Options Plan

The NRC of the Board, *inter alia*, administers and monitors the SWSL ESOP Plan in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations").

The NRC at its meeting held on August 14, 2021 has approved the grant of 13,01,213 out of total 16,03,600 employee stock options ("Options") to the eligible employees exercisable into not more than 13,01,213 Equity Shares of face value of ₹ 1/- each fully paid-up of the Company.

During the year under review, there was no change in the SWSL ESOP Plan and the same is in compliance with the SEBI SBEB Regulations.

The disclosures as required under Regulation 14 of SEBI SBEB Regulations have been placed on the website of the Company and can be accessed at https://www.sterlingandwilsonsolar.com/pdf/ESOP-Disclosure.pdf.

A certificate from M/s. Manish Ghia & Associates, Secretarial Auditors of the Company certifying that SWSL ESOP Plan has been implemented in accordance with SEBI SBEB Regulations pursuant to the resolution(s) passed by the Members will be available for inspection at the ensuing Annual General Meeting.

Management Discussion and Analysis

As per Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms a part of this Annual Report. It, *inter alia*, provides details about the Indian and Global economy, business performance review of the Company's various businesses and other material developments during the Financial Year 2020-21.

Auditors & Reports

Statutory Auditor

The Statutory Auditors' comments on the Company's Financial Statements for the Financial Year ended March 31, 2021 are self-explanatory in nature and do not require any explanation as per provisions of Section 134(3)(f) of the Act.

The Statutory Auditors have mentioned the following qualification in their report on the Consolidated Annual Financial Results for the year ended March 31, 2021:

i. *Note 5 to the consolidated annual financial results relating to outstanding intercorporate deposits and loans of ₹ 397.55 crores and ₹ 487.70 crores (net) respectively (including interest accrued on inter-corporate deposits of ₹ Nil crores and on loans of ₹ Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of ₹ 1,765.02 crores (including interest accrued thereon of ₹ 173.56 crores) and loans of ₹ 576.51 crores (net) (including interest accrued thereon of ₹ 75.81 crores) that were outstanding as on 30 September 2019 made to fellow subsidiaries by the Group which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Holding Company's shares by the Selling Shareholders. The Board of Directors of the Holding Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the respective entities of the Group.*

   The Holding 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 and loans by the Selling Shareholders on which the Holding Company has submitted its replies. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Holding Company. Although the Holding 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 Group in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

   The Group has obtained partial security for the outstanding amount as at the year-end and has obtained balance security towards the outstanding amount subsequent to the year-end. In view of the steps taken/ being taken by the Holding Company and its overseas subsidiary as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

   As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment by borrowers of inter- corporate deposits and loans in the earlier quarters and default in repayment of instalments of inter- corporate deposits and loans due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits and loans by the borrowers; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the consolidated annual financial results of the Group for the year ended 31 March 2021.

ii. *the following qualification included in the audit report on the consolidated annual financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 is reproduced by us as under:*

   The consolidated annual financial results of the overseas subsidiary of the Holding Company include a loan from a related party in the amount of AED 244,662,085 (net) equivalent to ₹ 487.70 crores (net), which was repayable on demand. The Board of the overseas subsidiary has received a request from the ultimate promoters of the related party to extend the repayment timeline, in lieu of *obtaining security to cover the amount outstanding and also levy penal interest. Accordingly, the Board of the overseas subsidiary had taken a decision to extend the repayment timelines till September 30, 2021 and levy additional penal interest. Further, on behalf of the overseas subsidiary, the Holding Company in India has obtained security against immovable property for the aforesaid amount due to the overseas subsidiary and subsequent to the reporting date, the overseas subsidiary has obtained additional security by assignment of certain project receivables. Considering the steps taken/ being taken by the overseas subsidiary, the management believes that no provision for expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management. As a result of the uncertainty relating to timing of repayment of the outstanding balance we are unable to quantify the impact of adjustments that may arise from non-measurement of expected credit losses on the consolidated financial results of the overseas subsidiary for the year ended 31 March 2021.*

iii. *As more fully explained in note 9 to the consolidated annual financial results, the Holding Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Holding Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Holding Company, management believes that the current expected credit loss provision of ₹ 31.33 crores is appropriate and adequate.*

However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Holding Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the consolidated annual financial results, if any."

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

At the 1st Annual General Meeting ("1st AGM") of the Company held on September 28, 2018, the Members approved appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 6th AGM of the Company to be held for the Financial Year 2022-23.

However, M/s. B S R & Co. LLP, Chartered Accountants, vide their letter dated August 11, 2021, have resigned as Statutory Auditors of the Company effective from conclusion of the Board meeting of the Company scheduled on August 14, 2021, on issuance of Limited Review Report on the Standalone and Consolidated Financial Results for the quarter ended June 30, 2021, in compliance with the SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019. The reason for resignation stated was that: "Management of the Company had proposed substantial reduction in the Audit Fees (pursuant to the current Covid-19 situation and its impact on the operations of the Company) resulting in the revised fee not being commensurate with the efforts involved in the Audit. Accordingly, they have resigned as Statutory Auditors of the Company."

The Board at their Meeting held on August 14, 2021, on the recommendation of the Audit Committee and subject to the approval of the Members in the ensuing 4th AGM have appointed M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Firm Registration No. 104607W/ W100166) as Statutory Auditors of the Company to fill casual vacancy caused by resignation of M/s. B S R & Co. LLP, Chartered Accountants, from August 15, 2021 until the conclusion of the 4th AGM and have further recommended their appointment for a period of 5 consecutive years from the conclusion of 4th AGM till the conclusion of 9th AGM.

Necessary resolutions and explanation thereto have been provided in the 4th AGM Notice seeking approval of the Members.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, the Company had appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries, as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2020-21. The Report of the Secretarial Auditor for the Financial Year 2020-21 is annexed to this report as **Annexure C**. There were no qualifications, reservations or adverse remarks or disclaimers made by Secretarial Auditor in its report, except the observation as under:

"During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc as mentioned above except that the quarterly standalone and consolidated financial results and the Limited Review Report (which was approved by the Board Meeting held on 15th September 2020) was submitted to the Stock Exchanges on September 16, 2020, while the last date for submission of the same was September 15, 2020."

The Company vide its letter dated September 16, 2020, submitted to the stock exchanges has informed that the signed copies of the enclosed disclosures were received from the Statutory Auditors on September 16, 2020 i.e. post-midnight of September 15, 2020 due to the lockdown conditions and the Company has submitted the financial results within 30 minutes of receipt of signed documents from the Statutory Auditors.

The Company is in compliance with the applicable Secretarial Standards specified by the Institute of Company Secretaries of India, during the year under review.

Reporting of Frauds by Auditors

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

Particulars of Contracts or Arrangement with Related Parties

All contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were reviewed and approved by the Audit Committee/ Board, from time to time and the same are disclosed as part of the Financial Statements of the Company for the year under review, as per the applicable provisions of the Act. Further, in terms of the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in "ordinary course of business" of the Company; on "an arm's length basis"; and not "material". Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not provided as an annexure to this Report.

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

Vigil Mechanism/ Whistle Blower Policy

The Company's Board of Directors, Regulation 22 pursuant to the provisions of Section 177 of the Act and Listing Regulations, has framed the 'Whistle Blower Policy' for Directors and employees of the Company. The Company's Vigil Mechanism/ Whistle Blower Policy aims to provide the appropriate platform and protection for whistle blowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations. All employees and Directors have access to the Chairperson of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

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

During the year under review, no instance under Whistle Blower Policy was reported.

Code for Prevention of Insider Trading

The Company has adopted an Internal Code of Conduct to regulate, monitor and report trading by Insiders and a Code of Fair Disclosure (together referred to as "Codes") to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities as per the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations").

The Codes prohibit the purchase or sale of the Company's shares by the Promoters, Directors, designated persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window is closed. The Codes are in line with the PIT Regulations, as amended from time to time.

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations. A structured digital database is also being maintained by the Company. The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the PIT Regulations.

The Code of Fair Disclosure is available on the Company's website at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

Corporate Social Responsibility

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

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

Policy on Code of Business Ethics and Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company places importance in the way its business is conducted and the way each employee performs his/ her duties. The Company encourages transparency in all its operations, responsibility for delivery of results, accountability for the outcomes of our actions, participation in ethical business practices and being responsive to the needs of our people and society. The Company has adopted the Sterling and Wilson Code on Business Ethics Policy ("Code") setting out the guiding fundamentals for the organization to conduct its business. The Code provides for the matters related to governance, compliance, ethics and other matters.

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

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

During the year under review, the ICC has not received any complaint.

Human Resources

During the year under review, your Company added greater employee talent through seamless integration of acquired assets. Continuous people development for developing knowledge and skills coupled with the Talent Management practices will deliver the talent needs of the organization.

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

The employee relations remained cordial throughout the year. The Company had 1,523 permanent employees on its rolls as on March 31, 2021. The Board places on record its sincere appreciation for the valuable contribution made by employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has always made the Company proud.

Conservation of Energy and Technology Absorption

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

Particulars of Employees

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

Details of employee remuneration as required under provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the above said Rules shall be made available to the Members by writing to the Company at ir@sterlingwilson.com

Risk Management

The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Your Company has developed a risk management system commensurate with the size of the Company and the nature of its business. Your Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. Your Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

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

Other Disclosures

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

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status of the Company in future.
- There is no plan to revise the Financial Statements or Directors' Report in respect of any previous financial years.
- The Company has not issued any shares with differential voting rights or sweat equity shares.
- No other material changes and commitments have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report affecting the financial position of the Company.
- In the absence of any amounts required to be transferred to the Investor Education and Protection Fund (IEPF) under Section 125(1) and Section 125(2) of the Act, the Company was not required to transfer any such sum to the IEPF.
- Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is not required to be done by the Company. Accordingly, such accounts and records are not prepared nor maintained by the Company.
- There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

Acknowledgement

The Directors take this opportunity to thank all the Customers, Partners, Bankers, Vendors, Suppliers, Sub-Contractors and Members and all other stakeholders for their valuable and continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's employees at all levels. Your Directors also appreciate and acknowledge the confidence reposed in them by the Members of the Company.

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

Khurshed Daruvala
Chairman & Non-Executive Director

Place: Mumbai
Date: August 14, 2021

Annexure A

Dividend Distribution Policy

1. Introduction:

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

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

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

2. Parameters to be Considered while Declaring Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will consider various financial parameters and internal and external factors, including but not limited to the following before making any recommendations for dividends;

a. Distributable surplus available as per the Companies Act and Regulations.

b. Stability of earnings of the Company and subsidiaries/associate companies/other ventures.

c. Cash flow of the Company and subsidiaries/associate companies/other ventures from operations.

d. Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and associate companies) and other capital expenditure requirements of the Company and subsidiaries/other ventures.

e. Dividend policy followed by the investee companies, as a substantial portion of the Company's income is earned by way of dividend from its subsidiaries.

f. Industry outlook and stage of business cycle for underlying business.

g. Leverage profile.

h. Compliance with covenants contained in any agreement entered into by the Company with its lenders, customers or other parties, as applicable.

i. Funding and liquidity considerations and the requirement of funds to service any outstanding loans/facilities.

j. Macroeconomic and business conditions including the overall economic environment, changes in government policies, industry rulings & regulatory provisions on an Indian as well as global level.

k. Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances.

l. Cost of external financing.

m. Past dividend trends.

n. Buyback of shares or any such alternate profit distribution measure.

o. Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution.

p. Any other contingency plans.

q. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

3. Parameters that Shall be Adopted with Regard to Various Classes of Shares:

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

4. Circumstances under which the Shareholders may or may not Expect Dividend:

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

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

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

5. Procedure for Deciding Quantum of Dividend:

a. The Chief Financial Officer (**"CFO"**) after considering the parameters mentioned above and in consultation with the Managing Director (**"MD"**)/ Chief Executive Officer/Manager may propose the rate of final dividend to be recommended by the Board to shareholders or the rate of interim dividend to be declared by the Board.

b. The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.

c. The final dividend recommended by the Board is subject to approval/declaration by the shareholders in the ensuing general meeting.

d. The interim dividend approved by the Board requires confirmation by the shareholders in the ensuing general meeting.

e. In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and regulations from time to time.

6. General:

a. The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy and as per the provisions of Companies Act. Further, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded while computing the profits for the purpose of declaration of dividend.

b. Subject to compliance with applicable law, the Company's retained earnings, if any will be used for the Company's growth plans, issuance of bonus shares, capital adequacy/ liquidity requirements, debt repayments, and other contingencies and/or for any of the purposes specified in paragraph 2 above.

c. If the Board decides to deviate from this Policy, the rationale for the same will be suitably disclosed.

7. Review/ Modification of the Policy:

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

8. Disclosure:

The Company shall make appropriate disclosures as required under the Listing Regulations.

9. Disclaimer:

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

Annexure B

Nomination and Remuneration Policy

1. Introduction:

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

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

2. Objectives of the NR Committee:

2.1 The NR Committee shall:

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

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

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

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

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

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

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

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

3. Effective Date:

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

3.2 This policy shall be operational with immediate effect.

4. Definitions:

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

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

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

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

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

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

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

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

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

d) none of whose relatives –

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

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

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

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

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

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

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

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

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

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

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

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

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

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

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

(ii) the Company Secretary;

(iii) the Whole-Time Director;

(iv) the Chief Financial Officer;

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

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

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

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

5. Applicability:

The Policy is applicable to -

a. Directors (Executive and Non-Executive)

b. Key Managerial Personnel

c. Senior Management Personnel

6. Constitution of the NR Committee:

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

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

7. General Appointment Criteria:

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

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

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

8. Additional Criteria for Appointment of Independent Directors:

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

9. Term/ Tenure:

i. Managing Director/ Whole-time Director

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

ii. Independent Director:

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

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

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

10. Removal:

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

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

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

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

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

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

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

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

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

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

(g) assist the Company in implementing the best corporate governance practices;

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

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

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

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

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

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

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

12 Board Diversity:

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

13 Remuneration:

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

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

13.2.1 Managing Director/ Whole-time Director

a. The compensation paid to the Executive Directors (including Managing Director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act, 2013.

b. Besides the above criteria, the remuneration/ compensation/ commission etc to be paid to Managing Director/ Whole-time Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

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

13.2.2 Non-Executive Directors

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

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

13.2.3 KMPs/ Senior Management Personnel etc.

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

13.2.4 Directors' and Officers' Insurance

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

14 Chairperson:

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

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

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

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

15 Frequency of Meetings:

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

16 NR Committee Members Interest:

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

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

17 Secretary:

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

18 Voting:

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

19 Adoption, Changes and Disclosure of Information:

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

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

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

20 Dissemination Policy:

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

Annexure C

Form No. MR 3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members,

Sterling and Wilson Solar Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sterling and Wilson Solar Limited** (L74999MH2017PLC292281) and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur West, Mumbai - 400 043 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc as mentioned above ***except*** *that the quarterly standalone and consolidated financial results and the Limited Review Report (which was approved in the Board Meeting held on September 15, 2020) was submitted to the Stock Exchanges on September 16, 2020, while the last date for submission of the same was September 15, 2020.*

We further report that

The Board of Directors of the Company is duly constituted with required number of Executive, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under reporting.

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

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

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

We further report that during the audit period:

1. The Company had in the Annual General Meeting held on September 30, 2020, passed an Ordinary Resolution to approve Material Related Party transactions entered with Shapoorji Pallonji and Company Pvt. Ltd. and its group companies, related parties to the company, up to a maximum amount of ₹ 1,200 Crore with effect from April 01, 2020 and every year thereafter;

2. Hon'ble National Company Law Tribunal had sanctioned the Scheme of Arrangement ("Scheme") for amalgamation of Sterling & Wilson-Waree Private Limited with the company vide its order dated January 29, 2021. Further, the Company has filed the certified copy of aforesaid Order has been filed with the Registrar of Companies on April 07, 2021; the appointed date of the above Scheme is April 01, 2021;

3. The Board of the Directors at their meeting held on March 22, 2021, inter alia, considered and approved the following, subject to the approval of the shareholders:

   (i) 'The Sterling and Wilson Solar Limited Employee Stock Option Plan' ("SWSL ESOP Plan") through Postal Ballot;

   (ii) Issuance of Stock Options exercisable into not more than 16,03,600 Equity Shares of Re.1/- each being 1% of the Paid-up Equity Share Capital of the Company, at such price, in one or more tranches, under the SWSL ESOP Plan, and;

4. The Management Committee of the Board of Directors, at its meeting held on March 22, 2021, passed a resolution to approve availing of fund based working capital by way of Commercial Paper up to a limit of ₹ 200 Crore; the company has issued Commercial Paper of ₹ 40 Crore and the same have been listed at BSE Ltd. on March 31, 2021.

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

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: June 29, 2021
UDIN: F006252C000514531

NOTE:

This draft has been prepared without examining the Financials and the report of Statutory Auditors. Accordingly, we reserve the right to amend any part of this report, if a need arise subsequently based on such financials and report of the auditors as and when the same are made available to us.

'Annexure A'

To,
The Members,
Sterling and Wilson Solar Limited
Mumbai

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

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

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

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

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

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

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

7. On account severe restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit had to rely on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: June 29, 2021
UDIN: F006252C000514531

Annexure D

Annual Report on CSR Activities for the Financial Year 2020-21

1. Brief outline on CSR Policy of Company :

CSR Vision: "Creating a Sustainable and Responsible business"

Sterling and Wilson Solar Limited ("SWSL" or "the Company") is committed to enriching people's lives. We take pride in being socially and environmentally responsible to our employees, stakeholders, vendors, and the world at large. Every precious resource utilized by us is accounted for and used optimally keeping in mind the greater good of society. For us, business is as much about integrating societal, economic and environmental obligations as it is about creating value for our esteemed customers. In our own humble way, we strive to be the change we want to see.

CSR Objectives:

This Policy sets out the framework that would guide all CSR initiatives and activities undertaken by the Company. This Policy is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the relevant rules made thereunder. Any project or program that is exclusively for the benefit of SWSL's employees would not be considered as CSR initiative, program, project or activity. The surplus arising out of the CSR projects, initiatives or programs or activities shall not form part of the business profit of SWSL.

The Policy is guided by SWSL's vision to create a sustainable and responsible business.

Scope & Focus Area:

The Company may carry out any one or more of the CSR activities, notified under the Section 135 of the Companies Act, 2013 read with Schedule VII, *inter alia* the following:

- **Improve Quality of Life:** Providing Safe Drinking Water, Sanitation, & Overall Health
- **Environmental Preservation:** Reducing Our Carbon Footprint, Increasing Green Cover & Promote Bio-Diversity
- **Education and Skills Training:** Facilitating Underprivileged Children and Young Adults from Tribal Communities with Education and Skills Training
- **Inclusion:** Training and Earning Opportunity to Differently Challenged Youth, Alleviation of Poverty, Financial Inclusion For Migrant Labour Force

Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ modifications to the above sectors/activities.

CSR Operational Framework:

CSR Committee

The Board of Directors of the Company has constituted a CSR Committee in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder. The details of the composition are available on the Company's website at www.sterlingandwilsonsolar.com.

This Committee will be responsible for the following:

(a) To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) To identify corporate social responsibility partners and corporate social responsibility policy programmes;

(c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) To review and monitor the implementation of the corporate social responsibility policy, corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(f) To formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have an oversight over its implementation;

(g) To review the impact assessment carried out for the projects of the Company, if applicable, as per the requirements of the law.

(h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

CSR Governance:

Every year, the CSR Committee will place for the approval of the Board of Directors of the Company, an annual action plan giving the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the annual action plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board, on the recommendation of the CSR Committee.

2. Composition of CSR Committee :

Sr. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Keki Elavia	Chairman of CSR Committee and Independent Director	3	3
2.	Mr. Khurshed Daruvala	Member of CSR Committee and Non-Executive Director	3	3
3.	Mr. Pallon Mistry	Member of CSR Committee and Non-Executive Director	3	3

3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company : https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2019-2020	N.A.	N.A.
2.	2018-2019	N.A.	N.A.
3.	2017-2018	N.A.	N.A.
Total			

6. Average net profit of the company as per Section 135(5) : ₹ 312.50 Crore

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 6.25 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). ₹ 6.65 Crore*

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.09	4.56	April 30, 2021		N.A.	

(b) Details of CSR amount spent against ongoing projects for the financial year: Please refer below mentioned table

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Please refer below mentioned table

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2.09 Crore

(g) Excess amount for set off, if any –

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9 (a) Details of Unspent CSR amount for the preceding three financial years: Please refer below mentioned table

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Please refer below mentioned table

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

	(a) Date of creation or acquisition of the capital asset(s)	Not Applicable
	(b) Amount of CSR spent for creation or acquisition of capital asset	
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
11	Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)	During the year under review, the Company spent ₹ 2.09 Crore on its CSR activities. However, the balance amount could not be spent as various projects identified and initiated during the year were required to be kept on hold due to Covid-19 pandemic.

** The Hon'ble National Company Law Tribunal (NCLT) had sanctioned the Scheme of Arrangement between Sterling & Wilson - Waaree Private Limited (SW Waaree) and the Company on January 29, 2021. The certified true copy of the Order was received by the Company on March 30, 2021. Further, the Scheme has come into effect on April 07, 2021 with the appointed date as April 01, 2020. In view of the same, after including the CSR budget of SW Waaree, the revised CSR budget of the Company is increased to ₹ 6.65 Crore.*

8 (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	**Education and Skill Development:** 1. Improve the infrastructure facilities at various schools 2. Contribution to ensure the quality of education and improve other facilities at the local schools 3. Providing emotional well-being of the society by spreading awareness and education 4. Educational support to disabled students 5. Providing Mini Science Center to make science fun by 80 (3D) models of important concepts	Clause (ii) Promoting education	No (Except Mumbai)	Maharas-htra, Goa	Thane, Raigad, Mumbai, Ratnagiri South Goa	2 years	70,37,370	18,75,000	51,62,370	No	• Saprem • Light of Trust • VESLARC (Vivekanand Education Society's Leadership Academy and Research Centre) • Beautiful Tomorrow • STEM Learning	CSR00003104 CSR00000156 Not available for VESLARC CSR00004010 CSR00000687

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
2.	**Health & Sanitation:** 1. Providing medical aid to poor and needy 2. Construction of toilets for school students & teachers 3. Promoting health & sanitation of school/ college going girls by providing them Sanitary Napkins & incinerator machine to dispose used napkins	Clause (i) Promoting health care and sanitation	No	PAN INDIA		2 years	2,02,70,411	16,39,372	1,86,31,039	No	• Shree Shankara Hindu Mission	CSR00001623
3.	**Disaster Management:** 1. Provide support towards Covid-19 rehabilitation/ Covid care facilities 2. Provide assistance in setting up oxygen generation plant 3. Providing support to persons affected by Covid-19 under Upjevan scheme	Clause (xii) Disaster management	No	PAN INDIA		2 years	1,57,12,700	32,12,700	1,25,00,000	Yes	--	--
4.	**Environment Sustainabilty & Community Development:** 1. Installation of Solar Panels and Solar Rooftops 2. Construction of Multipurpose shed at Govt Pre-Primary School 3. Community water harvesting run by women in drought prone regions. 4. Construction of 25 farm ponds in the targeted villages. 5. Lift irrigation scheme and drinking water lift scheme to eliminate water scarcity.	Clause (iv) Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water, Clause (x) rural development projects	No (except Mumbai)	Maharashtra, Gujarat	Pune, Mumbai, Bhavnagar, Latur, Osmanabad, Palghar	2 years	96,42,000	18,39,000	78,03,000	Direct and through Implementing Agency	• Queen Mary's Technical Institute (QMTI) • Sushrut Hospital • Swayam Shikshan Prayog (SSP) • Sri Chaitanya Seva Trust	CSR00004200 CSR00003265 CSR00002783 CSR00001017
5.	**Rural Development:** 1. Provide Housing and sanitation to Farm Widows of Amaravati District 2. Providing CCTV Surveillance - Village area	Clause (x) Rural development projects	No	Maharashtra, Telangana	Amaravati, Kamareddy		26,60,000	12,50,000	14,10,000	Direct and through Implementing Agency	• Habitat for Humanity	CSR00000402
	Total						**5,53,22,481**	**98,16,072**	**4,55,06,409**			

STATUTORY REPORTS

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation -Direct (Yes/No)	(8) Mode of implementation - Through implementing agency
				State	District			Name & CSR Registration No.
1.	Sterling Wilson Scholarship Program	Clause (ii) Promoting education	No	PAN INDIA		60,00,000	No	Tata Institute of Social Sciences (TISS) CSR00003475
2	Providing safety wall to the school	Clause (x) Rural development projects	No	Maharashtra	Osmanabad	6,49,925	No	Sri Samajik Sanstha (CSR Registration not Available)
3	a. Providing assistance for construction of boundary wall b. Providing assistance for construction of tank at school c. Providing assistance in construction and related work of toilets. d. Providing assistance for Computers and Printers.	Clause (ii) Promoting education, Clause (x) Rural development projects	Yes	Rajasthan	Birami, Rani, Pal District Bhadla, Phalodi, Jodhpur District	45,07,194	Yes	-
	Total					1,11,57,119		

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
N.A.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount Allocated for the Project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed / Ongoing
N.A.								

Place: Mumbai
Date: June 29, 2021

Khurshed Daruvala
Chairman and Non-Executive Director

Keki Elavia
Chairman CSR Committee

Annexure E

Report on Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo for the Financial Year 2020-21

(A) Conservation of Energy

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

- **Prefabricated system components:** The system components of utility scale projects and roof top systems division job is pre-fabricated and hence only mechanical assembly and electrical terminations are required. This leads to minimization of usage of power tools at sites and thereby minimizes usage of energy. Usage of Diesel Generator (DG) sets at construction site is eliminated, this eliminates the sound, air pollution along with conservation of fuel.

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

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

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

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

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

(iii) The capital investment on energy conservation equipment:

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

(B) Technology Absorption

(i) The efforts made towards technology absorption:

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

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

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

- Tracker system
  The Solar tracker is a device that orients the solar panels based on the movement of the sun. In Solar power plants, trackers are used to

STATUTORY REPORTS

maximize the utilization of Direct Horizontal Irradiation by minimizing the angle of incident light on the Solar Modules.

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

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

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

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

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

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

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

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

- Usage of 1500V Modules of Higher wattage up to 500 Wp+ coupled with bifacial technology have helped lower the Balance of Systems (BOS) cost thereby providing an edge in acquisition of orders. This will reduce the land requirements, other BOS system and thus indirectly conserve energy.
- Invertor station concept (purpose built) in many projects has been helping in achieving improved efficiencies in project execution.
- 8 MVA 3 winding transformers utilized to optimize BOS efficiency.

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

(iv) The expenditure incurred on Research and Development.

Test Bed project: ₹ 2.03 Crore

(C) Foreign Exchange Earnings and Outgo:

(i) Foreign exchange earnings for the year under review: ₹ 808.73 Crore

(ii) Foreign exchange outgo for the year under review: ₹ 1,047.55 Crore

Annexure F

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Khurshed Daruvala	1.33
	Mr. Arif Doctor	0.67
	Mr. Bikesh Ogra	0.56
	Mr. Keki Elavia	1.31
	Mr. Pallon Mistry	0.81
	Ms. Rukhshana Mistry	1.25
The percentage increase/ decrease in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Khurshed Daruvala	(40.14)
	Mr. Arif Doctor	(46.88)
	Mr. Bikesh Ogra	(56.25)
	Mr. Keki Elavia	(42.11)
	Mr. Pallon Mistry	(41.38)
	Ms. Rukhshana Mistry	(48.36)
	Mr. Kannan K.	N.A.[1]
	Mr. Chandra Kishor Thakur	N.A.[1]
	Mr. Bahadur Dastoor	(29.76)
	Mr. Jagannadha Rao Ch. V.	(20.92)
The percentage increase/ decrease in the median remuneration of employees in the financial year		(11.34)
The number of permanent employees on the rolls of Company		1523 as on March 31, 2021
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase/ decrease made in the salaries of employees is (11.34)%. However, the same is strictly not comparable with the average percentile increase/ decrease in the managerial remuneration as Mr. Kannan K. ceased to be Manager of the company on August 31, 2020 and Mr. Chandra Kishore Thakur was appointed as Manager of the Company w.e.f. September 01, 2020.	
Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby confirmed that the remuneration paid to the employees is as per the remuneration policy of the Company.	

Note(s):

[1] Mr. Kannan K. ceased to be Manager of the Company on August 31, 2020 and Mr. Chandra Kishore Thakur was appointed as Manager of the Company w.e.f. September 01, 2020

Certificate on Corporate Governance

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

To
The Members
Sterling and Wilson Solar Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Sterling and Wilson Solar Limited, for the year ended on 31st March 2021 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: June 29, 2021
UDIN: F006252C000514573

Management Discussion and Analysis

Economic Review

Global Economy

The contraction of activity in CY 2020 due to the outbreak of COVID-19 pandemic was unprecedented in its speed and synchronised nature. As per IMF, in CY 2020, the world economy contracted 3.3% and the contraction could have been three times as large if not for extraordinary policy support. Many economies entered the crisis in a precarious fiscal situation and with less capacity to mount major health care policy responses or support livelihoods. Emerging market economies and low-income developing countries were hit harder due to limited resources at hand. Output losses were particularly large for tourist nations, commodity exporters and countries with limited policy measures to respond.

Growth in %	2022	2021	2020	2019
World Output	4.4	6.0	(3.3)	2.8
Advanced Economies	3.6	5.1	(4.7)	1.6
United States	3.5	6.4	(3.5)	2.2
Euro Area	3.8	4.4	(6.6)	1.3
Japan	2.5	3.3	(4.8)	0.3
United Kingdom	5.1	5.3	(9.9)	1.4
Emerging Market and Developing Economies	5.0	6.7	(2.2)	3.6
China	5.6	8.4	2.3	5.8
India	6.9	12.5	(8.0)	4.0

2021 and 2022 are projections
Source: IMF WEO April 2021

STATUTORY REPORTS

Outlook

The rollout of vaccines against COVID-19 virus has brought in some respite to the world economy. Faster and more effective vaccination deployment across the world is critical. Acceleration in the production and distribution of doses, and better coordination around the world can enable economies to get ahead of virus mutations and recover better. In 2021, economic growth is expected at 6% reflecting the recovery witnessed towards the end of 2020. In 2022, economic growth is expected to moderate to 4.4%.

Over the medium term, growth is expected to be subdued at 3.3% due to damaged fundamental factors such as age-related slower workforce growth, reduced per capita income, lower business investment etc. Advanced economies are expected to recover to 5.1% in 2021 and 3.6% in 2022 post the 4.7% contraction in 2020. Emerging markets and developing economies are expected to recover to 6.7% in 2021 and 5% in 2022 post the 2.2% contraction in 2020. The outlook presents daunting challenges related to divergences in the speed of recovery both across and within countries and the potential for persistent economic damage from the crisis.

(IMF World Economic Outlook, April 2021)

Indian Economy

H1 FY 2020-21 was severely impacted by lockdowns, mobility restrictions and social distancing due to the COVID-19 outbreak. These resulted in supply chain disruptions and consumer demand fallout. However, in H2 FY 2020-21, industrial activity gradually picked up. The economy unlocked in phases and mobility of goods eased supply-side pressures. Stronger car sales, rising finished steel production and diesel consumption, higher goods and services tax revenue collections followed. Improvement in the availability of finance from banks, pent-up demand and festivities added to buoyancy in economic activity.

Indian GDP is expected to undergo a contraction of 8% for FY 2020-21 according to the second advance estimates of National Income by the National Statistics Office. The contraction looks distorted on account of significant growth of subsidies. In the Union Budget 2021-22, a massive spending push of over ₹ 4 trillion was announced to boost consumption, supported by solid fiscal and quasi-fiscal measures. The agriculture sector has been the only silver lining this fiscal year, with the manufacturing sector also registering a partial recovery in the second half anticipating festival season demand. The recovery in economic activity and improved investor sentiments are a result of impactful reforms undertaken by the Government since March 2020. Several investment initiatives were announced like the national infrastructure pipeline, demand-driven capex, and the Centre's Production-Linked Incentive (PLI) scheme.

Outlook

As per the World Bank, India's GDP growth is estimated at 8.3% during FY 2021-22 depending on the success of the vaccination campaign, requirement of restrictions to mobility, and global economic recovery. The second wave of COVID-19 has impacted the economy in Q1 FY 2021-22, but pent up demand related recovery is likely similar to that seen post the first wave. As economic activity normalises domestically and in key export markets, the current account is expected to return to mild deficits of around 1% in FY 2021-22 and FY 2022-23; and capital inflows are projected by continued accommodative monetary policy and abundant international liquidity conditions.

Source: National Statistics Office, World Bank

As per the World Bank, India's GDP growth is estimated at 8.3% during FY 2021-22 depending on the success of the vaccination campaign, requirement of restrictions to mobility, and global economic recovery.

Industry Overview

Global Renewable Energy Industry

Global energy demand is set to increase by 4.6% in 2021, more than offsetting the 4% contraction in 2020 and pushing demand 0.5% above 2019 levels. Demand for all fossil fuels is set to grow significantly in 2021. Despite an expected annual increase of 6.2% in 2021, global oil demand is set to remain around 3% below 2019 levels. Renewables have proven largely immune to the pandemic with new capacity coming online due to benefits from priority market access in many regions. Energy demand across advanced economies fell by over 6% on average in 2020. Most emerging markets and developing economies also experienced a drop in energy demand in 2020, albeit less than in advanced economies.

Renewable energy use increased 3% in 2020 led by ~7% growth in electricity generation from renewable sources. Long-term contracts, priority access to the grid, and continuous installation of new plants underpinned renewables growth despite lower electricity demand, supply chain challenges, and construction delays in many parts of the world. Accordingly, the share of renewables in global electricity generation jumped to 29% in 2020, up from 27% in 2019 and is expected to touch an all-time high of 30% in 2021 expanding by more than 8% to reach 8,300 TWh. Solar photovoltaic (PV) and wind are set to contribute two-thirds of renewables growth. Wind is set for the largest increase in renewable generation, growing by 275 TWh, or almost 17%, which is significantly greater than 2020 levels.

Despite pandemic-induced supply chain challenges and construction delays, renewable capacity additions in 2020 expanded by more than 45% from 2019, reaching 278 GW. This was led by an exceptional 90% rise in global wind capacity additions followed by 23% expansion of new solar PV installations to almost 135 GW. Policy deadlines in China, the United States and Vietnam spurred an unprecedented boom in renewable capacity additions in 2020. China alone was responsible for over 80% of the increase in annual installations. The exceptional level of renewable energy capacity additions is expected to be maintained, with 270 GW becoming operational in 2021 and 280 GW in 2022. This will result in renewables accounting for 90% of total global power capacity increases in both 2021 and 2022.

Source: International Energy Agency: Renewable Energy Market Update Outlook for 2021 and 2022 and Global Energy Review 2021

Indian Renewable Energy Industry

India is the fifth largest renewable market with an installed capacity of 94.5 GW (including both on-grid and off-grid) in FY 2020-21. India is expected to drive energy demand over the next two decades, accounting for 25% of global growth, overtaking the European Union as the world's third-biggest energy consumer by 2030 behind China and the United States. India is a global leader in battery storage aided by decreasing prices and technology improvements. In India, the major growing markets for battery storage are renewable integration into the grid, telecom towers back-up, data centres, diesel optimisation, solar rooftop, and distribution utility scale storage.

Being a signatory to the Paris Climate Accord, India is committed to increase power generation through renewables, mainly solar, and raise the share of natural gas in its energy mix to 15% by 2030 from 6.2% currently. Over 80% of India's energy requirements are met by three fuels: Coal, Oil and Soil Biomass. At present, coal dominates India's energy sector, accounting for more than 70% of overall generation. The demand is expected to further rise to 772 million tonnes in 2040 from the current 590 million tonnes.

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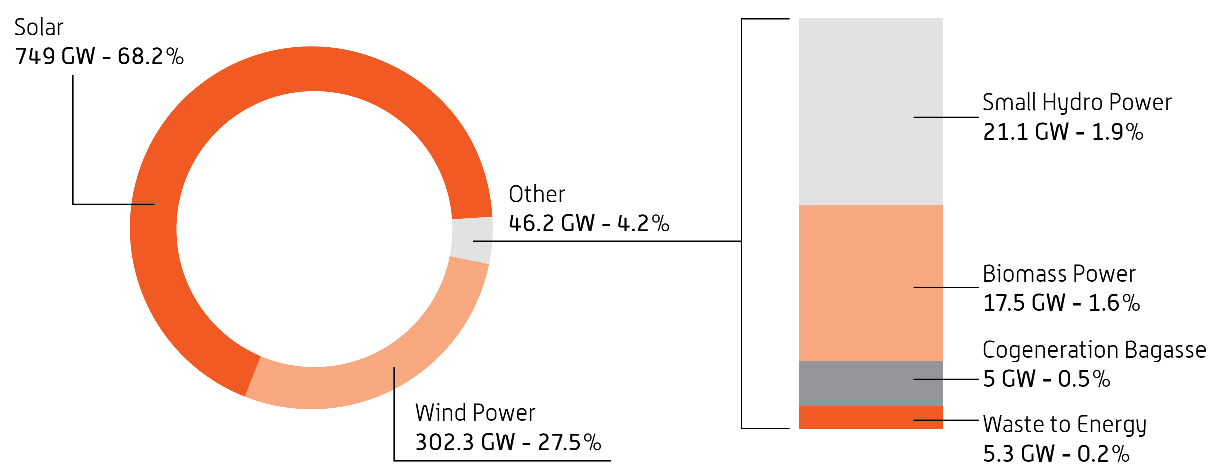
Fig 1.5: Estimated Potential of Renewable Power as on March 31, 2020 Sourcewise



Source: Energy Statistics India 2021 by National Statistics Office

1,177 MWp, Abu Dhabi

Renewable energy is becoming more appealing as the climate crisis is worsening and importance of reducing carbon emissions is gaining widespread acceptance.

As per Central Electricity Authority data, total capacity addition during FY 2020-21 was 3.2% to 382.1 GW from 370.1 GW in FY 2019-20. The share of renewable energy (excluding hydro) increased from 23.52% in FY 2019-20 to ~24.7% in FY 2020-21. Solar energy share in total installed power capacity increased from 9.35% in FY 2019-20 to 10.47% in FY 2020-21.

Despite the COVID-19 pandemic, India's electricity demand is projected to grow by 5% per year to 2040, leading to doubling of the rate of the energy demand. Solar PV and wind account for more than three-quarters of the capacity additions as their costs fall. By 2030, new solar PV will compete with the existing coal-generated power.

Since 2000, India has doubled its energy consumption due to a growing population and its massive electrification drive. The ongoing COVID-19 pandemic and the subsequent lockdown disrupted India's energy consumption that fell 5% in 2020. Before the ongoing COVID-19 pandemic, a 50% increase was expected in India's energy demand between 2019 and 2030. At present, it is close to 35%.

The combined markets in India for solar PV modules, wind turbines, lithium-ion batteries and water electrolysers are expected to grow over US$ 40 billion per year by 2040. India's clean energy workforce is expected to grow by 1 million between 2020 and 2030.

Global Renewable Energy Targets

The United Nations has set a target to achieve net zero emissions by 2050 for which the world is required to cut carbon emissions by at least 45% below 2010 levels by 2030. The Global Champion Ministers are committed to lead galvanised voluntary commitments, which will take the form of Energy Compacts as contributions towards achieving Sustainable Development Goals and net-zero emissions, aligned with enhanced Nationally Determined Contributions and long-term climate goals under the Paris Agreement. The global roadmap and Energy Compacts are expected to put forth solutions for energy transition away from fossil fuels, providing greater access to electricity and clean, modern cooking and heating fuels.

India has also committed to implement the Sustainable Development Goals (SDG) and to ensure access to affordable, reliable and sustainable energy for all by 2030. The country's transition away from fossil fuels will have a significant impact on global climate efforts, since it is the world's third-largest greenhouse gas emitter, although per capita emissions are below the global average. With around 46.3 GW renewable capacity under implementation and 35.1 GW tendered, India needs to ramp up renewable energy capacity addition to achieve the target to install 175 GW renewable energy by 2022. New records for renewable energy capacity expansion are likely in 2021 and 2022, since the delayed projects from previous competitive auctions have been commissioned. PV capacity addition is expected to be 3x in 2021 compared with 2020, as delayed large-scale utility projects become operational.

The central government proposed reforms worth US$ 41 billion to improve discom operations. Given India's low per capita energy use, which is a third of the world average, several foreign investors are investing in the Indian renewable market.

Increasing Significance of Renewable Energy

Renewable energy is becoming more appealing as the climate crisis is worsening and the importance of reducing carbon emissions is gaining widespread acceptance. Renewable technology has the potential to significantly reduce greenhouse gas emissions and reduce the use of fossil fuels. Great strides have been made in the past decade, with governments and markets opting for renewable-based energy systems. A clear vision of a new energy system is emerging, based on renewable technologies and complemented by green hydrogen and modern bioenergy. This new system is technically viable and ready for accelerated and widespread adoption. A host of countries have recently announced major commitments to significantly cut their carbon emissions, promising to reach 'net zero' in the coming years.

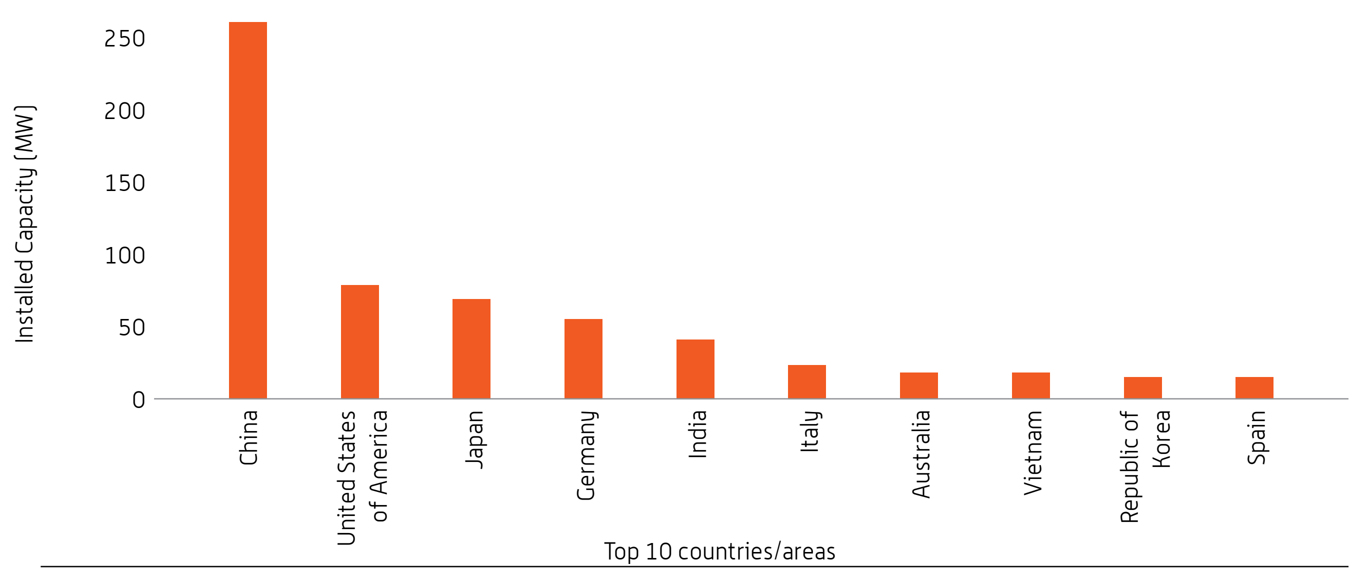
Global Solar Power Industry - An Overview

Solar Energy – Energy of the Future

Solar power is the most reliable, cleanest and abundant energy resource available on the planet, and a proven viable alternative to fossil fuels that are currently polluting the environment and contributing to global warming. Solar power is generated through various technologies namely solar PV, solar thermal, concentrated solar power (CSP), and concentrated PV.

Countries such as China, Germany, Spain and the United States have some of the largest solar resources in the world. Developed and developing countries across the globe are strongly promoting solar energy as an alternative to conventional energy sources. Many governments have set clean energy targets and are making significant strides by switching over to renewable energies such as solar. European countries are focusing the most on both, PV and CSP technology, whereas areas such as Germany, Italy, and Czech Republic have shown substantial growth in terms of PV installation. Spain has observed growth mainly in the CSP market.

Installed Capacity (GW)



Source: IRENA

The combined markets in India for solar PV modules, wind turbines, lithium-ion batteries and water electrolysers are expected to grow over US$ 40 billion per year by 2040.

STATUTORY REPORTS

As per Fortune Business Insights, the global solar market was estimated at US$ 170.55 billion in 2020 witnessing a negative demand shock across all regions amid the pandemic. In 2021, the market is estimated at US$ 184.03 billion, thereafter growing at 6.9% CAGR over 2021-28 to reach US$ 293.18 billion in 2028. In 2020, the solar PV segment held the dominant share with installations of ~120 GW of solar panels globally. In 2019, the total installed capacity of CSP was 6.2 GW with more than 600 MW capacity coming online. In terms of application, the utility segment dominated the solar power market over residential and non-residential segments. Growing adoption of rooftop solar and customer awareness about eco-friendly sources are expected to spur demand in the residential segment.

Asia-Pacific held the dominant share of global solar market in 2020 installing more than 67 GW of solar projects, with China alone installing 48 GW. Other huge capacity additions of solar projects in 2020 are the United States at 19 GW, EU countries at 18.2 GW and Middle East & Africa at 1.5 GW.

Outlook & Opportunities

Solar PV is emerging as the preferred choice of energy generation. The outlook for solar PV market is robust with 15-20% CAGR growth expectations in the coming five years. The Company is equipped to monetise this growth trajectory backed by strong track record, market reach, an established pedigree in this business, long-lasting relationship with global IPPs, developers, and lenders and economies of scale on account of widespread business operations.

COVID-19 has presented significant challenges to the entire EPC industry in terms of supply chain disruptions and increased logistic costs. Despite these challenges, the Company is committed to reinforcing its strength to achieve the chartered growth path.

Geographical Outlook

- **Australia:** Despite no concrete government policy towards renewables, there is a big thrust on green energy with corporates making commitments to become carbon neutral. Thermal power plants are increasingly getting replaced by solar and wind presenting huge growth opportunities in the projects connected to the grid. Similarly, off grid projects are increasingly being linked to green hydrogen and mining space is opening up. Australia thus offers good growth opportunity in the coming years.

- **The United States:** The market prospects are enormous with potential annual orders worth US$ 500 million each for the top 4-5 EPC players. The positive changes in the United States government policies to solar industry in terms of extension of tax credits until CY 2022 coupled with the government's focus on renewable energy bodes well for the solar industry players.

61 MWp, Jordan

- **Europe:** The region has been one of the promising markets for the solar PV installations, post hiatus of 4-5 years, with likely addition of ~7 GW annually. According to the SolarPower Europe, EU Market Outlook, Spain was Europe's largest solar market in 2019, adding around 4.7 GW capacity followed by Germany, the Netherlands, France and Poland.

Key Trends Supporting Growth of Solar Energy

Growing Commercial Use

Increasing deployment of solar PV panels across hotels, offices, and hospitals has led to the commercial segment gaining solar PV module market share from residential and other end-users. Escalating energy demand from data centres and communication base stations is also leading to increased use of solar panels. Rapid urbanisation, government subsidies for renewable energy adoption, growing consumer consciousness towards decreasing their carbon footprint, integration of sustainable energy technologies in grid infrastructure are further enhancing the business landscape.

Digitalisation and Artificial Intelligence (AI)

Currently, a large amount of human time and effort is involved for inspections and maintenance of solar panels. The most recent trend emerging is widespread digitisation at solar power systems from production and infrastructure to end-user devices. Microgrid controllers, AI, digitally controlled robots and drones are being increasingly used in technology for solar energy. AI is being used to monitor and develop trends in energy generation and consumption.

Solar + Storage

Storage is playing a revolutionary role in the further advancement of the solar energy market. Energy storage can smoothen electricity prices through arbitrage, even out energy ramps, mitigate the risk of curtailment, provide black start capability and provide backup power. While standalone solar has tremendous growth opportunities, the long-term success of the solar industry depends on the cost-effective integration of storage.

Prosumers

Prosumers use a variety of renewable energy technologies and applications such as solar PV, small wind turbines, and stationary fuel cells. The most common type are homeowners who install solar panels on rooftops to produce a share of household electricity needs, while exporting the surplus to the grid or using battery technology to store it for later use. Globally, residential prosumers account for a significant share of global PV capacity. Prosumers can also help mitigate the growth of energy supply-demand gaps and electricity system losses.

Regulatory support – Aiming for a Higher Share of Clean Energy

Escalating demand for sustainable energy, large-scale deployment of renewable energy solutions, declining cost of solar panels and government initiatives like tax rebates and other incentives to encourage solar panel installation is boosting the solar energy market. Various countries like the United States, China, and EU have launched various policies supporting growth in renewable energy such as FiT, investment tax credits and capital subsidies. Multiple countries have extended policy support to meet the EU 2030 climate target:

The United States:
Tax credit extensions for onshore wind; announced targets of halving greenhouse gas (GHG) emissions by 2030 and making electricity carbon-neutral by 2035.

Europe:
To help meet the 2050 goal, the EU Commission has set an ambitious interim target for the EU to raise the share of renewable energy to 40% of final consumption by 2030.

India:
Committed to implement the Sustainable Development Goals (SDG) and to ensure access to affordable, reliable and sustainable energy for all by 2030.

Latin America:
Set a target of generating 70% of the countries' total energy consumption from renewables by 2030.

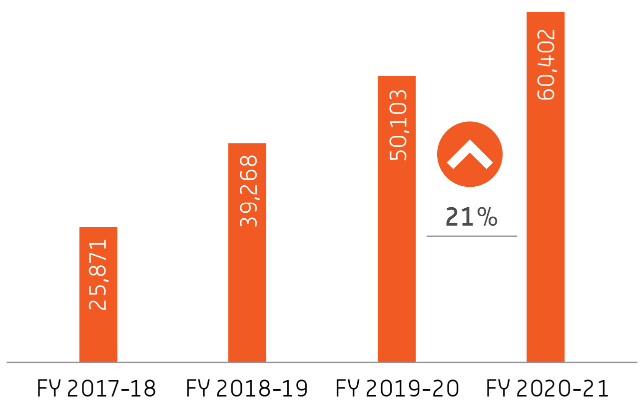
MENA:
The ambitious targets set by all countries of the region are expected to translate into a combined 80 GW of renewable capacity by 2030.

Australia:
The Renewable Energy Target (RET) scheme encourages the additional generation of electricity from renewable sources to reduce greenhouse gas emissions in the electricity sector. The annual target will remain at 33,000 gigawatt hours until the scheme ends in 2030.

Government of India's Dedication Towards Clean Energy

Solar photovoltaics (PV) and wind are the major renewable power sources in India. Solar PV emerged as the largest renewable power source in FY 2020-21 with an installed capacity of 40 GW, overtaking wind that has a capacity of 39 GW. India added 12.1 GW power generation capacity in FY 2020-21, of which 7.7 GW, i.e. 64%, was from renewable energy sources. In renewable energy, solar (grid-scale and rooftop) continues to dominate, accounting for 5.5 GW of the capacity added in FY 2020-21. Solar rooftop capacity addition at 1.8 GW is attributed to favourable policies in states such as Gujarat, which has incentivised rooftop solar for micro-, small- and medium-sized enterprises. The expenses for setting up PV projects dropped by 80% between 2010 and 2019, as per IRENA.

India: Solar Electricity Generation (MU)



Data from CEA
Source: Mercom India Research

The solar energy market has huge potential owing to:

- Unpredictable fossil fuel prices
- Environmental concerns over greenhouse gas emissions associated with fossil fuel use
- Government incentives
- Other support programmes making solar power more cost competitive
- Shift in consumer preference to cleaner energy sources
- Growing electricity demand
- Hot tropical climatic conditions

The Indian government introduced several steps for the rapid deployment of grid connected renewable energy plants, as well as citizen-centric measures such as:

1. Pradhan Mantri-Kisan Urja Suraksha Sevam Utthan (PM-KUSUM) scheme for solarisation of agriculture.
2. Developed Industrial Information System (IIS) to address the issue of land availability.
3. Setting up a central Single Window System (Investment Clearance Cell) in the form of a national portal that will integrate the existing clearance systems of the various Ministries/Departments of Central and State governments.

580 MWp, Bhadla, Rajasthan

As per IHS Markit, the top 30 largest EPC companies installed 28 GW of non-residential PV around the world in 2019, claiming 26% of the total market, increasing from 21% in the previous year.

In the Union Budget 2021, announcement of capital infusion in Solar Energy Corporation of India (SECI) and Indian Renewable Energy Development Agency (IREDA) was made to boost funding and liquidity. Approval has also been given to introduce the Production-Linked Incentive (PLI) Scheme in High Efficiency Solar PV Modules for enhancing India's manufacturing capabilities and enhancing exports with an outlay of ₹ 4,500 crore.

Solar Engineering, Procurement & Construction (EPC) Industry

According to the report published by Allied Market Research, the global solar energy market valued at US$ 52.5 billion in 2018, is expected to grow to US$ 223.3 billion by 2026, at 20.5% CAGR. According to InfoLink, the global module demand is expected to reach 143.7 GW in 2021 with nearly 20 countries reaching GW scale. China, the United States, India, and Europe are expected to lead the solar growth, together representing more than 70% of global market demand. Surging environmental concerns and strict regulatory mandates to control greenhouse gas emissions have led to industrial inclination toward the integration of effective energy conservation measures which in turn drives the growth of global solar EPC market.

(Source: https://dataintelo.com/report/solar-engineering-procurement-and-construction-epc-market/)

(Source: https://www.globenewswire.com/news-release/2021/02/03/2169236/0/en/Global-Solar-Energy-Market-to-Generate-223-3-billion-by-2026-AMR.html)

As per IHS Markit, the top 30 largest EPC companies installed 28 GW of non-residential PV around the world in 2019, claiming 26% of the total market, increasing from 21% in the previous year. This growth is attributable to a growing concentration in the Chinese PV market, integrator concentration in growing markets of Spain and Vietnam, and large project sizes brought online. In 2018, solar power parks above 100 MW capacity accounted for less than a quarter of non-residential PV addition, but in 2019 more than 140 parks with over 100 MW in size came online accounting for 30% of the global PV market, excluding residential systems.

The COVID-19 pandemic significantly affected the Indian solar market in CY 2020, resulting in a 56% decline in solar installations, with only 3,239 MW installed capacity in CY 2020 as compared to 7,346 MW installed capacity addition in CY 2019. The large-scale solar projects accounted for 78% of installations with 2,520 MW, down 60%.

However, India still maintains a strong pipeline of 47.5 GW of utility-scale projects under development, with another 24.5 GW of tenders awaiting auction. Around 9.7 GW of utility-scale solar capacity is expected to be commissioned in CY 2021 with a further 2 GW of rooftop solar installations to be commissioned as compared to 1,172 MW in CY 2020.

The market posed severe challenges for EPC companies due to COVID-related lockdowns and restricted movements. Another difficulty facing the government agencies was to get DISCOMs to sign power sale agreements (PSA) leaving 17-18 GW of projects without a PSA. Growth in installation picked up in the last quarter of CY 2020. The government granted a five-month extension for project commissioning which came in as a huge relief to EPC companies.

(Source: Mercom India)

Solar Operations & Maintenance Industry

According to Wood Mackenzie, globally, 227 GW of PV systems will be near the end of inverter life and ~36 GW of solar capacities are likely to face premature failures in 2025. Solar inverters need replacement after 10 years of service though earlier faults are also possible. With this, the annual global non-residential solar operations and maintenance (O&M) market is expected to reach US$ 9.4 billion by 2025. In the Asia-Pacific region, the market is expected to reach US$ 4.1 billion, in Europe, the Middle East and Africa US$ 3.5 billion, and in the Americas US$ 1.8 billion. There is expected to be significant increase in premature inverter failures as the global PV fleet ages.

(Source: https://renewablesnow.com/news/solar-om-market-to-hit-usd-94bn-by-2025-as-fleet-ages-703843/)

With competitive bidding becoming the norm for the solar power sector, there is more emphasis on achieving cost-effectiveness and portfolio consolidation. The O&M selection of a project which meaningfully impacts the competitiveness and efficiency of the project, is a matter of prime consideration for the developer as compared to being an afterthought earlier. As the size of the project increases, O&M costs surge and so companies look to leverage technology to ensure operational efficiency. Several EPC solutions providers are extending their business models to provide O&M services, in order to achieve superior revenue visibility through long-term O&M contracts.

In the United States and China, autonomous drone inspections, module-washing robots and robotic lawnmowers are commonly used for large projects. Tech-based solutions and increased automation reduce O&M costs. The module cleaning, plant security and associated manpower costs together constitute the major component for plant O&M costs especially in India. Automation significantly reduces such costs by allowing O&M firms to reduce manpower costs and maintain profitability. O&M firms are increasingly moving from corrective and preventive maintenance to predictive and prescriptive analytics-based maintenance performance, to reduce downtime and improve operational costs of solar projects. Remote solar photovoltaic monitoring systems are increasingly being used to track power output in real-time. Thermal imaging techniques with the help of drones and thermal imaging camera installed on module cleaning robots are being used to monitor the health of PV plants, vegetation growth and boundary condition of the installed solar modules. Solar power companies are increasingly adopting AI-based tools to enhance efficiency, productivity and more cost-effectiveness.

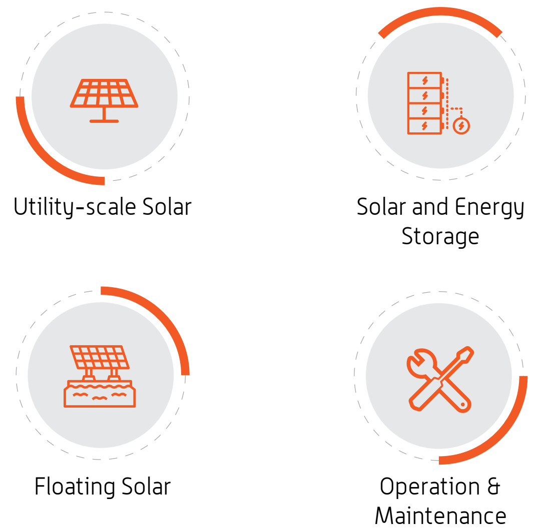
33 MWp, Oman

Company Overview

Summary

Sterling and Wilson Solar Limited ('the Company'), a subsidiary of the Shapoorji Pallonji Group (SP Group) is one of the world's leading solar engineering, procurement, and construction (EPC) company providing end-to-end solutions. It also provides O&M services, including for projects constructed by third parties. The Company has its operations spread globally across 24 countries with a strong presence in regions such as the Middle East, Asia, Africa, Australia and Latin America. Its success is underpinned by strong execution capabilities with a focus on project design and engineering and managing all aspects of project execution from conceptualising to commissioning.

The Company is perfectly poised to play a pivotal role in the global trend of moving away from thermal plants to a future of renewable energy. The Company provides complete customised solutions for solar power projects encompassing:



Complete Solutions Provider for Solar Needs

The Company has superior capabilities in providing complete solar solutions and has thus emerged as a trustworthy and world renowned EPC solutions provider.

- **Design and Engineering:** The Company provides innovative, efficient and cost-effective solutions led by an expert team of 175.
- **Procurement:** The Company follows a stringent vendor selection process led by a robust quality management system to ensure highest quality standards are followed by the vendors with good reputation and financial strength.
- **Inspection & Audit:** To deliver its commitment of superior quality solar components, the Company follows a robust 3-stage audit process of the vendor's facility, along with pre-shipment inspection.
- **Construction:** The Company is committed to delivering robust designs with world-class safety standards, and so undertakes final inspection and testing of constructed plants.
- **Field Quality Monitoring:** To ensure high quality and on-time delivery, the Company follows a centralised monitoring system for tracking of under-constructed plants efficiently.
- **O&M Services:** The Company ensures steady operations, timely corrective measures and high yield output led by its long-term O&M services for both own customers as well as third-party projects.

Aggregate Capacity (MW PV)

Business Division	FY 2020-21	FY 2019-20
EPC	11,366.84	10,134.20
- Installed	7,005.36	6,661.42
- Under installation	4,361.48	3,472.78
O&M	8,094	7,467.97

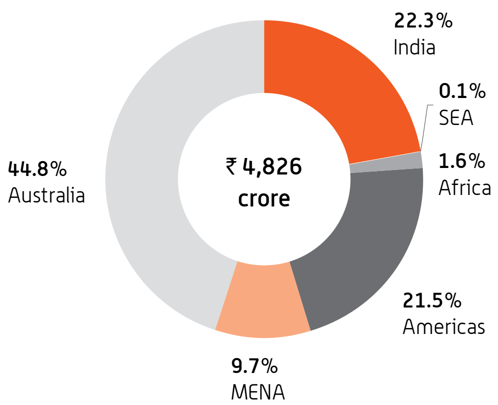
14 MWp, Maharashtra, India

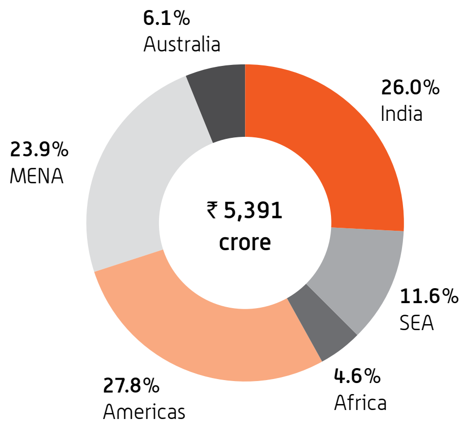
The Company has superior capabilities in providing complete solar solutions and has thus emerged as a trustworthy and world renowned EPC solutions provider.

Revenue, Order Book and Capacity Break-up in Key Markets

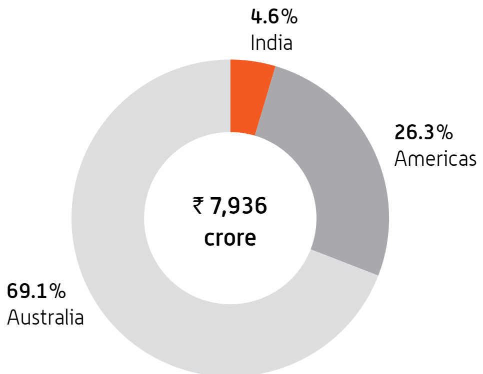
FY 2020-21 | FY 2019-20

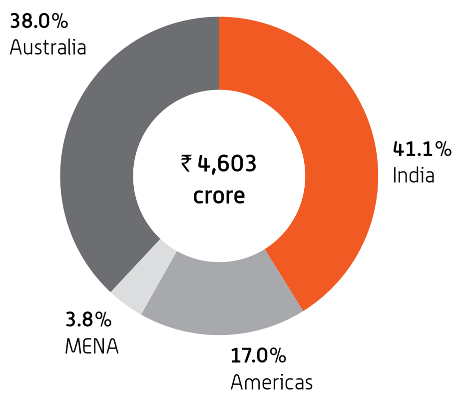
EPC Revenue Break-up by Geography



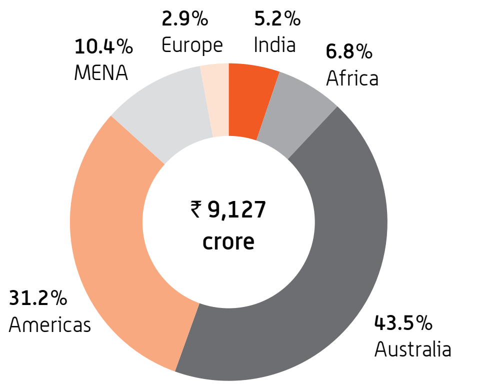


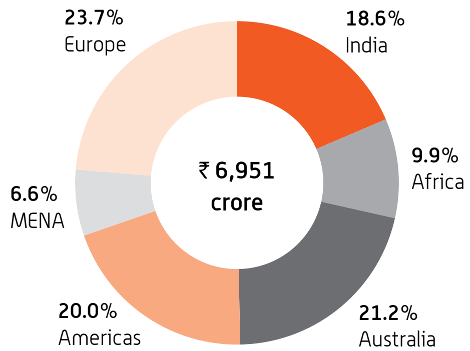
Orders Booked by Geography





Unexecuted Order Value (UOV) Break-up by Geography





The Company has from Q1 FY2021, adopted a policy to only include projects in the order book post signing of the customer contract. If the same policy were to have been adopted retrospectively, the orders amounting to ₹ 4,445 crore from Order Booked during the year and ₹ 5,815 crore from UOV as at March 31, 2020 has been removed.

Due to increase in module and commodity prices, there are orders worth approximately ₹ 2,030 crore for which there are on-going discussions with the customers for a revision in prices and timelines. These projects have not commenced and are a part of the UOV given above.

Competitive Advantages

Owing to its differentiated business model and key strengths, the Company has garnered tremendous success in domestic and international markets, taking profitability to newer heights.

- **Global diversification:** With operations spread across 24 countries, the Company has strengthened business sustainability and has gained expertise in various aspects of business due to geographical diversity.

- **Bankability:** Decades of presence in the industry has helped the Company build strong brand equity and emerge as a partner of choice in the solar energy value chain. Widespread global presence, strong relationships with all stakeholders and project management expertise leads to larger opportunities in bidding and executing large-scale projects.

- **Asset-light business model:** The Company provides scalable customised solutions taking care of different customer needs as its capital and working capital requirements are low. The Company's agile operations enable it to adapt to dynamic market conditions.

- **Resilient execution history and low-cost advantage:** The Company follows a centralised procurement policy which helps optimise operations, inculcate efficiency measures and offer cost competitive solutions. Robust project management is well supported by global supply chain network, cost-effective labour contracts, stringent inspection throughout the product cycle, and field quality monitoring. It has a robust repeat order history and long-lasting customer relationships given its successful track record of executing complex and large EPC projects.

- **Strong in-house design and engineering capabilities:** With a proficient team of 175, the Company provides unique profitable solutions across geographies. The Company is adept in project execution owing to its efficient installation skills which ensure success even amidst a challenging business environment.

- **Technological prowess:** The Company offers a range of innovative, optimised and differentiated solutions, led by technologically advanced techniques such as a world-class, CMS platform, robotic cleaning solutions, centralised monitoring and maintenance systems, automatic grass cutting, IoT CCTV camera, preventive and predictive analytics, solar + storage and floating solar. The Company is well versed with the latest technological advancements through its state-of-the-art innovation centre in Rajasthan, India which allows testing and analysing futuristic technologies.

- **Customer-centricity** The Company's centralised and efficient decision-making ensures timely project execution complying with the highest quality standards. This ensures utmost customer satisfaction and long-lasting customer relationships.

- **Differentiated positioning**: Superior execution skills, robust business model and the capabilities of an end-to-end comprehensive business solutions provider makes the Company an unmatched business partner. Globally, independent power producers (IPPs), multinational conglomerates and lenders place ample trust in the Company.

Business Segments

The Company has two main business segments, namely, EPC and O&M.

EPC Business

The Company is a recognised end-to-end EPC solutions provider worldwide for utility-scale projects. It has established itself as one of the leading solar EPC players across India, Africa, the Middle East, Australia and Latin America. It is also poised to emerge as a leading EPC company in Europe and USA.

a. Utility-scale solar

Solutions under utility-scale solar include design, engineering, procurement, project management, testing, commissioning, connecting solar projects to the grid and long-term operations and maintenance of the plant. The Company offers a range of comprehensive customised solutions like Turnkey, Balance of Systems (BoS) and packaged BoS and solar plus storage solutions, as per prevalent market dynamics. The Company has constructed several landmark projects of over 7 GWp, in addition to the world's largest single location solar PV plant in Abu Dhabi, with a capacity of 1,177 MWp.

b. Floating solar

Constant drive to find innovative and futuristic energy solutions, led the Company to invest in the floating solar technology. Due to their almost negligible land requirement with the ability to be installed on reservoirs, industrial pools or even small lakes, it is a promising trend in the renewable energy landscape. The Company has constructed India's first floating Solar Project (455 kWp).

c. Solar and energy storage

The Company has developed in-house expertise in designing the container/prefab/RCC-based energy storage solutions in partnership with the leading battery manufacturers and energy storage solution providers. This holds tremendous scope of growth with the potential to replace conventional grid network and fossil fuel sources with continuous solar.

O&M Business

The Company is a leading O&M and Asset Management solutions provider catering to requirements of its existing EPC projects as well as third-party customers spread across 9 countries. With a portfolio of over 8 GWp, 51% of its portfolio comprises of third-party customers. The Company strives for utmost customer satisfaction by providing superior quality services and leveraging its excellent track record.

With an average tenure of over 5 years, the O&M business leads to stable revenue streams with annuity-based contracts, earning greater gross and net profit margins. The Company's O&M business grew by 37% in FY 2020-21 led by a team of expert engineers, performance managers, data analytics with in-house R&D team and centralised monitoring platform and computerised maintenance management system.

The Company has NABL certified mobile module testing lab in India, enabling it to test modules at the plant's location. The testing lab reduces several hassles of the developers and aids in saving time and transportation costs. The performance and due diligence team is responsible for ensuring optimum plant performance analysis and recommending necessary preventive measures.

Complete Control over Project Lifecycle

The Company's unique capability to manage the complete supply chain, including the design and engineering functions has earned it strong brand equity. From concept to commissioning of solar projects, the Company has complete control over the project lifecycle.

- **Market evaluation:** The Company follows a thorough process of in-depth market research and advance verbal deals with local suppliers and subcontractors, for potential viable projects as a precursor to bidding for new projects.
- **Bidding evaluation, report preparation, and bid submission:** All business opportunities are screened using comprehensive risk assessment matrix by the business development and tendering team. Post review and comprehensive evaluation of necessary reports, the tendering committee approves projects that are growth accretive. Bids are then submitted for projects ensuring business viability and continuity.
- **Selection of suppliers and sub-contractors:** Besides superior quality supply of components and services, adequate financial strength, strong history and good market reputation are the parameters considered for selecting a supplier through a competitive bidding process.
- **Approvals and finalisation of design:** After securing regulatory approvals and permits, the Company finalises design and technical specifications, keeping in view the contractually agreed performance ratio. This helps improve project performance, reduces potential risk factor and leads to cost optimisation.
- **Procurement:** Best-in-class certified components are procured and used for installations, post approval by a three-step quality management process.
- **Construction, inspection & commissioning:** To ensure cost effective and efficient construction, standardised construction processes are followed allowing the project managers and supervisory team to supervise work in progress meritoriously. Strict adherence to safety standards and agreed-upon performance objectives is assured in the final inspection and testing by the project commissioning team. Post all checks, the final commissioned plant is handed over to the client.

Business Review

Overall Performance

Revenue from operations declined 8.9% in FY 2020-21 to ₹ 5,081 crore as compared to ₹ 5,575 crore in FY 2019-20 due to lower revenue in Q4 on account of COVID-19, a prime subcontractor in Australia going bankrupt, and delay in opening LCs for materials. The EPC business contributed 95.1% to the overall revenue while the rest 4.9% was contributed by O&M business.

The Company's unexecuted order book stands at ₹ 9,127 crore as of March 31, 2021 as compared to ₹ 6,951 crore as of March 31, 2020. Total order inflow at ₹ 7,936 crore as of March 31, 2021 is higher by 72% as compared to the restated FY 2019-20 order book (after exclusion of non-contracted projects). Customer concentration in terms of revenue contribution has increased to 27.85% in FY 2020-21 as against 12.91% in FY 2019-20.

EPC Business

EPC business revenue decreased from ₹ 5,391.3 crore in FY 2019-20 to ₹ 4,825.8 crore in FY 2020-21.

- **Australia:** The Company emerged as the market leader in Australia, and is on course to complete its first turnkey solar EPC project in the region of 200 MW for Lightsource BP. Additionally, the Company successfully signed 769 MW of projects in Australia during the year.
- **MENA:** Middle East and North Africa market continues to remain challenging due to intense competition from Chinese EPC players quoting aggressively low bid prices. Despite this, the Company bagged a 230 MW order in Egypt valued at ₹ 930 crore from one of the leading global IPPs.
- **Latin America:** The Company has been recognised as a key EPC player in Latin America with significant presence in Argentina and Chile. The Company has five projects aggregating 674.64 MW under construction in Chile. Strong government focus in terms of capacity addition of renewables provides good growth prospects in Latin American markets.
- **The United States:** The Company has further strengthened its position with award wins of two major utility scale projects aggregating to 405 MW. Post successful completion of these two major projects, the Company expects significant increase in brand recognition and thus market share in the coming years.
- **Europe:** Spain presents the biggest opportunity in the European region with 7-8 GW pipeline for the next 8-10 years each, backed by steep reduction in solar PV site capex. To address the growth potential, the Company set up a management team at Seville, Spain. The Company is working on large number of potential bids and is confident of acquiring orders in the near-term establishing itself as a leading EPC player.
- **India:** The Company maintained its leadership in the Indian EPC market. It bagged a 380 MW worth order during FY 2020-21 and is committed to execute over 1 GW capacities addition every year in the Indian market. Projects worth 10-12 GW have been allocated but implementation remains challenging given the impact of COVID-19 pandemic.

O&M Business

Revenue in O&M business increased by 37% to ₹ 252 crore with EBIT margin of 39.5% in FY 2020-21 as compared to ₹ 184 crore with an EBIT margin of 48.3% in FY 2019-20. Its contribution to the overall revenue increased to 4.9% in FY 2020-21 as against 3.3% in FY 2019-20.

- Total assets under management grew from 7.5 GW in FY 2019-20 to 8.1 GW in FY 2020-21, up 8%.
- The Company has operations across 9 countries with India contributing 52.14%. Due to COVID-19 restrictions, the Company faced severe challenges in Europe.
- Third-party O&M comprised 51% of the total portfolio.
- The Company also has its own mobile lab and in-house due diligence team strengthening the O&M business proposition.
- The Company developed an in-house CMS and Centralised Monitoring and Maintenance Systems (CMMS) platform with different analytical tools enabling it to connect entire global portfolio in a single location monitored by experts. Operational efficiency of plants is further enhanced with systems which undertakes real-time automated performance analysis, track assets and key performance indicators, and generate data-driven performance reports.
- The Company has also emphasised on automation to provide innovation-driven solutions. It deploys advanced technology and equipment including robotic cleaning, CMMS, and data analytics.
- The Company follows preventive measures by using advanced analytical data from the CMS and CMMS platform, AI-based drone thermography and thermal imaging for extensively identifying component failures. This enables predictive and prescriptive maintenance for operating solar plant performance at an optimum level.
- The Company has carved a niche for itself by leveraging its on-going relationship with OEMs. Also, it is aided by the presence of parent company in different markets, the Company is able to service O&Ms promptly, as compared to other players who lack integrated EPC business.

Financial Highlights

(₹ crore)

Particulars	FY 2020-21	FY 2019-20
Revenue from Operations	5,080.8	5,575.3
Other Income	158.5	303.5
Total Income	5,239.3	5,878.8
Operating Profit (EBITDA)	(363.0)	383.6
EBITDA margin (%)	(7.1)	6.9
EBIT	(379.0)	369.4
EBIT Margin (%)	(7.4)	6.6
Net Profit	(290.0)	304.3
Net Profit Margin (%)	(5.7)	5.5
Cash Generated from Operating Activities	201.0	337.7
EPS (₹)	(17.8)	19.3

Key Highlights for FY 2020-21

- Revenue from operations declined from ₹ 5,575.3 crore in FY 2019-20 to ₹ 5,080.8 crore due to lower revenue in Q4FY2021 on account of COVID-19, bankruptcy of a prime subcontractor in Australia, and delay in opening LCs for materials.
- Adjusted gross margins (adjusted for MTM impact) stood at 0.5% in FY 2020-21 due to higher cost for appointment of an alternate subcontractor at higher prices, increase in module and commodity prices.
- The O&M business revenue increased 37% from ₹ 183.5 crore in FY 2019-20 to ₹ 252.1 crore in FY 2020-21.
- Other Income stood at ₹ 27 crore in FY 2020-21 as compared to ₹ 79.4 crore in FY 2019-20.
- Recurring overheads reduced in FY 2020-21 due to cost efficiency measures undertaken, reduction in travelling cost due to COVID-19. Non-recurring Overheads in FY 2020-21 include indirect tax provision, goodwill write off and ECL provision for IL&FS.
- Negative Net working capital of ₹ 530 crore as on March 31, 2021 as compared to positive working capital of ₹ 178 crore as at 2021.
- Since the Company's listing on the BSE and NSE, it has repaid principal part of term-debt to the tune of ₹ 2,437 crore till June 30, 2020. With this, the Company's Net Debt to Total Equity stands at 0.26.

Key Financial Ratios

Particulars	FY 2020-21	FY 2019-20
Debtors Turnover	3.53	2.84
Interest Coverage Ratio	0.10	0.11
Current Ratio	1.01	0.8
Debt Equity Ratio	0.71	1.14
Operating Profit Margin	(6.49)	6.9
Net Profit Margin	(5.71)	5.5
Return on Net Worth	(31.05)	25.5

Key Strategies for Growth

The Company's growth strategy encompasses fortifying presence in existing markets and spreading operations in newer geographies profitably. Key strategies going forward are:

- **Entry into newer geographies:** Post extensive market research, the Company strategically enters newer geographies leveraging widespread business operations of SP group and the Company's market leadership in few markets. Having achieved substantial success in Australia, the Company is now focusing on the United States and European markets to expand business profitably.
- **Strengthen relationships with key stakeholders:** To sustain its leadership in the EPC market, the Company emphasises on fostering strong and long-lasting relationships with all strategic partners and key stakeholders like engineers, suppliers, consultants and lenders. The Company strives to secure repeat orders by providing best-in-class and cost-effective services, innovative customised solutions with strict adherence to execution timelines while maintaining high quality standards.
- **Focus on improving efficiency:** The Company constantly strives to better its operational and financial efficiency through novel engineering efforts, increased automation and improvements in internal processes for project execution. Best practices in each market are deployed at an organisational level to achieve maximum success.
- **Focus on expanding offerings:** The Company is on constant search of revenue growth drivers. Currently, it is focusing on solar + energy storage and floating solar solutions, to drive business growth. These futuristic technologies hold tremendous potential for growth in the solar industry.
- **Global key accounts:** The Company is looking to leverage its global presence to establish stronger ties in a particular new region. The Company's past interactions with many leading IPP players who have global reach, aids network building in both new and existing geographies.

Outlook

COVID-19 has presented significant challenges to the entire EPC industry in terms of supply chain disruptions and increased logistic costs. Despite these challenges, the Company is committed to reinforcing its strength to achieve the chartered growth path. Solar energy is increasingly emerging as the preferred choice of energy generation due to significantly lower costs as compared to fossil fuels as well as other renewable sources of energy. The outlook for the solar power market is robust with 15-20% CAGR growth expectations in the next five years. The Company is well poised to monetise this structural growth trajectory backed by its strong track record, market reach, an established pedigree in this business, strong relationship with global IPPs, developers, and lenders and economies of scale on account of its widespread business operations.

Risk Management

The Company has a robust an comprehensive risk management framework commensurate with the nature of business. Well defined internal processes enable timely identification and analysis of both internal as well as external risk factors. With business continuity in focus, the risk management framework ensures, timely mitigation or curtailment of foreseeable risks through well devised strategies. Based on existing market presence, market size, growth opportunity and geopolitical risks, the Company's Risk Management team thoroughly assesses and analyses the risks and accordingly suggest appropriate mitigation measures.

Risk	Business Impact	Mitigation measures
Industry Risk	The Company depends on growing global solar industry for steady business operations. Decline in demand for PV installation and negative impact on commercial viability of PV technology will impact revenue and profits.	In bid to reduce carbon emission, countries worldwide are increasingly committing to increase prominence on renewables for energy generation. Being cost effective as compared to fossil fuels as well as other renewable resources, solar energy has been witnessing a sharp increase in share in terms of capacity additions. With technological advancements, solar energy industry is expected to witness significant growth.
Supplier Concentration Risk	With limited number of local and global suppliers, the Company faces the risk of delayed supply or unavailability of desired quality of key raw materials. This may impact timely completion of projects or may lead to increase in cost for the Company.	Over the years, the Company has established long-lasting relationships with most suppliers. The robust vendor selection process ensures all its suppliers have a strong history of supplying high quality materials, with a strong financial strength and market reputation. Periodic supplier audits and good market monitoring throughout the entire supply chain enables the Company to keep a check on timely supply of desired quality raw materials.
Geopolitical Risks	With international operations spread across 24 countries, any country-specific disapproving economic, regulatory, social and political developments may impact business operations.	Exposure to newer geographies enables the Company to minimise impact of geographical concentration risk. Before entering any market, the Company undertakes an in-depth research of regulatory, environmental, safety, health, labour and other business-related regulations prevailing in the market. This enables the Company to foresee any unfavourable developments in that region. The Company closely monitors developments in each region and then decides its future growth strategy.
Competitive Risk	The lucrative growth of the market exposes the Company to an increased threat from competition both domestic and international. This may impact the successful bidding and winning of projects.	The Company's rich experience and dominance in the solar industry has built a strong brand equity. Its unique offering of providing innovative, technically advanced, complete end-to-end solutions at competitive costs led by its widespread operations gives it a significant edge over competition.
Operational Risk	Operational risks may result from inadequate control on internal processes, people, and systems. External factors also pose threat to business operations.	Business operations are carried out basis well-defined policies, operational processes, and systems and are regularly subjected to systems audits. Strong HR practices and a people-friendly approach helps to keep motivational levels high and ensure a high retention rate.

Risk	Business Impact	Mitigation measures
Currency Risk	The Company faces currency translation and transaction risks owing to significant exposure to various currencies. Sharp volatility in exchange rate or inability to adequately hedge may impact profitability.	The Company's robust hedging policy enable it to minimise the currency risk in the contract stage itself for major projects. The Company enters into various derivative and non-derivative instruments to counter risks arising due to exchange rates, interest rates and commodity price fluctuation.
Module Price Hike Risk	In case of a sharp increase in the price of polysilicon, a key input for cell and module manufacturers, the price of solar modules may increase. Higher solar module prices will likely impact the returns of solar power project developers.	The Company closely monitors price of all products it uses and maintains inventory accordingly. Also the Company enters contracts bases on variable pricing which covers for any significant movement in costs.
Commodity Risk	The Company has a diverse business with operations spread across the globe. The Company faces risk related to change in the price and other terms of commodities which may have a bearing on its profitability.	The Company's risk management team adopts various strategies like hedging on the commodity through forwarding contract, futures contract, options contract etc., to minimise any risk due to fluctuation in price of different commodities.
Cyber Fraud Risk	With higher adoption of work from home and increased use of technology to redefine business especially in the post COVID-19 era, cyber risk has emerged as one of the big threats for businesses.	The Company's cyber security team assesses, analyses and monitor the various risks related to increased use of technology. The Company has developed cyber risk management strategies in the enterprise and emerging technologies as they are deployed.

Health, Safety and Environment

The Company is invested in creating resilient occupational safety and health systems by drawing on past experiences and learning. The Company is now certified both for ISO 45001:2018 & ISO 14001:2015 for its Health Safety & Environmental Management system at par with global practices. The Health, Safety and Environment (HSE) practices, rules and regulations vary by jurisdiction and the Company is committed to update and adapt all applicable rules and statutes of countries it operates in.

The Company has always endeavoured to harmonise health and safety at its workplaces with that of the surrounding habitat. The Company conducts several campaigns to maintain biodiversity and ensuring a sustainable work environment. Though the pandemic posed new level of challenges to maintain workers' health and safety, the Company worked to not only secure the health and safety of its employees but also the local community. It collaborated with local authorities across geographies to organise awareness campaigns, distribute masks, hand sanitation stations, and other related resources. Through proactive measures, the Company managed to contain the disruption due to infection transmission at a manageable level within its sites. The management's prompt efforts ensured zero loss of business due to the pandemic across sites worldwide.

Biodiversity Conservation and Wildlife Rehabilitation

The Company has undertaken several biodiversity conservation and wildlife rehabilitation projects globally over the years. Some initiatives are listed below:

- At Chile, the Company has undertaken rehabilitation of the red fox or Culpeo Fox (Lycalopex Culpaeus), an endangered species at its project site. Fences, flags and signages have been installed to identify, monitor and protect Adesmia argyrophylla (a species of germplasm).

Though the pandemic posed new level of challenges to maintain workers' health and safety, the Company worked to not only secure the health and safety of its employees but also the local community.

- During the floods in Eastern Australia and Kenya, with the assistance of professional snake handlers and/or local dwellers, premises were made free of reptiles who were then relocated back into their habitats to ensure protection of on-site employees. The Company ensured there was no harm caused to other animals.
- To preserve the flora at its site in Australia, the Company uses smooth drum rollers that aid in conserving topsoil. As a result, there is minimum impact on local flora and reduced dust pollution.

At Abu Dhabi, on-site rehabilitation and conservation of the protected Egyptian spiny-tailed lizard (DHUB), scorpions and snakes was undertaken by the Company. The wandering reptiles were safely rescued, duly measured, tagged and translocated to sites better suited to them, with less construction underway. Module shedding created more vegetation and subsequently turned the place into a conducive habitat for these species.

Growth-oriented Training Programmes

An accent on training has helped in seeding the culture of safety deep within the organisation. From the employees to site visitors, everyone is given structured HSE (health, safety and environment) training to enable their familiarisation with the on-site HSE processes. Skilled manpower are additionally assessed through competency assessment process and hired accordingly. Post onboarding, training programmes are conducted in various modes such as daily toolbox talks, on-the-job trainings, well-defined detailed trainings according to multiple job requirements, mock drills and thorough practical demonstrations. Amidst the COVID-19 pandemic, online workshops, webinars and training programmes were conducted.

Digitisation of HSE for Better Management

Several HSE digitisation initiatives were implemented uniformly across its global sites with the assistance of ProcessMAP Inc., a globally recognised United States software firm. This has enabled tracking and analysing of on-site HSE data on real-time to monitor deviations and identify areas of improvement. Live/ real-time HSE deviation observations and auditing are now in practice, enabling the management to take timely corrective actions. Incident management module has made it possible to capture minute details of even a non-significant incident and analyse/suggest the action required to improve the overall HSE performance.

Committed to Reduce Carbon Footprint

The Company follows a sustainable business model by calculating the carbon footprint of every MW of its installation, or any plant it is operating. The Company uses a specialised software ProcessMap for effective implementation and better control.

The Company has collaborated with NGO, ECO World WATAMU, in Kenya to ensure effective reuse of its plastic packaging materials to generate livelihood and reduce the project waste load, and in turn reduce carbon footprint. Being a clean energy company with a focus on solar energy, the Company constantly endeavours to reduce Green House Gases (GHG) to make the world greener and brighter. The vision for a cleaner and healthier planet goes beyond business, and the Company has undertaken the energy initiatives at different locations. At Bai Jerbai Wadia Hospital for Children in Mumbai, India the Company has installed a 50.16 kWp solar rooftop leading to annual energy savings of 72,500 kW. Another similar clean energy project was undertaken at the Punarvas Special School for the Disabled in Mumbai, India. At its

Kenya site, the Company has installed rooftop solar panels to generate energy thereby eliminating fossil fuel dependency, and reducing emissions.

Water Conservation Initiatives

As the global water shortage continues to affect millions, conservation efforts at every level are extremely imperative. The Company has undertaken multiple initiatives at its project sites as a part of its sustainability efforts. It has installed 5 rainwater-harvesting tanks in Rajasthan, with an additional clean up system at the project site. The treatment system creates soft water needed for module cleaning and has been effective in reducing dependency on external water sources like borewells, canals, or ponds. Subsequently, it has also significantly reduced wastage. At Abu Dhabi, the Company has successfully integrated an automated cleaning system using 1,000+ robots, thereby reducing water consumption and increasing conservation.

Working Towards Waste Generation and Disposal

Since the world is grappling with severe environmental concerns regarding waste generation and disposal, the Company is working towards this issue in ways under its control. At its Kenyan site, the Company has found waste disposal solutions through sorting and segregation at source, recycling and upcycling and responsible and systematic disposal. These initiatives have generated community participation and engagement and revenue creation through sales of upcycled products aided by increased innovation and creativity. The Company firmly believes that smart management is the next best option to elimination.

Human Resources

The well-being of employees is of high priority to the Company. The HR initiatives primarily focus on the physical and psychological concerns of the employees. The training initiatives are focused on up-skilling, re-skilling and cross-skilling to leverage human resources, as well as to identify and focus upon specific areas of role-based skills building. The Company strives to uphold a culture of close-connect with people, build sustainability and talent retention. Development initiatives that serve objective include cross-business synergy, focus on individual leadership, synergy and cohesiveness, and building leaders as mentors. Enabling all-round leadership accountability and commitment to personal growth as a leader, being a role model for the teams below are focus areas in a top-down approach which enable building of a deeper learning-focused momentum.

The Company initiated several measures to keep its employees safe, engaged, and productive during the pandemic. The Company rolled out a remote working facility wherever applicable, while maintained utmost safety of onsite employees.

Several diverse training and development initiatives were conducted covering from CXO levels to mid and junior levels. These include leadership development initiatives, business sustainability and organisational development initiatives, business unit focused programmes, communication development certification programme, behavioural and functional workshops and technical training sessions.

Listening Post, Building Resilience, and Employee Dialogue were some of the initiatives launched to boost employee morale and confidence. Listening Post allows employees to have exclusive conversations with an expert coach to address specific concerns. The Building Resilience initiative enables employees to get new insights and perspectives, empower them to rise stronger, and develop a positive mindset. The Company also organised other virtual workshops not only for behavioural, functional, and technical training but equally for top of the shelf leadership development initiatives, including workshops, webinars, as well as leadership and communication development coaching sessions. These HR initiatives have helped reinforce the Company's commitment to bridging the crisis response to the new normal by laying a solid foundation to recover and thrive.

Information Technology

The Company has a well-defined and structured internal control mechanism, keeping in consideration the size and nature of the business. The Company follows stringent procedures, systems, policies and processes to ensure accuracy in financial information recording, asset safeguarding from unauthorised use, optimum use of resources and compliance with statutes and laws. The Company's strong IT capabilities are reflected in its successful implementation of several digitisation initiatives like Enterprise Resource Planning software using SAP's latest HANA technology, proprietary computerised remote monitoring of solar plants and maintenance management using latest IoT technology and harnessing power of the cloud, implementing Success Factors HRMS, travel/expense management solutions like Concur, Health and Safety applications among many others, state-of-the-art software applications in forecasting and simulation of Solar Generation as well as Design Tools.

With the outbreak of COVID-19, the Company promptly implemented and aligned its comprehensive BCP (Business Continuity Planning) policy. Robustness of IT policy and embracing cloud-based infrastructure ensured the entire value-chain remains fully informed on the status of all ongoing assignments. Strong processes in place empower employees to remain fully productive while working remotely or from home, yet ensuring application and information safety. The Company quickly devised Use Your Own Device (UYOD) policy, with necessary precautions, to ensure continuity of work.

The Company invested in collaboration tools like MS Teams, to continue the work seamlessly. Investment in cloud migration ensured business continuity without relying on physical presence in the offices/data centres. A quick roll out of Virtual Private Network (VPN) connections provide secure and trusted link to employees working from home. The Company re-assessed security policy, processes, and tools to ensure complete and adaptable IT Security in wake of increased cyber-crime risks. Digitisation has emerged as the single-most important factor for an organisation to remain future-ready. Technologies such as IoT, AI, and ML have assumed a large role in business strategies.

Cautionary Statement

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

Corporate Governance Report

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of your Company ("the Board") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2020-21.

Company's Philosophy on Corporate Governance

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. Good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

At Sterling and Wilson Solar Limited, the Board is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of our stakeholders.

The objective of your Company is not only to meet the statutory requirements but to go beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound. Your Company aims at fostering and sustaining a culture that demonstrates highest standard of ethical and responsible business conduct.

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

Board of Directors

The Board is the apex body constituted for overseeing your Company's overall functioning and provides and evaluates your Company's strategic directions, management policies and their effectiveness. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of Members and other stakeholders. The Board is responsible for and committed to upholding sound principles of Corporate Governance in your Company. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

A. Composition of the Board

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

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

Name of the Director	Category	DIN	No. of Equity Shares of the Company held	Disclosure of Relationship between Directors inter-se
Mr. Khurshed Daruvala	Promoter, Chairman and Non-Executive Director	00216905	1,56,71,390	NIL
Mr. Arif Doctor	Independent and Non- Executive Director	08390169	-	
Mr. Bikesh Ogra	Non-Executive Director	08378235	16,03,600	
Mr. Keki Elavia	Independent and Non-Executive Director	00003940	-	
Mr. Pallon Mistry	Non-Executive Director, Promoter group	05229734	7,20,000	
Ms. Rukhshana Mistry	Independent and Non- Executive Director	08398795	-	

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

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

(a) hold directorships in more than 7 listed companies;

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

(c) are related to each other.

The Board of your Company is of the opinion that the Independent Directors fulfil the condition specified in the SEBI Listing Regulations.

In addition to the aforesaid disclosures and in terms of Schedule V of the SEBI Listing Regulations, the details of directorships and category of directorships along with chairpersonships/ memberships of committees in other entities as on March 31, 2021 is as under:

Sr. No.	Name of Director	Directorships[1]	Name of the Listed Entity where Directorship held	Category of Directorship in other listed entities	No. of Board Committees[2] in which Chairperson/ Member	
					Chairperson	Member
1.	Mr. Khurshed Daruvala	-	-	-	-	-
2.	Mr. Arif Doctor	-	-	-	-	-
3.	Mr. Bikesh Ogra	-	-	-	-	-
4.	Mr. Keki Elavia	8	Britannia Industries Ltd. The Bombay Dyeing and Manufacturing Company Limited Goa Carbon Limited Dai-ichi Karkaria Limited Grindwell Norton Limited	Independent Director	4	9
5.	Mr. Pallon Mistry	3	-	-	-	-
6.	Ms. Rukhshana Mistry	-	-	-	-	-

Note(s):

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

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

STATUTORY REPORTS

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

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

B. Details of Directors

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

In compliance with Regulation 36(3) of the SEBI Listing Regulations, the brief resume, expertise in specific functional areas, disclosure of relationships between directors inter-se, details of other Directorships, Membership in Committees of Directors of other listed companies and shareholding in the Company, of the Director(s) proposed to be appointed/ re-appointed are given in the Notice convening the ensuing 4th Annual General Meeting.

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

The Board meets at regular intervals and atleast four times a year *inter alia* to decide on strategies and policies and at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results (Standalone and Consolidated) of the Company. The next meeting of the Board is decided in the previous meeting to facilitate the Directors to plan their schedules accordingly. Additional meetings are held, if deemed necessary, to conduct business. The Board has accepted all the recommendations of the Committee(s) during the Financial Year 2020-21.

Video-conferencing facilities are made available to all Directors for each meeting to participate in the meetings. The same is conducted in compliance with the applicable laws.

The notice and detailed agenda papers of the meeting(s) alongwith the relevant notes and other material information are sent in advance as per the prescribed timelines to each Director.

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

Information placed before the Board

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information that is required to be made available to the Directors in terms of provisions of the SEBI Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board.

Action taken/ status reports on decisions taken by the Board Committee(s) at its previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

Number of Board Meetings

The Board met 9(Nine) times during Financial Year 2020-2021 i.e. June 23, 2020, July 07, 2020, August 12, 2020, September 15, 2020, September 30, 2020, October 10, 2020, November 12, 2020, February 12, 2021 and March 22, 2021. The meetings were attended by all Directors except Mr. Arif Doctor and Mr. Bikesh Ogra to whom leave of absence was granted for the meetings held on July 07, 2020 and February 12, 2021 respectively.

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

Details of Directors forming part of the Board as on March 31, 2021 along with the attendance of each Director at the Board meetings/ Annual General Meeting ("AGM"), are as follows:

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

D. Independent Directors

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

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

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

Separate meeting of Independent Directors

In compliance with Regulation 25(3) of the SEBI Listing Regulations and Schedule IV to the Act, the Independent Directors met once during the year, on March 22, 2021 without the presence of Non-Independent Directors or Management representatives. The Independent Directors, *inter alia*,

1) Reviewed the performance of:
   (a) Board as a whole;
   (b) Non-Independent Directors; and
   (c) Chairman of the Company
2) Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present for the meeting.

E. Board Induction, Training and Familiarisation

An appointment letter is issued to the Independent Directors of your Company which *inter alia* states the roles, responsibilities and the fiduciary duties and the accompanying liabilities that come with their appointment.

A set of documents such as snapshot of your Company's operations, its major activities, corporate presentations etc., which enables him/ her to have an adequate and fair idea about your Company, its Board of Directors, the Management, various Codes of Conduct and Policies applicable to your Company etc. are also provided to the Independent Directors.

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

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

Committees of the Board

The Board has constituted various Committees with an optimum representation of its members and with specific terms of reference in accordance with the Act and the SEBI Listing Regulations. The Board Committees play a vital role in improving the Board effectiveness in the areas where more focused and extensive discussions are required. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committee(s) operate as the Board's empowered agents according to their charter/ terms of reference.

The Board has constituted the below mentioned committees:

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

The Committees are represented by a combination of Non-Executive and Independent Directors, except Management Committee which also comprises of Key Managerial Personnel of the Company.

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

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

A. Audit Committee:

(i) Brief description:

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

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

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

(ii) Composition:

The Committee comprises of 3 (Three) Members out of which 2 (Two) are Independent Directors.

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

(iii) Terms of Reference:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) Disclosure of any related party transactions; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(bb) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;

(cc) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

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

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/ letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

ii. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(g) Review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(h) Such other information as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

(iv) Meetings and Attendance during the year:

During the year under review, the Audit Committee met 6 (Six) times on June 23, 2020, September 15, 2020, November 12, 2020, December 15, 2020, February 12, 2021 and March 22, 2021. These meetings were attended by all the Members.

The CFO and Statutory Auditors attend the meetings of the Committee. The Committee also invites the Internal Auditor as and when required.

Ms. Rukhshana Mistry, Chairperson of the Committee was present at the 3rd AGM of your Company held on September 30, 2020, to answer the queries of the Members of the Company.

Mr. Jagannadha Rao Ch. V., Company Secretary & Compliance Officer of the Company acts as the Secretary of the Audit Committee.

B. Nomination and Remuneration Committee:

(i) Brief description:

The Nomination and Remuneration Committee ("NRC") of the Board *inter alia* discharges the Board's responsibilities relating to approving and evaluating the compensation plans, policies and programmes for Directors, KMP's senior management and other employees. It also specifies the methodology for effective evaluation of performance of the Board, its Committees and individual Directors.

The Composition of NRC is in accordance with the provisions of Section 178(1) of the SEBI Act and Regulation 19 of the SEBI Listing Regulations.

(ii) Composition:

The NRC comprises of 3 (Three) Members out of which 2 (Two) are Independent Directors.

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

(iii) Terms of Reference:

The broad terms of reference of the NRC, as approved by the Board in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, *inter alia*, include the following:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director). The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(l) Administering any employee stock option scheme/ plan, employee stock purchase scheme, stock appreciation rights scheme, general employee benefits scheme and retirement benefit scheme, approved by the Board and shareholders of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme");

(m) Delegating the administration and superintendence of the ESOP Schemes to any trust set up with respect to the ESOP Schemes;

(n) Formulating detailed terms and conditions for the ESOP Schemes including provisions specified by the Board of Directors of the Company in this regard;

(o) Determining the eligibility of employees to participate under the ESOP Scheme;

(p) Granting options to eligible employees and determining the date of grant;

(q) Determining the number of options to be granted to an employee;

(r) Determining the exercise price under the ESOP Scheme;

(s) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(t) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.

(u) Performing such other activities as may be delegated by the Board of Directors and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and

(v) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(iv) Meetings and Attendance during the year:

During the year under review, the NRC met 4 (Four) times on June 23, 2020, August 12, 2020, September 30, 2020 and March 22, 2021. These meetings were attended by all the Members.

Mr. Keki Elavia, Chairman of the Committee was present at the 3rd AGM of your Company held on September 30, 2020, to answer the queries of the Members of the Company.

(v) Nomination and Remuneration Policy:

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of NRC, adopted a Nomination and Remuneration Policy, to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

The said policy is available on the website of the Company i.e. www.sterlingandwilsonsolar.com

Remuneration to Directors:

In terms of the provisions of the Act and in line with the provisions of Articles of Association of your Company, the Non-Executive Directors including Independent Directors are paid sitting fees on a uniform basis for attending various meetings of the Board and the Committees thereof.

Name of Director	Sitting Fees(1) paid (Amount in ₹ Lakh)
Mr. Khurshed Daruvala	8.35
Mr. Arif Doctor	4.25
Mr. Bikesh Ogra	3.50
Mr. Keki Elavia	8.25
Mr. Pallon Mistry	5.10
Ms. Rukhshana Mistry	7.85
Total	**37.30**

Note:

(1) Gross amount (without deducting TDS).

Further, as approved by the Board by resolution passed by way of circulation on May 05, 2020, in terms of Section 175 of the Act read with Rules framed thereunder, no sitting fees were paid to the Non-Executive Directors and Independent Directors of the Company for attending the Board and/or Committee meeting(s) held up to September 30, 2020 due to the impact of Covid-19 pandemic.

The Non-Executive Directors and Independent Directors are also eligible to receive remuneration by way of commission as the Board may decide from time to time. No such commission was paid during the Financial Year 2020-21.

The Non-Executive Directors/ Independent Directors do not have any material pecuniary relationship or transactions with the Company.

(vi) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company has prescribed the following evaluation criteria for performance evaluation of Independent Directors of the Company:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Stakeholders Relationship Committee:

(i) Brief description:

The Stakeholders Relationship Committee is *inter alia* entrusted with the responsibility of resolving the grievances of the security holders of the Company including complaints related to non-receipt of annual report, non-receipt of declared dividends, general meetings etc.

(ii) Composition:

The Committee comprises of 3 (Three) Members out of which 1 (One) is an Independent Director.

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

(iii) Terms of Reference:

In terms of the applicable provisions of the Act and Regulation 20 of the SEBI Listing Regulations, the scope, functions and terms of reference of the Committee *inter alia* cover the following matters:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/ transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) Giving effect to all transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(e) Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services; and

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/ provided under the Companies Act or SEBI Listing Regulations or other applicable law, or by any other regulatory authority.

(iv) Meeting and Attendance during the year:

During the year under review, the Committee met 2 (Two) times on September 15, 2020 and February 12, 2021. All the Members were present at the said meetings.

Mr. Khurshed Daruvala, Chairman of the Committee was present at the 3rd AGM held on September 30, 2020 to answer the queries of the Members of the Company.

(v) Name and Designation of Compliance Officer

Mr. Jagannadha Rao Ch. V., Company Secretary is the Compliance Officer of the Company in terms of Regulation 6 of the SEBI Listing Regulations.

(vi) Shareholders' complaints:

During the year under review, your Company received 6 complaints from the Shareholders, all of which were resolved to the satisfaction of the Shareholders. Details of the same along with the status thereof as on March 31, 2021, are tabled herein below:

Sr. No.	Particulars	Nos.
1	No. of complaints pending at the beginning of the Financial Year 2020-21	-
2	No. of complaints received during the Financial Year 2020-21	6
3	No. of complaints resolved to the satisfaction of shareholders during the Financial Year 2020-21	6
4	No. of complaints pending to be resolved at the end of the Financial Year 2020-21	-
	Total	**6**

D. Corporate Social Responsibility Committee:

(i) Brief description:

The Board of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in terms of the provisions of Section 135 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Act.

The CSR Committee is *inter alia* entrusted with the responsibility of monitoring and implementation of the CSR projects/ programmes/ activities of your Company and also for approving the annual CSR budget, implementation of CSR projects and other related activities.

(ii) Composition:

The CSR Committee comprises of 3 (Three) Members out of which 1 (One) is an Independent Director.

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

(iii) Terms of Reference:

The scope and functions of the CSR Committee are in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and terms of reference of CSR Committee *inter alia* includes following:

(a) To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) To review and monitor the implementation of the corporate social responsibility policy, corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(f) To formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have an oversight over its implementation;

(g) To review the impact assessment carried out for the projects of the Company, if applicable, as per the requirements of the law; and

(h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

(iv) Meetings and Attendance:

During the year under review, the CSR Committee met 3 (Three) times on June 23, 2020, November 12, 2020 and March 22, 2021. All the Members were present at the said meetings.

E. Risk Management Committee:

(i) Brief description:

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

(ii) Composition:

The Committee comprises of 6 (Six) Members out of which 3 (Three) are Independent Directors.

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

(iii) Terms of Reference:

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

(a) To formulate a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and

(g) The Risk Management Committee shall coordinate its activities with other committees, instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

(iv) Meetings and Attendance during the year:

During the year under review, the Risk Management Committee met 2 (Two) times on November 12, 2020 and December 15, 2020. The meetings were attended by all Members except Mr. Arif Doctor on November 12, 2020.

F. Management Committee:

(i) Brief description:

The Board of your Company has constituted a Management Committee for the day to day business activities of the Company which includes issuance of power of attorneys and resolution in relation to tenders, management of projects in India and abroad, opening/ closing and operation of bank account(s), availing financial assistance from bank(s) and/ or institution(s), opening of branch offices of the Company in various geographies, investment in subsidiaries of the Company and such other miscellaneous matters.

(ii) Composition:

The Composition of the Committee is as follows:

Name of Member	Category	Position held
Mr. Khurshed Daruvala	Chairman and Non-Executive Director	Chairman
Mr. Bikesh Ogra	Non-Executive Director	Member
Mr. Chandra Kishore Thakur	Manager	Member
Mr. Bahadur Dastoor	Chief Financial Officer	Member
Mr. Jagannadha Rao Ch. V.	Company Secretary	Member

(iii) Terms of Reference:

The terms of reference of Management Committee *inter alia* includes following:

1. Issue power of attorney(ies) to authorize the representatives/ employees of the Company in relation to tenders, branch offices(s) or project site office(s) operational requirements, execution and/ or operations of contracts/ projects, excise, customs and shipping matters, financial and taxation matters, matters related to income tax, service tax, sales tax, GST and excise matters and other Central and State laws and such other purposes relating to day to day operations of the Company;

2. Approve issuance of corporate guarantees as may be required in the ordinary course of business of the Company;

3. Approve the opening/ closure of Branch Office(s) of the Company in India or outside India in connection with the business of the Company and to do all such other acts in relation to the Branch Office(s) of the Company;

4. Approve and pass necessary Resolutions relating to following matters:

   a. To open, authorize to operate, modify the operating authorities, issue necessary instructions to banks and close various bank account(s) in the name of the Company as per the business requirements;

   b. To transact foreign exchange swaps, options, futures, forwards and any other derivatives, as permissible by the Board of Directors, that may from time to time be used as tools to hedge the Company's interest and foreign exchange exposures arising in the ordinary course of the business of the Company and to approve policies in this regard;

   c. Enter into one or more transactions/ agreements with Banks and/ or Exchange Houses in domestic and international market(s) relating to futures, forward, options, swaps etc., and combination(s) thereof, as per the requirements in the ordinary course of the business of the Company and in accordance with provisions of the Reserve Bank of India Act, 1945 and any other laws as may be applicable and guidelines, notifications, circulars, regulations or approval(s) etc. issued from time to time by any regulatory authority;

   d. To approve borrowing by way of long term or short term loans, inter corporate deposits or any kind of financial assistance and fund and/ or non-fund based working capital credit facility(ies) repayable on demand/ temporary or otherwise, in any currency, from bank(s) and/ or institution(s) and/ or other lenders from time to time and to create charge/ security/ mortgage on the immovable/ movable properties of the Company to secure such loans/ inter corporate deposits/ financial assistance/ credit facility (ies) as may be required in terms of each of the sanctions by the said bank(s) and/ or financial institution(s) and/ or other lenders, subject to an overall limit of ₹ 15,000 Crore (Rupees Fifteen Thousand Crore only);

   e. To authorize employee(s)/ representative(s) of the Company for executing various deeds, documents, papers, undertakings as may be required for the purpose of implementing the decision for investment in the shares of subsidiary(ies) (including stepdown subsidiary(ies)) and/ or Joint Venture(s) of the Company, granting loans to them, issuing guarantees or providing any security in respect of financial assistance availed by such subsidiary(ies) (including stepdown subsidiary(ies)) and/ or Joint Venture(s), within the overall limit of ₹ 5,000 Crore (Rupees Five Thousand Crore only), subject to recommendation of the Chief Financial Officer and such other compliances and approvals as may be necessary;

f. To authorise the employee(s)/ representative(s) for the purpose of bidding and execution of the project(s) undertaken in consortium, joint venture and also to authorise the employee(s)/ representative(s) to sign Memorandum of Understanding, Consortium Agreement, Joint Venture agreement, such other documents required to be signed on behalf of the Company and enter into liability against the Company and/ or do any other act on behalf of the Company, required for the above said purpose;

5. Approve all other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

(iv) Meetings:

During the year under review, the Management Committee met 4 (Four) times on June 23, 2020, September 30, 2020, November 12, 2021 and March 22, 2021. Mr. Chandra Kishore Thakur was appointed as the Member of the Committee in place of Mr. Kannan K. from September 01, 2020.

General Body Meetings

A. Annual General Meetings:

Details of location, date, time and special resolutions passed in previous three Annual General Meetings of the Company, are tabled hereinbelow:

Financial Year	AGM	Location	Date	Time (IST)	Particulars of Special Resolution(s) passed
2017-18	1st	9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400 043, Maharashtra, India	September 28, 2018	04:00 p.m.	Nil
2018-19	2nd	9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai-400 043, Maharashtra, India	August 14, 2019	03:00 p.m.	Revision in remuneration of Mr. Kannan K., Manager with effect from April 01, 2019
2019-20	3rd	Through Video Conferencing (VC)/ Other Audio Visual Means (OVAM)	September 30, 2020	11:30 a.m.	Continuation of the term of Mr. Keki Elavia as an Independent Director

B. Extra-Ordinary General Meeting:

During the year under review, no Extra-Ordinary General Meetings of the Company were held.

C. Postal Ballot:

During the year under review, no resolution was passed through postal ballot.

Further, the Board of Directors at its meeting held on March 22, 2021, approved the following:

1) the Sterling and Wilson Solar Limited Employee Stock Option Plan ("SWSL ESOP Plan"), subject to approval of Shareholders of the Company through Postal Ballot;

2) issuance of Stock Options to the present/ future employees of the Company, its subsidiaries and branches in India and outside India, exercisable into not more than 16,03,600 Equity Shares of ₹ 1/- each being 1 % of the paid-up Equity Share Capital of the Company, at such price, in one or more tranches, under the SWSL ESOP Plan.

The Notice of the Postal Ballot for the above was sent to the Shareholders of the Company on April 30, 2021 and the same has been approved on May 30, 2021.

Means of Communication

Your Company follows a robust process of communication with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The means of communication between the Company and the Shareholders is transparent and investor friendly and the Company takes all possible endeavours to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

Financial Results: The quarterly/ half yearly/ annual financial results alongwith the Limited Review/ Auditor's Report thereon, as applicable, are filed with BSE Limited and the National Stock Exchange of India Limited.

The said results are also published in prominent daily newspapers viz. The Financial Express & Navshakti. The results are also uploaded on the Company's website i.e. www.sterlingandwilsonsolar.com.

Website: The Company's website i.e. www.sterlingandwilsonsolar.com contains a separate dedicated section 'INVESTOR RELATIONS' where shareholder information including official news releases are available. The schedule of analyst/ institutional investor meets and presentations made to them on a quarterly basis are informed to the Stock Exchanges and also displayed on the Company's website. All such information documents as per Regulation 46 of SEBI Listing Regulations is also available on the website.

Corporate Filings: Information to Stock Exchanges is filed electronically on the online portals of BSE Limited i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India i.e. NSE Electronic Application Processing System (NEAPS). The same are available on the websites of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the Company at www.sterlingandwilsonsolar.com.

SEBI SCORES: As stated in the SEBI circular dated March 26, 2018, whereby SEBI has issued new policy measures with respect to SEBI Complaints Redress System (SCORES), the Shareholders are requested to approach the Company directly at the first instance for their grievances.

A facility has been provided by SEBI for investors to place their complaints/ grievances on a centralised web-based complaints redress system viz. SCORES. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and their current status.

Designated Exclusive email ID:

Your Company has a designated email ID exclusively for investor services, i.e. ir@sterlingwilson.com.

General Shareholder Information

Your Company has provided the details required under this as a separate section on "General Shareholder Information", which forms a part of this Annual Report.

Other Disclosures

a. Policy on Related Party Transactions

In terms of the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has framed a Policy on Related Party Transactions to govern the approval process and disclosure requirements to ensure transparency in the conduct of related party transactions in the best interest of the Company and its Shareholders and to comply with the statutory provisions in this regard.

The policy is also available on the website of the Company i.e. www.sterlingandwilsonsolar.com.

b. Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large

All the related party transactions ("RPTs") entered into by your Company during the Financial Year 2020-21, were at arm's length and in the ordinary course of business of the Company. There were no material significant transactions made by your Company with its Promoters, Directors or Management, and their relatives etc. that may have potential conflict with the interest of the Company at large.

c. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

There have been no penalties or strictures imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets, during the last 3 years. Please note that the Equity Shares of the Company were listed on the Stock Exchanges w.e.f. August 20, 2019.

d. **Vigil Mechanism/ Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee**

Your Company has in place a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company, which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the SEBI Listing Regulations and other SEBI Regulations. This Policy aims to provide an avenue for employee(s) to raise their concerns that could have grave impact on the operations, performance, value and the reputation of the Company and it also empowers the Audit Committee of the Board of Directors to investigate the concerns raised by the employees.

During the year under review, none of the employees have been denied access to the Audit Committee.

The policy is available on the website of the Company i.e. www.sterlingandwilsonsolar.com.

e. **Policy for Determining of Material Subsidiary Companies**

In terms of Regulation 16(1)(c) of SEBI Listing Regulations, the Company has 3(Three) unlisted material subsidiaries as on March 31, 2021 viz. Sterling and Wilson International Solar FZCO, Sterling and Wilson Middle East Solar Energy L.L.C. and Sterling and Wilson Solar Australia Pty. Ltd.

Your Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website and can be accessed at: https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance

f. **Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

In addition to the same, your Company also strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, to the extent applicable:

- The Company has separate persons to the post of Chairman and Manager. The Company does not have a Managing Director or CEO.
- The Chairman, being a Non-Executive Director is entitled to maintain a Chairperson's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- The Internal Auditor reports directly to the Audit Committee in all matters relating to Internal Audit.

g. **Details of utilization of funds raised through preferential allotment or qualified institutions placement**

During the year, your Company has not raised any proceeds through preferential allotment or qualified institutions placement etc. and hence, there are no unutilised issue proceeds during the year under review.

h. **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

The Company has obtained a certificate from M/s. Manish Ghia & Associates, Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is enclosed separately at the end of this Report.

i. **Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Total fees of ₹ 1.09 Crore has been paid by the Company to M/s. BSR & Co. LLP, Statutory Auditors and all the entities in the network firm/ network entity of which the statutory auditor is a part, for all the services provided by them during the year under review.

j. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

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

Your Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaint Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at corporate office as well as at site locations.

The details of complaints related to Sexual Harassment are provided below:-

Sr. No.	Particulars	No. of Complaints
1	Number of complaints filed during the Financial Year 2020-21	Nil
2	Number of complaints disposed of during the Financial Year 2020-21	
3	Number of complaints pending as on end of the Financial Year 2020-21	

CEO/ CFO Certification

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Chandra Kishore Thakur, Manager and Mr. Bahadur Dastoor, Chief Financial Officer of the Company have reviewed the Audited Financial Statements and Cash Flow Statements for the Financial Year ended March 31, 2021 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

Your Company does not have a CEO and hence the certificate is provided by the Manager of the Company.

Report on Corporate Governance

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the Stock Exchanges. The said reports are also available on the website of the Company i.e. www.sterlingandwilsonsolar.com.

A Compliance Certificate is received from M/s. Manish Ghia & Associates regarding compliance of Corporate Governance requirements. The said certificate is enclosed as an annexure to the Directors' Report.

Further, your Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and sub paras (2) to (10) of Part C of Schedule V of SEBI Listing Regulations the same has been disclosed in this Report.

MANAGER- CFO CERTIFICATION

To the Board of Directors
Sterling and Wilson Solar Limited

(1) We have reviewed the Audited Financial Statements and the cash flow statement of Sterling and Wilson Solar Limited ("Company") for the Financial Year ended on March 31, 2021 and to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on March 31, 2021 which are fraudulent, illegal or violative of the Code of Conduct of the Company.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

(4) We have indicated to the Auditors and the Audit Committee:

I. significant changes in the Company's internal control over financial reporting, during the Financial Year ended on March 31, 2021;

II. significant changes in accounting policies, if any, during the Financial Year ended on March 31, 2021 have been disclosed in the notes to the Financial Statements; and

III. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : June 29, 2021

Chandra Kishore Thakur
Manager

Bahadur Dastoor
Chief Financial Officer

DECLARATION

As provided under the provisions of Schedule II and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended March 31, 2021.

Place : Mumbai
Date : June 29, 2021

Khurshed Daruvala
Chairman and Non-Executive Director

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Sterling and Wilson Solar Limited
9th Floor, Universal Majestic,
P L Lokhande Marg,
Chembur – West,
Mumbai-400043

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sterling and Wilson Solar Limited** having CIN: L74999MH2017PLC292281 and having registered office at 9th Floor, Universal Majestic, P L Lokhande Marg, Chembur – West, Mumbai-400043 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Khurshed Yazdi Daruvala	0000216905	25/04/2018
2	Mr. Pallon Shapoorji Mistry	0005229734	02/08/2018
3	Mr. Bikesh Ogra	0008378235	27/03/2019
4	Mr. Keki Manchersha Elavia	0000003940	27/03/2019
5	Mr. Arif Saleh Doctor	0008390169	27/03/2019
6	Ms. Rukhshana Jina Mistry	0008398795	27/03/2019

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: June 29, 2021
UDIN: F006252C000514606

General Information about the Company

The General Shareholder Information of your Company is provided as under:

(i) Fourth Annual General Meeting:

Day and date : Thursday, September 30, 2021

Time : 04:30 P.M.

(ii) Financial Year:

Your Company follows April-March as the Financial Year.

Calendar of the Financial Year ended on March 31, 2021:

The meetings of Board of Directors for approval of quarterly/ half-yearly/ annual financial results for the Financial Year ended on March 31, 2021, were held on the following dates:

Sr. No.	Particulars	Date of Meetings
1.	Results for the quarter ended June 30, 2020	September 15, 2020
2.	Results for the quarter and six months ended September 30, 2020	November 12, 2020
3.	Results for the quarter and nine months ended December 31, 2020	February 12, 2021
4.	Results for the quarter and year ended March 31, 2021	June 29, 2021

Tentative Financial Calendar:

The tentative months for the quarterly meetings of the Board of Directors for consideration of quarterly/ half-yearly/ annual financial results for the Financial Year ending March 31, 2022, are as under:

Sr. No.	Particulars	Tentative Months
1.	Results for the quarter ending June 30, 2021	August, 2021
2.	Results for the quarter and six months ending September 30, 2021	November, 2021
3.	Results for the quarter and nine months ending December 31, 2021	February, 2022
4.	Results for the quarter and year ending March 31, 2022	May, 2022

Further, the tentative months for the 5th Annual General Meeting of the Company for the Financial Year ending March 31, 2022 shall be July/ August, 2022.

(iii) Dividend Payment Date:

There was no dividend paid or declared during the year under review.

(iv) Stock Exchanges where Securities of the Company are listed:

Your Company's Equity Shares are listed on the following Stock Exchanges and the necessary annual listing fees have been duly paid to both the Stock Exchanges:

Name and address of the Stock Exchange	Stock/Scrip Code
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	542760
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, BlockG, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	SWSOLAR

(v) Stock Market Price Data:

The stock market price data and volume of the Company's share traded on the BSE and NSE during the Financial Year 2020-21 were as under:

Month - Year	BSE		NSE	
	High	Low	High	Low
Apr-20	183.05	73.10	183.05	73.15
May-20	157.40	106.50	157.40	106.50
Jun-20	219.65	138.35	219.65	141.45
Jul-20	257.65	210.10	257.60	210.00
Aug-20	289.45	215.00	289.00	215.00
Sep-20	284.95	187.25	285.50	188.60
Oct-20	235.20	202.35	235.00	202.00
Nov-20	230.00	210.00	230.25	211.25
Dec-20	294.60	214.00	294.85	219.00
Jan-21	283.45	231.10	283.55	231.20
Feb-21	258.85	225.50	259.00	183.50
Mar-21	327.00	227.50	326.80	227.25

Source: BSE and NSE websites.

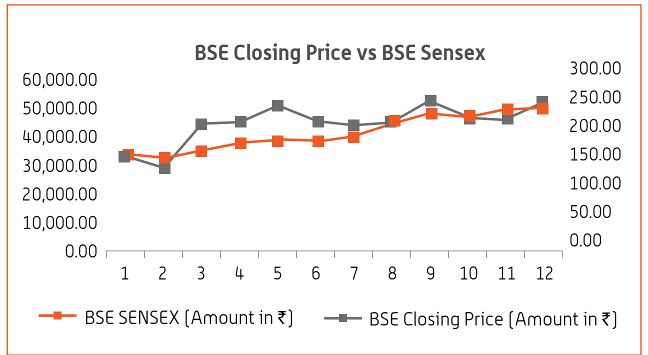
(vi) Stock Performance:

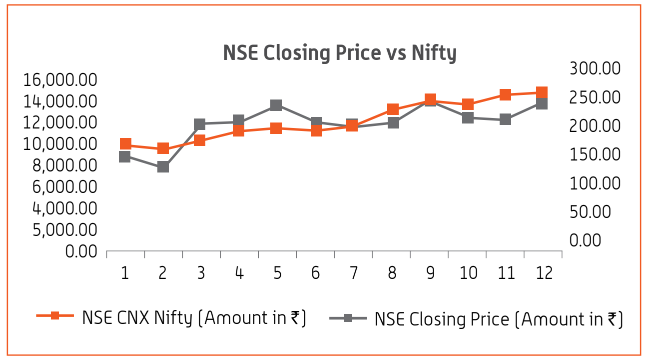
Performance in comparison to broad-based indices viz. NSE CNX Nifty and BSE SENSEX during the Financial Year 2020-21 were as under:

Month - Year	BSE Closing Price (Amount in ₹)	BSE SENSEX (Amount in ₹)	NSE Closing Price (Amount in ₹)	NSE CNX Nifty (Amount in ₹)
April 30, 2020	165.65	33,717.62	165.65	9,859.90
May 31, 2020	145.60	32,424.10	144.30	9,580.30
June 30, 2020	219.65	34,915.80	219.65	10,302.10
July 31, 2020	223.80	37,606.89	223.75	11,073.45
August 31, 2020	251.80	38,628.29	252.75	11,387.50
September 30, 2020	225.30	38,067.93	225.70	11,247.55
October 31, 2020	217.40	39,614.07	216.85	11,642.40
November 30, 2020	222.50	44,149.72	222.45	12,968.95
December 31, 2020	259.40	47,751.33	259.75	13,981.75
January 31, 2021	233.15	46,285.77	233.30	13,634.60
February 28, 2021	227.35	49,099.99	227.85	14,529.15
March 31, 2021	257.60	49,509.15	258.45	14,690.70

Source: BSE and NSE websites.

Performance of Company's Equity Share price in comparison to BSE Sensex and NSE Nifty:





Base 100: April, 2020
Source: BSE and NSE websites.

(vii) Distribution of Shareholding as on March 31, 2021

Range of No. of Shares Held	No. of Folios	% of Folios (falling under this range)	Total Shares Held (by Shareholders falling under this range)	% of Shares Held
1 to 500	40,209	91.55	29,06,208	1.81
501 to 1,000	1,547	3.52	12,65,872	0.79
1,001 to 2,000	922	2.10	14,28,396	0.89
2,001 to 3,000	338	0.77	8,62,272	0.54
3,001 to 4,000	190	0.43	6,83,838	0.43
4,001 to 5,000	128	0.29	6,06,719	0.38
5,001 to 10,000	287	0.65	20,86,096	1.30
10,001 and above	300	0.68	15,05,20,599	93.86
Total	**43,921**	**100.00**	**16,03,60,000**	**100.00**

Category-wise Shareholding Pattern of the Company as on March 31, 2021:

Category	No. of Shareholders[1]	No. of Shares	% of Shareholding
Promoter and Promoter Group	8	11,12,22,580	69.36
Individuals	40,833	1,43,74,917	8.96
Foreign Institutional Investors and Foreign Portfolio Investors	28	1,05,46,032	6.58
Mutual Funds	4	64,16,642	4.00
Body Corporates	325	45,35,683	2.83
Insurance Companies	1	6,41,022	0.40
Financial Institutions/ Banks	1	14	0.00
Central/ State Government(s)	-	-	-
Others	2,009	12,623,110	7.87
Total	**43,209**	**16,03,60,000**	**100.00**

Note:
(1) Consolidated on basis of Permanent Account Number (PAN).

(viii) Dematerialisation of Shares and Liquidity

As on March 31, 2021, the entire Equity Share Capital of your Company is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited under International Securities Identification Number ("ISIN") - INE00M201021.

(ix) Reconciliation of Share Capital Audit

In terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, M/s. Manish Ghia & Associates, Company Secretaries, carry out a quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the respective capital held by the depositories in dematerialised form and the details of changes in the Share Capital during each quarter.

Further, an audit report issued in that regard is submitted to the Stock Exchanges and the same is also placed before the Board on quarterly basis at their meetings.

(x) Outstanding Global Depository Receipts ("GDRs")/ American Depository Receipts ("ADRs")/ Warrants or any convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments pending for conversion as on March 31, 2021.

(xi) Commodity Price Risk/ Foreign Exchange Risk and Hedging Activities

Your Company does not engage in Commodity hedging activities.

(xii) Share Transfer System

As on March 31, 2021, the entire Equity Share Capital of your Company is held in dematerialised form. Transfers in electronic form are simple and quick as the Shareholders have to approach their respective Depository Participants and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

(xiii) Disclosures w.r.t. Demat Suspense Account/ Unclaimed Suspense Account

As on the date of this report there are no shares lying in the Demat Suspense Account/ Unclaimed Suspense Account.

(xiv) Company's Recommendations to the Shareholders:

a. **Submit Nomination Form**

Shareholders shall register their nominations with their DP to ensure that their shares are transmitted to their respective nominees without any hassles. They must ensure that nomination made is in the prescribed form.

b. **Furnish/ update bank account details**

Shareholders should ensure that correct and updated particulars of their bank account are available with their DP. This would facilitate in receiving direct credits of dividends, refunds etc., and avoid events such as postal delays and loss in transit.

c. **Intimate/ update contact details including e-mail IDs**

In order to receive communications on corporate actions and other information of your Company, the Investors may consider intimating their contact details (including address) and changes therein, if any, to the Company/ RTA or to their DP.

d. **Service of documents through electronic means**

Your Company is an ardent believer of the Paperless Green Initiative. Pursuant to Section 101 and Section 136 of the Act, Companies can serve Annual Reports and other communications through electronic mode to those Shareholders who have registered their E-mail address either with the Company or with the DPs. Accordingly, Shareholders who have not registered their e-mail addresses so far, are requested to register their E-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically. The request can be sent to the RTA or to the Company on its designated e-mail ID i.e. ir@sterlingwilson.com.

STATUTORY REPORTS

(xv) List of all credit ratings obtained by the Company along with any revisions thereto during Financial year 2020-21, for all debt instruments of the Company

Sr. No.	Instrument Type	Size of Issue (₹ In Crore)	Rating Agency	Rating	Revisions, if any	Remarks
1	Commercial Paper	200	Acuité Ratings & Research Limited	ACUITE A1+ (Assigned)	-	-
2	Fund-based limits	192	India Ratings & Research (Ind-Ra)	IND A/RWN/IND A1/RWN	Long- term credit rating of the Company was downgraded from IND AA-(RWN) / IND AA+(RWN) to IND A/RWN/INDA1/RWN	-

Sr. No.	Instrument Type	Size of Issue (₹ In Crore)	Rating Agency	Rating	Revisions, if any	Remarks
3	Proposed fund-based limits[1]	108		IND A/RWN/IND A1/RWN	1. The provisional ratings of the proposed bank facilities have been converted to final ratings as per Ind-Ra's updated policy. 2. Long- term credit rating of the Company was downgraded from Provisional IND AA-(RWN) / Provisional IND A1+/(RWN) to IND A/ RWN/IND A1/RWN	-
4	Non-fund based limits	7,244	India Ratings & Research (Ind-Ra)	IND A/RWN/ INDA1/RWN	Long- term credit rating of the Company from IND AA-(RWN)/IND A1+(RWN) to IND A/RWN/INDA1/RWN	-
5	Proposed non-fund based limits[1]	2,456		IND A/RWN/IND A1/RWN	1. The provisional ratings of the proposed bank facilities have been converted to final ratings as per Ind-Ra's updated policy. 2. Long- term credit rating of the Company was downgraded from Provisional IND AA-(RWN)/ Provisional IND A1+(RWN) to IND A/ RWN/IND A1/RWN	-

Note(s):

[1] The provisional ratings of the proposed bank facilities have been converted to final ratings as per Ind-Ra's updated policy. This is because the agency notes that debt seniority and general terms and conditions of working capital facilities are likely to be the same as that of the existing ones

(xvi) Plants of the Company with their locations:

Your Company does not have any plant.

(xvii) Investor Service and Grievance Handling Mechanism:

A robust mechanism is established by your Company which ensures pro-active handling of investor correspondences and efficient redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA, through its Investor Service Centres which are spread across the Country.

Details of complaints received during the Financial Year 2020-21 alongwith their status as on March 31, 2021, have been disclosed separately in the Corporate Governance Report forming part of this Annual Report.

(xviii) Contact Address for Investors:

Your Company's dedicated e-mail address for Members' Complaints and other communications is ir@sterlingwilson.com. Since all the Equity Shares of the Company are held in dematerialised mode, Shareholders are requested to address all correspondences with respect to transfer to their respective depository participants. Any other correspondences relating to the shares of the Company to the belowmentioned address of the Company's Registrar and Share Transfer Agent.

Registrar and Transfer Agent
Link Intime India Pvt. Ltd.
(Unit: Sterling and Wilson Solar Limited)
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083.
Phone: +91 22 49186000
E-mail: rnt.helpdesk@linkintime.co.in
Website: https://www.linkintime.co.in/

Registered Office
Sterling and Wilson Solar Limited
9th Floor, Universal Majestic, P. L. Lokhande Marg,
Chembur (W), Mumbai - 400043, Maharashtra.
Phone: +91 86529 05000
E-mail: ir@sterlingwilson.com
Website: www.sterlingandwilsonsolar.com

Business Responsibility Report

The Company is committed to fulfilling its economic, environmental and social responsibilities while conducting its business. It is conscious of its impact on the society it operates in and has systems to either eliminate or control adverse impact. The Company works towards resource conservation, improving social relations with the community in which it operates and generating economic value. The Company has always taken keen interest in creating sustainable value for all its stakeholders in a responsible manner. Besides, the organisation has been actively enabling the communities (where it operates) in enhancing the quality of life.

This Business Responsibility Report is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), as amended from time to time.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	:	L74999MH2017PLC292281
2.	Name of the Company	:	Sterling and Wilson Solar Limited
3.	Registered Address	:	Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
4.	Website	:	www.sterlingandwilsonsolar.com
5.	E-mail ID	:	ir@sterlingwilson.com
6.	Financial Year Reported	:	April 01, 2020 – March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	422
8.	List three Key Products that the Company manufactures/ provides (as in the Balance Sheet)	:	- Engineering, Procurement and Construction of Solar power generation facilities - Operation and maintenance of Solar power generation facilities
9.	Total number of locations where business activity is undertaken by the Company	:	25 countries
10.	Markets served by the Company: State, National, International	:	All

Section B: Financial details of the Company

1. Paid-up capital (INR): ₹ 16.04 Crore
2. Total Turnover (INR): ₹ 3,176.17 Crore
3. Total Loss after Tax (INR): ₹ (111.44) Crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%): **The Company has spent ₹ 2.09 Crore during FY 2020-21 on its CSR activities. This amounts to approx. 31.43 percent of ₹ 6.65 Crore i.e. 2 percent of the average net profit (calculated in terms of Section 198 and other provisions of the Companies Act, 2013) in the preceding three financial years.**
5. List of activities in which expenditure (in point 4, above) has been incurred: **The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. During the year under review, the CSR activities were carried out in the field of Education & Skill Development, Health & Sanitation, Disaster Management, Environment Sustainability & Community Development and Rural Development. The major focus area was on people below the poverty line impacted due to the pandemic Covid-19. The activities under Covid impact included providing support towards Covid-19 rehabilitation and health care facilities, setting up of oxygen generation plant, medical aid to needy and distributing ration kits.**

STATUTORY REPORTS

For detailed information regarding CSR activities for F. Y. 2020-21 of the Company, you may refer to the Annual Report on CSR activities annexed to the Directors' Report.

Section C: Other Details

1. Does the Company have any subsidiary company/ companies? **Yes, the Company has 14 subsidiary companies (including step-down subsidiaries) in India and abroad as on March 31, 2021.**

2. Do the subsidiary company/ companies participate in the BR initiatives of the parent company? **The Company, along with all its subsidiaries, is guided by the Sterling Wilson Code on Business Ethics Policy ("the Code") to conduct their business in an ethical, transparent and accountable manner. It encourages its subsidiaries to carry out Business Responsibility ("BR") initiatives to the extent that they are material in relation to the business activities of the subsidiaries. The BR policies of foreign subsidiaries are in line with their respective local requirements and laws.**

3. Do any other entity/ entities that the Company does business with participate in the BR initiatives of the Company? **Other entities such as suppliers, clients and others with whom the Company does its business, are also obligated to adhere to the Code to the extent applicable.**

Section D: BR Information

1. Details of Director/ Directors responsible for BR

(a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies

DIN : 08378235

Name : Mr. Bikesh Ogra

Designation : Non-Executive Director

(b) Details of the BR Head:

Sr. No.	Particulars	Details
1.	DIN (if applicable)	08378235
2.	Name	Mr. Bikesh Ogra
3.	Designation	Non-Executive Director
4.	Telephone Number	022-25485300
5.	E-mail ID	swsolarbrr@sterlingwilson.com

2. Principle-wise (as per NVGs) BR Policy/ Policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Businesses should conduct and govern themselves with ethics, transparency and accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the well-being of all employees

P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5: Businesses should respect and promote human rights

P6: Businesses should respect, protect and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/ N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
3.	Does the policy conform to any national/ international standards? If Yes, specify.	**Yes, the policies conform to the principles of NVGs, IFC, the Companies Act, 2013 and International Standards of ISO 9001, ISO 14001, as applicable to the respective polices.**								
4.	Has the policy been approved by the Board? If Yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
6.	Indicate the link for the policy to be viewed online	**All the policies except HR policies can be viewed at https://www.sterlingandwilsonsolar.com/investor-relations/corporate-governance. HR policies are restricted to employees of the Company and uploaded on Company's Intranet.**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.

b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next six months									
5.	It is planned to be done within the next one year									
6.	Any other reasons (please specify)									

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year - **The Company's Management meets to review the BR performance of the Company on need basis.**

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? **This report comprises the Company's 2nd Business Responsibility Report as required under the SEBI Listing Regulations which is published annually as part of the Annual Report and the same can be accessed on the website of the Company at https://www.sterlingandwilsonsolar.com/investor-relations/financials. The Company currently does not publish a separate Sustainability Report.**

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others? **The Company's Code *inter alia* covers the issues, related to ethics, conflict of interest and so on. Every employee of the Company and its subsidiaries are required to mandatorily adhere to the Code. In the case of foreign subsidiaries and joint venture(s), this is applicable in line with the local requirements prevailing in the respective countries of operations. Other entities such as suppliers, contractors etc. with whom the Company does its business, are also obligated to adhere to the Code to the extent applicable.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. – **There are systems in place to receive and resolve complaints from various stakeholders. There were no stakeholder complaints during the F.Y. 2020-21 related to Ethics, Transparency and Accountability.**

   In case of investors, complaints received through SEBI SCORES platform, Stock Exchanges or Depositories were resolved. During the year, the Company received and resolved 6 investor complaints and there were no outstanding complaints as on March 31, 2021.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle – Not Applicable

Principle 3: Business should promote the well-being of all employees

1. Please indicate the Total number of employees. **The Company has a total of 1523 employees (excluding off roll/ casual) as on March 31, 2021.**
2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis. **1277**
3. Please indicate the number of permanent women employees. **The Company has 86 permanent women employees as on March 31, 2021**.
4. Please indicate the number of permanent employees with disabilities. **The Company has Nil disabled permanent employees as on March 31, 2021**.
5. Do you have an employee association that is recognized by management? **Not Applicable**
6. What percentage of your permanent employees is members of this recognized employee association? **Not Applicable**
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the financial year
1.	Child labour, forced labour, involuntary labour and Sexual Harassment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees: **100%**
   (b) Permanent Women Employees: **100%**
   (c) Casual/ Temporary/ Contractual Employees: **100%**
   (d) Employees with Disabilities: **Not Applicable**

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders? Yes/ No – **Yes, the Company has mapped its internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This supports the Company to understand its stakeholders and helps the Company to match their expectations to sustain strong relationships with them. We conduct business professionally to create value for all stakeholders ensuring that we are a responsible partner that serves the wider interests of society**.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. – **Yes, the Company identifies underprivileged communities in and around its business locations and project sites. The Company conducts various activities, which upholds its philosophy and values towards underprivileged communities**.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. – **We have implemented some projects like toilet renovation for Mentally Disabled School of Dombivali, ensured the rural children complete basic education (SSC) thereby preventing school droputs, educational support provided to Disabled students. We have also joined hands with NSDL and TISS to support the vulnerable section of students**.

Principle 5: Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? – **The Company respects Human Rights and has a dedicated policy on Human Rights. Through the policy, the Company ensures conformance to the fundamental labour principles including the prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operations. The Policy is extended to the group/ its subsidiaries/ joint ventures/ suppliers/ contractors**.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? – **Nil**

Principle 6: Business should respect, protect and make effort to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others. **The Environment Health and Safety ("EHS") policy covers the Company, its contractors & other relevant stakeholders**.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/ N. If yes, please give hyperlink for webpage etc. **We are basically in a Carbon Positive business as Solar renewable power generation cuts the carbon emission of the traditional fossil fuel based power generation in totality. Only a small amount of carbon emission take place during EPC phase or Project construction phase. Even to address that small amount of GHG generation we are monitoring the Carbon footprint from our activities per MW of Solar Power installation. To calculate this GHG emission we are using state of art software developed by Process MAP, global player in HSE software solutions**.

3. Does the company identify and assess potential environmental risks? **Yes, we do assess the potential environmental risk of all our activities as per requirements of ISO 14001. Moreover the environmental baseline study report of a project is being reviewed thoroughly to address the requirements into the initial stages of project planning**.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? **Not Applicable**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for web page etc. **The Company implements several small-scale projects towards Reduce-Reuse-Recycle like Water recycling, Rainwater harvesting, and preservation of environment through natural land contour management, biodiversity management and so. In this context, we can mention that in a floating solar plant on waterbodies, the Company uses biodegradable ester oil instead of normal mineral oil as transformer oil to prevent any major water pollution due to an accidental leakage of transformer tank**.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported? **Being a Solar EPC Company, the Company is exempt from this requirement**.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year. **The Company has not received any show cause/ legal notices either from CPCB or SPCB which is pending as on March 31, 2021**.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

   Yes, the Company is a member of the Bombay Chamber of Commerce and Industry.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) – **Not Applicable**

Principle 8: Business should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof. **Pursuant to the CSR Policy adopted by the Board as prescribed in Schedule VII to the Companies Act, 2013, during the year under review, the major CSR activities were carried out in the field of Education & Skill Development, Health & Sanitation, Disaster Management, Environment Sustainability & Community Development and Rural Development**.

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization? **The Company partners with NGOs and Government organizations to leverage synergies in delivering community development initiatives under the above mentioned focus areas. Encouragement is given to employees to volunteer for cause of choice in pre-defined aspects that are aligned to community development initiatives**.

3. Have you done any impact assessment of your initiative? **The Company undertakes impact assessment on a continuous basis and monitors gains to the community arising out of all its CSR activities**.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. **The Company's direct monetary contribution to community development projects in F.Y. 2020-21 was ₹ 2.09 Crore. An Annual Report on details of projects undertaken as CSR activities is annexed to the Directors' Report**.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. **The Company has taken adequate steps to ensure that the development initiatives are successfully adopted by the community. The process of community engagement begins right from business development stage, to projects and operations stage. The Socio-economic study and baselines form the basis for identification of prioritized needs, followed by program planning with help of external experts. Every year, the Company implements programs with prior community consultation through teams. We have implemented projects wherein we have built houses for farm widows in Amravti District, helped in the water irrigation projects in drought prone regions, provided CCTV surveillance in village area in Kamareddy**.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year. **There are no customer complaints/ consumer cases pending as of end of FY 2020-21. Also, the Company is not providing/ selling its services/ products to end consumers**.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information) – **Not Applicable**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**. In the last four* years, no such case has been filed against the Company on the above referred matters**.

   *The Company has been incorporated on March 09, 2017.

4. Did your company carry out any consumer survey/ consumer satisfaction trends? **- Not Applicable, since the Company is not providing/ selling its services/ products to end consumers**.

Independent Auditors' Report

To the Members of
Sterling and Wilson Solar Limited

Report on the Audit of the Standalone financial statements

Qualified Opinion

We have audited the standalone financial statements of Sterling and Wilson Solar Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Australia, Argentina, Chile, Dubai, Egypt, Indonesia, Jordan, Kenya, Mexico, Namibia, Philippines, Vietnam and Zambia (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of branch auditors on standalone financial information of such branches as were audited by the branch auditors, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to:

(i) note 54 to the standalone financial statements relating to outstanding inter- corporate deposits of ₹ 397.55 crores (including interest accrued thereon of ₹ Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of ₹ 1,765.02 crores (including interest accrued thereon of ₹ 173.56 crores) that were outstanding as on 30 September 2019 made to a fellow subsidiary by the Company which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Company's shares by the Selling Shareholders. The Board of Directors of the Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the Company.

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. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non -compliance with laws and regulations, if any, by the Company. Although 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, in our opinion, there exists a possibility for a contrary view in the matter.

The Company has obtained full security for the outstanding amount as at the year end. In view of the steps taken/being taken by the Company as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment by borrower of inter-corporate deposits in the earlier quarters and default in repayment of instalments of inter-corporate deposits due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits by the borrower; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the standalone financial statements of the Company for the year ended 31 March 2021.

(ii) note 53 to the standalone financial statements, the Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Company, management believes that the current expected credit loss provision of ₹ 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the standalone financial statements, if any.

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

Emphasis of matter

We draw attention to note 4 of the standalone financial statements which describes the accounting for the Scheme of Amalgamation between the Company and Sterling & Wilson – Waaree Private Limited, a wholly owned subsidiary ('the Scheme' or 'business combination'). The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 29 January 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Mumbai, Maharashtra, on 7 April 2021. Though the appointed date as per the NCLT approved Scheme is 1 April 2020, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the business combination has been accounted for as if it had occurred from the beginning of the preceding period in the standalone financial statements. Accordingly, the amounts relating to the financial year ended 31 March 2020 include the impact of the business combination and have been restated by the Company after recognising the effect of the amalgamation as above. The aforesaid note (Note 4) also describes in detail the impact of the business combination on the standalone financial statements.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined matters described below to be the key audit matters to be communicated in our report.

Impact of liquidity and other issues on going concern assessment (refer note 2(d)(ia) and 58 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. In the current year, various governments have imposed restrictions due to the resurgence of COVID-19 cases, which have significantly impacted business of the Company during the year. Though the Company's projects are safeguarded with force majeure conditions, the project duration is suitably extended to account for these delays. Further, the project execution in near past has faced problems on account of extended lockdown, supply chain disruption, labour shortage and liquidity issues hampering project re- mobilisation. Consequently, the Company has incurred net loss of ₹ 142.67 crores during the year ended 31 March 2021, and there were delays in repayment of borrowings by the Company. Additionally, Shapoorji Pallonji and Company Private Limited, the Parent Company, had applied to its lenders for One Time Restructuring ('OTR') facility. This had caused uncertainty to the Company on its ability to fully utilise its existing banking limits, and / or obtain fresh banking limits or rollover existing facilities. The OTR facility of the Parent Company was approved as at the year-end. The Company has assessed the impact of the existing and anticipated effects of above factors on the future cash flow projections. The Company has also prepared a range of scenarios to estimate cash flows from operating and financing requirements. This assessment of the Company's future cash flow projections is subject to significant estimates and judgements. These include sales forecasts, expected margins, working capital requirements, other operating costs availability of liquidity and timing of collection of inter-corporate deposits on the basis of future performance. Assessment of going concern is based on estimates of future performance and is fundamental to assessing the suitability of the basis adopted for the preparation of the standalone financial statements. We have therefore spent significant audit effort in assessing the appropriateness of this assumption. In view of this, we identified it as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Evaluated the design of relevant internal controls over the Company's forecasting process. • Compared the forecasted statement of profit and loss and cash flows with the Company's business plan approved by the board of directors. • Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flows. Assessed the consistency thereof with our expectations based on our understanding of the Company's business. These assumptions included range of scenarios prepared by the Company to estimate financing requirements • Obtained from the management its projections of financing arrangements and tested its sufficiency for fulfilling the requirement of projected working capital and necessary capital expenditure. • Challenged the forecasted income statement and cash flows by considering plausible changes to the key assumptions adopted by the Company. • Assessed the sensitivities and performed stress testing on the forecasted cash flows. • Sighted subsequent collections against inter-corporate deposits and other receivables from group companies. • Obtained details of limits sanctioned and the borrowings disbursed subsequent to the year end and tested the underlying documentation. • Assessed compliance with loan covenants during the year and subsequent to the year end. • Considered the adequacy of disclosures made in the Company's standalone financial statements with regard to the above.

Measurement of contract revenue and margin (refer note 2(d)(i), 3.12, 30 and 47 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue from works contracts represents 91.63% of the total revenue from operations of the Company. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. Revenue recognition involves significant estimates related to measurement of costs to complete, valuation of claims and penalties / liquidated damages and in turn evaluation of the related receivables and liabilities at each reporting date. The Company uses input method based on costs to measure progress of individual contracts. Under this approach, the Company recognises revenue and margin based on the costs incurred and accrued to date relative to the estimated total costs to complete the performance obligation. Penalties/ liquidated damages specified in the contracts are inherent in the determination of transaction price and forms part of variable consideration. Overstatement of revenue is considered to be a significant audit risk as it is the key driver of returns to investors and incentives linked to performance for a reporting period. Due to significant judgment involved in the estimate of total revenue, costs to complete and significant audit risk of overstatement, we have considered measurement of contract revenue as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessed compliance of the Company's policies in respect of revenue recognition with the applicable accounting standards; • Evaluated the design and implementation and tested operating effectiveness of key internal controls around revenue recognition and recording of contract costs; • Selected a sample of contracts to test, using risk-based criteria, which included individual contracts with: - significant revenue recognised during the year; or - nil margin; or - significantly high, low or negative profit margins. • For these sample contracts, we critically assessed the estimated costs to complete, variations in contract price and contract costs and the adequacy of provision for penalties / liquidated damages arising from customer disputes. This assessment included: - inspection of original contracts and its amendments for key terms and milestones to verify the estimated total revenue and costs to complete and / or any changes thereto; - interviewed and challenged project and commercial heads on changes to estimated total revenue and costs to complete and settlement and recoverability of contract related receivables; - compared revenue recorded during the year with the underlying contracts, milestones achieved and invoices raised on the customers; - sighted the correspondence and minutes of meeting with customers around recoverability of claims and penalties / liquidated damages. • Assessed the costs incurred and accrued to date on the balance sheet by examining underlying invoices and signed contracts; • Appropriate cut-off procedures for determination of revenue in the correct reporting period; • Compared, on a sample basis, the outcome of contracts completed during the year with the original budgets and estimated margins for those contracts to determine the reliability of previous estimates; • Compared details of a sample of revenue journal entries raised throughout the reporting period, using risk-based criteria, with the relevant underlying documentation; • Considered the adequacy of disclosures made in note 2(d)(i) to the Company's standalone financial statements in respect of these judgments and estimates.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of branch auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to evaluate the impact of adjustments, if any, that may arise from the said matters on the standalone financial statements of the Company. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to the said matters.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone financial information of the branches of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of standalone financial information of such branches included in the standalone financial statements of which we are the independent auditors. For the other branches included in the standalone financial statements, which have been audited by branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

(a) We did not audit the standalone financial information of 14 branches included in the standalone financial statements of the Company whose standalone financial information reflect total assets (before consolidation adjustments) of ₹ 953.23 crores as at 31 March 2021, the total revenue (before consolidation adjustments) of ₹ 1,384.89 crores and net cash inflows amounting to ₹ 7.35 crores for the year ended on that date, as considered in the standalone financial statements. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

    Certain of these branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of these branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143 (3) of the Act, we report that:

(a) we have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

(c) the reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

(d) except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

(e) except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(f) the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(g) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(h) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above; and

(i) with respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 25 and 28 to the standalone financial statements;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the managerial remuneration paid by the Company during the current year is in accordance with the provisions of Section 197 read with Schedule V to the Act. The managerial remuneration paid is not in excess of the limit laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 21105149AAAADY6157

Mumbai
29 June 2021

Annexure A to the Independent Auditors' Report – 31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed in respect of assets verified during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The inventory of project land, stores and spare parts and construction materials has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of account.

(iii) The Company has granted secured loans to a company and unsecured loans to a company, two body corporates and a partnership firm covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Act.

i) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of secured and unsecured loans granted by the Company to companies and unsecured loans granted by the Company to body corporates and a partnership firm covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

ii) According to the information and explanations given to us and based on the audit procedures conducted by us, the secured and unsecured loans granted to companies and the interest thereon are repayable on demand or as per contractual terms of inter-corporate deposit agreements and the unsecured loans granted to body corporates and a partnership firm and the interest thereon are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded or as per contractual terms, as applicable. Also, refer note 54 to the standalone financial statements.

iii) There are no overdue amounts of more than 90 days in respect of the secured and unsecured loans granted to companies, body corporates and a partnership firm by the Company. Also, refer note 54 to the standalone financial statements.

(iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Profession tax and Fringe benefit tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Provident fund, Employees' State Insurance, Social Security Tax, Goods and Services tax, Income-tax and Cess have not been regularly deposited during the year by the Company with the appropriate authorities, though the delays have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Professional tax, Social Security tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax and Goods and Services tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Amount not deposited on account of dispute# ₹ in crores	Financial year (F.Y.) to which the amount relates	Forum where dispute is pending
Central Goods and Services Tax Act, 2017 *	CGST, interest and penalty	38.52	2017-18	Andhra Pradesh High Court
Andhra Pradesh Goods and Services Tax Act, 2017 *	SGST, interest and penalty	38.52	2017-18	Andhra Pradesh High Court
Central Goods and Services Tax Act, 2017 *	CGST, interest and penalty	88.49	2018-19	Appeal to be filed before Rajasthan High Court
Rajasthan Goods and Services Tax Act, 2017 *	SGST, interest and penalty	88.49	2018-19	Appeal to be filed before Rajasthan High Court

* refer note 42 to the standalone financial statements.

net of amount deposited under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to financial institutions. The Company has defaulted in repayment of principal and interest to three banks in few instances during the year (also, refer note 51(c)(ii) to the standalone financial statements) and has repaid the principal and interest amount on or before the balance sheet date. The Company does not have any loans or borrowings from government or outstanding dues to debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration paid by the Company during the current year is in accordance with the provisions of Section 197 read with Schedule V to the Act. The managerial remuneration paid is not in excess of the limit laid down under Section 197 read with Schedule V to the Act..

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 21105149AAAADY6157

Mumbai
29 June 2021

FINANCIAL STATEMENTS

Annexure B to the Independent Auditors' Report – 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Sterling and Wilson Solar Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

We did not audit the internal financial controls with reference to standalone financial information of 14 branches (in Australia, Argentina, Chile, Dubai, Egypt, Jordan, Kenya, Namibia, Philippines, Vietnam and Zambia) of the Company. The internal financial controls with reference to standalone financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the internal financial controls with reference to standalone financial information included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 21105149AAAADY6157

Mumbai
29 June 2021

FINANCIAL STATEMENTS

Balance Sheet as at March 31, 2021

(Currency : Indian Rupees in crores)

	Note	March 31, 2021	March 31, 2020 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	5	19.95	18.21
Capital work-in-progress	5	0.01	2.42
Right-of-use assets	50	5.72	8.25
Other intangible assets	6	7.84	1.76
Intangible assets under development	6	0.32	0.32
Financial assets			
(i) Investments	7	371.21	3.68
(ii) Loans	8	0.77	1.44
(iii) Other financial assets	8A	5.17	-
Deferred tax assets (net)	9	80.86	26.93
Other income tax assets (net)	10	36.60	0.08
Other non-current assets	11	1.85	3.81
Total non-current assets		**530.30**	**66.90**
Current assets			
Inventories	12	3.09	14.51
Financial assets			
(i) Investments	13	-	0.46
(ii) Trade receivables	14	769.99	1,539.94
(iii) Cash and cash equivalents	15	122.69	182.12
(iv) Bank balances other than cash and cash equivalents	16	45.85	10.47
(v) Loans	17	560.19	987.58
(vi) Derivatives	17A	1.92	-
(vii) Other financial assets	18	702.97	352.79
Other current assets	19	1,039.29	761.34
Total current assets		**3,245.99**	**3,849.21**
Total assets		**3,776.29**	**3,916.11**
Equity and liabilities			
Equity			
Equity share capital	20	16.04	16.04
Other equity	21		
Capital redemption reserve		0.00	0.00
Capital reserve on demerger		(181.74)	(181.74)
Retained Earnings		733.71	844.95
Effective portion of cash flow hedge		(67.72)	-
Foreign currency translation reserve		11.69	23.15
Total equity		**511.98**	**702.40**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	50	6.08	6.48
Provisions	22	20.56	9.05
Total non-current liabilities		**26.64**	**15.53**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	385.73	597.81
(ii) Lease liabilities	50	0.40	2.18
(iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		83.74	39.89
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,296.01	2,266.73
(iv) Derivatives	25	92.39	6.23
(v) Other financial liabilities	26	63.96	37.95
Other current liabilities	27	219.95	157.29
Provisions	28	93.16	67.38
Current tax liabilities (net)	29	2.33	22.72
Total current liabilities		**3,237.67**	**3,198.18**
Total liabilities		**3,264.31**	**3,213.71**
Total equity and liabilities		**3,776.29**	**3,916.11**

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

Chandra Thakur
Manager
Delhi

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Statement of Profit and Loss for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Income			
Revenue from operations	30	3,176.17	4,536.79
Other income	31	153.95	371.72
Total income		**3,330.12**	**4,908.51**
Expenses			
Cost of construction materials, stores and spare parts	32	2,029.83	2,719.08
Purchases of stock-in-trade	33	0.79	408.99
Changes in inventories of stock-in-trade	34	-	-
Direct project costs	35	1,049.47	921.68
Employee benefits expense	36	122.34	138.37
Finance costs	37	67.59	146.24
Depreciation and amortisation expense	38	8.20	6.33
Other expenses	39	194.57	136.34
Total expenses		**3,472.79**	**4,477.03**
(Loss) / Profit before income tax		(142.67)	431.48
Tax expenses:	40		
Current tax			
Current tax relating to current year		-	111.74
Current tax relating to earlier years		-	(0.28)
Deferred tax (credit) / charge		(31.23)	3.32
		(31.23)	**114.78**
(Loss) / Profit for the year after income tax		**(111.44)**	**316.70**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability		0.27	(1.82)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.07)	0.46
Items that will be reclassified subsequently to profit or loss			
(i) Effective portion of (losses) on hedging instruments in cash flow hedges		(153.59)	-
(ii) Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss		63.10	-
(iii) Income tax relating to items that will be reclassified to profit or loss		22.77	-
(iv) Exchange differences in translating financial statements of foreign operations		(11.46)	14.84
Other comprehensive (loss) / income for the year, net of income tax		**(78.98)**	**13.48**
Total comprehensive (loss) / income for the year		**(190.42)**	**330.18**
Earnings per equity share			
Basic and diluted earnings per share (₹) (face value of ₹ 10 split into face value of Re 1 each)	41	(6.95)	19.75

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
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DIN:00216905
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Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Statement of Changes in Equity for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

A. Equity Share Capital

Particulars	March 31, 2021	March 31, 2020 (Restated)
Balance as at the beginning of the year	16.04	16.04
Add: Changes in share capital during the year	-	-
Balance as at the beginning and end of the year	**16.04**	**16.04**

B. Other Equity

	Reserves and surplus			Sub-total	Items of other comprehensive income		Sub-total	Total
	Capital redemption reserve	Capital reserve on demerger	Retained earnings		Effective portion of cash flow hedge	Foreign currency translation reserve		
Balance as at April 1, 2020 (Restated)	0.00	(181.74)	844.95	663.21	-	23.15	23.15	686.36
Adjustments:								
Total comprehensive income for the year								
Profit for the year	-	-	(111.44)	(111.44)	-	-	-	(111.44)
Items of OCI for the year, net of tax:								
Remeasurement of the defined benefit liability, net of tax	-	-	0.20	0.20	-	-	-	0.20
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	(11.46)	(11.46)	(11.46)
Gain/(losses) on hedging instruments in cash flow hedges, net of tax	-	-	-	-	(114.93)	-	(114.93)	(114.93)
Effective portion of (gain)/losses on hedging instruments in cash flow hedges reclassified to profit or loss, net of tax	-	-	-	-	47.21	-	47.21	47.21
Total comprehensive income for the year	-	-	(111.24)	(111.24)	(67.72)	(11.46)	(79.18)	(190.42)
Balance as at March 31, 2021	0.00	(181.74)	733.71	551.97	(67.72)	11.69	(56.03)	495.94
Balance as at April 1, 2019, as previously reported	-	(181.74)	596.41	414.67	-	8.31	8.31	422.98
Net assets acquired on account of merger of Sterling & Wilson - Waaree Private Limited (refer note 4)	-	-	35.91	35.91	-	-	-	35.91

Statement of Changes in Equity for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

	Reserves and surplus			Sub-total	Items of other comprehensive income		Sub-total	Total
	Capital redemption reserve	Capital reserve on demerger	Retained earnings		Effective portion of cash flow hedge	Foreign currency translation reserve		
Restated balance as at April 1, 2019	-	(181.74)	632.32	450.58	-	8.31	8.31	458.89
Adjustments:								
Total comprehensive income for the year								
Profit for the year	-	-	316.70	316.70	-	-	-	316.70
Items of OCI for the year, net of tax:								
Remeasurement of the defined benefit liability, net of tax	-	-	(1.36)	(1.36)	-	-	-	(1.36)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	14.84	14.84	14.84
Total comprehensive income for the year	-	-	315.34	315.34	-	14.84	14.84	330.18
Other adjustments								
Transfer of Capital redumption reserve*	0.00	-	(0.00)	-	-	-	-	-
Transactions with owners, directly recorded in Other equity								
Appropriations for dividend paid to shareholders	-	-	(96.18)	(96.18)	-	-	-	(96.18)
Appropriations for dividend distribution tax on dividend (net of credit of ₹ 13.40 crore)	-	-	(6.53)	(6.53)	-	-	-	(6.53)
Total transactions with owners	-	-	(102.71)	(102.71)	-	-	-	(102.71)
Balance as at March 31, 2020 (Restated)	0.00	(181.74)	844.95	663.21	-	23.15	23.15	686.36

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
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June 29, 2021

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Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Statement of Cash Flows for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

			For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
A)	**Cash flows from operating activities**			
	(Loss) / Profit before tax		(142.67)	431.48
	Adjustments for:			
	Depreciation and amortisation expense		8.20	6.33
	Supplier balances written back		(0.49)	(1.66)
	Liabilities no longer required written back		(10.17)	(33.16)
	Bad debts written off		0.32	3.63
	Write back of expected credit loss on financial assets		(1.01)	(5.80)
	Expected credit loss on financial assets		19.75	6.45
	Loans and advances written off		2.33	-
	Provision for mark-to-market (gain) / loss on derivative instruments (net)		(0.02)	6.23
	Share of loss in partnership firm		4.22	14.71
	Dividend income		-	(78.10)
	Loss on sale of property, plant and equipmcnts (net)		0.26	-
	Property, plant and equipment written off		0.76	-
	Profit on sale of mutual funds		-	(0.30)
	Fair value gain on investment in mutual funds measured at FVTPL		-	(0.01)
	Provision for liquidated damages		51.31	-
	Provision for foreseeable loss		0.22	-
	Other provisions		11.00	-
	Finance costs		67.59	146.24
	Interest income		(122.72)	(211.91)
	Provision for impairment loss on loans and investment in subsidiaries		-	1.78
	Unrealised foreign exchange loss (net)		98.49	99.46
	Operating (loss) / profit before working capital changes		(12.63)	385.37
	Working capital adjustments			
	Decrease / (Increase) in inventories		11.42	(2.48)
	Decrease in trade receivables		753.02	220.38
	Decrease / (Increase) in loans and advances		2.87	(6.89)
	(Increase) in restricted cash (refer note 2 below)		(2.16)	(0.07)
	(Increase) in other financial assets		(453.23)	(134.52)
	(Increase) in other current and non-current assets		(245.53)	(107.81)
	Increase / (Decrease) in trade payable, derivatives, other financial liabilities, other liabilities and provisions		(2.85)	(504.96)
	Net change in working capital		63.54	(536.35)
	Cash flows generated from / (used in) operating activities		50.91	(150.98)
	Income tax (paid) (net)		(60.47)	(136.39)
	Effects of exchange differences on translation of assets and liabilities		-	14.85
	Net cash flows (used in) operating activities	**(A)**	(9.56)	(272.52)
B)	**Cash flows from investing activities**			
	(Investment) in equity shares of a subsidiary		-	(1.92)
	Proceeds from sale of treasury bills		0.19	-
	(Purchase) of property, plant and equipment, capital work in progress and intangible assets		(12.93)	(13.77)
	Proceeds from sale of property, plant and equipment		0.59	-
	(Investment) in short term fixed deposits (net)		(33.97)	(5.50)
	(Investment) in long term fixed deposits		(4.39)	-
	Dividend received from a subsidiary		-	78.10
	(Purchase) of mutual funds		-	(190.00)
	Proceeds from sale of mutual funds		0.27	190.02
	Inter-corporate deposits/ Loan given to subsidiaries and fellow subsidiaries (net)		(26.48)	(632.45)
	Inter-corporate deposits/ Loan repaid by subsidiaries and fellow subsidiaries		186.78	1,298.78
	Interest received		115.43	241.16
	Net cash flows generated from investing activities	**(B)**	225.49	964.42
C)	**Cash flows from financing activities**			
	Proceeds from cash credit borrowings (net)		77.19	20.61
	(Repayment of) secured and unsecured short-term borrowings (net)		(289.27)	(597.41)
	Dividend paid		-	(96.18)
	Dividend distribution tax paid		-	(6.53)
	Repayment of lease liabilities		(2.99)	(2.24)
	Finance costs paid		(59.93)	(138.82)
	Net cash flows (used in) financing activities	**(C)**	(275.00)	(820.57)
	Net (decrease) in cash and cash equivalents	**(A + B + C)**	(59.07)	(128.67)

Statement of Cash Flows for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Cash and cash equivalents at the beginning of the year	182.12	309.88
Cash and cash equivalents acquired during the year pursuant to scheme of arrangement (refer note 4)	-	0.95
Net movement in currency translation	(0.36)	(0.04)
Cash and cash equivalents at the end of the year	122.69	182.12

During the year ended March 31, 2021, loan given to Sterling and Wilson International Solar FZCO amounting to ₹ 367.53 crore have been converted into investment in equity instrument, the same have been treated as non-cash items and accordingly not reflected in the Standalone statement of cash flows (Refer note 52).

Notes :

1 The standalone statement of cash flows have been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Statement of Cash Flows.

2 Current account balances with banks include ₹ 2.30 crore (March 31, 2020: ₹ 0.08 crore) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions and an amount of ₹ 0.01 crore (March 31, 2020: ₹ 0.04 crore) on account of earmarked balance for unclaimed dividend.

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

		March 31, 2021	March 31, 2020 (Restated)
4	Components of cash and cash equivalents		
	Balance with banks		
	- in current accounts	113.55	180.94
	Cheques on hand	8.38	-
	Cash on hand	0.76	1.18
		122.69	182.12

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

Particulars	As at April 1, 2020 (Restated)	Changes considered in Standalone statement of cash-flows	Non-cash changes on account of acquisition and others (including foreign exchange adjustment)	As at March 31, 2021
Short-term borrowings	597.81	(212.08)	-	385.73
Lease liabilities	8.66	(2.99)	0.81	6.48

Particulars	As at April 1, 2019 (Restated)	Changes considered in Standalone statement of cash-flows	Non-cash changes on account of acquisition and others (including foreign exchange adjustment)	As at March 31, 2020
Short-term borrowings	1,174.62	(576.81)	-	597.81
Lease liabilities	3.55	(2.24)	7.35	8.66

6 The above standalone statement of cash flows includes ₹ 2.10 crore (March 31, 2020: ₹ 3.00 crore) towards corporate social responsibility (refer note 46).

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

Chandra Thakur
Manager
Delhi

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

1 Background

Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited ("the Company") was incorporated as a Private Limited Company on 9 March 2017 under The Companies Act, 2013. The Company is a Solar EPC contractor with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe, South America, Latin America, Australia and USA.

The Company is specialised in complete turn-key and Roof top solutions for Solar EPC solutions with having experience of executing more than 200 projects. The principal activity of the Company includes import, export and trading of Solar modules, structures, invertors and related accessories, installation and maintenance of Solar power generating facilities and other related activities.

The Company was incorporated on 9 March 2017 as Rashmika Energy Private Limited. The Company was renamed as Sterling and Wilson Solar Private Limited on April 24, 2018. Further the Company was renamed to Sterling and Wilson Solar Limited on January 25, 2019. The Company was listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India on August 20, 2019.

During the current year, Sterling & Wilson - Waaree Private Limited was merged with the Company, on a going concern basis, pursuant to "Scheme of Arrangement " ('the Scheme') with effect from the appointed date of April 1, 2020 (refer note 4).

Sterling and Wilson Solar Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from April 1, 2017.

2 Basis of Preparation of the Standalone Financial Statements

a Statement of compliance

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on June 29, 2021.

Changes to significant accounting policies during the year ended March 31, 2020 are disclosed in note 3.7 and the impact of transition to Ind AS 116 on the standalone financial statements is disclosed in note 50.

b Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in crore during the year ended March 31, 2021, unless otherwise stated.

c Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

d Use of estimates and judgments

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 are as follows:

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the year/period in which such changes are determined.

(ia) Estimation uncertainty related to COVID-19

The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets including impact on estimated costs to be incurred towards of all projects under execution. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these standalone financial statements, and this will continue to closely monitor any material changes to future economic conditions (Also refer note 58).

(ii) Estimated useful lives of property, plant and equipment and intangible assets

The Company estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised. The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

year/period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(v) Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future saleability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vi) Impairment losses on financial assets

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

(vii) Impairment losses on investment

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(viii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year/period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:-

- Note 51 – financial instruments."

(ix) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(x) Determination of lease term and discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3 Significant Accounting Policies

3.1 Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the engineering, procurement and construction services (EPC) segment of the Company, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities. For the other operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

3.2 Foreign currency

(i) Foreign currency transactions

- Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

- Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (branches), are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

When a foreign operation is disposed the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the standalone statement profit and loss as part of the gain or loss on disposal.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

3.3 Financial instruments

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

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

(b) Classification and subsequent measurement

Financial assets

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

- amortised cost;

- FVOCI – debt investment;

- FVOCI – equity investment; or

- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Financial assets at amortised cost:

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

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

(iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the standalone statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss. See Note 3.3 (e) for financial liabilities designated as hedging instruments.

(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement of profit and loss.

(d) Offsetting

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

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(e) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the standalone statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the standalone statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the standalone statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the standalone statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the standalone statement of profit and loss.

3.4 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

3.5 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the standalone statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Company's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower / higher than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years	Schedule II useful lives
Plant and equipment	5 years to 25 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing INR 5,000 or less are fully depreciated in the year/period of purchase.

3.6 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to ten years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit and loss in the year the asset is derecognised.

3.7 Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the tight to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

Changes in accounting policies and Transition note

"On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from April 1, 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on April 1, 2019."

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after April 1, 2019.

Accordingly, a right-of-use asset of ₹ 3.55 crore and lease liability of ₹ 3.55 crore was recognised as at April 1, 2019. The cumulative effect of transition to Ind AS 116 on retained earnings was ₹ Nil as at April 1, 2019. The weighted average incremental borrowing rate of 11% was applied to lease liabilities recognised in the balance sheet at the date of initial application.

3.8 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.9 Impairment

Impairment of non-derivative financial assets

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

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

(i) Trade receivables, lease receivables and contract assets; and

(ii) Financial assets measured at amortised cost (other than trade receivables, lease receivables and contract assets).

In case of trade receivables, lease receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

"ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off during the year.

Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.10 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Company has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the standalone statement of profit and loss in the periods during which the related services are rendered by employees. In respect of foreign branch, the Company's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the standalone foreign branch operates.

(ii) Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the standalone statement of other comprehensive income in the year/period in which they occur and not reclassified to the standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year/period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year/period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year/period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the standalone statement of profit and loss.

Other long-term employee benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit Method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the standalone statement of profit and loss in the year/period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year/period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity settled share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best

Notes to Standalone Financial Statements
for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone statement of profit and loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share."

3.11 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.12 Revenue recognition

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts and Income from designing and engineering services

Revenue from works contracts and Income from designing and engineering services, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Revenue from sale of goods

The Company recognises revenue from sale of goods once the customer takes possession of the goods. Revenue represents the invoice value of goods provided to third parties net of discounts and taxes.

Operation and maintenance income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e. input method on a straight line basis.

Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

3.13 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other income in the standalone financial statements.

3.14 Recognition of dividend income, interest income or expense

Dividend income is recognised in the standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15 Income tax

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.16 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.17 Investments

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties. Profit or loss on sale of investments is determined on the basis of first in first out (FIFO) basis of carrying amount of investment disposed off.

3.18 Standalone statement of cash flows

The Company's standalone statement of cash flows are prepared using the Indirect method, whereby profit / (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

3.19 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year/period except where the results would be anti-dilutive.

3.20 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.21 Business combination

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values. The identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is transferred to capital reserve, which is shown separately from other capital reserves.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements irrespective of the actual date of the combination.

3.22 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

3.23 Recent pronouncements

"On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

4 Scheme of Arrangement

The Board of Directors at their meeting held on 16 March 2020 had approved the merger proposal and approved the "Scheme of Arrangement" to merge Sterling & Wilson -Warree Private Limited ("SWWPL") with the Company under Section 230 to Section 232 of the Companies Act, 2013, with effect from April 1, 2020, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders, National Company Law Tribunal ('NCLT') Mumbai and other statutory and regulatory authorities.

The said Scheme received the approval of the National Company Law Tribunal, Mumbai Bench vide orders passed on January 29, 2021 and the Scheme was filed with the Registrar of Companies on 7 April 2021. The Scheme has become effective April 1, 2020. As per Appendix C of Ind AS 103 - Business Combinations, the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1, 2019.

The Merged Undertaking and the Company is in a similar line of business. The resources available with both the companies could be pooled together and the Company will be able to effectively utilize the same for the benefits of the Company on a larger scale. Further, there will be elimination of multiple entities, reducing the multiplicities of legal and regulatory compliances, and reduction in operational cost.

In accordance with the provisions of the aforesaid Scheme:

i The Indian Accounting Standard 103 ('Ind AS - 103') - Business Combination, deals with amalgamations, and the accounting treatment in respect of the merger under common control transaction. The merger has been given effect to as per the accounting treatment specified in the Scheme and approved by the NCLT, the same is in line with the accounting tratment specified under Ind AS - 103.

ii The transfer of assets and liabilities of SWWPL at book value has been effected from the "Appointed date" of April 1, 2020, as defined in the Scheme.

iii Accounting treatment of the arrangement:

Business combination is accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involves the following:

a) The financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the standalone financial statements, irrespective of the actual date of the combination. Accordingly, business combinations is accounted with effect from April 1, 2019;

b) The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking;

c) The value of investment in the Merged Undertaking in the books of the Company shall be cancelled;

d) No adjustments are made to reflect fair values, or recognise any new assets or liabilities;

e) The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) shall be adjusted in 'Other Equity' of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

iv The merger has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summrised values:

Particulars	March 31, 2020	April 1, 2019
Non-current assets		
Property, plant and equipment	0.02	0.02
Deferred tax assets	0.00	0.00
Non-current tax assets (net)	0.08	-
Other non-current assets	-	1.74
Total non-current assets	**0.10**	**1.76**
Current assets		
Financial assets		
(i) Trade receivables	0.18	10.27
(ii) Cash and cash equivalents	0.40	0.95
(iii) Loans	40.67	36.62
(iv) Other financial assets	1.24	1.70
Other current assets	0.96	0.01
Total current assets	**43.45**	**49.55**
Total assets	**43.55**	**51.31**
Equity		
Equity share capital*	0.00	0.00
Other equity	41.17	35.91
Total equity	**41.17**	**35.91**
Current liabilities		
Financial liabilities		
(i) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	0.48	2.52
(ii) Other financial liabilities*	0.00	0.91
Other current liabilities	0.54	2.02
Income tax liabilities (net)	1.36	9.95
Total current liabilities	**2.38**	**15.40**
Total liabilities	**2.38**	**15.40**
Total equity and liabilities	**43.55**	**51.31**
Net assets taken over	41.17	35.91
Less: Cancellation of investments by the Company in SWWPL*	0.00	0.00
Less: Other equity	41.17	35.91
Capital Reserve on merger	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

v The results for the year ended March 31, 2020 pertaining to SWWPL operation is as set out below:

Particulars	March 31, 2020
Revenue from operations	1.69
Other income	7.10
Total income	**8.79**
Expenses	
Cost of construction materials, stores and spare parts	0.17
Direct project costs	0.80
Employee benefits expense	0.00
Finance costs	0.67
Depreciation and amortisation expense	0.01
Other expenses	0.09
Total expenses	**1.74**
Profit before tax for the year	**7.05**
Tax expense	1.79
Profit after tax for the year	**5.26**
Other comprehensive income	-
Total comprehensive income for the year	**5.26**

vi The cash flows for the year ended March 31, 2020 pertaining to SWWPL is as set out below:

Cash flows pertaining to discontinued operation	March 31, 2020
Net cash flows (used in) operating activities	(0.84)
Net cash flows generated from investing activities	1.82
Net cash flows (used in) from financing activities	(1.52)
Net movement in currency translation	(0.01)
Net cash flows for the year	(0.55)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5 Property, Plant and Equipment and Capital work-in-progress

Reconciliation of carrying amount for the year ended March 31, 2021

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :								
Balance as at April 1, 2020 (Restated)	**2.02**	**18.10**	**0.43**	**1.75**	**6.92**	**29.22**	**2.42**	**31.64**
Add: Additions during the year	-	7.39	0.13	-	0.88	8.40	2.03	10.43
Less: Disposals / Written off during the year	-	3.80	-	-	-	3.80	4.44	8.24
Add: Exchange differences on translation of foreign operations	-	(0.06)	(0.01)	(0.01)	0.05	(0.03)	-	(0.03)
Balance as at March 31, 2021	2.02	21.63	0.55	1.74	7.85	33.79	0.01	33.80
Accumulated depreciation and amortisation :								
Balance as at April 1, 2020 (Restated)	**0.02**	**6.98**	**0.13**	**0.30**	**3.58**	**11.01**	**-**	**11.01**
Add: Depreciation and amortisation for the year	0.23	2.88	0.11	0.21	1.49	4.92	-	4.92
Less: Disposals / Written off during the year	-	2.10	-	-	-	2.10	-	2.10
Add: Exchange differences on translation of foreign operations	-	0.01	0.01	0.00	(0.01)	0.01	-	0.01
Balance as at March 31, 2021	0.25	7.77	0.25	0.51	5.06	13.84	-	13.84
Carrying amounts (net)								
At April 1, 2020 (Restated)	2.00	11.12	0.30	1.45	3.34	18.21	2.42	20.63
At March 31, 2021	1.77	13.86	0.30	1.23	2.79	19.95	0.01	19.96

*Amount less than ₹ 0.01 crore

Reconciliation of carrying amount for the year ended March 31, 2020

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :								
Balance as at April 1, 2019 (Restated)	-	12.62	0.17	0.44	4.93	18.16	-	18.16
Add: Acquisitions pursuant to scheme of arrangement (refer note 4)	-	0.03	-	-	-	0.03	-	0.03
Add: Additions during the year	2.02	5.45	0.26	1.28	1.94	10.95	2.42	13.37
Less: Disposals/ transfer during the year	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	-	(0.00)	0.00	0.03	0.05	0.08	-	0.08
Balance as at March 31, 2020 (Restated)	2.02	18.10	0.43	1.75	6.92	29.22	2.42	31.64
Accumulated depreciation and amortisation :								
Balance as at April 1, 2019 (Restated)	-	4.53	0.05	0.18	2.25	7.01	-	7.01
Add: Acquisitions pursuant to scheme of arrangement (refer note 4)	-	0.01	-	-	-	0.01	-	0.01
Add: Depreciation and amortisation for the year	0.02	2.42	0.08	0.12	1.27	3.91	-	3.91
Less: Disposals/ transfer during the year	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	-	0.02	0.00	0.00	0.06	0.08	-	0.08
Balance as at March 31, 2020 (Restated)	0.02	6.98	0.13	0.30	3.58	11.01	-	11.01
Carrying amounts (net)								
At April 1, 2019 (Restated)	-	8.09	0.12	0.26	2.68	11.15	-	11.15
At March 31, 2020 (Restated)	2.00	11.12	0.30	1.45	3.34	18.21	2.42	20.63

Notes:

a) Nil amount of borrowing cost is capitalised during the year ended March 31, 2021 and March 31, 2020

b) Nil amount of impairment loss is recognised during the year ended March 31, 2021 and March 31, 2020.

c) Adjustments includes the exchange fluctuation of ₹ (0.03) crore on gross block for the year ended March 31, 2021 (March 31, 2020: ₹ 0.08 crore) and ₹ 0.01 crore on accumulated depreciation / amortisation for the year ended March 31, 2021 (March 31, 2020: ₹ 0.08 crore) due to translation of property, plant and equipment of all foreign branches at closing exchange rate.

d) All movable fixed assets with carrying amount of ₹ 18.18 crore (March 31, 2020: ₹ 16.19 crore) are subject to first charge to secured bank loans obtained by the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

6 Other Intangible Assets

Particulars	Computer software	Intangible assets under development	Total
Balance as at April 1, 2020 (Restated)	**2.91**	**0.32**	**3.23**
Add: Additions during the year	6.83	-	6.83
Less: Disposals/ transfer during the year	-	-	-
Add: Exchange differences on translation of foreign operations*	0.00	-	0.00
Balance as at March 31, 2021	9.74	0.32	10.06
Balance as at April 1, 2019 (Restated)	**1.93**	**-**	**1.93**
Add: Additions during the year	0.98	0.32	1.30
Less: Disposals/ transfer during the year	-	-	-
Add: Exchange differences on translation of foreign operations*	(0.00)	-	(0.00)
Balance as at March 31, 2020 (Restated)	2.91	0.32	3.23
Accumulated amortisation and impairment losses:			
Balance as at April 1, 2020 (Restated)	**1.15**	**-**	**1.15**
Add: Amortisation for the year	0.75	-	0.75
Less: Disposals/ transfer for the year			-
Add: Exchange differences on translation of foreign operations*	(0.00)	-	(0.00)
Balance as at March 31, 2021	1.90	-	1.90
Balance as at April 1, 2019 (Restated)	**0.83**	**-**	**0.83**
Add: Amortisation for the year	0.32	-	0.32
Less: Disposals/ transfer for the year	-	-	-
Add: Exchange differences on translation of foreign operations*	0.00	-	0.00
Balance as at March 31, 2020 (Restated)	1.15	-	1.15
Carrying amounts (net)			
At March 31, 2020 (Restated)	1.76	0.32	2.08
At March 31, 2021	7.84	0.32	8.16

*Amount less than ₹ 0.01 crore

Notes:

a) Nil amount of borrowing cost is capitalised during the year ended March 31, 2021 (March 31, 2020: ₹ Nil).

b) Nil amount of impairment loss is recognised during the year ended March 31, 2021 (March 31, 2020: ₹ Nil).

c) Adjustments includes the exchange fluctuation of ₹ 0.00 crore* on gross block for the year ended March 31, 2021 (March 31, 2020: ₹ (0.00)* crore) and ₹ (0.00) crore* on accumulated amortisation for the year ended March 31, 2021 (March 31, 2020: ₹ 0.00* crore) due to translation of other intangible assets of all foreign branches at closing exchange rate.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

7 Non-current Investments

Particulars	March 31, 2021	March 31, 2020 (Restated)
Non-current investments		
Investments in equity instruments		
Unquoted, in subsidiaries (at cost)		
Sterling and Wilson (Thailand) Limited	0.00	0.00
490 shares (March 31, 2020: 490 shares) of 100 baht each, 25 baht paid-up		
Sterling and Wilson Saudi Arabia Limited	1.78	1.78
9,500 shares (March 31, 2020: 9,500 shares) of Saudi Riyals 100 each, fully paid-up		
Sterling and Wilson International Solar FZCO	369.28	1.75
184,600 shares (March 31, 2020: 1,000 shares) of AED 1,000 each, fully paid-up		
Esterlina Solar Engineers Private Limited	0.01	0.01
10,000 shares (March 31, 2020: 10,000 shares) of ₹ 10 each, fully paid up		
Sterling and Wilson Solar LLC	1.92	1.92
105 shares (March 31, 2020: 105 shares) of OMR 1 each, fully paid up		
Sub-total	**372.99**	**5.46**
Less: Provision for impairment toward investment in Sterling and Wilson (Thailand) Limited and Sterling and Wilson Saudi Arabia Limited	(1.78)	(1.78)
	371.21	**3.68**

The aggregate book value of unquoted non-current investments are as follows:

Particulars	March 31, 2021	March 31, 2020 (Restated)
Aggregate book value of unquoted non-current investments	372.99	5.46
Aggregate amount of impairment in value of non-current investments	1.78	1.78
Aggregate carrying amount of non-current investments	371.21	3.68

Investment in partnership firm

(i) Particulars of the Company's interest in

Name of Subsidiary	Percentage of ownership	Country of incorporation
Sterling Wilson-SPCPL-Chint Moroccan Venture	92%	India

(ii) The aggregate amount of assets, liabilities, income and expenses related to the Company's interests in the above partnership firm as at March 31, 2021 and March 31, 20 is as follows:

Particulars	March 31, 2021	March 31, 2020 (Restated)
i) Assets	110.05	107.44
ii) Liabilities	136.83	125.84
iii) Income	27.89	13.89
iv) Expenses (excluding Income tax expenses)	32.86	32.23
v) Net (loss) / gain for the year	(4.97)	(18.34)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(iii) The Company's share of capital commitments of the Subsidiary is ₹ Nil (March 31, 2020: ₹ Nil).

(iv) The Company's share of contingent liabilities of the Subsidiary is ₹ 0.13 crore (March 31, 2020: ₹ 0.13 crore).

(v) The details of partners in the above partnership firm as at March 31, 2021 and March 31, 2020 are as under:

Name of Partners	Profit sharing ratio	Loss sharing ratio	Capital as at March 31, 2021*
Sterling and Wilson Solar Limited	92%	92%	-
Shapoorji Pallonji and Company Private Limited	5%	5%	-
Astronergy Solar India Private Limited	3%	3%	-

* Refer note 42 for capital commitment towards partner's capital contribution.

8 Loans (Non-current)

(Unsecured, considered good)

Particulars	March 31, 2021	March 31, 2020 (Restated)
To parties other than related parties		
Security deposit	0.77	1.44
	0.77	**1.44**

8A Other Non-current Financial Assets

Particulars	March 31, 2021	March 31, 2020 (Restated)
Fixed deposits with banks * (due to mature after 12 months from reporting date)	5.17	-
	5.17	**-**

* The balance in deposit accounts of ₹ 5.17 crore (March 31, 2020: Nil) is towards lien against the bank guarantees / performance guarantees issued by the Company in favour of various customers.

FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

9 Deferred tax Assets (net)

Particulars	March 31, 2021	March 31, 2020 (Restated)
Deferred tax assets		
Employee benefits	8.15	7.72
Carryforward business loss	17.77	-
Unabsorbed depreciation	1.95	-
Expected credit loss on financial assets	10.43	5.71
Provision for mark to market losses on derivative instruments (net)	22.77	1.59
Provision for liquidated damages	17.54	12.09
Amortisation of expenses on demerger*	-	0.00
Others	2.75	0.01
	81.36	**27.12**
Deferred tax liabilities		
Excess of depreciation as per Income tax Act, 1961 over book depreciation	(0.49)	(0.16)
Fair valuation of financial asset	-	(0.00)
Amortisation of expenses on demerger	(0.01)	(0.02)
Others	-	(0.01)
	(0.50)	**(0.19)**
Deferred tax assets, net	**80.86**	**26.93**
Deferred tax assets (net)	**80.86**	**26.93**

*Amount less than ₹ 0.01 crore

10 Other Income Tax Assets

Particulars	March 31, 2021	March 31, 2020 (Restated)
Advance tax (net of provision for tax March 31, 2021: ₹ 222.71 crore, March 31, 2020: ₹ 9.10 crore)	36.60	0.08
	36.60	**0.08**

11 Other Non-current Assets

(Unsecured, considered good)

Particulars	March 31, 2021	March 31, 2020 (Restated)
To parties other than related parties		
Prepayments	-	1.96
Balance with government authorities	1.85	1.85
	1.85	**3.81**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

12 Inventories

(valued at lower of cost or net realisable value unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020 (Restated)
Construction materials, stores and spare parts	1.95	13.37
Stock-in-trade	1.14	1.14
	3.09	**14.51**
Carrying amount of inventories (included above) pledged as securities for borrowings	3.09	14.51
The write-down /(reversal of write-down) of inventories to net realisable value during the year	-	-
Carrying amount of inventories (included above) in transit	-	-

13 Current Investments

Particulars	March 31, 2021	March 31, 2020 (Restated)
Treasury bills, measured at amortised cost, unquoted	-	0.19
Investment in Mutual fund of Aditya Birla Sun Life - Liquid fund, measured at fair value through profit and loss, unquoted	-	0.27
(No. of units Nil (March 31, 2020: 8,420.23 units))		
Total	**-**	**0.46**
The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:		
Aggregate amount of unquoted current investments	-	0.46
Aggregate amount of impairment in value of current investments	-	-

14. Trade Receivables

(Unsecured)

Particulars	March 31, 2021	March 31, 2020 (Restated)
Trade Receivables		
- Considered good (refer note 51)	769.99	1,539.94
- Significant increase in credit risk	-	-
- Credit impaired	41.44	21.69
	811.43	**1,561.63**
Less: allowance*	(41.44)	(21.69)
Net trade receivables	**769.99**	**1,539.94**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	211.47	123.29
Loss allowances	9.75	-

* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low. The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 51 and 53. As at March 31, 2021, trade receivables includes retention of ₹ Nil (March 31, 2020: ₹ Nil) relating to construction contracts in progress.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020 (Restated)
Shapoorji Pallonji and Company Private Limited	82.67	39.94
Sterling and Wilson International Solar FZCO	1.69	-
Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	7.79
Sterling Generators Private Limited (formerly known as Sterling and Wilson Powergen Private Limited)	1.58	0.05
Sterling and Wilson Powergen Private Limited	-	1.11
	85.94	48.89

15 Cash and Cash Equivalents

Particulars	March 31, 2021	March 31, 2020 (Restated)
Balances with Bank		
- in current accounts	113.55	180.94
Cheques on hand	8.38	-
Cash on hand	0.76	1.18
	122.69	182.12

16 Bank Balances other than Cash and Cash Equivalents

Particulars	March 31, 2021	March 31, 2020 (Restated)
Balances with banks		
- in current accounts*	2.31	0.12
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)**	43.54	10.35
	45.85	10.47

* Current account balances with banks include ₹ 2.30 crore (March 31, 2020: ₹ 0.08 crore) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions and an amount of ₹ 0.01 crore (March 31, 2020: ₹ 0.04 crore) on account of earmarked balance for unclaimed dividend.

** The balance in deposit accounts includes ₹ 43.54 crore (March 31, 2020: ₹ 6.60 crore) towards lien against the bank guarantees / performance guarantees issued by the Company in favour of various customers and other commitments.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

17 Loans (Current)

(Secured)

Particulars	March 31, 2021	March 31, 2020 (Restated)
To related parties		
Inter-corporate deposits given to fellow subsidiaries	397.55	-
(Unsecured)		
To related parties		
Inter-corporate deposits/ Loans given to subsidiaries and fellow subsidiaries (net)	154.60	977.55
Loans given to subsidiaries	0.13	0.13
Less: Provision for doubtful loans	(0.13)	(0.13)
To parties other than related parties		
Security deposits	7.31	6.63
Loan to employees	0.73	3.40
	560.19	987.58

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020 (Restated)
Inter-corporate deposits/ Loans given to subsidiaries and fellow subsidiaries		
Sterling and Wilson Private Limited (net)	397.55	575.05
Sterling and Wilson International Solar FZCO	107.31	373.42
Sterling and Wilson (Thailand) Limited	0.13	0.13
Sterling Wilson-SPCPL-Chint Moroccan Venture	47.29	27.63
Esterlina Solar Engineers Private Limited	-	1.45
	552.28	977.68

17A Derivatives

Particulars	March 31, 2021	March 31, 2020 (Restated)
Foreign currency forward exchange contract assets	1.92	-
	1.92	-

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

18 Other Financial Assets

Particulars	March 31, 2021	March 31, 2020 (Restated)
To related parties		
(Unsecured, considered good)		
Interest accrued on loan to subsidiaries and fellow subsidiaries	15.24	117.37
Recoverable amounts from subsidiaries and others	599.20	150.40
(Unsecured, considered doubtful)		
Interest accrued on loan to subsidiaries	0.02	0.02
Less: Provision for impairment	(0.02)	(0.02)
To parties other than related parties		
(Unsecured, considered good)		
Interest accrued on fixed deposits	0.76	-
Interest receivable from customer	6.27	5.83
Other receivables** (refer note 53)	81.50	79.19
	702.97	**352.79**

** includes receivable towards encashment of irrevocable letter of credit, insurance claims, export incentive, claim against suppliers etc.

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020 (Restated)
Interest accrued on loan to subsidiaries and fellow subsidiaries		
Sterling and Wilson Private Limited	-	33.83
Sterling Wilson SPCPL -Chint Moroccan Venture	4.01	0.28
Esterlina Solar Engineers Private Limited	-	0.00
Sterling and Wilson International Solar FZCO	11.23	83.26
Sterling and Wilson (Thailand) Limited	0.02	0.02
	15.26	**117.39**
Recoverable expenses from shareholders, subsidiaries and others		
Sterling and Wilson International Solar FZCO	598.43	150.13
Sterling and Wilson Solar Australia Private Limited	0.74	-
Sterling and Wilson Powergen FZE	-	0.13
Sterling and Wilson Solar LLC	0.03	0.14
	599.20	**150.40**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

19 Other Current Assets

(Unsecured, considered good)

Particulars	March 31, 2021	March 31, 2020 (Restated)
To related parties		
Unbilled receivables	6.41	22.63
Advances for supply of goods	127.89	-
To parties other than related parties		
Advances for supply of goods	54.05	130.44
Unbilled receivables	598.11	376.55
Advance to employees	0.32	0.38
Other recoverables*	0.00	0.01
Balance with government authorities	246.75	225.36
Prepayments	5.76	5.97
	1,039.29	**761.34**

*Amount less than ₹ 0.01 crore

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020 (Restated)
Unbilled receivables		
Shapoorji Pallonji and Company Private Limited	0.53	0.76
Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	14.49
Sterling Generators Private Limited (formerly known as Sterling and Wilson Powergen Private Limited)	-	0.25
Sterling and Wilson Private Limited	0.15	0.33
	0.68	**15.83**
Advances for supply of goods		
Sterling and Wilson International Solar FZCO	59.93	-
Sterling and Wilson Solar Australia Private Limited	67.96	-
	127.89	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

20 Equity Share Capital

Particulars	March 31, 2021	March 31, 2020 (Restated)
Authorised		
500,000,000 equity shares of ₹ 1 each (March 31, 2020: 500,000,000 equity shares of ₹ 1 each)	50.00	50.00
1,000,000 preference shares of ₹ 100 each (March 31, 2020: 1,000,000 equity shares of ₹ 100 each)	10.00	10.00
Issued, subscribed and fully paid up:		
160,360,000 Equity shares of ₹ 1 each (March 31, 2020: 160,360,000 equity shares of ₹ 1 each) fully paid-up	16.04	16.04
	16.04	16.04

(A) Reconciliation of shares outstanding at the beginning and at the end of reporting year:

Particulars	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning and at the end of the year	160,360,000	16.04	160,360,000	16.04

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(C) Shares held by holding company

Particulars	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	8.11	81,110,790	8.11

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	50.58%	81,110,790	50.58%
Khurshed Daruvala, Chairman	15,671,390	9.77%	41,274,990	25.74%
Kainaz Khurshed Daruvala	13,000,200	8.11%	200	0.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(E) Initial public offer

During the year ended March 31, 2020, Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala, the Shareholders have made an offer for sale which was subscribed for 36,533,820 Equity shares aggregating to ₹ 2,849.64 crore. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on August 20, 2019. Expenses incurred by the Company in connection with the IPO have been recovered from the Selling Shareholders. The initial public offer was an offer for sale by the Selling Shareholders, hence the disclosure requirement on utilisation of funds is not applicable.

(F) Share Split

During the year ended March 31, 2019, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to Re 1 per share. This stock split became effective on January 23, 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

(G) Equity Shares allotted as fully paid-up without payment being received in cash

During the year ended March 31, 2018:

a) 16,036,000 equity shares were issued without payment being received in cash pursuant to the scheme of arrangement of merger of the Solar EPC ("S-EPC") business of Sterling and Wilson Private Limited along with certain subsidiaries engaged in the S-EPC business with the Company.

b) 3,558 equity shares were issued without payment being received in cash on conversion of loan to equity.

21 Other Equity

Particulars	Note	March 31, 2021	March 31, 2020 (Restated)
Capital redemption reserve*	(i)	0.00	0.00
Capital reserve on demerger	(ii)	(181.74)	(181.74)
Retained earnings	(iii)	733.71	844.95
Effective portion of cash flow hedge	(iv)	(67.72)	-
Foreign currency translation reserve	(v)	11.69	23.15
		495.94	686.36

Particulars	March 31, 2021	March 31, 2020 (Restated)
(i) Capital redemption reserve		
Balance as at the beginning of the year	0.00	-
Add: Transferred from retained earnings*	-	0.00
Balance as at the end of the year	0.00	0.00
(ii) Capital reserve on demerger		
Balance as at the beginning of the year	(181.74)	(181.74)
Balance as at the end of the year	(181.74)	(181.74)
(iii) Retained earnings		
Balance as at the beginning of the year	844.95	596.41
Add: Net assets acquired on account of merger of Sterling & Wilson - Waaree Private Limited (refer note 4)	-	35.91
Add: (Loss) / Profit for the year	(111.44)	316.70
Less: Transferred to Capital Redemption Reserve*	-	(0.00)

FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020 (Restated)
Less: Remeasurements of defined benefit liability, net of tax (refer note (vi) below)	0.20	(1.36)
Less: Appropriations for dividend and dividend distribution tax (refer note (vii) below)	-	(102.71)
Balance as at the end of the year	733.71	844.95
(iv) Effective portion of cash flow hedge		
Balance as at the beginning of the year	-	-
Gain/(losses) on hedging instruments in cash flow hedges, net of tax	(114.93)	-
Effective portion of (gain)/losses on hedging instruments in cash flow hedges reclassified to profit or loss, net of tax	47.21	-
Balance as at the end of the year	(67.72)	-
(v) Foreign currency translation reserve		
Balance as at the beginning of the year	23.15	8.31
Add: Exchange difference on translation of foreign operations arisen during the year	(11.46)	14.84
Balance as at the end of the year	11.69	23.15
Total	495.94	686.36

*Amount less than ₹ 0.01 crore

(i) Capital redemption reserve

Capital redemption reserve comprises of an amount equal to nominal value of Class B share bought back out of free reserves of Sterling & Wilson - Waaree Private Limited ('SWWPL'), SWWPL has been merged with the Company effective from April 1, 2020 (Refer note 4). Capital redemption reserve is created out of profits available for distribution towards buy back of equity share of the SWWPL. This reserve can be used for the purpose of issue of Bonus shares.

(ii) Capital reserve on demerger

The Company's capital reserve on demerger is on account of the difference between the net assets and liabilities taken over relating to the Solar-EPC business pursuant to the scheme of arrangement.

(iii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(iv) Effective portion of cash flow hedge

The Company has designated its hedging instruments as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the standalone statement of profit and loss. On settlement of the hedging instruments, the balance is re-cycled to the standalone statement of profit and loss.

(v) Foreign currency translation reserve

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

(vi) Analysis of accumulated Other comprehensive income, net of tax

Remeasurement of Defined Benefit Liability

Particulars	March 31, 2021	March 31, 2020 (Restated)
Opening balance	(2.33)	(0.97)
Gain / (Loss) on remeasurement of defined benefit liability, net of tax	0.20	(1.36)
Closing balance	(2.13)	(2.33)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(vii) Appropriations for dividend and dividend distribution tax

The following dividend were declared and paid by the Company during the year.

Particulars	March 31, 2021	March 31, 2020 (Restated)
Dividend to equity share holders, ₹ Nil per equity share (March 31, 2020: ₹ 6 per equity share)	-	96.18
Dividend distribution tax on dividend to equity share holders (net of credit of ₹ Nil (March 31, 2020: ₹ 13.40 crore)	-	6.53
	-	102.71

22 Long-term Provisions

Particulars	March 31, 2021	March 31, 2020 (Restated)
Provision for employee benefits		
Gratuity (refer note 43)	9.56	9.05
Other provisions		
Others	11.00	-
	20.56	9.05

Others: The provisions for indirect taxes comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

Provision for:	Others
As at April 1, 2020 (Restated)	-
Add: Additions during the year (including foreign exchange adjustments)	11.00
Less: Write back/ Utilisation during the year (including foreign exchange adjustments)	-
As at March 31, 2021	11.00
As at April 1, 2019 (Restated)	-
Add: Additions during the year (including foreign exchange adjustments)	-
Less: Write back during the year (including foreign exchange adjustments)	-
As at March 31, 2020 (Restated)	-

23 Current Borrowings

Particulars	March 31, 2021	March 31, 2020 (Restated)
Secured		
Cash credit loan (refer note (a) below)	97.79	20.60
Working capital loan from banks (refer note (h) below)	166.55	169.74
Short term loan from bank (refer note (b) below)	-	100.00
Commercial papers (refer note (f) below)	37.34	-
Unsecured		
Packing credit facility from bank (refer note (d) and (e) below)	29.00	107.47
Working capital loan from banks (refer note (c) below)	25.30	200.00
Loan from related parties (refer note (g) below)	29.75	-
	385.73	597.81

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Details of the security and repayment terms :

(a) Secured cash credit facilities from banks under Consortium arrangement having carring amount as at March 31, 2021 of ₹ 97.79 crore (March 31, 2020: ₹ 20.60 crore). The bank includes HDFC Bank Limited, IDFC First Bank Limited, DBS Bank India Limited, Union Bank of India, Axis Bank Limited, ICICI Bank Limited, IDBI Bank Limited and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The cash credit is repayable on demand and carries a variable interest rate of 8.50% to 11.75% (March 31, 2020: 9.10% p.a. to 11.55% p.a.). The cash credit is secured by first pari passu charge over the current assets and movable fixed assets (excluding leasehold improvements and capital work-in-progress) of the Company.

(b) Secured short term loan from ICICI Bank Limited having carring amount as at March 31, 2020 of ₹ 100.00 crore carries a variable interest rate of MCLR (1 year) plus 90 basis points and the range is 8.85% p.a. to 10.95% p.a. (March 31, 2020: 9.00% p.a. to 10.50% p.a.). The loan was repaid in January 2021.

(c) Unsecured working capital loan from HSBC bank having carrying amount as at March 31, 2021 of ₹ 25.30 crore (March 31, 2020: ₹ 200.00 crore) carries a variable interest rate of MCLR plus mutually agreed basis points. The loan carries interest rate ranging from 10.20% p.a. to 10.70% p.a. (March 31, 2020: 10.20% p.a. to 10.70% p.a.). The Company has repaid ₹ 0.30 crore in April 2021, ₹ 5.00 crore in May 2021 and the balance amount is repayable in July 2021.

(d) Unsecured packing credit facility from Deustsche Bank having carrying amount as at March 31, 2020 of ₹ 107.47 crore carries a fixed interest of 15.00% p.a.. The Company has repaid ₹ 17.47 crore in June 2020 and the balance amount was repaid in September 2020.

(e) Unsecured packing credit facility from Deustsche Bank having carrying amount as at March 31, 2021 of ₹ 29.00 crore carries a interest rate ranging from of 7.00% p.a. to 7.70% p.a.. The Company has repaid ₹ 10.00 crore in May 2021 and the balance amount is repayable on June 30, 2021.

(f) Secured commercial paper from IIFCL Mutual Fund Infrastructure Debt Fund Series-I having carrying amount as at March 31, 2021 of ₹ 37.34 crore carries a discount rate of 9.75% p.a.. The commercial paper is repayable in December 2021, on maturity the amount payable is ₹ 40.00 crore. The commercial paper is secured by charge on Inter corporate deposit receivable from Sterling and Wilson Private Limited, a fellow subsidiary of the Company. The commercial paper is listed on Bombay Stock Exchange on March 31, 2021.

(g) Unsecured loan from Esterlina Solar Engineers Private Limited having carrying amount as at March 31, 2021 of ₹ 29.75 crore carries a fixed interest of 11.00% p.a.. The loan is repayable on demand.

(h) Secured working capital demand loan from banks under Consortium arrangement having carring amount as at March 31, 2021 of ₹ 166.55 crore, the bank includes IDFC First Bank Limited, DBS Bank India Limited, Union Bank of India, Axis Bank Limited, ICICI Bank Limited, IDBI Bank Limited, IndusInd Bank Limited, RBL Bank Limited and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The loan carries a variable interest rate which ranges from 8.50% to 11.75%. The loans are secured by first pari passu charge over the current assets and movable fixed assets (excluding leasehold improvements and capital work-in-progress) of the Company. Working capital demand loan is subject to repayment / roll-over on due date, for a period of 30-180 days based on santioned terms and condition. Secured working capital demand loan from banks under Consortium arrangement having carring amount as at March 31, 2020 of ₹ 169.74 crore, the bank includes HDFC Bank Limited, IDFC First Bank Limited, DBS Bank India Limited, Union Bank of India, Axis Bank Limited, ICICI Bank Limited, IDBI Bank Limited and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The loan carries a variable interest rate which ranges from 9.10% to 11.55%. The loans are secured by first pari passu charge over the current assets of the Company. The Company has repaid ₹ 42.00 crore in May 2020 and the balance loan of ₹ 80.36 crore, ₹ 22.00 crore, ₹ 19.00 crore and ₹ 6.38 crore was repaid in the month of July 2020, August 2020, September 2020 and October 2020 respectively.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

24 Trade Payables

Particulars	March 31, 2021	March 31, 2020 (Restated)
Total outstanding dues of micro enterprises and small enterprises	83.74	39.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,253.14	2,217.78
Acceptances *	42.87	48.95
	2,379.75	**2,306.62**

*Acceptances are repayable within a period of 180 days from the date of acceptance.

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2021	March 31, 2020 (Restated)
The principal amount remaining unpaid to any supplier as at the end of each accounting year	83.74	39.89
Interest due thereon	3.86	0.74
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the each accounting year	4.59	0.74
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

25 Derivatives

Particulars	March 31, 2021	March 31, 2020 (Restated)
Foreign currency forward exchange contract liabilities	92.39	6.23
	92.39	**6.23**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

26 Other Financial Liabilities

Particulars	March 31, 2021	March 31, 2020 (Restated)
To related parties		
Payable on transfer of liabilities *	1.36	1.36
Interest accrued and not due	2.43	1.86
Employee benefits payable	0.22	-
Other payables **	0.11	0.03
To parties other than related parties		
Interest accrued and due :		
- to micro enterprises and small enterprises (refer note 24)	4.59	0.74
Interest accrued and not due		
- to others	0.31	0.32
- to banks	0.97	2.09
Payable towards buy-back of Equity share****	0.00	0.00
Payable for capital goods	0.68	0.91
Employee benefits payable	15.65	15.85
Other payables ***	36.56	14.79
Employee expenses payable	1.08	-
	63.96	**37.95**

* Payable to fellow subsidary on account of transfer of branch w.e.f January 1, 2019

** Includes sitting fees payable and payable towards employee liability taken over

*** Include share of loss in partnership firm recognised and payable on cancellation of forward contracts

**** Payable towards buy-back of Equity share

27 Other Current Liabilities

Particulars	March 31, 2021	March 31, 2020 (Restated)
To parties other than related parties		
Statutory dues payable :		
- Tax deducted at source payable	5.82	3.39
- Provident fund payable	2.52	2.24
- Profession tax payable	0.03	0.02
- Goods and services tax payable	9.98	-
- Employees State Insurance payable	0.23	0.09
- Fringe benefit tax payable	0.26	-
- Value added tax payable	0.34	0.02
Advances from customers	200.77	151.53
	219.95	**157.29**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

28 Short-term Provisions

Particulars	March 31, 2021	March 31, 2020 (Restated)
Provision for employee benefits		
Gratuity (refer note 43)	0.24	0.22
Compensated absences (refer note 43)	20.34	19.14
Other provisions		
Provision for liquidated damages	67.80	48.02
Provision for foreseeable loss	0.22	-
Others	4.56	-
	93.16	**67.38**

Provision for liquidated damages:

Liquidated damages are contractual obligations affecting the contract revenue in case of the works contracts with customers arising as a result of penalties from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.

Provision for foreseeable loss:

In case of construction contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss (foreseeable loss) is recognised as an expense immediately in the statement of profit and loss.

Others:

Others include provision made towards Corporate social responsibility as per the requirements of Companies Act, 2013.

Provision for:	Liquidated damages	Provision for foreseeable loss	Others
As at April 1, 2020 (Restated)	48.02	-	-
Add: Additions during the year (including foreign exchange adjustments)	51.31	0.22	4.56
Less: Write back/ Utilisation during the year (including foreign exchange adjustments)	(31.53)	-	-
As at March 31, 2021	**67.80**	**0.22**	**4.56**
As at April 1, 2019 (Restated)	39.56	-	-
Add: Additions during the year (including foreign exchange adjustments)	31.62	-	-
Less: Write back during the year (including foreign exchange adjustments)	(23.16)	-	-
As at March 31, 2020 (Restated)	**48.02**	**-**	**-**

29 Current Tax Liabilities (net)

Particulars	March 31, 2021	March 31, 2020 (Restated)
Provision for current tax (net of advance tax March 31, 2021: ₹ 123.23 crore and March 31, 2020: ₹ 310.86 crore)	2.33	22.72
	2.33	**22.72**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

30 Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Sale of services		
Income from works contracts	2,910.43	3,943.90
Income from designing and engineering services	24.83	-
Revenue from operation and maintenance services	231.80	171.31
Sale of products		
Sale of traded goods	0.89	421.54
Other operating income		
Sale of scrap	2.96	0.04
Liquidated damages recoved from vendor	5.26	-
	3,176.17	4,536.79

31 Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Interest income under the effective interest method on:		
- deposits with banks	5.22	0.85
- other receivable and loan to subsidiaries and fellow subsidiaries	115.86	205.16
- loan to employees	0.05	0.07
- receivable from customers	1.59	5.83
Write back of expected credit loss on financial assets	1.01	5.80
Insurance claim received	1.94	8.90
Dividend income	-	78.10
Profit on sale of mutual funds	-	0.30
Fair value gain on investment in mutual funds measured at FVTPL	-	0.01
Gain on forward cover premium	-	2.09
Liabilities no longer required written back	10.17	33.16
Supplier balances written back	0.49	1.66
Export incentive	3.21	5.30
Foreign exchange gain (net)	-	15.78
Other miscellaneous income	14.41	8.71
	153.95	371.72

32 Cost of Construction Materials, Stores and Spare Parts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Inventory of materials at the beginning of the year	13.37	10.89
Add: Purchase during the year	2,018.41	2,721.56
Less : Inventory of materials at the end of the year	1.95	13.37
	2,029.83	2,719.08

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

33 Purchases of Stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Cost of traded goods purchased during the year	0.79	408.99
	0.79	408.99

34 Change in Inventory of Stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Inventory of stock-in-trade at the beginning of the year	1.14	1.14
Inventory of stock-in-trade at the end of the year	1.14	1.14
Decrease in inventory	-	-

35 Direct Project Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Communication expenses	1.60	1.50
Stores and spare parts consumed	5.91	3.83
Commission expenses	-	0.14
Legal and professional fees	18.56	12.49
Printing and stationery expenses	0.69	0.76
Insurance costs	5.96	8.12
Repairs and maintenance - others	2.18	2.44
Selling and marketing expenses	-	0.09
Traveling and conveyance expenses	8.98	10.43
Rent (refer note 50)	36.25	17.23
Rates and taxes	7.84	0.70
Electricity, power and fuel	3.70	2.90
Liquidated damages	7.33	-
Bank charges	53.93	30.76
Provision for foreseeable loss	0.22	-
Security Charges	16.65	14.13
Miscellaneous expenses	16.84	20.82
	186.64	126.34

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Salaries, wages and bonus	86.08	49.32
Contribution to provident fund and other funds (refer note 43)	1.64	1.20
Staff welfare expenses	9.00	6.67
	96.72	57.19
Sub-contractor expenses	766.11	738.15
	1,049.47	921.68

36 Employee benefits Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Salaries, wages and bonus	101.15	117.72
Contribution to provident fund and other funds (refer note 43)	9.23	6.85
Gratuity (refer note 43)	4.02	1.71
Compensated absences (refer note 43)	4.26	7.95
Staff welfare expenses	3.68	4.14
	122.34	138.37

37 Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Interest expense		
- on secured loans	30.48	45.75
- on unsecured loans	23.51	89.59
- on dues of micro enterprises and small enterprises	3.86	0.70
- on lease liabilities	0.81	0.56
- on income tax and indirect taxes	3.56	2.25
- on others	0.80	0.99
Other borrowing costs	4.57	6.40
	67.59	146.24

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

38 Depreciation and Amortisation Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Depreciation and amortisation of property, plant and equipment	4.92	3.91
Depreciation on Right-of-use assets	2.53	2.10
Amortisation of intangible assets	0.75	0.32
	8.20	6.33

39 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Communication expenses	1.72	2.00
Stores and spare parts consumed	0.29	0.18
Legal and professional fees	11.90	14.94
Printing and stationery expenses	0.13	0.47
Insurance costs	5.26	2.05
Repairs and maintenance - others	2.88	3.79
Selling and marketing expenses	0.41	1.30
Traveling and conveyance expenses	3.68	21.87
Rent (refer note 50)	9.55	9.00
Rates and taxes	12.01	1.03
Electricity, power and fuel	0.62	0.76
Payment to auditors (refer note (a) below)	1.09	1.10
Foreign exchange loss (net)	26.72	-
Loss on sale of fixed assets (net)	0.26	-
Property, plant and equipment written off	0.76	-
Donation*	-	0.00
Management support fees	10.45	13.06
Bank charges (net)	11.15	20.90
Security Charges	0.62	0.41
Corporate social responsibility expenses (refer note 46)	6.66	3.41
Loans and advances written off	2.33	-
Bad debts written off	0.32	3.63
Share of loss in partnership firm	4.22	14.71
Expected credit loss on financial assets	19.75	6.45
Mark-to-market losses on derivative instruments (net)	56.87	6.23
Provision for impairment loss on loans and investment in subsidiary	-	1.78
Miscellaneous expenses	4.92	7.27
	194.57	136.34

* Amount is less than ₹ 0.01 crore

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(a) Payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
As auditor		
Statutory audit	0.85	0.77
In other capacity		
Tax audit	0.04	0.07
Certification services	0.13	0.19
Other services** (including reimbursement of expenses)	0.07	0.67
	1.09	**1.70**

** Includes ₹ Nil crore (March 31, 2020: ₹ 0.60 crore) towards payment made to the auditors on account of initial public offering of equity shares of face value of Re 1 each. The expenses were recovered from Selling Shareholders in the ratio of their shareholding percentage prior to Initial Public Offer.

40 Income Taxes

a) Amount recognised in the Standalone statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Current tax expense :		
Current year	-	111.74
Changes in estimate related to prior years	-	(0.28)
	-	**111.46**
Deferred tax charge :		
Origination and reversal of temporary differences	(31.23)	3.32
	(31.23)	**3.32**
Tax expenses for the year	**(31.23)**	**114.78**

b) Income tax recognised in other comprehensive income

Particulars	March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Standalone statement of profit or loss			
Remeasurement (losses) on post employment defined benefit plan	0.27	(0.07)	0.20
Items that will be reclassified to Standalone statement of profit or loss			
Effective portion of (losses) on hedging instruments in cash flow hedges	(153.59)	38.65	(114.93)
Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss	63.10	(15.88)	47.21
Exchange differences in translating financial statements of foreign operations	(11.46)	-	(11.46)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2020 (Restated)		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Standalone statement of profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(1.82)	0.46	(1.36)
Items that will be reclassified to Standalone statement of profit or loss			
Exchange differences in translating financial statements of foreign operations	14.84	-	14.84

c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
(Loss) / Profit before tax	(142.67)	431.48
Tax using the Company's domestic tax rate 25.168% (March 31, 2020: 25.168%)	(35.91)	108.59
Tax effect of:		
Non-deductible expenses	4.68	5.12
Item taxable at lower Income tax rate	-	(6.25)
Impact due to change in tax rate from 34.944% to 25.168%	-	7.60
Tax relating to previous period	-	(0.28)
Effective tax amount	**(31.23)**	**114.78**

d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Movement in deferred tax balances for the year ended March 31, 2021

Particulars	Balance as on April 1, 2020 (Restated)	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at March 31, 2021
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(0.16)	(0.33)	-	(0.49)
Carryforward business loss	-	17.77	-	17.77
Unabsorbed depreciation	-	1.95	-	1.95
Expected credit loss on financial assets	5.71	4.72	-	10.43
Employee benefits	7.72	0.50	(0.07)	8.15
Provision for mark to market losses on derivative instruments	1.59	(1.59)	22.77	22.77
Fair valuation of financial assets*	(0.00)	0.00	-	-
Amortisation of expenses on merger	(0.02)	0.01	-	(0.01)
Provision for liquidated damages	12.09	5.45	-	17.54
Amortisation of preliminary expenses*	0.00	(0.00)	-	-
Other adjustments	(0.00)	2.75	-	2.75
Net deferred tax asset	**26.93**	**31.23**	**22.70**	**80.86**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Movement in deferred tax balances for the year ended March 31, 2020

Particulars	Balance as on April 1, 2019 (Restated)	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at March 31, 2020 (Restated)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(0.15)	(0.01)	-	(0.16)
Expected credit loss on financial assets	7.70	(1.99)	-	5.71
Employee benefits	9.87	(2.61)	0.46	7.72
Provision for mark to market losses on derivative instruments	(1.47)	3.06	-	1.59
Fair valuation of financial assets*	-	(0.00)	-	(0.00)
Amortisation of expenses on merger	0.03	(0.05)	-	(0.02)
Provision for anticipated loss and liquidated damages	13.83	(1.74)	-	12.09
Amortisation of preliminary expenses*	0.00	-	-	0.00
Other adjustments	(0.02)	0.02	-	(0.00)
Net deferred tax asset	**29.79**	**(3.32)**	**0.46**	**26.93**

* Amount is less than ₹ 0.01 crore

Deferred tax assets for the carry forward of unused tax losses and unabsorbed depreciation are recognised as it is probable that future taxable profits will be available against which the unused tax losses and unabsorbed depreciation can be utilised.

Tax losses carried forward

	Year ended March 31, 2021	Expiry date	Year ended March 31, 2020	Expiry date
Expire	72.49	2029-30	-	-
	72.49		**-**	
Never expire	7.74		-	

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

41 Earnings per share

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Basic earnings per share			
Numerator:			
(Loss) / Profit after tax attributable to equity shareholders	A	(111.44)	316.70
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		160,360,000	160,360,000
Add: Issued during the year		-	-
Number of equity shares outstanding at the end of the year		160,360,000	160,360,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	160,360,000	160,360,000
Basic and diluted earnings per share (₹)	A / B	(6.95)	19.75
Face value per share		1.00	1.00

Notes:

1 Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

42 Contingent Liabilities and Commitments

Particulars	March 31, 2021	March 31, 2020 (Restated)
Contingent liabilities		
(a) Claims against Company not acknowledged as debts:		
(i) The Claim against the Company under Andhra Pradesh Goods and Services Tax Act, 2017 and Rajasthan Goods and Services Tax Act, 2017 demanding tax, penalty and interest (net of provision) *	249.41	140.14
	249.41	**140.14**

* The demand was raised on Sterling and Wilson Private Limited ('SWPL') by Authorities. However, Pursuant to the Scheme of Arrangement, the Business of the Company was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from March 9, 2017 till March 28, 2018 (the scheme become approved by Statutory Authorities). Accordingly, the contingent liability is considered in the books of the Company.

Particulars	March 31, 2021	March 31, 2020 (Restated)
Capital commitments		
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.01	0.01
Capital commitment (net of advances) for procurement of property, plant and equipment	1.83	2.10
	1.84	**2.11**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Other commitments

a) The Company has issued letters of undertakings to provide need based financial support to its subsidiaries Sterling and Wilson Saudi Arabia Limited and Sterling and Wilson Solar LLC, Oman.

b) The Company had issued corporate guarantee to FirstRand Bank Limited ('FRBL') and outstanding as at March 31, 2021 is ZAR 25.00 crore (₹ 123.58 crore) (March 31, 2020: ZAR 25.00 crore (₹ 104.34 crore)) in respect of borrowing facility to be extended by the FRBL to step down subsidiary of the Company, Sterling and Wilson Engineering (Pty) Limited. The corporate guarantee shall be valid till June 30, 2023.

c) The Company had issued corporate guarantee to Emirates NBD Bank PJSC, Dubai, ('Bank') and outstanding as at March 31, 2021 is AED 18.30 crore (₹ 365.18 crore) (AED 18.30 crore (₹ 372.27 crore)) in respect of borrowing facility to be extended by Bank to the Company's subsidiary, Sterling and Wilson International Solar FZCO. The corporate guarantee shall be valid till November 12, 2023.

d) The Company had issued corporate guarantee to Union Bank of India, DIFC Branch ('UBI') and outstanding as at March 31, 2021 is USD 7.00 crore (₹ 513.08 crore) (USD 7.00 crore (₹ 523.68 crore)) in respect of borrowing facility to be extended by the UBI to the Company's subsidiary, Sterling and Wilson International Solar FZCO. The corporate guarantee shall be valid till March 1, 2025.

e) During the current year the Company had issued corporate guarantee to IndusInd Bank Limited, Gift city branch ('IndusInd') and outstanding as at March 31, 2021 is USD 0.60 crore (₹ 43.98 crore) in respect of borrowing facility to be extended by the IndusInd to the Company's subsidiary, Sterling and Wilson International Solar FZCO. The corporate guarantee shall be valid till April 27, 2022.

f) The Hon'ble Supreme Court of India ("SC") by it's order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution.

Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

g) Subsequent to the balance sheet date, a customer in respect of a 93.30 MW DC Photovoltaic solar energy generation facility has initiated Arbitration proceedings for recovery of liquidated damages levied and (unsubstantiated) costs amounting to ₹ 227.57 crore. The Company will now be responding to the same as part of the proceedings. As on date the customer owes to the Company an overdue amount of ₹ 119.50 crore towards EPC work with a further amount of ₹ 10.17 crore towards unbilled receivable, pending certification of final invoice. The Company has also made a claim of ₹ 94.18 crore towards prolongation cost, interest on overdue payment and other ancillary costs on the customer. Basis the contractual rights available, the management is confident of full recovery of the receivables and unbilled revenue as at March 31, 2021 and accordingly believes that no further provision is required pertaining to liquidated damages and costs as claimed by the customer.

h) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Company's results of operations or financial condition.

43 Employee Benefits

Defined contribution plan:

Contribution to provident fund and other funds aggregating to ₹ 10.87 crore (March 31, 2020: ₹ 8.05 crore) is recognised as an expense and included in 'Employee benefits expenses'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of ₹ 0.20 crore.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily gross salary for each day of accumulated leave on death or on resignation or upon retirement:-

Change in the present value of the defined benefit obligation

	Particulars	March 31, 2021	March 31, 2020 (Restated)
I	**Reconciliation of the present value of defined benefit obligation**		
	Balance at the beginning of the year	9.27	6.36
	Benefits paid	(1.61)	(0.50)
	Current service cost	1.67	1.22
	Past Service Cost- Vested Benefits	-	-
	Net Interest cost	0.64	0.49
	Liability transferred in / acquisitions	0.15	0.19
	Liability transferred out	(0.05)	(0.31)
	Actuarial (gains) losses recognised in other comprehensive income		
	- changes in demographic assumptions	-	-
	- changes in financial assumptions	(0.10)	1.21
	- experience adjustments	(0.17)	0.61
	Balance at the end of the year	9.80	9.27
II	**Amount recognised in the standalone statement of profit and loss under employee benefits expense**		
	Current service cost	1.67	1.22
	Net interest cost	0.64	0.49
	Additional charge recognised during the year	1.71	-
		4.02	1.71
III	**Remeasurement recognised in other comprehensive income**		
	Actuarial losses on obligation for the year	(0.27)	1.82
		(0.27)	1.82
IV	**Maturity profile of defined benefit obligation**		
	Within next 12 months	0.24	0.22
	Between 1 and 5 years	1.25	1.19
	Above 5 years	34.53	33.29
V	**Actuarial assumptions:**		
	Discount rate	6.93%	6.60%
	Salary escalation	7.00%	7.00%
	Employee turnover	Service < 5 : 14% Service>=5 : 2%	Service < 5 : 14% Service>=5 : 2%
	Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
	Weighted average duration of the projected benefit obligation	17 years	18 years

FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

VI Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

	Defined Benefit Plan	
	March 31, 2021	March 31, 2020 (Restated)
Defined Benefit Obligation - Discount rate + 100 basis points	(1.34)	(1.29)
Defined Benefit Obligation - Discount rate - 100 basis points	1.66	1.61
Defined Benefit Obligation - Salary escalation rate + 100 basis points	1.20	1.15
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(1.07)	(1.02)
Defined Benefit Obligation - Employee turnover + 100 basis points	0.10	0.10
Defined Benefit Obligation - Employee turnover - 100 basis points	(0.12)	(0.12)

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

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

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

Compensated absences

Compensated absences for employee benefits of ₹ 4.26 crore (March 31, 2020: ₹ 7.95 crore) expected to be paid in exchange for the services is recognised as an expense during the year.

44 Disclosure pursuant to section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Details of investments made by the Company

(i) Investments in equity shares

Name of the entity	As at April 1, 2020 (Restated)	Investment during the year	Redeemed during the year	Conversion of loan into equity	As at March 31, 2021
Sterling and Wilson (Thailand) Limited	0.00	-	-	-	0.00
Sterling and Wilson Saudi Arabia Limited	1.78	-	-		1.78
Sterling and Wilson International Solar FZCO	1.75	-	-	367.53	369.28
Esterlina Solar Engineers Private Limited	0.01	-	-	-	0.01
Sterling and Wilson Solar LLC	1.92	-	-	-	1.92

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Name of the entity	As at April 1, 2019 (Restated)	Investment during the year	Redeemed during the year	As at March 31, 2020 (Restated)
Sterling and Wilson (Thailand) Limited	0.00	-	-	0.00
Sterling and Wilson Saudi Arabia Limited	1.78	-	-	1.78
Sterling and Wilson International Solar FZCO	1.75	-	-	1.75
Esterlina Solar Engineers Private Limited	0.01	-	-	0.01
Sterling and Wilson Solar LLC	1.92	-	-	1.92

(ii) Investments in government securities and mutual funds (unquoted)

Name of the entity	As at April 1, 2020 (Restated)	Investment during the year	Redemption during the year	Fair value adjustments / Foreign currency translation adjusments	As at March 31, 2021
Treasury bills	0.19	-	(0.19)	-	-
Investment in Mutual funds	0.27	-	(0.27)	-	-

Name of the entity	As at April 1, 2019 (Restated)	Investment during the year	Redemption during the year	Fair value adjustments / Foreign currency translation adjusments	As at March 31, 2020 (Restated)
Treasury bills	0.17	-	-	0.02	0.19
Investment in Mutual funds	-	190.00	(189.74)	0.01	0.27

B. Details of Inter-corporate deposits/ Loans given by the Company are as follows:

Name of the entity	As at April 1, 2020 (Restated)	Conversion of loan to equity and interest accrued to loan (net)	Loan given during the year (refer note 48)	Loan repaid during the year (refer note 48)	Foreign exchange/ adjustment during the year	As at March 31, 2021
Sterling and Wilson Private Limited (refer note 1 below) (net)	576.06	-	-	(178.51)	-	397.55
Sterling and Wilson International Solar FZCO (refer note 2 below) *	373.42	(259.31)	-	-	(6.80)	107.31
Sterling and Wilson (Thailand) Limited (refer note 3 below)	0.13	-	-	-	-	0.13
Esterlina Solar Engineers Private Limited (refer note 4)	1.45	-	3.87	(5.32)	-	-
Sterling Wilson - SPCPL - Chint Moroccan Venture (refer note 5 below)	27.63	-	22.61	(2.95)	-	47.29

* During the year, the Company has converted USD 5.00 crore, equivalent to ₹ 367.53 crore, from loan to equity and USD 1.47 crore, equivalent to ₹ 108.22 crore, from interest accrued to loan (Refer note 52).

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Name of the entity	As at April 1, 2019 (Restated)	Conversion of loan to equity and interest accrued to loan (net)	Loan given during the year	Loan repaid during the year	Foreign exchange/ adjustment during the year	As at March 31, 2020 (Restated)
Sterling and Wilson Private Limited (refer note 1 below)	1,253.55	-	563.54	(1,241.03)	-	576.06
Sterling and Wilson International Solar FZCO (refer note 2 below)	322.69	-	24.05	-	26.68	373.42
Sterling and Wilson (Thailand) Limited (refer note 3 below)	0.13	-	-	-	-	0.13
Esterlina Solar Engineers Private Limited (refer note 4)	2.06	-	0.72	(1.33)	-	1.45
Sterling Wilson - SPCPL - Chint Moroccan Venture (refer note 5 below)	-	-	71.77	(44.14)	-	27.63

Note 1: Sterling and Wilson Private Limited

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable by September 30, 2021	11 months
Rate of Interest	10.50% to 15.55% p.a.	9.70% to 13.80% p.a.

Note 2: Sterling and Wilson International Solar FZCO

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	8%	8%

Note 3: Sterling and Wilson (Thailand) Limited

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	7.50% p.a.	7.50% p.a.

Note 4: Esterlina Solar Engineers Private Limited

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	11.00% p.a.	12.00% p.a.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Note 5: Sterling Wilson - SPCPL - Chint Moroccan Venture

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	11.00% p.a.	12.00% p.a.

C. Details of corporate guarantees given by the Company are as follows:

Name of the beneficiary	Purpose	As at April 1, 2020 (Restated)	Guarantees given during the year	Guarantees expired/ released during the year	Adjustment on account of exchange difference	As at March 31, 2021 (Restated)
Sterling and Wilson International Solar FZCO (Also Refer note 42 - Other commitments)	Borrowing facility	1,000.28	45.41	-	0.13	1,045.82

Name of the beneficiary	Purpose	As at April 1, 2019 (Restated)	Guarantees given during the year	Guarantees expired/ released during the year	Adjustment on account of exchange difference	As at March 31, 2020 (Restated)
Sterling and Wilson International Solar FZCO (Also Refer note 42 - Other commitments)	Borrowing facility	-	1,106.53	118.09	11.84	1,000.28

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

45 Disclosure under Regulation 34(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Name of the entity and nature of transactions (loan given/ investment made/ guarantee given)	Purpose for which loan given/ investment made given to be utilised by the recipient	Balance as at		Movement during the year (net)	Maximum outstanding during the year	
		March 31, 2021	March 31, 2020 (Restated)		March 31, 2021	March 31, 2020 (Restated)
A. Investment in equity shares						
Sterling and Wilson (Thailand) Limited		0.00	0.00	-		
Sterling and Wilson Saudi Arabia Limited		1.78	1.78	-		
Sterling and Wilson International Solar FZCO*		369.28	1.75	(367.53)		
Esterlina Solar Engineers Private Limited		0.01	0.01	-		
Sterling and Wilson Solar LLC		1.92	1.92	-		
B. Inter-corporate deposits/ Loans						
Sterling and Wilson Private Limited	Working capital	397.55	576.06	(178.51)	576.06	1,831.95
Sterling and Wilson International Solar FZCO	Working capital	107.31	373.42	(266.11)	373.42	373.42
Sterling Wilson - SPCPL - Chint Moroccan Venture	Working capital	47.29	27.63	19.66	47.29	69.63
Sterling and Wilson (Thailand) Limited	Working capital	0.13	0.13	-	0.13	0.13
Esterlina Solar Engineers Private Limited	Working capital	-	1.45	(1.45)	5.32	2.78
C. Corporate guarantee issued						
Sterling and Wilson International Solar FZCO	Borrowing facility	1,045.82	1,000.28	45.54		

* During the year, the Company has converted USD 5.00 crore, equivalent to ₹ 367.53, from loan to equity.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

46 Corporate Social Responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in Schedule VII of the Companies Act 2013. The utilisation is done by way of direct contribution towards various activities and activities conducted by the Company.

The details set below are for the amount spent by the Company.

Particulars		March 31, 2021		
		In cash	Yet to be paid in cash	Total
A.	Gross amount required to be spent by the Company during the year			6.66
B.	Amount spent during the year ended March 31, 2021			
	i) Renovation of Toilets & sanitation for Dombivali Mentally retarded School	0.13	-	0.13
	ii) Education and Scholarship Program	0.60	-	0.60
	iii) PM Care Fund	0.15	-	0.15
	iv) Contribution for providing financial support to critical patient	0.23	-	0.23
	v) Contribution for construction of boundry wall for School	0.27	-	0.27
	vi) Community initiatives for the rural and tribal population to implement the water lifting and Lift Irrigation.	0.18	-	0.18
	vii) Other donations and contributions	0.54	-	0.54
		2.10	-	2.10
C.	Related party transactions in relation to Corporate Social Responsibility			-
D.	Provision movement during the year			
	Opening balance			-
	Addition during the year			4.56
	Utilised during the year			-
	Closing balance			4.56

E. Unspent amount

Particulars	Opening balance	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
	-	-	6.66	2.10	4.56
	-	-	6.66	2.10	4.56

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		March 31, 2020 (Restated)		
		In cash	Yet to be paid in cash	Total
A.	Gross amount required to be spent by the Company during the year			5.68
B.	Amount spent during the year ended March 31, 2020			
	i) CSR spents for roof top solar projects at various Schools, Hospital, Ashtam and research centre	0.88	-	0.88
	ii) Contribution for Academic Coaching and infrastructure development (Solar Building & convert Container)	0.66	0.22	0.88
	iii) Contribution for facilitating toilets and sanitation for school Students in Nashik	0.15	-	0.15
	iv) Contribution for facilitating sanitary vending machine, sanitary napkin and incinerator for college students	0.18	-	0.18
	v) Contribution provide housing and sanitation facility to Karjat tribal community	0.13	-	0.13
	vi) Contribution for providing financial support to critical patients	0.10	-	0.10
	vii) Contribution for set up of library and language lab	0.12	0.06	0.18
	viii) Contribution for anemia reduction program for adolescent girls and BCC-Health	0.10	0.03	0.13
	ix) Contribution towards Academic Coaching and Counseling up to primary level at Chilwadi-Osmanabad	0.05	0.07	0.12
	x) Contribution to Mitti Café for training disable youth and providing livelihood	0.07	-	0.07
	xi) Contribution for skill training of blind students	0.06	-	0.06
	xii) Contribution for Mid-day meal to School Students in Silvasa	0.10	-	0.10
	xiii) Contribution Sushrut Hospital to provide financial help for poor Patients	0.06	-	0.06
	xiv) Contribution for renovation of old age home	0.08	-	0.08
	xv) Other donations and contributions	0.26	0.03	0.29
		3.00	0.41	3.41
C.	Related party transactions in relation to Corporate Social Responsibility			-
D.	Provision movement during the year			
	Addition during the year			-
	Utilised during the year			-
	Closing year			-

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

47 Disclosure under Ind AS 115, Revenue from Contracts with Customers

A) The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

B) Disaggreagtion of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 49.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	399.18	349.29
Less: Billing during the year	2,810.19	3,685.50
Add: Revenue recognised during the year	3,015.53	3,735.39
Contract assets as at the end of the year	**604.52**	**399.18**
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	151.53	210.43
Add: Addition during the year	200.77	151.03
Less: Applied during the year	151.53	209.93
Contract liabilities as at the end of the year	**200.77**	**151.53**

*The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

**The contract liabilities primarily relates to the advances from customer towards on-going EPC projects and operation and maintainence projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Income from works contracts	3,211.03	3,956.29
Adjustment on account of:		
Less: Deferment of revenue pertaining to free operation and maintenance period	-	(7.88)
Less: Liquidated damages provided during the year	(43.98)	(27.67)
Add: Reversal of provision for liquidated damages	-	23.16
Total	**3,167.05**	**3,943.90**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Income from designing and engineering services	24.83	-
Adjustment on account of:		
Add: Adjustment during the year	-	-
Total	24.83	-
Revenue from operation and maintenance services	227.31	166.67
Adjustment on account of:		
Add: Recognition of revenue towards free operation and maintenance period	4.49	4.64
Total	231.80	171.31
Sale of traded goods	0.89	421.54
Adjustment on account of:		
Add: Adjustment during the year	-	-
Total	0.89	421.54
Other operating income	8.22	0.04
Adjustment on account of:		
Add: Adjustment during the year	-	-
Total	8.22	0.04

E) Performance obligation

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognizes the entire estimated loss in the year/period the loss becomes known.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at March 31, 2021 and March 31, 2020, except as disclosed below.

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at March 31, 2021 in respect of EPC contracts that have original expected duration of more than one year:

₹ in crore

March 31, 2021	0-2 years	More than 2 years	Total
Income from works contracts	2,171.07	-	2,171.07
	2,171.07	-	2,171.07

F) Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

48 Related Party Disclosures

A. Related parties and their relationship

	Category of related parties	
1)	**Holding company**	Shapoorji Pallonji and Company Private Limited
2)	**Subsidiaries, direct and indirect holding**	Sterling and Wilson International Solar FZCO
		Sterling & Wilson - Waaree Private Limited (merged with the Company w.e.f. April 1, 2020)
		Sterling and Wilson (Thailand) Limited
		Sterling and Wilson Saudi Arabia Limited
		Sterling and Wilson Middle East Solar Energy L.L.C., Dubai

FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

A. Related parties and their relationship

Category of related parties		
		Sterling and Wilson Engineering (Pty) Limited
		Sterling and Wilson Singapore Pte Limited
		Sterling and Wilson Kazakhstan LLP
		Sterling and Wilson Brasil Servicos Ltda. (upto August 26, 2019)
		Sterling Wilson - SPCPL - Chint Moroccan Venture
		Esterlina Solar Engineers Private Limited
		Sterling and Wilson Solar Spain S.L. (formerly known as Renovable Energia Contracting S.L.)
		Sterling and Wilson Solar Solutions Inc.
		GCO Solar Private Limited (formerly known as GCO Electrical Pty Ltd)
		Sterling Wilson Solar Solutions LLC
		Sterling and Wilson International LLP
		Sterling and Wilson Solar Australia Private Limited (w.e.f. April 16, 2019)
		Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. June 4, 2019)
		Sterling and Wilson Solar LLC
3)	Fellow subsidiaries (with which the Company has transaction and / or balances)	
		Shapoorji Pallonji Energy Egypt S.A.E
		Shapoorji Pallonji Infrastructure Capital Co Private Limited
		Shapoorji Pallonji Middle East LLC
		Sterling Generators Private Limited (formerly known as Sterling and Wilson Powergen Private Limited
		Sterling Generators Private Limited (merger with Sterling and Wilson Powergen Private Limited w.e.f. April 1, 2019)
		Shapoorji Pallonji Solar Holdings Private Limited
		Forbes & Company Limited
		Sterling and Wilson Private Limited
		Forvol International Services Limited
		Rihand Floating Solar Private Limited
		Sterling and Wilson International FZE
		Sterling and Wilson Co-Gen Solutions Private Limited
		"Surajkiran Solar Technologies Private Limited (w.e.f August 5, 2020 upto March 25, 2021)"
		Sterling Viking Power Private Limited
4)	Key Management Personnel	Mr. Khurshed Y Daruvala, Chairman
		Mr. Pallon Shapoor Mistry, Non-Executive Director
		Mr. Bikesh Ogra, Non-Executive Director
		Mr. Bahadur Dastoor, CFO
		Mr. Jagannadha Rao Ch. V., Company Secretary
		Mr. K. Kannan, Manager (upto August 31, 2020)
		Mr. Chandra Thakur, Manager (w.e.f September 1, 2020)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

B Transactions and balances with related parties

Related party disclosures for the year ended March 31, 2021

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	37.40	19.55	-	56.95
II	Income from designing and engineering	-	24.83	-	24.83
III	Revenue from operation and maintenance services	-	6.58	-	6.58
IV	Sale of traded goods	-	1.18	-	1.18
V	Purchase of services	-	57.67	-	57.67
VI	Purchases of construction material	-	776.11	0.01	776.12
VII	Advance paid to vendors	-	163.67	-	163.67
VIII	Management support fees	10.45	-	-	10.45
IX	Interest income	-	115.86	-	115.86
X	Other income	-	1.11	-	1.11
XI	Corporate guarantee commission	-	10.38	-	10.38
XII	Recovery towards expenses and others	-	810.11	-	810.11
XIII	Reimbursement of expenses	-	16.28	-	16.28
XIV	Purchase of intangible assets	-	6.20	-	6.20
XV	Remuneration and sitting fees paid	-	-	4.90	4.90
XVI	Interest expense	-	0.74	-	0.74
XVII	Other expenses	0.51	-	-	0.51
XVIII	Corporate guarantee issued	-	45.41	-	45.41
XIX	Inter-corporate deposits/ Loan given	-	26.48	-	26.48
XX	Inter-corporate deposits/ Loan taken	-	29.75	-	29.75
XXI	Inter-corporate deposits/ Loan repaid	-	186.78	-	186.78
XXII	Conversion of loan to equity	-	367.53	-	367.53
XXIII	Conversion of interest accrued to loan	-	108.22	-	108.22
XXIV	Transfer of trade receivable balances	45.50	-	-	45.50
XXV	Interest receivable	-	15.26	-	15.26
XXVI	Interest payable	1.86	0.56	-	2.42
XXVII	Salaries payable	-	-	0.22	0.22
XXVIII	Trade Receivables	82.67	128.80	-	211.47
XXIX	Trade payable	6.07	1,370.37	0.02	1,376.46
XXX	Outstanding advance to vendors	-	127.89	-	127.89
XXXI	Other receivables	-	599.20	-	599.20
XXXII	Other Payables	-	1.39	0.07	1.47
XXXIII	Corporate guarantee outstanding	-	1,045.82	-	1,045.82
XXXIV	Unbilled receivables	0.53	5.88	-	6.41
XXXV	Inter-corporate deposits payable	-	29.75	-	29.75
XXXVI	Inter-corporate deposits/ Loan receivable	-	552.28	-	552.28

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	37.40	-	-	37.40
	Sterling and Wilson Private Limited	-	0.05	-	0.05
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	12.06	-	12.06
	Rihand Floating Solar Private Limited	-	0.30	-	0.30
	Sterling Generators Private Limited	-	0.10	-	0.10
	Shapoorji Pallonji Solar Holdings Private Limited	-	7.03	-	7.03
	Forbes & Company Limited	-	0.03	-	0.03
II	Income from designing and engineering				
	Sterling and Wilson Middle East Solar Energy L.L.C.	-	24.83	-	24.83
III	Revenue from operation and maintenance services				
	Shapoorji Pallonji Energy Egypt S.A.E	-	4.86	-	4.86
	Surajkiran Solar Technologies Private Limited	-	1.45	-	1.45
	Sterling and Wilson Private Limited	-	0.27	-	0.27
IV	Sale of traded goods				
	Sterling and Wilson International Solar FZCO	-	1.18	-	1.18
V	Purchases of services				
	Sterling and Wilson Middle East Solar Energy L.L.C.	-	31.05	-	31.05
	Sterling and Wilson Private Limited	-	26.41	-	26.41
	Forvol International Services Limited	-	0.20	-	0.20
VI	Purchases of construction material				
	Sterling Viking Power Private Limited	-	-	0.01	0.01
	Sterling Generators Private Limited	-	5.74	-	5.74
	Sterling and Wilson International Solar FZCO	-	770.37	-	770.37
VII	Advance paid to vendors				
	Sterling and Wilson International Solar FZCO	-	95.71	-	95.71
	Sterling and Wilson Solar Australia Private Limited	-	67.96	-	67.96
VIII	Management support fees				
	Shapoorji Pallonji and Company Private Limited	10.45	-	-	10.45

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
IX	Interest income				
	Sterling and Wilson Private Limited	-	73.70	-	73.70
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	4.04	-	4.04
	Esterlina Solar Engineers Private Limited	-	0.14	-	0.14
	Sterling and Wilson International Solar FZCO	-	37.98	-	37.98
X	Other income				
	Sterling and Wilson International Solar FZCO	-	1.11	-	1.11
XI	Corporate guarantee commission				
	Sterling and Wilson International Solar FZCO	-	10.38	-	10.38
XII	Recovery towards expenses and others				
	Sterling and Wilson International Solar FZCO	-	807.55	-	807.55
	Sterling and Wilson Private Limited	-	1.78	-	1.78
	Sterling and Wilson Solar Australia Private Limited	-	0.74	-	0.74
	Sterling and Wilson Solar LLC	-	0.03	-	0.03
XIII	Reimbursement of expenses				
	Sterling and Wilson Private Limited	-	7.63	-	7.63
	Sterling and Wilson Solar Australia Private Limited	-	8.64	-	8.64
XIV	Purchase of intangible assets				
	Sterling and Wilson Private Limited	-	6.20	-	6.20
XV	Remuneration and sitting fees paid				
	Mr. Bahadur Dastoor, CFO				
	- Short-term employee benefits	-	-	2.18	2.18
	- Post-employment benefits	-	-	0.00	0.00
	- Other long-term benefits	-	-	0.04	0.04
	Mr. K. Kannan, Manager				
	- Short-term employee benefits	-	-	0.38	0.38
	- Post-employment benefits	-	-	0.02	0.02
	Mr. Jagannadha Rao Ch. V., Company Secretary				
	- Short-term employee benefits	-	-	1.03	1.03
	- Post-employment benefits	-	-	0.03	0.03
	- Other long-term benefits	-	-	0.11	0.11
	Mr. Chandra Thakur, Manager				
	- Short-term employee benefits	-	-	0.85	0.85
	- Post-employment benefits	-	-	0.02	0.02

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	- Other long-term benefits	-	-	0.08	0.08
	Mr. Khurshed Y Daruvala, Chairman	-	-	0.08	0.08
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.05	0.05
	Mr. Bikesh Ogra, Non-Executive Director	-	-	0.04	0.04
XVI	Interest expense				
	Esterlina Solar Engineers Private Limited	-	0.74	-	0.74
XVII	Other expense				
	Shapoorji Pallonji and Company Private Limited	0.51	-	-	0.51
XVIII	Corporate guarantee issued				
	Sterling and Wilson International Solar FZCO	-	45.41	-	45.41
XIX	Inter-corporate deposits/ Loan given				
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	22.61	-	22.61
	Esterlina Solar Engineers Private Limited	-	3.87	-	3.87
XX	Inter-corporate deposits/ Loan taken				
	Esterlina Solar Engineers Private Limited	-	29.75	-	29.75
XXI	Inter-corporate deposits/ Loan repaid				
	Sterling and Wilson Private Limited	-	178.51	-	178.51
	Esterlina Solar Engineers Private Limited	-	5.32	-	5.32
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	2.96	-	2.96
XXII	Conversion of loan to equity				
	Sterling and Wilson International Solar FZCO	-	367.53	-	367.53
XXIII	Conversion of interest accrued to loan				
	Sterling and Wilson International Solar FZCO	-	108.22	-	108.22
XXIV	Transfer of trade receivable balances				
	Shapoorji Pallonji and Company Private Limited	45.50	-	-	45.50
XXV	Interest receivable				
	Sterling Wilson SPCPL -Chint Moroccan Venture	-	4.01	-	4.01
	Sterling and Wilson (Thailand) Limited	-	0.02	-	0.02
	Sterling and Wilson International Solar FZCO	-	11.23	-	11.23
XXVI	Interest payable				
	Shapoorji Pallonji and Company Private Limited	1.86	-	-	1.86
	Esterlina Solar Engineers Private Limited	-	0.56	-	0.56

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
XXVII	Salaries payable				
	Mr. Bahadur Dastoor, CFO	-	-	0.11	0.11
	Mr. Jagannadha Rao Ch. V., Company Secretary	-	-	0.03	0.03
	Mr. Chandra Thakur, Manager	-	-	0.08	0.08
XXVIII	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	82.67	-	-	82.67
	Shapoorji Pallonji Energy Egypt S.A.E	-	3.33	-	3.33
	Shapoorji Pallonji Middle East LLC	-	0.85	-	0.85
	Sterling Generators Private Limited	-	1.58	-	1.58
	Sterling and Wilson International Solar FZCO	-	1.69	-	1.69
	Sterling and Wilson Middle East Solar Energy L.L.C.	-	24.83	-	24.83
	Forbes & Company Limited	-	0.05	-	0.05
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	31.42	-	31.42
	Shapoorji Pallonji Solar Holdings Private Limited	-	7.99	-	7.99
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	57.06	-	57.06
XXIX	Trade payable				
	Shapoorji Pallonji and Company Private Limited	6.07	-	-	6.07
	Forvol International Services Limited	-	0.20	-	0.20
	Sterling Generators Private Limited	-	5.95	-	5.95
	Sterling Viking Power Private Limited	-	-	0.02	0.02
	Sterling and Wilson Middle East Solar Energy L.L.C.	-	198.26	-	198.26
	Sterling and Wilson Solar Australia Private Limited	-	9.46	-	9.46
	Sterling and Wilson Private Limited	-	19.55	-	19.55
	Sterling and Wilson International Solar FZCO	-	1,136.94	-	1,136.94
XXX	Outstanding advance to vendors				
	Sterling and Wilson International Solar FZCO	-	59.93	-	59.93
	Sterling and Wilson Solar Australia Private Limited	-	67.96	-	67.96
XXXI	Other receivables				
	Sterling and Wilson International Solar FZCO	-	598.43	-	598.43

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Solar Australia Private Limited	-	0.74	-	0.74
	Sterling and Wilson Solar LLC	-	0.03	-	0.03
XXXII	Other payables				
	Sterling and Wilson Private Limited	-	1.36	-	1.36
	Sterling and Wilson Co-Gen Solutions Private Limited	-	0.04	-	0.04
	Mr. Khurshed Y Daruvala, Chairman	-	-	0.04	0.04
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.02	0.02
	Mr. Bikesh Ogra, Non-Executive Director	-	-	0.01	0.01
XXXIII	Corporate guarantee outstanding				
	Sterling and Wilson International Solar FZCO	-	1,045.82	-	1,045.82
XXXIV	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	0.53	-	-	0.53
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	3.66	-	3.66
	Shapoorji Pallonji Solar Holdings Private Limited	-	1.92	-	1.92
	Forbes & Company Limited	-	0.01	-	0.01
	Rihand Floating Solar Private Limited	-	0.15	-	0.15
	Sterling and Wilson Private Limited	-	0.15	-	0.15
XXXV	Inter-corporate deposits payable				
	Esterlina Solar Engineers Private Limited	-	29.75	-	29.75
XXXVI	Inter-corporate deposits/ Loan receivable				
	Sterling and Wilson Private Limited	-	397.55	-	397.55
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	47.29	-	47.29
	Sterling and Wilson (Thailand) Limited	-	0.13	-	0.13
	Sterling and Wilson International Solar FZCO	-	107.31	-	107.31

The Company has issued letters of undertakings to provide need based financial support to its subsidiaries Sterling and Wilson Saudi Arabia Limited and Sterling and Wilson Solar LLC, Oman.

The transactions with related parties are at arm's length and were in ordinary course of business. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year in respect of outstanding balances.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Related party disclosures for the year ended March 31, 2020 (Restated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	53.39	113.85	-	167.23
II	Revenue from operation and maintenance services	-	2.79	-	2.79
III	Sale of traded goods	-	0.53	-	0.53
IV	Purchase of services	-	121.29	-	121.29
V	Purchases of construction material	-	1,842.04	0.01	1,842.06
VI	Advance received from customers	2.39	5.71	-	8.10
VII	Advance paid to vendors	-	102.75	-	102.75
VIII	Management support fees	13.23	-	-	13.23
IX	Interest income	-	205.15	-	205.15
X	Other income	-	2.67	-	2.67
XI	Corporate guarantee commission	-	2.73	-	2.73
XII	Recovery towards expenses and others	-	148.10	-	148.10
XIII	Reimbursement of expenses	-	9.02	-	9.02
XIV	Remuneration and sitting fees paid	-	-	7.04	7.04
XV	Interest expense	2.06	0.00	-	2.07
XVI	Short term borrowings obtained	280.00	-	-	280.00
XVII	Short term borrowings repaid	280.00	-	-	280.00
XVIII	Corporate guarantee issued	-	1,106.53	-	1,106.53
XIX	Corporate guarantee released	-	118.09	-	118.09
XX	Inter-corporate deposits/ Loan given - Prior to date of listing	-	1,697.44	-	1,697.44
XX(a)	Inter-corporate deposits/ Loan given to subsidiaries - Post date of listing	-	71.87	-	71.87
XXI	Inter-corporate deposits/ Loan repaid - Prior to date of listing	-	1,110.50	-	1,110.50
XXI(a)	Inter-corporate deposits/ Loan repaid - Post date of listing	-	1,349.48	-	1,349.48
XXII	Interest receivable	-	117.38	-	117.38
XXIII	Interest payable	1.86	-	-	1.85
XXIV	Trade Receivables	39.94	83.36	-	123.29
XXV	Trade payable	0.18	1,603.10	0.01	1,603.30
XXVI	Other receivables	-	150.41	-	150.41
XXVII	Other Payables	-	1.39	-	1.39
XXVIII	Corporate guarantee outstanding	-	1,000.28	-	1,000.28
XXIX	Unbilled receivables	0.76	21.87	-	22.63
XXX	Inter-corporate deposits/ Loan receivable	-	978.71	-	978.71

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	53.39	-	-	53.39
	Shapoorji Pallonji Energy Egypt S.A.E	-	12.96	-	12.96
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	72.11	-	72.11
	Sterling Generators Private Limited	-	0.30	-	0.30
	Shapoorji Pallonji Solar Holdings Private Limited	-	17.36	-	17.36
	Forbes & Company Limited	-	3.29	-	3.29
	Shapoorji Pallonji Solar PV Private Limited	-	7.83	-	7.83
II	Revenue from operation and maintenance services				
	Shapoorji Pallonji Energy Egypt S.A.E	-	2.58	-	2.58
	Sterling and Wilson Private Limited	-	0.21	-	0.21
III	Sale of traded goods				
	Sterling and Wilson International Solar FZCO	-	0.53	-	0.53
IV	Purchases of services				
	Sterling and Wilson Middle East Solar Energy L.L.C.	-	71.69	-	71.69
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	11.27	-	11.27
	Sterling and Wilson Private Limited	-	33.18	-	33.18
	Forvol International Services Limited	-	5.15	-	5.15
V	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	0.10	-	0.10
	Sterling and Wilson Private Limited	-	6.91	-	6.91
	Sterling Viking Power Private Limited	-	-	0.01	0.01
	Sterling Generators Private Limited	-	2.00	-	2.00
	Sterling and Wilson International Solar FZCO	-	1,833.03	-	1,833.03
VI	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	2.39	-	-	2.39
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	5.71	-	5.71
VII	Advance paid to vendors				
	Sterling and Wilson International Solar FZCO	-	102.75	-	102.75

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
VIII	Management support fees				
	Shapoorji Pallonji and Company Private Limited	13.23	-	-	13.23
IX	Interest income				
	Sterling and Wilson Private Limited	-	168.75	-	168.75
	Sterling and Wilson PowerGen Private Limited	-	1.32	-	1.32
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	1.52	-	1.52
	Esterlina Solar Engineers Private Limited	-	0.30	-	0.30
	Sterling and Wilson International Solar FZCO	-	33.27	-	33.27
X	Other income				
	Sterling and Wilson International Solar FZCO	-	2.67	-	2.67
XI	Corporate guarantee commission				
	Sterling and Wilson International Solar FZCO	-	2.73	-	2.73
XII	Recovery towards expenses and others				
	Sterling and Wilson International Solar FZCO	-	136.67	-	136.67
	Sterling and Wilson Private Limited	-	11.30	-	11.30
	Sterling and Wilson Solar LLC	-	0.13	-	0.13
XIII	Reimbursement of expenses				
	Sterling and Wilson Private Limited	-	9.02	-	9.02
XIV	Remuneration and sitting fees paid				
	Mr. Bahadur Dastoor, CFO				
	- Short-term employee benefits	-	-	2.89	2.89
	- Post-employment benefits	-	-	0.05	0.05
	- Other long-term benefits	-	-	0.09	0.09
	Mr. K. Kannan, Manager				
	- Short-term employee benefits	-	-	1.93	1.93
	- Post-employment benefits	-	-	0.01	0.01
	- Other long-term benefits	-	-	0.10	0.10
	Mr. Jagannadha Rao Ch. V., Company Secretary				
	- Short-term employee benefits	-	-	1.53	1.53
	- Post-employment benefits	-	-	0.03	0.03
	- Other long-term benefits	-	-	0.10	0.10

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Mr. Khurshed Y Daruvala, Chairman	-	-	0.14	0.14
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.09	0.09
	Mr. Bikesh Ogra, Non-Executive Director	-	-	0.08	0.08
XV	Interest expense				
	Shapoorji Pallonji and Company Private Limited	2.06	-	-	2.06
XVI	Short term borrowings obtained				
	Shapoorji Pallonji and Company Private Limited	280.00	-	-	280.00
XVII	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	280.00	-	-	280.00
XVIII	Corporate guarantee issued				
	Sterling and Wilson International Solar FZCO	-	1,106.53	-	1,106.53
XIX	Corporate guarantee released				
	Sterling and Wilson International Solar FZCO	-	118.09	-	118.09
XX	Inter-corporate deposits/ Loan given - Prior to date of listing				
	Sterling and Wilson Private Limited	-	1,672.76	-	1,672.76
	Sterling and Wilson International Solar FZCO	-	24.06	-	24.06
	Esterlina Solar Engineers Private Limited	-	0.62	-	0.62
XX (a)	Inter-corporate deposits/ Loan given to subsidiaries - Post date of listing				
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	71.78	-	71.78
	Esterlina Solar Engineers Private Limited	-	0.09	-	0.09
XXI	Inter-corporate deposits/ Loan repaid - Prior to date of listing				
	Sterling and Wilson Private Limited	-	1,110.50	-	1,110.50
XXI (a)	Inter-corporate deposits/ Loan repaid - Post date of listing				
	Sterling and Wilson Private Limited	-	1,265.37	-	1,265.37
	Sterling and Wilson Powergen Private Limited	-	11.00	-	11.00
	Esterlina Solar Engineers Private Limited	-	1.33	-	1.33
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	71.78	-	71.78

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
XXII	Interest receivable				
	Sterling and Wilson Private Limited	-	33.83	-	33.83
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	0.28	-	0.28
	Esterlina Solar Engineers Private Limited	-	0.00	-	0.00
	Sterling and Wilson (Thailand) Limited	-	0.02	-	0.02
	Sterling and Wilson International Solar FZCO	-	83.26	-	83.26
XXIII	Interest payable				
	Shapoorji Pallonji and Company Private Limited	1.86	-	-	1.86
XXIV	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	39.94	-	-	39.94
	Shapoorji Pallonji Energy Egypt S.A.E	-	5.92	-	5.92
	Shapoorji Pallonji Mideast LLC	-	0.85	-	0.85
	Sterling Generators Private Limited	-	0.05	-	0.05
	Forbes & Company Limited	-	0.47	-	0.47
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	7.79	-	7.79
	Sterling and Wilson Powergen Private Limited	-	1.11	-	1.11
	Shapoorji Pallonji Solar Holdings Private Limited	-	9.08	-	9.08
	Shapoorji Pallonji Solar PV Private Limited	-	0.96	-	0.96
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	57.12	-	57.12
XXV	Trade payable				
	Shapoorji Pallonji and Company Private Limited	0.18	-	-	0.18
	Forvol International Services Limited	-	0.15	-	0.15
	Sterling Generators Private Limited	-	0.30	-	0.30
	Sterling and Wilson Powegen FZE	-	0.10	-	0.10
	Sterling Viking Power Private Limited	-	-	0.01	0.01
	Sterling and Wilson Powergen Private Limited	-	0.21	-	0.21
	Sterling and Wilson Middle East Solar Energy L.L.C.	-	203.02	-	203.02
	Sterling and Wilson Private Limited	-	12.08	-	12.08
	Sterling and Wilson International Solar FZCO	-	1,387.23	-	1,387.23

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
XXVI	Other receivables				
	Sterling and Wilson International FZE	-	0.13	-	0.13
	Sterling and Wilson International Solar FZCO	-	150.13	-	150.13
	Sterling and Wilson Solar LLC	-	0.14	-	0.14
XXVII	Other payables				
	Sterling and Wilson Private Limited	-	1.36	-	1.36
	Sterling and Wilson Co-Gen Solutions Private Limited	-	0.04	-	0.04
XXVIII	Corporate guarantee outstanding				
	Sterling and Wilson International Solar FZCO	-	1,000.28	-	1,000.28
XXIX	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	0.76	-	-	0.76
	Sterling Generators Private Limited	-	0.25	-	0.25
	Shapoorji Pallonji Solar Holdings Private Limited	-	6.78	-	6.78
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	14.49	-	14.49
	Sterling and Wilson Private Limited	-	0.33	-	0.33
XXX	Inter-corporate deposits/ Loan receivable				
	Sterling and Wilson Private Limited	-	576.06	-	576.06
	Sterling Wilson - SPCPL - Chint Morrocan Venture	-	27.64	-	27.64
	Esterlina Solar Engineers Private Limited	-	1.45	-	1.45
	Sterling and Wilson (Thailand) Limited	-	0.13	-	0.13
	Sterling and Wilson International Solar FZCO	-	373.42	-	373.42

*The Company has issued letters of undertakings to provide need based financial support to its subsidiaries Sterling and Wilson Saudi Arabia Limited and Sterling and Wilson Solar LLC, Oman.

The transactions with related parties are at arm's length and were in ordinary course of business. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year in respect of outstanding balances.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

49 Segment Reporting

A. Basis for segmentation

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

- Engineering, Procurement and Construction (Solar EPC) business; and
- Operation and maintenance service.

B. Business Segment

The Company's revenues and assets represents company's businesses viz. Solar EPC and Solar Operation and maintenance service. Accordingly, Revenue and expenses have been identified to a segment on the basis of direct relationship to operating activities of the segment. Expenditure which are not directly identifiable but has a relationship to the operating activities of the segment are allocated on a reasonable basis.

Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other common assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Information about reportable segments
March 31, 2021

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	2,941.41	231.80	2.96	3,176.17
Total revenue	2,941.41	231.80	2.96	3,176.17
Segment Results	(33.10)	69.03	(1.33)	34.60
Unallocated expenses				
Finance costs	-	-	67.59	67.59
Depreciation and amortisation expense	-	-	8.20	8.20
Employee benefits and other expenses	-	-	239.97	239.97
Total unallocated expenses	-	-	315.76	315.76
Unallocated income				
Interest income	-	-	121.13	121.13
Other income	-	-	17.36	17.36
Total unallocated income	-	-	138.49	138.49
Profit before tax	(33.10)	69.03	(178.60)	(142.67)
Tax expense	-	-	(31.23)	(31.23)
Profit after tax	(33.10)	69.03	(147.37)	(111.44)
Other information				
Segment assets	1,372.55	143.35	2,260.39	3,776.29
Segment liabilities	2,681.01	77.31	505.99	3,264.31
Capital Expenditure	-	-	12.93	12.93
Depreciation and amortisation expense	-	-	8.20	8.20

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2020 (Restated)

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	4,365.44	171.31	0.04	4,536.79
Total revenue	4,365.44	171.31	0.04	4,536.79
Segment Results	468.49	52.06	0.04	520.59
Unallocated expenses				
Interest expense	-	-	146.24	146.24
Depreciation and amortisation	-	-	6.33	6.33
Employee benefits and other expenses	-	-	259.42	259.42
Total unallocated expenses	-	-	411.99	411.99
Unallocated income				
Interest income	-	-	206.08	206.08
Other income	-	-	116.80	116.80
Total unallocated income	-	-	322.88	322.88
Profit before tax	468.49	52.06	(89.07)	431.48
Tax expense	-	-	114.78	114.78
Profit after tax	468.49	52.06	(203.85)	316.70
Other information				
Segment assets	2,041.55	116.94	1,757.62	3,916.11
Segment liabilities	2,438.78	73.62	701.31	3,213.71
Capital Expenditure			13.77	13.77
Depreciation and amortisation			6.33	6.33

C. Geographical information

The geographic information analyses the Company's revenues and non-current assets by the company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from external customers

Particulars	March 31, 2021			March 31, 2020 (Restated)		
	Solar EPC business	Operation and maintenance service	Unallocated	Solar EPC business	Operation and maintenance service	Unallocated
India	1,041.05	131.42	2.96	1,209.86	110.91	0.04
South east Asia	-	11.24	-	651.56	5.66	-
Middle East and North Africa	428.29	71.43	-	976.45	47.12	-
Rest of Africa	49.56	11.15	-	250.06	4.74	-
Australia	581.63	-	-			
United states of america and Latin America	840.88	6.56	-	1,277.51	2.88	-
	2,941.41	231.80	2.96	4,365.44	171.31	0.04

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Business in India, the Company's country of domicile, represented approximately 37.01% during the year ended March 31, 2021 (March 31, 2020: 29.11%) of its net revenues.

The Company's business in Chile, Australia and Jordan represented 26.47%, 18.31% and 12.66%, respectively, of its net revenues during the year ended March 31, 2021 (March 31, 2020: Chile and Vietnam represented 27.09% and 14.49% respectively). No other country individually comprised 10% or more of the Company's Standalone net revenues during these periods.

b) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	March 31, 2021	March 31, 2020 (Restated)
India	68.34	32.32
South east Asia	0.20	0.51
Rest of Africa	1.83	0.50
Middle East and North Africa	0.19	0.36
Australia	0.23	-
United states of america and Latin America	1.50	1.16
	72.29	34.85

Information about major customers

Revenue from three customers of the Company is ₹ 1,125.45 crore (March 31, 2020: two customer represent approximately ₹ 1,228.92 crore) which accounts for more than 10% of the Company's total revenue for the year ended March 31, 2021.

50 Disclosure under Ind AS 116, Leases

A) Right-of-use assets

	Land and Buildings *	Total
Reconciliation of carrying amount for the year ended March 31, 2021		
Cost		
Balance as at April 1, 2020 (Restated)	10.35	10.35
Add: Additions during the year	-	-
Less: Disposals during the year	-	-
Balance as at March 31, 2021	10.35	10.35
Accumulated depreciation and impairment		
Balance as at April 1, 2020 (Restated)	2.10	2.10
Add: Depreciation for the year	2.53	2.53
Add: Impairment losses durinng the year	-	-
Less: Eliminated on disposals of assets	-	-
Balance as at March 31, 2021	4.63	4.63
Carrying amounts		
Balance as at April 1, 2020 (Restated)	8.25	8.25
Balance as at March 31, 2021	5.72	5.72

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Land and Buildings *	Total
Reconciliation of carrying amount for the year ended March 31, 2020 (Restated)		
Cost		
Balance as at April 1, 2019 (Restated)	3.55	3.55
Add: Additions during the year	6.80	6.80
Less: Disposals during the year	-	-
Balance as at March 31, 2020 (Restated)	**10.35**	**10.35**
Accumulated depreciation and impairment		
Balance as at April 1, 2019 (Restated)	-	-
Add: Depreciation for the year	2.10	2.10
Add: Impairment losses durinng the year	-	-
Balance as at March 31, 2020 (Restated)	**2.10**	**2.10**
Carrying amounts		
Balance as at April 1, 2019 (Restated)	**3.55**	**3.55**
Balance as at March 31, 2020 (Restated)	8.25	8.25

* Carrying amount of Right-of-use assets at the end of the reporting period is towards property taken on lease for office premises, the underlying leasehold improvements is presented in note 5 under "Property, plant and equipment and capital work-in-progress".

B) Breakdown of lease expenses

Particulars	For the year ended	
	March 31, 2021	March 31, 2020 (Restated)
Short-term lease expense	45.80	26.23
Total lease expense	**45.80**	**26.23**

C) Cash outflow on leases

Particulars	For the year ended	
	March 31, 2021	March 31, 2020 (Restated)
Repayment of lease liabilities (Including Interest on lease liabilities)	2.99	2.24
Short-term lease expense	45.80	26.23
Total cash outflow on leases	**48.79**	**28.47**

D) Maturity analysis of lease liabilities

March 31, 2021	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities						
MGF Developments Limited, office premises at Delhi	0.40	0.51	2.34	3.23	6.48	11%
Total	**0.40**	**0.51**	**2.34**	**3.23**	**6.48**	

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2020 (Restated)	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
Lease liabilities						
Tech Info Private Limited, office premises at Delhi	1.82	-	-	-	1.82	11%
MGF Developments Limited, office premises at Delhi	0.36	0.40	1.94	4.15	6.84	11%
Total	**2.17**	**0.40**	**1.94**	**4.15**	**8.66**	

E) Impact of changes in accounting policies

Effective from April 1, 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on April 1, 2019.

F) Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Particulars	₹ in crore
Operating lease commitments disclosed in March 2019 financials (Restated) (under Ind AS 17)	3.93
Less: Discounting impact	0.38
Lease liabilities recognised in the statement of financial position as at April 1, 2019 (Restated)	3.55

51 Financial Instruments – Fair values and Risk Management

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if carrying amount is a reasonable approximation of fair value.

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non-current financial assets								
Loans	-	-	0.77	0.77	-	-	-	-
Other financial assets	-	-	5.17	5.17	-	-	-	-
Current financial assets								
Investment in government securities and mutual funds	-	-	-	-	-	-	-	-
Trade receivables	-	-	769.99	769.99	-	-	-	-
Cash and cash equivalents	-	-	122.69	122.69	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	45.85	45.85	-	-	-	-
Loans	-	-	560.19	560.19	-	-	-	-
Derivatives	1.92	-	-	1.92	-	1.92	-	1.92
Other financial assets	-	-	702.97	702.97	-	-	-	-
	1.92	**-**	**2,207.62**	**2,209.54**	**-**	**1.92**	**-**	**1.92**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non-current financial liabilities								
Lease liabilities	-	-	6.08	6.08	-	-	6.08	6.08
Current financial liabilities								
Short term borrowings	-	-	385.73	385.73	-	40.00	-	40.00
Lease liabilities	-	-	0.40	0.40	-	-	0.40	0.40
Trade payables	-	-	2,379.75	2,379.75	-	-	-	-
Derivatives	92.39	-	-	92.39	-	92.39	-	92.39
Other current financial liabilities	-	-	63.96	63.96	-	-	-	-
	92.39	-	2,835.92	2,928.31	-	132.39	6.48	138.87

March 31, 2020 (Restated)	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non-current financial assets								
Loans	-	-	1.44	1.44	-	-	-	-
Financial assets								
Investment in government securities and mutual funds	0.27	-	0.19	0.46	-	0.27	-	0.27
Trade receivables			1,539.94	1,539.94				
Cash and cash equivalents	-	-	182.12	182.12	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	10.47	10.47	-	-	-	-
Loans	-	-	987.58	987.58	-	-	-	-
Other financial assets	-	-	352.79	352.79	-	-	-	-
	0.27	-	3,074.53	3,074.80	-	0.27	-	0.27
Non-current financial liabilities								
Lease liabilities	-	-	6.48	6.48		-	6.48	6.48
Current financial liabilities								
Short term borrowings	-	-	597.81	597.81	-	-	-	-
Lease liabilities	-	-	2.18	2.18	-	-	2.18	2.18
Trade payables	-	-	2,306.62	2,306.62	-	-	-	-
Derivatives	6.23	-	-	6.23	-	6.23	-	6.23
Other current financial liabilities	-	-	37.95	37.95	-	-	-	-
	6.23	-	2,951.04	2,957.27	-	6.23	8.66	14.89

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current and current financial assets and liabilities measured at amortised cost	Discounted cash flow approach: The valuation model considers the present value of expected payments/ receipts, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting year.

Sensitivity Analysis for level 3

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

	Discounting rate	March 31, 2021	Discounting rate	March 31, 2020
Lease liabilities - Discount rate + 100 basis points	11.00%	(0.22)	11.00%	(0.26)
Lease liabilities - Discount rate - 100 basis points	11.00%	0.23	11.00%	0.28

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

i) Credit risk ;

ii) Liquidity risk ; and

iii) Market risk

Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivable and investment.

Net trade receivable as on March 31, 2021 is ₹769.99 crore (March 31, 2020 (Restated): ₹ 1,539.94 crore).

Two largest customers (net of expected credit loss provision) have a total concentration of 25.83% (March 31, 2020 (Restated): One largest customer has a total concentration of 47.30%) of net trade receivable.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables and other receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Amount
Balance as at April 1, 2020	21.69
Add: Impairment losses recognised during the year	19.75
Less: Written back during the year	-
Balance as at March 31, 2021	**41.44**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Amount
Balance as at April 1, 2019	22.05
Add: Impairment losses recognised during the year	5.44
Less: Written back during the year	(5.80)
Balance as at March 31, 2020	**21.69**

Cash and bank balances

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 173.76 crore and ₹ 192.59 crore as at March 31, 2021 and March 31, 2020 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The Credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries. The outstanding guarantee as at March 31, 2021 is ₹ 1,045.82 crore (March 31, 2020 (Restated): ₹ 1,000.28 crore), these guarantee were given to banks in respect of credit facilities availed by a subsidiary of the Company.

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at March 31, 2021 and March 31, 2020. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Inter-corporate deposits/ Loans, investments in group companies

The Company has given secured and unsecured Inter-corporate deposits/ loans to its subsidiaries and fellow subsidiaries as at March 31, 2021 and March 31, 2020. The Company has reviewed the carrying amounts of Inter-corporate deposits/ loans to determine whether there is any indication that those loans have suffered an impairment loss, as at March 31, 2021 no such indication exist.

Other than the trade receivables and other receivables, the Company has no other financial assets that are past due but not impaired.

ii Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As at March 31, 2021, the Company had unsecured borrowings from banks and others of ₹ 84.05 crore (March 31, 2020 (Restated): ₹ 407.47 crore), secured borrowings from banks of ₹ 166.55 crore (March 31, 2020 (Restated): ₹ 169.74 crore), secured commercial papers ₹ 37.34 crore (March 31, 2020 (Restated): Nil), cash credit loan from banks of ₹ 97.79 crore (March 31, 2020 (Restated): ₹ 20.60 crore), cash and cash equivalents of ₹ 122.69 crore (March 31, 2020 (Restated): ₹ 182.12 crore) and other bank balances of ₹ 51.02 Crore (March 31, 2020 (Restated): ₹ 10.47 crore).

During the year there were four occasions of delay in repayment of working capital demand loans to three Banks for a period ranging between 1 to 9 days and in one instance 29 days (during which period the Company was in discussion with the bank for a rollover). There were no instances of delays in working capital demand loans other than as mentioned. Further the same were regularized and there is no overdue outstanding as at March 31, 2021.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Exposure to liquidity risk

The table below analyses the Company's financial assets and financial liabilities into relevant maturity groupings based on their contractual maturities for derivative and non derivative financial assetss and financials liabilities:

March 31, 2021	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Secured loans	301.68	308.48	308.48	-	-	-
Unsecured loans	84.05	87.47	87.47	-	-	-
Trade payables	2,379.75	2,379.75	2,379.75	-	-	-
Interest accrued and due	4.59	4.59	4.59	-	-	-
Interest accrued and not due	3.71	3.71	3.71	-	-	-
Lease liabilities	6.48	9.72	1.08	1.15	3.80	3.69
Other current financial liabilities	55.67	55.67	55.67	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	92.39	686.39	686.39	-	-	-
Inflow		(594.01)	(594.01)	-	-	-
	2,928.32	2,941.77	2,933.13	1.15	3.80	3.69

March 31, 2020	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Secured loans	290.34	296.81	296.81	-	-	-
Unsecured loans	307.47	308.42	308.42			
Trade payables	2,306.62	2,306.62	2,306.62	-	-	-
Interest accrued and due	0.74	0.74	0.74	-	-	-
Interest accrued and not due	4.27	4.27	4.27	-	-	-
Lease liabilities	8.66	12.71	2.99	1.08	3.63	5.01
Other current financial liabilities	32.94	32.94	32.94	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	6.23	301.59	301.59	-	-	-
Inflow		(295.36)	(295.36)	-	-	-
	2,957.27	2,968.74	2,959.02	1.08	3.63	5.01

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

iii Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the risk management committee. The Company has applied hedge accounting to manage volatility in profit or loss on account of foreign currency risk during the year ended March 31, 2021.

(a) Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021 are as below:

Amounts in INR	USD	EUR	Others *
Financial assets			
Trade receivables	296.58	-	-
Loan given to subsidiaries	107.31	-	-
Interest accrued on loans to subsidiaries and other receivable from subsidiary	11.23	-	-
Cash and Cash Equivalents	9.87	-	-
Recoverable amounts	596.44	-	0.58
Other receivables	8.43		-
Exposure to foreign currency assets	**1,029.86**	**-**	**0.58**
Less: Forward exchange contract	-	-	-
Net exposure to foreign currency assets	**1,029.86**	**-**	**0.58**
Financial liabilities			
Trade payables and other payable	1,409.08	7.45	0.11
Exposure to foreign currency liabilities	**1,409.08**	**7.45**	**0.11**
Less: Forward exchange contract	23.07	-	-
Net exposure to foreign currency liabilities	**1,386.01**	**7.45**	**0.11**
Net Exposure	**(356.16)**	**(7.45)**	**0.47**

*others include CHF, AED, JOD, AUD and EGP

FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Amounts in INR	USD	EUR	Others *
Financial assets			
Trade receivables	1,012.91	-	-
Loan given to subsidiaries	373.42	-	-
Interest accrued on loans to subsidiaries	83.28	-	-
Cash and Cash Equivalents	17.03	-	0.33
Bank balances other than cash and cash equivalents	0.08	-	-
Other recoverable from subsidiary and fellow subsidiary	150.40	-	-
Other receivables	5.22	-	-
Exposure to foreign currency assets	**1,642.34**	**-**	**0.33**
Forward exchange contract	261.84	-	-
Net exposure to foreign currency liabilities	**1,380.50**	**-**	**0.33**
Financial liabilities			
Trade payables and other payable	1,564.70	4.05	6.87
Exposure to foreign currency liabilities	**1,564.70**	**4.05**	**6.87**
Forward exchange contract	-	-	-
Net exposure to foreign currency liabilities	**1,564.70**	**4.05**	**6.87**
Net Exposure	**(184.20)**	**(4.05)**	**(6.54)**

*others include CHF, AED, JOD, AUD, NAD,XOF and EGP

a. **The forward contracts booked also includes the future purchase transaction exposure.**

b. **Hedged foreign currency exposure**

		March 31, 2021		March 31, 2020 (Restated)	
		Foreign currency (in crore)	Indian Rupees (in crore)	Foreign currency (in crore)	Indian Rupees (in crore)
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	USD	0.31	23.07	0.47	35.10
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	EUR	-	-	-	-
Foreign exchange forward contracts (To hedge receivables)	USD	-	-	3.50	261.84
		0.31	**23.07**	**3.97**	**296.94**

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Effect in INR crores	March 31, 2021 Profit or loss		March 31, 2020 (Restated) Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD	(17.81)	17.81	(9.21)	9.21
EUR	(0.37)	0.37	(0.20)	0.20
Others	0.02	(0.02)	(0.33)	0.33

c. **Hedge accounting**

Cash flow hedges

At March 31, 2021, the Company holds the following instruments to hedge exposures to changes in foreign currency.

Foreign currency risk	Maturity analysis 1-6 months	6-12 months	More than 1 year
Foreign exchange forward contracts			
Net exposure (loss) / gain (₹ in crore)	(91.54)	1.07	-
Average AUD:USD forward contract rate	0.66	0.77	-
Average USD:INR forward contract rate	-	77.21	-
Average AUD:INR forward contract rate	51.41	-	-

The amounts at the reporting date relating to items designated as hedged items are as follows

Foreign currency risk	Change in value used for calculating hedge ineffectivness	Effective portion of cash flow hedges	Costs of hedging	Balances remaining in equity head 'effective portion of cash flow hedges' from hedging relationships for which hedge accounting is no longer applied
March 31, 2021				
Foreign currency risk				
Highly probable forecast cash flows - receivable (AUD) and payable (USD)	0.02	(89.74)	-	-
Highly probable forecast cash flows - receivable (AUD)	-	(0.30)	-	
Highly probable forecast cash flows - letter of credit payable (USD)	-	(0.45)	-	-
	0.02	**(90.49)**	**-**	**-**

FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

Foreign currency risk	March 31, 2021			During the year ended March 31, 2021		
	Carrying amount					
	Nominal amount	Assets	Liabilities	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI
March 31, 2021						
AUD-INR	0.06	-	(0.30)	(0.30)	-	-
AUD-USD	14.78	1.92	(91.64)	(89.74)	0.02	-
USD-INR	0.31	-	(0.45)	(0.45)	-	-

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting :

	March 31, 2021	
	Equity head	
	Effective portion of cash flow hedges	Cost of hedging
Balance as at April 1, 2020 (Restated)	-	-
Cash flow hedges		
Changes in fair value :		
Highly probable forecast cash flows – Trade receivables	(153.14)	-
Highly probable forecast cash flows – Trade payable and Letter of credit payable	(0.45)	-
Amount reclassified to profit or loss - Highly probable forecast cash flows – Trade receivables	63.10	-
Amount included in the cost of non-financial items	-	-
Tax on movements in relevant items of OCI during the year	38.65	-
Tax on relevant items of OCI during the year reclassified to profit or loss	(15.88)	-
Balance as at March 31, 2021	**(67.72)**	**-**

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 23 of these financial statements.

Particulars	March 31, 2021	March 31, 2020 (Restated)
Fixed rate instruments		
Financial assets	601.59	13.94
Financial liabilities	(294.42)	(585.87)
	307.17	**(571.93)**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(97.79)	(20.60)
	(97.79)	**(20.60)**

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

INR	Profit or loss	
	100 bp increase	100 bp decrease
March 31, 2021		
Variable-rate instruments		
Borrowings	(0.98)	0.98
Cash flow sensitivity (net)	**(0.98)**	**0.98**

INR	Profit or loss	
	100 bp increase	100 bp decrease
March 31, 2020		
Variable-rate instruments		
Borrowings	(0.21)	0.21
Cash flow sensitivity (net)	**(0.21)**	**0.21**

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

(c) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under leases, less cash and cash equivalents. Adjusted equity comprises all components of equity. Charge for the year on goodwill amortisation has been deducted while calculating total equity of the company since it represents a pure non-cash expense.

The Company's adjusted net debt to equity ratio was as follows:

Particulars	March 31, 2021	March 31, 2020 (Restated)
Borrowings	392.21	597.81
Gross debt	**392.21**	**597.81**
Less : Cash and cash equivalents	122.69	182.12
Adjusted net debt	**269.52**	**415.69**
Total equity	511.98	702.40
Adjusted net debt to adjusted equity ratio	0.53	0.59

52 Pursuant to a resolution dated June 23, 2020, the shareholders of the Company expressed their intent to convert loan given to Sterling and Wilson International Solar FZCO, a subsidiary of the Company, into equity. Accordingly, the loan given to subsidiary amounting to USD 5.00 crore, equivalent to ₹ 367.53 crore, was converted into equity shares on receipt of approval from statutory and regulatory authorities on December 28, 2020.

53 The Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company ("customer") to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer ("developer"). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018, the National Company Law Tribunal ("NCLT") actions were initiated against the customer group and the Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Company, vide a letter, to go ahead with the works/ maintenance of the plant where in they also assured the Company that they would make the payment if the customer failed to pay. As on date the customer owes the Company ₹ 92.45 crore. In addition, an amount of ₹ 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.

During the year ended March 31, 2020, the Company had initiated legal proceedings in both these matters: the matter in respect of the customer / developer in currently pending with the NCLT and the matter in respect of the customers bank is currently pending with the National Company Law Appellate Tribunal.

The Company has sought legal 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 ₹ 92.45 crore and ₹ 64.10 crore is shown under the head Trade Receivables and Other Financial Assets, respectively.

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 ₹ 31.33 crore (March 31, 2020: ₹ 21.33 crore) as at March 31, 2021, based on management's best estimate of collection of the aforementioned receivables as at March 31, 2021.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

54 The Red Herring Prospectus dated July 29, 2019 stated that the 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 fellow subsidiaries to the Company by November 18, 2019. The Selling Shareholders pursuant to their letter dated November 14, 2019, however, requested the Board of Directors of the Company to consider a revised payment schedule for the outstanding inter-corporate deposits of ₹ 1,765.02 crore (including interest thereon of ₹ 173.56 crore) as at September 30, 2019 with additional interest of 50 basis points per annum.

The Board of Directors in their meeting held on December 31, 2019 had considered the revised payment schedule of the outstanding inter-corporate deposits of ₹ 1,083.76 crore (including accrued interest thereon of ₹ 52.81 crore) as at that date, in three quarterly installments by March 31, 2020, by June 30, 2020 and balance amount by September 30, 2020 (which would include further accruals of interest beyond December 31, 2019).

Considering the current economic slowdown and the challenges which the selling shareholders (promoter group) are facing due to their business being significantly impacted by COVID-19, the selling shareholders made a further request to extend the time lines for payment of the outstanding of ₹ 560.35 (including interest accrued) as at September 30, 2020 till September 30, 2021. The Board of Directors has taken a decision to extend the repayment timelines till September 30, 2021 and levy additional interest spread of 400 basis points over and above the average interest rate and requested that securities be provided to cover the outstanding inter-corporate deposits. The Selling Shareholders have provided security by way of immovable properties during the year amounting to ₹ 460.17 crore, covering the value of outstanding inter-corporate deposits ₹ 240.85 crore (before accrual of interest post March 31, 2021) as on date.

The Selling Shareholders have already facilitated the repayment of inter-corporate deposits amounting to ₹ 1,774.05 crore by the fellow subsidiary to the Company, from the date of listing i.e. August 20, 2019 till March 31, 2021 and an additional ₹ 156.70 crore from April 1, 2021 till date. In view of the steps taken/being taken by the Company, management believes that no provision towards expected credit losses is required as at March 31, 2021 for inter-corporate deposits outstanding aggregating to ₹ 397.55 crore (with all interest upto March 31, 2021 serviced) which, as on date stands reduced to ₹ 240.85 crore (before accrual of interest post March 31, 2021).

The Company has also responded to queries on this matter (including from Shareholders, SEBI, ROC and 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 matter.

55 During the year ended March 31, 2020, the Selling Shareholders have made an offer for sale which was subscribed for 36,533,820 Equity shares of Re 1 each for cash at a price of ₹ 780 per equity share (including a share premium of ₹ 779 per equity share) aggregating to ₹ 2,849.64 crore.

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID SWSOLAR and BSE Limited (BSE) via ID 542760 on August 20, 2019.

The Company has incurred ₹ 3.83 crore and ₹ 79.90 crore in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 83.73 crore (excluding Goods and Services Tax and including Securities Transaction Tax of ₹ 5.70 crore which is directly paid from IPO ESCROW Account) in respect of sale of shares, these expenses were recovered from the Selling Shareholders in the ratio of their existing shareholding percentage. These expenses include a sum of ₹ 0.88 crore and ₹ 0.60 crore incurred in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 1.48 crore (excluding Goods and Services Tax) paid to Statutory auditors of the Company.

56 On March 27, 2019, The Board of Directors' of the Company has proposed to Institute the Scheme for Employee Stock Option Plan ('ESOP') subject to approval of Shareholders'. The said scheme has been approved by the Shareholders' on May 30, 2021. The scheme will be effective on final approval by the Nomination and Remuneration Committee which is currently awaited. Accordingly, no provision has been created in the books towards the liability of ESOP as at March 31, 2021 and March 31, 2020.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

57 The Company's international transactions with related parties are at arm's length as per the Independent accountants report for the year ended March 31, 2020. Management believes that the Company's international transactions with related parties post March 31, 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision for taxation.

58 The outbreak of the Coronavirus (COVID-19) pandemic globally continues to cause significant disturbance and slowdown of economic activity. During the year ended March 31, 2021, the construction activities at various sites witnessed a slowdown as per the directives issued by various regulatory authorities which has led to an increased cost of construction (including rise in module and commodity cost) as well as overheads due to extended time. Further, a significant subcontractor in a particular geography filed for bankruptcy causing enhanced replacement costs for a project. All the above has contributed in the Company incurring a loss for the year ended March 31, 2021. Also, during the year Shapoorji Pallonji and Company Private Limited ('the Parent Company'), being in the construction and real estate sector was severely affected due to the COVID-19 pandemic, and had filed for One Time Restructuring ("OTR") under the prescribed guidelines of The Reserve Bank of India. Owing to these factors, the Company had also faced liquidity challenges for part of the year.

The Company continues to have a strong order book, a positive net-worth and favourable net current asset position. The Company's management and the Board of Directors have also made an assessment, of the Company's ability to continue as a going concern, its projected cash flows for the next 12 months, as well as financing arrangements to fulfil its working capital requirements and necessary capital expenditure. The Parent Company's OTR has also been approved as at March 31, 2021.

The Company has used the principles of prudence in applying judgements, estimates and assumption and based on the current estimates' management has assessed the impact of existing and anticipated impact of COVID-19 on future projected cash-flows. Based on all the above the Management believes the Company will continue its business in the foreseeable future, so as to be able to realise its assets and discharge its liabilities in the normal course. Accordingly, the standalone financial statements of the Company have been prepared on a going concern basis.

59 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code of Social Security, 2020 on 13 Novemeber 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

60 Other Matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

Chandra Thakur
Manager
Delhi

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Form AOC- 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint venture

(Pursuant to first proviso to sub-section (3) section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹) (in ₹ Crore)

1. Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2. Name of the subsidiary	Esterlina Solar Engineers Private Limited	Sterling and Wilson International Solar FZCO	Sterling and Wilson Thailand Limited	Sterling and WilsonSaudi Arabia Limited	Sterling and Wilson Solar LLC	Sterling and Wilson Middle East Solar Energy LLC	Sterling and Wilson Singapore Pte Ltd	Sterling and Wilson Engineering (Pty) Ltd	Sterling and Wilson Solar Solutions LLC	Sterling and Wilson Solar Spain, S.L. (formerly known as Renovable Energia Contracting S.L.)	Sterling and Wilson Solar Solutions Inc	GCO Solar Pty. Limited (Formerly known as GCO Electrical Pty. Ltd.)	Sterling and Wilson Solar Australia Pty Ltd.	Sterling and Wilson Solar Malaysia SDN. BHD.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	AED / 19.9335	TBH / 2.1735	SAR / 19.5163	OMR / 189.699	AED / 19.9335	SGD / 54.4226	ZAR / 4.9363	USD / 73.2298	Euro / 85.8770	USD / 73.2298	AUD / 55.7045	AUD / 55.7045	MYR / 17.6403
5. Share capital	0.01	369.28	0.00	1.74	2.69	0.60	0.30	0.00	1.84	0.04	0.00	17.04	0.02	1.31
6. Reserves & surplus	1.88	527.86	(0.09)	(3.17)	8.96	102.75	(1.28)	(6.59)	(0.01)	(11.05)	(104.08)	(91.04)	(162.18)	(0.49)
7. Total assets	32.75	2,445.06	-	0.04	18.97	276.29	0.12	132.28	1.83	12.66	68.62	14.04	307.84	0.98
8. Total Liabilities	30.86	1,547.92	0.08	1.47	7.32	172.94	1.10	138.86	-	23.67	172.71	88.04	469.99	0.16
9. Investments	-	8.44	-	-	-	-	0.03	-	-	-	1.84	-	-	-
10. Turnover	33.25	1,769.77	-	-	51.93	79.70	-	11.63	-	-	187.01	124.41	1,552.91	-
11. Profit / (loss) before taxation	1.11	138.23	-	(0.84)	11.78	(2.36)	(0.09)	9.57	0.00	(7.20)	(35.71)	(66.49)	(157.84)	(0.30)
12. Provision for taxation	0.29	-	-	-	1.57	-	-	0.93	-	0.05	(0.15)	(7.20)	(17.80)	-
13. Profit / (loss) after taxation	0.82	138.23	-	(0.84)	10.21	(2.36)	(0.09)	8.64	0.00	(7.25)	(35.57)	(59.29)	(140.05)	(0.30)
14. Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. % of shareholding	100%	100%	100%	95%	70%	49%	100%	60%	100%	99%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. There are no subsidiaries which are yet to commence operations
2. There are no subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

As on March 31, 2021, the Company does not have any Associate and/or Joint Venture with any other Company.

For and on behalf of the Board of Directors of
CIN: L74999MH2017PLC292281

Khurshed Daruvala
Chairman
DIN: 00216905

Pallon Mistry
Director
DIN: 05229734

Bikesh Ogra
Director
DIN: 08378235

Chandra Thakur
Manager

Bahadur Dastoor
Chief Financial Officer
Membership No. 48936

Jagannadha Rao Ch. V.
Company Secretary
Membership No. F2808

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, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (₹ in Crore)	Audited Figures (as reported before adjusting for qualification) (₹ in Crore)*
	1	Turnover / Total income	3,330.12	3,330.12
	2	Total Expenditure	3,472.79	3,472.79
	3	Net (Loss)/ Profit	(142.67)	(142.67)
	4	Earnings Per Share	(6.95)	(6.95)
	5	Total Assets	3,776.29	3,776.29
	6	Total Liabilities	3,264.31	3,264.31
	7	Net Worth	511.98	511.98
	8	Any other financial item(s) (as felt appropriate by the	None	None

* Audit qualification is in respect of items, the impact of which is not quantifiable, Accordingly, we have kept the figures in (as reported after adjusting for qualification) column the same (as before adjustment of qualification) column.

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

i. We draw attention to note 4 to the standalone annual financial results relating to outstanding inter- corporate deposits of ₹ 397.55 crores (including interest accrued thereon of ₹ Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of ₹ 1,765.02 crores (including interest accrued thereon of ₹ 173.56 crores) that were outstanding as on 30 September 2019 made to a fellow subsidiary by the Company which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Company's shares by the Selling Shareholders. The Board of Directors of the Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the Company.

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. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Company. Although 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, in our opinion, there exists a possibility for a contrary view in the matter.

The Company has obtained full security for the outstanding amount as at the year end. In view of the steps taken/ being taken by the Company as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment by borrower of inter-corporate deposits in the earlier quarters and default in repayment of instalments of inter-corporate deposits due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits by the borrower; and adjustments that may arise from the aforementioned matters including non-measurement of expected credit losses on inter-corporate deposits on the standalone annual financial results of the Company for the year ended 31 March 2021.

ii. As more fully explained in note 7 to the standalone annual financial results, the Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Company, management believes that the current expected credit loss provision of ₹ 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the standalone annual financial results, if any.

b. **Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion**
Qualified Opinion

c. **Frequency of qualification: Whether appeared first time / repetitive / since how long continuing**
Qualification (i) since March 2020 and Qualification (ii) in March 2021

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
Not applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) Management's estimation on the impact of audit qualification:
NIL

(ii) If management is unable to estimate the impact, reasons for the same:
Not Applicable

(iii) Auditors' Comments on (i) or (ii) above:
Impact not determinable

III. Signatories

Mr. Khurshed Daruvala, Chairman

Mr. Chandra Kishore Thakur, Manager

Mr. Bahadur Dastoor, Chief Financial Officer

Ms. Rukhshana Mistry, Chairperson of Audit Committee

Statutory Auditors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Place: Mumbai
Date: June 29, 2021

Independent Auditors' Report

To the Members of
Sterling and Wilson Solar Limited

Report on the Audit of Consolidated financial statements

Qualified Opinion

We have audited the consolidated financial statements of Sterling and Wilson Solar Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate / consolidated financial statements/ financial information of such subsidiaries as were audited by the other auditors, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We draw attention to the following matters:

(i) note 54 to the consolidated financial statements relating to outstanding inter-corporate deposits and loans of ₹ 397.55 crores and ₹ 487.70 crores (net) respectively (including interest accrued on inter-corporate deposits of ₹ Nil crores and on loans of ₹ Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of ₹ 1,765.02 crores (including interest accrued thereon of ₹ 173.56 crores) and loans of ₹ 576.51 crores (net) (including interest accrued thereon of ₹ 75.81 crores) that were outstanding as on 30 September 2019 made to fellow subsidiaries by the Group which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Holding Company's shares by the Selling Shareholders. The Board of Directors of the Holding Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the respective entities of the Group.

The Holding 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 and loans by the Selling Shareholders on which the Holding Company has submitted its replies. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Holding Company. Although the Holding 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 Group in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

The Group has obtained partial security for the outstanding amount as at the year-end and has obtained balance security towards outstanding amount subsequent to the year-end. In view of the steps taken/being taken by the Holding Company and its overseas subsidiary as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment by borrowers of inter- corporate deposits and loans in the earlier quarters and default in repayment of instalments of inter- corporate deposits and loans due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits and loans by the borrowers; and adjustments that may arise from the aforementioned matters including non- measurement of expected credit losses on inter-corporate deposits on the consolidated financial statements of the Group for the year ended 31 March 2021.

(ii) the following qualification included in the audit report on the consolidated financial statements of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 is reproduced by us as under:

The consolidated financial statements of the overseas subsidiary of the Holding Company include a loan from a related party in the amount of AED 244,662,085 (net) equivalent to ₹ 487.70 crores (net), which was repayable on demand. The Board of the overseas subsidiary has received a request from the ultimate Promoters of the related party to extend the repayment timeline, in lieu of obtaining security to cover the amount outstanding and also levy penal interest. Accordingly, the Board of the overseas subsidiary had taken a decision to extend the repayment timelines till September 2021 and levy additional penal interest. Further, on behalf of the overseas subsidiary, the Holding Company in India has obtained security against immovable property for the aforesaid amount due to the overseas subsidiary and subsequent to the reporting date, the overseas subsidiary has obtained additional security by assignment of certain project receivables. Considering the steps taken/being taken by the overseas subsidiary, the management believes that no provision for expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management. As a result of the uncertainty relating to timing of repayment of the outstanding balance we are unable to quantify the impact of adjustments that may arise from non-measurement of expected credit losses on the consolidated financial statements of the overseas subsidiary for the year ended 31 March 2021.

(iii) note 61 to the consolidated financial statements, the Holding Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Holding Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Holding Company, management believes that the current expected credit loss provision of ₹ 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Holding Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the consolidated financial statements, if any.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to the audit report on the consolidated financial statements of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 which includes an emphasis of matter reproduced by us as under:

we draw attention to note 45 to the consolidated financial statements which describes the uncertainty related to the outcome of the contractual exchanges with two customers and claim levied by a subcontractor.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined matters described below to be the key audit matters to be communicated in our report.

Impact of liquidity and other issues on going concern assessment (refer note 2(d)(ia) and 65 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. In the current year, various governments have imposed restrictions due to the resurgence of COVID-19 cases, which have significantly impacted business of the Group during the year. Though the Group's projects are safeguarded with force majeure conditions, the project duration is suitably extended to account for these delays. Further, the project execution in near past has faced problems on account of extended lockdown, supply chain disruption, labour shortage and liquidity issues hampering project re- mobilisation. Consequently, the Group has incurred net loss of ₹ 340.04 crores during the year ended 31 March 2021, and there were delays in repayment of borrowings by the Group. Additionally, Shapoorji Pallonji and Company Private Limited, the Parent Company, had applied to its lenders for One Time Restructuring ('OTR'). This had caused uncertainty to the Group on its ability to fully utilise its existing banking limits and / or obtain fresh banking limits or rollover existing facilities. The OTR facility of the Parent Company was approved as at the year-end. The Group has assessed the impact of the existing and anticipated effects of above factors on the future cash flow projections. The Group has also prepared a range of scenarios to estimate cash flows from operating and financing requirements. This assessment of the Holding Company's future cash flow projections is subject to significant estimates and judgements. These include sales forecasts, expected margins, working capital requirements, other operating costs, availability of liquidity and timing of collection of inter-corporate deposits on the basis of future performance. Assessment of going concern is based on estimates of future performance and is fundamental to assessing the suitability of the basis adopted for the preparation of the standalone financial statements. We have therefore spent significant audit effort in assessing the appropriateness of this assumption. In view of this, we identified it as a key audit matter. In view of the above factors, we identified a key audit matter related to going concern due to significant judgment required to conclude on the going concern assumption.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Evaluated the design of relevant internal controls over the Group's forecasting process. • Compared the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors. • Obtained an understanding of key assumptions adopted by the Group in preparing the forecasted statement of profit and loss and cash flows. Assessed the consistency thereof with our expectations based on our understanding of the Group's business. These assumptions included range of scenarios prepared by the Holding Company to estimate financing requirements. • Obtained from the management its projections of financing arrangements and tested its sufficiency for fulfilling the requirement of projected working capital and necessary capital expenditure. • Challenged the forecasted income statement and cash flows by considering plausible changes to the key assumptions adopted by the Holding Company. • Assessed the sensitivities and performed stress testing on the forecasted cash flows. • Sighted subsequent collections against inter-corporate deposits/ loans and other receivables from group companies. • Obtained details of limits sanctioned and the borrowings disbursed subsequent to the year end and tested the underlying documentation. • Assessed compliance with loan covenants during the year and subsequent to the year end. • Considered the adequacy of disclosures made in the Group's consolidated financial statements with regard to the above.

Measurement of contract revenue and margin (refer note 2(d)(i), 3.15, 34 and 49 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue from works contracts represents 93.18% of the total revenue from operations of the Group. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. Revenue recognition involves significant estimates related to measurement of costs to complete, valuation of claims and penalties / liquidated damages and in turn evaluation of the related receivables and liabilities at each reporting date. The Group uses input method based on costs to measure progress of individual contracts. Under this approach, the Group recognises revenue and margin based on the costs incurred and accrued to date relative to the estimated total costs to complete the performance obligation. Penalties/ liquidated damages specified in the contracts are inherent in the determination of transaction price and forms part of variable consideration. Overstatement of revenue is considered to be a significant audit risk as it is the key driver of returns to investors and incentives linked to performance for a reporting period. Due to significant judgment involved in the estimate of total revenue, costs to complete and significant audit risk of overstatement, we have considered measurement of contract revenue as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessed compliance of the Group's policies in respect of revenue recognition with the applicable accounting standards; • Evaluated the design and implementation and tested operating effectiveness of key internal controls around revenue recognition and recording of contract costs; • Selected a sample of contracts to test, using risk-based criteria, which included individual contracts with: - significant revenue recognised during the year; - nil margin; or - significantly high, low or negative profit margins. • For these sample contracts, we critically assessed the estimated costs to complete, variations in contract price and contract costs and the adequacy of provision for penalties / liquidated damages arising from customer disputes. This assessment included: - inspection of original contracts and its amendments for key terms and milestones to verify the estimated total revenue and costs to complete and / or any changes thereto; - interviewed and challenged project and commercial heads on changes to estimated total revenue and costs to complete and settlement and recoverability of contract related receivables; - compared revenue recorded during the year with the underlying contracts, milestones achieved and invoices raised on the customers; - sighted the correspondence and minutes of meeting with customers around recoverability of claims and penalties / liquidated damages. • Assessed the costs incurred and accrued to date on the balance sheet by examining underlying invoices and signed contracts; • Appropriate cut-off procedures for determination of revenue in the correct reporting period; • Compared, on a sample basis, the outcome of contracts completed during the year with the original budgets and estimated margins for those contracts to determine the reliability of previous estimates; • Compared details of a sample of revenue journal entries raised throughout the reporting period, using risk-based criteria, with the relevant underlying documentation; • Considered the adequacy of disclosures made in note 2(d)(i) to the Group's consolidated financial statements in respect of these judgments and estimates.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to evaluate the impact of adjustments, if any, that may arise from the said matters on the consolidated financial statements of the Group. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to the said matters.

Management's and Board of Directors'/ Designated Partners Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/Designated Partners of the Partnership Firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/ partnership firm and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies / Designated Partners of the Partnership Firm included in the Group are responsible for assessing the ability of each company/ partnership firm to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / Designated Partners either intends to liquidate the Company/ Partnership Firm or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/ Designated Partners of the Partnership Firm included in the Group is responsible for overseeing the financial reporting process of each company/ partnership firm.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such 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 paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 10 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,684.93 crores as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ 2,746.66 crores and net cash outflows amounting to ₹ 177.74 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

The Holding Company's management has converted the financial statements of these subsidiaries 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 located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of six subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 13.95 crores as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ Nil crores and net cash outflows amounting to ₹ 2.16 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate / consolidated financial statements of such subsidiaries as were audited by other auditors as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) we have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(c) except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) on the basis of the written representations received from the directors of the Holding Company and subsidiary company incorporated in India as on 31 March 2021 and taken on record by the Board of Directors of the Holding Company and subsidiary company, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above; and

(h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(B) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate / consolidated financial statements/ financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group – Refer Note 45 to the consolidated financial statements;

ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 29 and 32 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2021; and

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the managerial remuneration paid by the Holding Company and its subsidiary company is in accordance with the provisions of Section 197 read with Schedule V to the Act. The managerial remuneration paid by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 21105149AAAADY6157

Mumbai
29 June 2021

Annexure A to the Independent Auditors' Report – 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sterling and Wilson Solar Limited ("the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies (the Holding Company and its subsidiary company incorporated in India together referred to as the "Group"), as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 21105149AAAADY6157

Mumbai
29 June 2021

Consolidated Balance Sheet as at March 31, 2021

(Currency : Indian Rupees in crores)

	Note	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	5	28.29	29.38
Capital work-in-progress	5	0.07	3.26
Right-of-use assets	50	9.67	10.32
Goodwill	6	-	3.36
Other intangible assets	7	8.38	2.43
Intangible assets under development		0.32	0.32
Financial assets			
(i) Loans	8	0.77	1.44
(ii) Other financial assets	9	5.17	-
Deferred tax assets (net)	10	120.58	36.37
Other income tax assets (net)	11	36.60	0.14
Other non-current assets	12	14.45	3.81
Total non-current assets		**224.30**	**90.83**
Current assets			
Inventories	13	3.09	14.51
Financial assets			
(i) Investments	14	-	0.46
(ii) Trade receivables	15	848.86	2,030.31
(iii) Cash and cash equivalents	16	219.82	463.28
(iv) Bank balances other than cash and cash equivalents	17	71.13	36.07
(v) Loans	18	904.57	1,185.32
(vi) Derivatives	19	1.92	-
(vii) Other financial assets	20	207.89	233.03
Current tax assets (net)	21	0.88	0.79
Other current assets	22	1,226.91	979.88
Total current assets		**3,485.07**	**4,943.65**
Total assets		**3,709.37**	**5,034.48**
Equity and liabilities			
Equity			
Equity share capital	23	16.04	16.04
Other equity	24		
Capital reserve on demerger		(181.74)	(181.74)
Capital reserve		(1.65)	(1.65)
Legal reserve		1.21	0.26
Capital redemption reserve		0.00	0.00
Retained earnings		901.92	1,197.76
Effective portion of cash flow hedge		(74.08)	-
Foreign currency translation reserve		0.18	50.29
Total equity attributable to owners of the Company		**661.88**	**1,080.96**
Non-controlling interests	57	(4.10)	(8.36)
Total equity		**657.78**	**1,072.60**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	25	0.00	0.00
(ii) Lease liabilities	50	9.11	6.79
Provisions	26	26.12	13.61
Total non-current liabilities		**35.23**	**20.40**
Current liabilities			
Financial liabilities			
(i) Borrowings	27	468.35	1,224.04
(ii) Lease liabilities	50	1.57	3.21
(iii) Trade payables	28		
Total outstanding dues of micro enterprises and small enterprises		83.74	39.89
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,772.99	2,181.25
(iv) Derivatives	29	98.68	6.23
(v) Other financial liabilities	30	68.08	96.98
Other current liabilities	31	356.48	253.39
Provisions	32	152.88	113.67
Current tax liabilities (net)	33	13.59	22.82
Total current liabilities		**3,016.36**	**3,941.48**
Total liabilities		**3,051.59**	**3,961.88**
Total equity and liabilities		**3,709.37**	**5,034.48**

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

Chandra Thakur
Manager
Delhi

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	34	5,080.80	5,575.29
Other income	35	158.49	303.49
Total income		**5,239.29**	**5,878.78**
Expenses			
Cost of construction materials, stores and spare parts	36	3,069.10	3,589.30
Changes in inventories of stock-in-trade	37	-	-
Direct project costs	38	1,928.35	1,270.99
Employee benefits expense	39	208.48	240.27
Finance costs	40	93.09	194.93
Depreciation and amortisation expense	41	16.51	14.23
Other expenses	42	263.80	170.56
Total expenses		**5,579.33**	**5,480.28**
Consolidated (loss) / profit before income tax		**(340.04)**	**398.50**
Tax expenses:	43		
Current tax			
Current tax relating to current year		1.88	98.51
Current tax relating to earlier period		9.63	(0.04)
Deferred tax (credit)		(61.51)	(4.24)
		(50.00)	**94.23**
Consolidated (loss) / profit for the year after income tax		**(290.04)**	**304.27**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(i) Remeasurements of defined benefit liability		0.58	(3.25)
(ii) Income tax relating to the items that will not be reclassified to profit and loss		(0.07)	0.46
Items that will be reclassified subsequently to profit or loss:			
(i) Effective portion of (losses) on hedging instruments in cash flow hedges		(159.95)	-
(ii) Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss		63.10	-
(iii) Income tax relating to items that will be reclassified to profit or loss		22.77	-
(iv) Exchange differences in translating financial statements of foreign operations		(51.21)	49.71
Other comprehensive income for the year, net of income tax		**(124.78)**	**46.92**
Total comprehensive (loss) / income for the year		**(414.82)**	**351.19**
Consolidated (loss) / profit attributable to:			
Owners of the Company		(285.38)	310.06
Non-controlling interests	57	(4.66)	(5.79)
Consolidated (loss)/ profit for the year		**(290.04)**	**304.27**
Other comprehensive income attributable to:			
Owners of the Company		(122.80)	46.01
Non-controlling interests	57	(1.98)	0.91
Other comprehensive income for the year		**(124.78)**	**46.92**
Total comprehensive (loss) / income attributable to:			
Owners of the Company		(408.18)	356.07
Non-controlling interests	57	(6.64)	(4.88)
Total comprehensive (loss) / income for the year		**(414.82)**	**351.19**
Earnings per equity share			
Basic and diluted earnings per share (₹) (face value of ₹ 10 split into face value of ₹ 1 each)	44	(17.80)	19.33

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
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June 29, 2021

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Company Secretary
Membership No: F2808
Mumbai

Mumbai
June 29, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

A. Equity Share Capital

Particulars	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	16.04	16.04
Add: Changes in equity share capital during the year	-	-
Balance as at the end of the year	**16.04**	**16.04**

B. Other Equity

	Attributable to the Owners of the Company								Attributable to non-controlling interests	Total
	Reserves and Surplus					Items of other comprehensive income		Total attributable to owners of the parent		
	Capital reserve on Demerger	Capital Reserve	Legal Reserve	Capital redemption reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve			
Balance as at April 1, 2020	**(181.74)**	**(1.65)**	**0.26**	**0.00**	**1,197.76**	**-**	**50.29**	**1,064.92**	**(8.36)**	**1,056.56**
Adjustments:										
Total comprehensive income for the year										
(Loss) for the year	-	-	-	-	(285.38)	-	-	(285.38)	(4.66)	(290.04)
Items of OCI for the year, net of tax:										
Gain/(losses) on hedging instruments in cash flow hedges, net of tax	-	-	-	-	-	(121.29)	-	(121.29)	-	(121.29)
Effective portion of (gain)/losses on hedging instruments in cash flow hedges reclassified to profit or loss, net of tax	-	-	-	-	-	47.21	-	47.21	-	47.21
Remeasurement of the defined benefit liability	-	-	-	-	0.51	-	-	0.51	-	0.51
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	(49.23)	(49.23)	(1.98)	(51.21)
Total comprehensive income	**-**	**-**	**-**	**-**	**(284.87)**	**(74.08)**	**(49.23)**	**(408.18)**	**(6.64)**	**(414.82)**
Other adjustments										
Transfer to legal reserve	-	-	0.95	-	(0.95)	-	-	-	-	-
Transactions with owners, recorded directly in equity										
Arising on change in ownership interest in a subsidiary that do not result in loss of control (refer note 6)	-	-	-	-	(10.02)	-	(0.88)	(10.90)	10.90	-
Balance as at March 31, 2021	**(181.74)**	**(1.65)**	**1.21**	**0.00**	**901.92**	**(74.08)**	**0.18**	**645.84**	**(4.10)**	**641.74**

* Amount less than ₹ 0.01 crore

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

	Attributable to the Owners of the Company								Attributable to non-controlling interests	Total
	Reserves and Surplus					Items of other comprehensive income		Total attributable to owners of the parent		
	Capital reserve on Demerger	Capital Reserve	Legal Reserve	Capital redemption reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve			
Balance as at April 1, 2019	**(181.74)**	**(1.65)**	**0.26**	**-**	**1,006.60**	**-**	**1.49**	**824.96**	**(3.49)**	**821.47**
Adjustments:										
Total comprehensive income for the year										
Profit for the year	-	-	-	-	310.06	-	-	310.06	(5.79)	304.27
Items of OCI for the year, net of tax:										
Remeasurement of the defined benefit liability	-	-	-	-	(2.79)	-	-	(2.79)	-	(2.79)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	48.80	48.80	0.92	49.72
Total comprehensive income	**-**	**-**	**-**	**-**	**307.27**	**-**	**48.80**	**356.07**	**(4.87)**	**351.20**
Other adjustments										
Transfer to Capital redemption reserve*	-	-	-	0.00	(0.00)		-	-	-	-
Transactions with owners, recorded directly in equity										
Payment of Equity Dividend	-	-	-	-	(96.18)	-	-	(96.18)	-	(96.18)
Dividend distribution tax	-	-	-	-	(19.93)	-	-	(19.93)	-	(19.93)
Balance as at March 31, 2020	**(181.74)**	**(1.65)**	**0.26**	**0.00**	**1,197.76**	**-**	**50.29**	**1,064.92**	**(8.36)**	**1,056.56**

* Amount less than ₹ 0.01 crore

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
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Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

			For the year ended March 31, 2021	For the year ended March 31, 2020
A)	**Cash flows from operating activities**			
	(Loss) / Profit before tax		(340.04)	398.50
	Adjustments for:			
	Depreciation and amortisation expense		16.51	14.23
	Expected credit loss on financial assets		29.77	7.52
	Bad debts written off		0.32	3.64
	Write back of provision for bad and doubtful debts		(2.08)	(5.80)
	Supplier balances/ liabilities written back		(5.49)	(1.66)
	Loans and advances written off		2.33	-
	Loss / (profit) on sale of property, plant and equipments (net)		0.26	(0.06)
	Property, plant and equipment written off		1.52	-
	Provision for liquidated damages		63.04	-
	Provision for foreseeable losses		13.19	-
	Other provisions		11.00	-
	Profit on sale of mutual funds		-	(0.30)
	Impairment of goodwill		3.36	-
	Finance costs		93.09	194.93
	Interest income		(131.87)	(224.11)
	Provision for mark-to-market (gain) / loss on derivative instruments (net)		(0.09)	6.23
	Unrealised foreign exchange loss (net)		33.66	16.54
	Liabilities no longer required written back		(10.29)	(34.84)
	Operating (loss) / profit before working capital changes		**(221.81)**	**374.82**
	Working capital adjustments:			
	Decrease / (increase) in inventories		11.42	(1.36)
	Decrease / (increase) in trade receivables		1,130.95	(98.79)
	Decrease / (increase) in loans and advances		9.22	(10.33)
	(Increase) in other financial assets and derivative assets		(87.69)	(27.67)
	(Increase) in other current assets		(250.58)	(223.13)
	(Increase) / decrease in restricted cash		(2.19)	6.36
	(Decrease) / increase in trade payable, derivatives, other financial liabilities, other liabilities and provisions		(316.82)	398.37
	(Increase) in other non-current assets		(10.64)	(1.36)
	Net change in working capital		**483.67**	**42.08**
	Cash flows generated from operating activities		261.86	416.90
	Income tax (paid) (net)		(60.88)	(128.27)
	Effects of exchange differences on translation of assets and liabilities		-	49.11
	Net cash flows generated from operating activities	**(A)**	**200.98**	**337.74**
B)	**Cash flows from investing activities**			
	(Purchase) of property, plant and equipment, capital work in progress and intangible assets		(16.45)	(17.54)
	(Investment) in short term fixed deposits (net)		(33.65)	(8.66)
	(Investment) in long term fixed deposits		(4.39)	-
	Proceeds from sale of property, plant and equipment		0.59	2.35
	Proceeds /(investment) in mutual funds / treasury bills		0.19	(190.00)
	Proceeds from redemption of mutual funds		0.27	190.03
	Interest received		244.13	264.40
	Inter-corporate deposits/loans given to fellow subsidiaries (net)		-	(503.73)
	Inter-corporate deposits/loans repaid by fellow subsidiaries		218.52	1,279.78
	Acquisition of subsidiary		-	(3.15)
	Net cash flows generated from investing activities	**(B)**	**409.21**	**1,013.49**
C)	**Cash flows from financing activities**			
	Proceeds from cash credit borrowings (net)		77.18	20.61
	(Repayment) of secured and unsecured short-term borrowings (net)		(832.88)	(1,024.35)
	Finance costs paid		(92.81)	(188.23)
	Dividend and dividend distribution tax paid		-	(116.11)
	Repayment of lease liabilities		(4.74)	(5.20)
	Net cash flows (used in) financing activities	**(C)**	**(853.25)**	**(1,313.29)**
	Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(243.06)**	**37.93**
	Cash and cash equivalents at the beginning of the year		463.28	420.77
	Net movement in currency translation		(0.40)	4.58
	Cash and cash equivalents at the end of the year		**219.82**	**463.28**

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

Notes :

1 The above consolidated statement of cash flows have been prepared under the indirect method as set out in Indian Accounting standard 7 Statement of Cash Flows.

2 Current account balances with banks include ₹ 2.30 crore (March 31, 2020: ₹ 0.08 crore) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions and an amount of ₹ 0.01 crore (March 31, 2020: ₹ 0.04 crore) on account of earmarked balance for unclaimed dividend.

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

		For the year ended March 31, 2021	For the year ended March 31, 2020
4	**Components of cash and cash equivalents**		
	Balance with banks		
	- in current accounts	210.62	458.17
	- in fixed deposit (with original maturity of less than 3 months)	-	3.84
	Cheques on hand	8.38	-
	Cash on hand	0.82	1.27
		219.82	**463.28**

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

Particulars	As at April 1, 2020	Changes considered in consolidated statement of cash-flows	Non-cash changes on account of acquisition and others (including foreign exchange adjustment)	As at March 31, 2021
Long-term borrowings*	0.00	-	-	0.00
Short-term borrowings	1,224.04	(755.70)	0.01	468.35
Lease liabilities	10.00	(4.74)	5.42	10.68

Particulars	As at April 1, 2019	Changes considered in consolidated statement of cash-flows	Non-cash changes on account of acquisition and others (including foreign exchange adjustment)	As at March 31, 2020
Long-term borrowings*	0.00	-	-	0.00
Short-term borrowings	2,227.77	(1,003.73)	-	1,224.04
Lease liabilities	8.43	(5.20)	6.77	10.00

* Amount is less than ₹ 0.01 crore

6 The above consolidated statement of cash flows includes ₹ 2.10 crore (March 31, 2020: ₹ 3.00 crore) towards corporate social responsibility (refer note: 48).

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Khurshed Daruvala
Chairman
DIN:00216905
Mumbai

Pallon Mistry
Director
DIN:05229734
Mumbai

Bikesh Ogra
Director
DIN:08378235
Dubai, UAE

Chandra Thakur
Manager
Delhi

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
June 29, 2021

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808
Mumbai

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

1 Background

Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) ("the Company" or "Holding Company") was incorporated as a Private Limited Company on 9 March 2017 under the Companies Act, 2013. The Company is one of India's leading Solar EPC contractor with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe, South America, Latin America, Australia and USA. These consolidated financial statements comprise the Company and its subsidiaries (hereinafter collectively referred to as "the Group").

The Group is specialised in complete turn-key and Roof top solutions for Solar EPC solutions with having experience of executing more than 161 projects. The principal activity of the Group includes import, export and trading of Solar modules, structures, invertors and related accessories, installation and maintenance of Solar power generating facilities and other related activities.

The Company was incorporated on 9 March 2017 as Rashmika Energy Private Limited. The Company was renamed as Sterling and Wilson Solar Private Limited on April 24, 2018. Further the Company was renamed to Sterling and Wilson Solar Limited on January 25, 2019. The Company was listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India on August 20, 2019.

Sterling and Wilson Solar Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 9 March 2017.

2 Basis of Preparation of the Consolidated Financial Statements

a Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company at their meeting held on June 29, 2021.

Changes to significant accounting policies during the year ended March 31, 2020 are disclosed in note 3.10 and the impact of transition to Ind AS 116 on the consolidated financial statements is disclosed in note 50.

b Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All amounts have been rounded off to the nearest two decimal places in crore for the years ended March 31, 2021 and March 31, 2020, unless otherwise stated.

c Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

d Use of estimates and judgments

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 are as follows:

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the consolidated financial statements for the period in which such changes are determined.

(ia) Estimation uncertainty related to COVID-19

The Group has also assessed the possible impact of COVID-19 in preparation of the consolidated financial statements, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets including impact on estimated costs to be incurred towards of all projects under execution. The Group has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these consolidated financial statements, and this will continue to closely monitor any material changes to future economic conditions (Also refer note 65).

(ii) Estimated useful lives of property, plant and equipment and Intangible assets

The Group estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised. The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Group reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Group's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years/periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(v) Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the consolidated statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vi) Impairment losses on financial assets

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

(vii) Impairment losses on investment

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(viii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:-

- Note 53 – financial instruments

(ix) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement and estimates in recognising the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(x) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(xi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(xii) Determination of lease term and Discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3 Significant Accounting Policies

3.1 Principles of consolidation

a Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., March 31, 2021. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

For a list of Legal entities / business fully included in these consolidated financial statements, refer Note 55 - List of branches and subsidiaries.

b Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

c Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

3.2 Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(v) The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.

(vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

3.3 Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the Solar engineering, procurement and construction services (EPC) segment of the Group, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities. For the operations and maintenance operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

3.4 Foreign currency

(i) Foreign currency transactions

- Initial Recognition

All transactions that are not denominated in the Group's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the consolidated statement of profit and loss.

- Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the consolidated statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the consolidated statement profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated statement of profit and loss.

3.5 Financial instruments

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

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(b) Classification and subsequent measurement

Financial assets

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

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the consolidated statement of profit and loss.

(ii) Financial assets at amortised cost:

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

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.

(iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the consolidated statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss. See Note 3.5 (e) for financial liabilities designated as hedging instruments.

(c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement of profit and loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

or to realise the asset and settle the liability simultaneously.

(e) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the consolidated statement of profit and loss.

The Group designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the consolidated statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the consolidated statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the consolidated statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the consolidated statement of profit and loss.

3.6 Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

3.7 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the consolidated statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method over the estimated useful lives prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Group's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, lower than or higher than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years	Schedule II useful lives
Building	10 years to 30 years	30 years
Plant and equipment	2 years to 25 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	3 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing INR 5,000 or less are fully depreciated in the year of purchase.

3.8 Goodwill

For measurement of goodwill that arises on a business combination, refer note 3.2. Subsequent measurement is at cost less any accumulated impairment losses.

3.9 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems) and licenses (including construction license and ISO license). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period using straight line method. The useful lives used, as set out in the following table, higher than / lower than or as those specified in Schedule II of the Act as under

Assets	Life in no. of years	Schedule II useful lives
Computer Software	1 years to 10 years	5 years
Licenses	5 years	5 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss in the period the asset is derecognised.

3.10 Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

the underlying asset to the condition required by the terms and conditions of the lease. The Group measures right-of-use assets at cost less accumlated depreciation and any accumulated impairment losses.

Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Group's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

Changes in accounting policies and Transition note

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from April 1, 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on April 1, 2019.

On transition to Ind AS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after April 1, 2019.

Accordingly, a right-of-use asset of ₹ 8.43 crore and lease liability of ₹ 8.43 crore was recognised as at March 31, 2020. The cumulative effect of transition to Ind AS 116 on retained earnings was ₹ Nil. The weighted average incremental borrowing rate of 11% for Indian entities and 6% for overseas entities was applied to lease liabilities recognised in the Consolidated balance sheet at the date of initial application.

3.11 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.12 Impairment

Impairment of non-derivative financial assets

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

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

(i) Trade receivables, lease receivables and contract assets; and

(ii) Financial assets measured at amortised cost (other than trade receivables, lease receivables and contract assets).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

In case of trade receivables, lease receivables and contract assets, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off during the year.

Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

3.13 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Group pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Group has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of profit and loss in the year during which the related services are rendered by employees. In respect of overseas entities, the Group's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.

(ii) Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the consolidated statement of profit and loss in the subsequent period. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the consolidated statement of profit and loss.

In respect of the overseas subsidiaries, the present value of the obligation is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method w.e.f April 1, 2019.

Other long-term employee benefits

The Group's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.14 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

3.15 Revenue recognition

The Group has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from April 1, 2018. The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from works contracts and Income from Design and Engineering services

Revenue from works contracts and Income from Design and Engineering services, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Revenue from sale of goods

The Group recognises revenue from sale of goods once the customer takes possession of the goods. Revenue respresents the invoice value of goods provided to third parties net of discounts and taxes.

Operation and maintenance income:

The Group recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

3.16 Contract assets and Contract liabilities

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

3.17 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other income in the consolidated financial statements.

3.18 Recognition of dividend income, interest income or expense

Dividend income is recognised in the consolidated statement of profit and loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.19 Income tax

Income tax comprises current and deferred tax. It is recognised in the consolidated statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.20 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

3.21 Consolidated statement of cash flows

The Group's consolidated statement of cash flows are prepared using the Indirect method, whereby (loss)/ profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

3.22 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

3.23 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting year the impact of such events is adjusted with the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

4 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

4.1 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5 Property, Plant and Equipment and Capital work-in-progress

Reconciliation of carrying amount for the year ended March 31, 2021

Particulars	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in progress (B)	Total (A+B)
Gross carrying amount :									
Balance as at April 1, 2020	**0.16**	**5.91**	**34.07**	**1.60**	**2.19**	**7.19**	**51.12**	**3.26**	**54.38**
Add: Additions during the year	-	0.38	10.81	0.17	-	0.88	12.24	2.03	14.27
Less: Disposals / written off during the year	-	1.09	3.80	0.01	0.27	-	5.17	5.21	10.38
Add: Exchange differences on translation of foreign operations	(0.01)	0.93	(1.19)	0.18	(0.01)	0.08	(0.02)	(0.01)	(0.03)
Balance as at March 31, 2021	**0.15**	**6.13**	**39.89**	**1.94**	**1.91**	**8.15**	**58.17**	**0.07**	**58.24**
Accumulated depreciation and amortisation :									
Balance as at April 1, 2020	**-**	**2.32**	**14.36**	**0.65**	**0.62**	**3.79**	**21.74**	**-**	**21.74**
Add: Depreciation and amortisation for the year	-	1.56	7.08	0.29	0.31	1.55	10.79	-	10.79
Less: Disposals / written off during the year	-	-	2.40	0.01	0.27	-	2.68	-	2.68
Add: Exchange differences on translation of foreign operations*	-	(0.05)	0.06	0.02	0.00	(0.00)	0.03	-	0.03
Balance as at March 31, 2021	**-**	**3.83**	**19.10**	**0.95**	**0.66**	**5.34**	**29.88**	**-**	**29.88**
Carrying amounts (net)									
At April 1, 2020	**0.16**	**3.59**	**19.71**	**0.95**	**1.57**	**3.40**	**29.38**	**3.26**	**32.64**
At March 31, 2021	**0.15**	**2.30**	**20.79**	**0.99**	**1.25**	**2.81**	**28.29**	**0.07**	**28.36**

*Amount less than ₹ 0.01 crore

Reconciliation of carrying amount for the year ended March 31, 2020

Particulars	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in progress (B)	Total (A+B)
Gross carrying amount :									
Balance as at April 1, 2019	0.18	3.51	29.97	1.22	4.69	5.19	44.76	-	44.76
Add: Additions during the year	-	2.09	7.73	0.29	1.54	1.95	13.60	3.24	16.84
Less: Disposals during the year	-	-	4.32	-	3.95	-	8.27	-	8.27
Add: Exchange differences on translation of foreign operations	(0.02)	0.31	0.69	0.09	(0.09)	0.05	1.03	0.02	1.05
Balance as at March 31, 2020	**0.16**	**5.91**	**34.07**	**1.60**	**2.19**	**7.19**	**51.12**	**3.26**	**54.38**
Accumulated depreciation and amortisation :									
Balance as at April 1, 2019	-	1.16	11.35	0.25	3.03	2.42	18.21	-	18.21
Add: Depreciation and amortisation for the year	-	1.03	5.87	0.30	0.47	1.33	9.00	-	9.00
Less: Disposals during the year	-	-	3.18	-	2.80	-	5.98	-	5.98
Add: Exchange differences on translation of foreign operations	-	0.13	0.32	0.10	(0.08)	0.04	0.51	-	0.51
Balance as at March 31, 2020	**-**	**2.32**	**14.36**	**0.65**	**0.62**	**3.79**	**21.74**	**-**	**21.74**
Carrying amounts (net)									
At April 1, 2019	**0.18**	**2.36**	**18.61**	**0.97**	**1.66**	**2.77**	**26.55**	**-**	**26.55**
At March 31, 2020	**0.16**	**3.59**	**19.71**	**0.94**	**1.56**	**3.40**	**29.38**	**3.26**	**32.64**

Notes:

a) Borrowing cost capitalised ₹ Nil for the year ended March 31, 2021 (March 31, 2020: ₹ Nil).

b) Impairment loss recognised ₹ Nil for the year ended March 31, 2021 (March 31, 2020: ₹ Nil).

c) Adjustments includes the exchange fluctuation of ₹ (0.03) crore for the year ended March 31, 2021 (March 31, 2020: ₹ 1.05 crore) on gross block and ₹ 0.03 crore for the year ended March 31, 2021 (March 31, 2020: ₹ 0.51 crore) on accumulated depreciation / amortisation due to translation of property, plant and equipment and capital work-in-progress of all foreign operations at closing exchange rate.

d) Movable fixed assets with carrying amount of ₹ 18.18 crore for the year ended March 31, 2021 (March 31, 2020: ₹ 16.19 crore) are subject to first charge to secured bank loans obtained by the Holding Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

6 Business Combination

Acquisition of GCO Solar Pty Ltd. (formerly known as GCO Electrical Proprietary Limited)

Effective December 31, 2018, the Group acquired 76% ownership interest in GCO Electrical Pty Ltd., Australia. Subsequently on February 11, 2021, the Group has acquired additional 24% ownership interest in Gco Electrical Pty Ltd. Accordingly, the GCO Electrical Pty Ltd., became 100% subsidiary of the Group w.e.f. February 11, 2021.

The determined fair values of the assets and liabilities of GCO Electrical Pty Ltd. as at December 31, 2018 are as follows:

Description	Amounts
Property, plant and Equipment	2.55
Inventories	1.38
Trade receivables	4.13
Cash and cash equivalents	0.64
Other Financial Liabilities	(1.26)
Trade payables	(5.66)
Total identifiable net assets acquired	1.79
Less: Share of NCI in total net assets	0.43
Add: Intangible asset (Certification and licenses) arising on acquisition (Note 7)	0.35
Less: Purchase Consideration Payable (Refer Note 30)	4.83
Goodwill on acquisition	3.13
Add: Exchange differences on translation of foreign operations for the year ended March 31, 2020	0.23
Goodwill as at March 31, 2020	3.36
Less: Impairment of goodwill during the year ended March 31, 2021	3.36
Goodwill as at March 31, 2021	-

For the non-controlling interest, the Group has elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

The gross contractual amounts and the fair value of trade receivables acquired is ₹ 4.14 crore. None of the trade receivables are credit impaired and it is expected that the full contractual amounts will be recoverable. Goodwill on acquisition was ₹ 3.12 crore and it is not expected to be deductible for tax purpose.

From the date of acquisition, GCO Electrical Proprietary Limited contributed ₹ 2.60 crore of revenue and ₹ 1.75 crore of loss to the Group. If the acquisition had taken place at the beginning of the period, the Group's revenue and profit would have been ₹ 8,501.76 crore and ₹ 750.94 crore respectively.

The Company incurred acquisition related cost: ₹ 0.89 crore.

The purchase consideration payable by the Holding Company was transferred to an escrow account as per the share purchase and shareholders agreement ("the agreement"), (Refer note 17). The purchase consideration shall be payable from the Escrow account on the respective dates as follows:

a) Upfront consideration representing 25% of the purchase consideration less the closing loss (loss for the period from June 30, 2018 to December 6, 2018) is payable on December 6, 2018. Since the amount of closing loss exceeded the 25% of the purchase consideration, no amount was paid on December 6, 2018.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

b) Conditional consideration representing 75% of the purchase consideration payable in 2 tranches as follows:

i) First tranche consideration representing 25% of the purchase consideration shall be adjusted for subsidiary's loss for the period from December 6, 2018 to June 6, 2019, other losses due to the occurrence of any event of default as defined in the agreement, receivables at June 30, 2018 not collected as of June 6, 2019 and loss incurred by GCO Electrical Pty Ltd. from payment of a claim made by liquidators of a customer. The first tranche was payable on June 6, 2019, however, the above mentioned conditions were not met on the due date accordingly the consideration amounting to ₹ 1.61 crore towards the first tranche was not payable and written back during the year ended March 31, 2020.

ii) Second tranche consideration representing 50% of the purchase consideration shall be adjusted for certain carry forward deductions not fully able to be deducted from the first tranche consideration, other losses due to the occurrence of any event of default as defined in the agreement and loss incurred by GCO Electrical Pty Ltd. from payment of a claim made by liquidators of a customer. Accordingly the consideration amounting to ₹ 3.15 crore was paid and balance consideration amounting to ₹ 0.07 crore has been written back during the year ended March 31, 2020.

Further, as per the agreement, if in the 3 financial years following December 6, 2018, the subsidiary is able to set off its assessable profit against its carried forward tax losses which have accrued prior to December 6, 2018, the Holding Company shall pay to the sellers an amount equal to 76% of the tax benefit which accrues to GCO Electrical Pty Ltd due to the set off of the accrued losses. However, since the Group has acquired the balance stake of 24% during the year, no liability is payable by the Holding Company in this regard.

Acquisition of additional stake in subsidiary

During the year, pursuant to an agreement, the Group acquired additional 24% shares in GCO Solar Pty Ltd. causing the increase in its shareholding to 100% ownership (March 31, 2020: 76% ownership).

Transactions with non-controlling interests

The Group had acquired 76% ownership interest in GCO Solar Pty Ltd. (Formerly known as "GCO Electrical Pty Ltd), Australia on December 31, 2018. On February 11, 2021, the Group acquired the remaining ownership interest of 24% from non-controlling interests.

The effect on the equity attributable to the Group upto February 11, 2021 are as follows:

Particulars	Amounts
Carrying value of non-controlling interest acquired*	(10.90)
Consideration paid to non-controlling interests	-
Excess of carrying value over consideration paid recognised in retained earnings	(10.90)

* no material transaction have taken place in GCO Solar Pty Ltd. during the period from January 1, 2021 to February 11, 2021.

The Company incurred acquisition related cost: ₹ Nil.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

7 Other Intangible Assets

Reconciliation of carrying amount for the year ended 31 March 2021

Particulars	Computer software	Licenses*	Total	Intangible assets under development	Total
Balance as at April 1, 2020	2.91	0.82	3.73	0.32	4.05
Add: Additions during the year	6.83	-	6.83	-	6.83
Add: Exchange differences on translation of foreign operations	0.01	(0.02)	(0.01)	-	(0.01)
Balance as at March 31, 2021	**9.75**	**0.80**	**10.55**	**0.32**	**10.87**
Accumulated amortisation and impairment losses:					
Balance as at April 1, 2020	**1.15**	**0.15**	**1.30**	**-**	**1.30**
Add: Amortisation for the year	0.75	0.12	0.87	-	0.87
Add: Exchange differences on translation of foreign operations**	-	(0.00)	(0.00)	-	(0.00)
Balance as at March 31, 2021	**1.90**	**0.27**	**2.17**	**-**	**2.17**
Carrying amounts (net)					
At April 1, 2020	**1.76**	**0.67**	**2.43**	**0.32**	**2.75**
At March 31, 2021	**7.85**	**0.53**	**8.38**	**0.32**	**8.70**

* includes Construction License and ISO License.

** Amount is less than ₹ 0.01 crore

Reconciliation of carrying amount for the year ended 31 March 2020

Particulars	Computer software	Licenses*	Total	Intangible assets under development	Total
Balance as at April 1, 2019	**1.93**	**0.76**	**2.69**	**-**	**2.69**
Add: Additions during the year	0.98	-	0.98	0.32	1.30
Add: Exchange differences on translation of foreign operations	(0.00)	0.07	0.06	-	0.06
Balance as at March 31, 2020	**2.91**	**0.82**	**3.73**	**0.32**	**4.05**
Accumulated amortisation and impairment losses:					
Balance as at April 1, 2019	**0.82**	**0.03**	**0.86**	**-**	**0.86**
Add: Amortisation for the year	0.32	0.12	0.44	-	0.44
Add: Exchange differences on translation of foreign operations	0.00	0.00	0.01	-	0.01
Balance as at March 31, 2020	**1.15**	**0.15**	**1.30**	**-**	**1.30**
Carrying amounts (net)					
At April 1, 2019	**1.11**	**0.72**	**1.83**	**-**	**1.83**
At March 31, 2020	**1.76**	**0.67**	**2.43**	**0.32**	**2.75**

* includes Construction License and ISO License.

Notes:

a) Nil amount of borrowing cost is capitalised during the year ended March 31, 2021 (March 31, 2020: ₹ Nil)

b) Adjustments includes the exchange fluctuation of ₹ (0.01) crore for the year ended March 31, 2021 (March 31, 2020: ₹ 0.06 crore) on gross block and ₹ (0.00) crore for the year ended March 31, 2021 (March 31, 2020: ₹ 0.01 crore) on accumulated amortisation due to translation of intangible assets and intangible assets under development of all foreign operations at closing exchange rate.

c) Impairment loss recognised ₹ Nil for the year ended March 31, 2021 (March 31, 2020: ₹ Nil).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

8 Loans (Non-current)

(Unsecured, considered good)

Particulars	March 31, 2021	March 31, 2020
To parties other than related parties		
Security deposits	0.77	1.44
	0.77	**1.44**

9 Other Non-current Financial Assets

Particulars	March 31, 2021	March 31, 2020
Bank deposits* (due to mature after 12 months from reporting date)	5.17	-
	5.17	**-**

* Fixed deposit with banks to the extent of ₹ 5.17 crore (March 31, 2020: ₹ Nil) is held as margin money or security against the guarantees and other commitments.

10 Deferred Tax Assets (net)

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets		
Carry forward business losses	60.30	9.18
Employee benefits	2.20	7.75
Unabsorbed depreciation	1.95	-
Expected credit loss on financial assets	15.11	5.71
Provision for mark to market losses on derivative instruments	22.77	1.59
Provision for liquidated damages	18.64	12.09
Amortisation of expenses on demerger	-	0.00
Others	0.12	0.38
	121.09	**36.70**
Deferred tax liabilities		
Excess of depreciation as per book depreciation over Income tax Act, 1961	(0.49)	(0.16)
Fair valuation of financial liabilities	-	(0.00)
Others	(0.02)	(0.17)
	(0.51)	**(0.33)**
Deferred tax assets (net)	**120.58**	**36.37**

11 Other Income Tax Assets (net)

Particulars	March 31, 2021	March 31, 2020
Advance tax (net of provision for tax ₹ 222.71 crore (March 31, 2020: ₹ 9.35 crore))	36.60	0.14
	36.60	**0.14**

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

12 Other Non-current assets

(Unsecured, considered good)

Particulars	March 31, 2021	March 31, 2020
To parties other than related parties		
Prepayments	12.60	1.96
Balance with government authorities	1.85	1.85
	14.45	**3.81**

13 Inventories

(valued at lower of cost or net realisable value unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Construction materials, stores and spare parts	1.95	13.37
Stock-in-trade	1.14	1.14
	3.09	**14.51**
Carrying amount of inventories (included above) pledged as securities for borrowings	3.09	14.51
The write-down/ (reversal of write down) of inventories to net realisable value during the year	-	-
Carrying amount of inventories in transit	-	-

14 Current Investments

Particulars	March 31, 2021	March 31, 2020
Treasury bills (Measured at amortised cost)	-	0.19
Investment in mutual fund: Aditya Birla Sun Life - Liquid fund, (measured at fair value through profit and loss)	-	0.27
(No. of units Nil (March 31, 2020: 8,420.23 units))		
Total	**-**	**0.46**
The aggregate book value of unquoted current investments are as follows:		
Aggregate book value of unquoted current investments	-	0.46
Aggregate amount of impairment in the value of current investments	-	-

15 Trade Receivables

(Unsecured)

Particulars	March 31, 2021	March 31, 2020
- Considered good (refer note 61)	848.86	2,030.31
- Significant increase in credit risk	-	-
- Credit impaired	51.27	21.70
	900.13	**2,052.01**
Less: Loss allowances*	(51.27)	(21.70)
	(51.27)	**(21.70)**
	848.86	**2,030.31**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	220.88	323.58
Loss allowances*	-	-
	220.88	**323.58**

* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 53 and 61.

As at March 31, 2021, trade receivables includes retention of ₹ Nil (March 31, 2020: ₹ Nil) relating to construction contracts in progress.

Dues from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020
Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	202.33
Shapoorji Pallonji and Company Private Limited	86.72	96.05
Sterling and Wilson Private Limited	2.21	2.33
Sterling Generators Private Limited (formerly known as Sterling and Wilson Powergen Private Limited)	1.58	1.17
	90.51	**301.88**

16 Cash and Cash Equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with Bank		
- in current accounts	210.62	458.17
- in fixed deposit (with original maturity of less than 3 months)	-	3.84
Cheques on hand	8.38	-
Cash on hand	0.82	1.27
	219.82	**463.28**

17 Bank Balances other than Cash and Cash Equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
- in current accounts*	2.31	0.12
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)**	68.82	35.95
	71.13	**36.07**

* Current account balances with banks include ₹ 2.30 crore (March 31, 2020: ₹ 0.08 crore) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions, an amount of ₹ 0.01 crore (March 31, 2020: ₹ 0.04 crore) on account of earmarked balance for unclaimed dividend.

** The balance in deposit accounts includes ₹ 68.82 crore (March 31, 2020: 32.20 crore) is held as margin money or security against the guarantees and other commitments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

18 Loans (Current)

(Secured)

Particulars	March 31, 2021	March 31, 2020
To related parties		
Inter-Corporate Deposits / Loans given to fellow subsidiaries (net)	460.17	-
(Unsecured)		
To related parties		
Inter-Corporate Deposits / Loans given to fellow subsidiaries (net)*	425.08	1,157.33
To parties other than related parties		
Other receivables	-	0.06
Security deposits	18.58	24.53
Loan to employees	0.74	3.40
	904.57	**1,185.32**

* Subsequent to the year end, Inter-Corporate Deposits / Loans given to fellow subsidiaries have been secured against the hypothecation of receivables from a customer of fellow subsidiary.

Dues from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020
Inter-Corporate Deposits / Loans given to fellow subsidiaries:		
Sterling and Wilson International FZE (net)	487.70	582.28
Sterling and Wilson Private Limited (net)	397.55	575.05
	885.25	**1,157.33**

19 Derivatives

Particulars	March 31, 2021	March 31, 2020
Foreign currency forward exchange contract assets	1.92	-
	1.92	**-**

20. Other Financial Assets

Particulars	March 31, 2021	March 31, 2020
(Unsecured, considered good)		
From related parties		
Interest accrued on loan to fellow subsidiaries	-	112.70
Other receivables*	17.69	0.19
From parties other than related parties		
Interest accrued on		
- fixed deposits	0.76	-
Other receivables		
Interest accrued on receivable from customer	6.27	5.83
Other receivables** (refer note 60)	183.17	114.31
	207.89	**233.03**

*includes receivable towards the bank charges and employee liability taken over.

** includes receivable towards encashment of irrevocable letter of credit, claim against suppliers, insurance claims, etc.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member:

Particulars	March 31, 2021	March 31, 2020
Interest accrued on loan to fellow subsidiaries		
Sterling and Wilson International FZE	-	78.87
Sterling and Wilson Private Limited	-	33.83
	-	**112.70**
Other receivables		
GCO Australia Pty Ltd	-	0.06
Sterling and Wilson International FZE	17.69	0.13
	17.69	**0.19**

21 Current Tax Assets (net)

Particulars	March 31, 2021	March 31, 2020
Advance tax {net of provision for tax of ₹ 0.02 crore (March 31, 2020: ₹ 0.00 crore)}	0.88	0.79
	0.88	**0.79**

22 Other Current Assets

(Unsecured, considered good)

Particulars	March 31, 2021	March 31, 2020
From related parties		
Unbilled receivables	6.41	22.62
Advances for supply of goods	-	2.35
From parties other than related parties		
Unbilled receivables	675.07	478.78
Advances for supply of goods	217.02	155.65
Advance for projects	0.93	3.25
Other recoverables*	0.29	0.01
Balance with government authorities	308.50	296.75
Prepayments	17.98	19.23
Advances to employees	0.71	1.24
	1,226.91	**979.88**

* Includes insurance claim receivables

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Dues from firms or private companies in which any director is a partner or a director or member

Particulars	March 31, 2021	March 31, 2020
Unbilled receivables		
Shapoorji Pallonji and Company Private Limited	0.53	0.76
Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	14.49
Sterling Generators Private Limited	-	0.25
Sterling and Wilson Private Limited	0.15	0.34
	0.68	15.84
Advances for supply of goods		
Sterling and Wilson International FZE	-	2.35
	-	2.35

23 Share Capital

Particulars	March 31, 2021	March 31, 2020
Authorised		
500,000,000 equity shares of ₹ 1 each (March 31, 2020: 500,000,000 equity shares of ₹ 1 each)	50.00	50.00
1,000,000 preference shares of ₹ 100 each (March 31, 2020: 1,000,000 equity shares of ₹ 100 each)	10.00	10.00
Issued, subscribed and fully paid up:		
160,360,000 equity shares of ₹ 1 each (March 31, 2020: 160,360,000 equity shares of ₹ 1 each, fully paid-up)	16.04	16.04
	16.04	16.04

(A) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Equity shares				
Balance as at the beginning and at the end of the year	160,360,000	16.04	160,360,000	16.04

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(C) Shares held by holding company

Particulars	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	8.11	81,110,790	8.11

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	Number	% holding	Number	% holding
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	81,110,790	50.58%	81,110,790	50.58%
Khurshed Daruvala, Chairman	15,671,390	9.77%	41,274,990	25.74%
Kainaz Khurshed Daruvala	13,000,200	8.11%	200	0.00%

(E) Initial public offer

During the year ended March 31, 2020, Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala ("Selling Shareholders") have made an offer for sale of 36,533,820 Equity shares aggregating to ₹ 2,849.64 crore. The equity shares of the Holding Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on August 20, 2019. Expenses incurred by the Holding Company in connection with the IPO have been recovered from the selling shareholders. The initial public offer was an offer for sale by the Selling shareholders, hence the disclosure requirement on utilisation of funds is not applicable.

(F) Share Split

During the year ended March 31, 2019, the Board of Directors of the Holding company approved a split of the Holding company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from ₹ 10 per share to ₹ 1 per share. This stock split became effective on January 23, 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

(G) Equity Shares allotted as fully paid-up without payment being received in cash

During the year ended March 31, 2018:

a) 16,036,000 equity shares were issued without payment being received in cash pursuant to the scheme of arrangement of merger of the Solar EPC ("S-EPC") business of Sterling and Wilson Private Limited along with certain subsidiaries engaged in the S-EPC business with the Holding Company.

b) 3,558 equity shares were issued without payment being received in cash on conversion of loan to equity.

24 Other Equity

Particulars	Note	March 31, 2021	March 31, 2020
Capital reserve on demerger	(i)	(181.74)	(181.74)
Capital reserve	(ii)	(1.65)	(1.65)
Legal Reserve	(iii)	1.21	0.26
Capital redemption reserve*	(iv)	0.00	0.00
Retained earnings	(v)	901.92	1,197.76
Effective portion of cash flow hedge	(vi)	(74.08)	-
Foreign currency translation reserve	(vii)	0.18	50.29
		645.84	1,064.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
(i) Capital reserve on demerger		
Balance as at the beginning of the year	(181.74)	(181.74)
Balance as at the end of the year	**(181.74)**	**(181.74)**
(ii) Capital reserve		
Balance as at the beginning of the year	(1.65)	(1.65)
Balance as at the end of the year	**(1.65)**	**(1.65)**
(iii) Legal reserve		
Balance as at the beginning of the year	0.26	0.26
Add: Transfer during the year	0.95	-
Balance as at the end of the year	**1.21**	**0.26**
(iv) Capital redemption reserve*		
Balance as at the beginning of the year	0.00	-
Add: Transferred from retained earnings	-	0.00
Balance as at the end of the year	**0.00**	**0.00**
(v) Retained earnings		
Balance as at the beginning of the year	1,197.76	1,006.60
Add: (loss) / profit for the year	(285.38)	310.06
Less: Remeasurements of defined benefit liability, net of tax (refer note (viii) below)	0.51	(2.79)
Less: Transfer to capital redemption reserve*	-	(0.00)
Less: Transfer to legal reserve	(0.95)	-
Less: Transfer to non controlling interests	(10.02)	-
Less: Appropriations for Dividend and dividend distribution tax (refer note (ix) below)	-	(116.11)
Balance as at the end of the year	**901.92**	**1,197.76**
(vi) Effective portion of cash flow hedge		
Balance as at the beginning of the year	-	-
Gain/(losses) on hedging instruments in cash flow hedges, net of tax	(121.29)	-
Effective portion of (gain)/losses on hedging instruments in cash flow hedges reclassified to profit or loss, net of tax	47.21	-
Balance as at the end of the year	**(74.08)**	**-**
(vii) Foreign currency translation reserve		
Balance as at the beginning of the year	50.29	1.49
Add: Exchange difference on translation of foreign operations arisen during the year	(49.23)	48.80
Add: Transfer to non controlling interests	(0.88)	-
Balance as at the end of the year	**0.18**	**50.29**
Total other equity	**645.84**	**1,064.92**

*Amounts less than ₹ 0.01 crore

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Nature and purpose of reserves

(i) Capital redemption reserve

The Company's capital reserve on demerger is on account of the difference between the net assets and liabilities taken over relating to the S-EPC business pursuant to the scheme of arrangement.

(ii) Capital reserve

Capital Reserve is mainly on account of acquisition of ownership interests in Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen L.L.C.), registered in UAE.

(iii) Legal Reserve

Legal reserve is created out of net profits of subsidiary company, in accordance with article 255 of the Federal Law No 8 of 1984 and its amendments relating to Commercial Companies Law of United Arab Emirates.

10% of net income for the period is to be transferred to legal reserve. Further, in accordance with the provisions of the said laws, the subsidiary companies have resolved to discontinue such annual transfers since the balance in the reserve account is 50% of the share capital. The reserve is not available for distribution except in circumstances as stipulated in the said laws.

(iv) Capital redemption reserve

Capital redemption reserve is created out of profits available for distribution towards buy back of equity share of a subsidiary. This reserve can be used for the purpose of issue of Bonus shares.

(v) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to the owners of the Group.

(vi) Effective portion of cash flow hedge

The Company has designated its hedging instruments obtained after April 1, 2020 as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Consolidated statement of profit and loss. On the settlement of the hedging instrument, the balance is recycled to consolidated statement of profit and loss.

(vii) Foreign currency translation reserve

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

(viii) Analysis of accumulated Other comprehensive income, net of tax

Remeasurement of Defined Benefit Liability

Particulars	March 31, 2021	March 31, 2020
Opening balance	(3.76)	(0.97)
Gain / (Loss) on remeasurement of defined benefit liability, net of tax	0.51	(2.79)
Closing balance	**(3.25)**	**(3.76)**

(ix) Appropriations for dividend and dividend distribution tax

The following dividend were declared and paid by the Holding Company.

Particulars	March 31, 2021	March 31, 2020
Dividend to equity share holders, ₹ Nil per equity share (March 31, 2020: ₹ 6 per equity share)	-	96.18
Less: Dividend distribution tax on dividend to equity share holders	-	19.93
Closing balance	**-**	**116.11**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

25 Non-current Borrowings

Particulars	March 31, 2021	March 31, 2020
Preference shares (Unsecured)		
(Measured at amortised cost)		
510 (March 31, 2020: 510) 7%, Non-convertible, non-cumulative preference shares of 100 baht each, 25 baht paid-up (refer note below)*	0.00	0.00
	0.00	0.00

* Amount is less than ₹ 0.01 crore

7%, Non-convertible, Non-cumulative Preference shares of 100 baht each, 25 baht paid-up, were issued by Sterling and Wilson (Thailand) Limited, a subsidiary of the Company. Preference shares carry a preferential right as to dividend over equity shareholders. These preference shares are entitled to one vote per thirty shares at every general meeting of the subsidiary. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

26 Long-term Provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits (refer note 46)		
Gratuity	9.57	9.05
Terminal benefits	5.55	4.56
Other provision	11.00	-
	26.12	13.61

Other Provision

The provisions for indirect taxes comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Group to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year		
Add: Additions during the year	11.00	-
Less: Utilisation/ Write back during the year	-	-
As at the end of the year	-	-
	11.00	-

27 Current Borrowings

Particulars	March 31, 2021	March 31, 2020
Secured loans		
Cash credit loan (refer note (a) below)	97.79	20.61
Working capital loan from banks (refer note (f) and (h) below)	216.15	169.74
Loan from banks (refer note (b), (i) and (j) below)	-	502.19
Commercial papers (refer note (g) below)	37.34	-
Trust receipt (refer note (k) below)	62.77	224.03
Unsecured loans		
Working capital loan from banks (refer note (c))	25.30	200.00
Packing Credit loan (refer note (d) and (e) below)	29.00	107.47
	468.35	1,224.04

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Details of the security and repayment terms :

(a) Secured cash credit facilities from banks under Consortium arrangement having carring amount as at March 31, 2021 of ₹ 97.79 crore (March 31, 2020: ₹ 20.61 crore), the bank includes HDFC Bank Limited, IDFC First Bank Limited, DBS Bank India Limited, Union Bank of India, Axis Bank Limited, ICICI Bank Limited, IDBI Bank Limited and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The cash credit is repayable on demand and carries a variable interest rate of 8.50% to 11.75%. The cash credit is secured by first pari passu charge over the current assets of the Holding Company.

(b) Secured short term loan from ICICI Bank Limited having carring amount as at March 31, 2020 of ₹ 100.00 crore carries a variable interest rate of MCLR (1 year) plus 90 basis points and the range is 8.85% p.a. to 10.95% p.a. (March 31, 2020: 9.00% p.a. to 10.50% p.a.). The loan was repaid in January 2021.

(c) Unsecured working capital loan from HSBC bank having carrying amount as at March 31, 2021 of ₹ 25.30 crore (March 31, 2020: ₹ 200.00 crore) carries a variable interest rate of MCLR plus mutually agreed basis points. The loan carries interest rate ranging from 10.20% p.a. to 10.70% p.a. (March 31, 2020: 10.20% p.a. to 10.70% p.a.). The Holding Company has repaid ₹ 0.30 crore in April 2021, ₹ 5.00 crore in May 2021 and the balance amount is repayable in July 2021.

(d) Unsecured packing credit facility from Deustsche Bank having carrying amount as at March 31, 2020 of ₹ 107.47 crore carries a fixed interest of 15.00% p.a.. The Holding Company has repaid ₹ 17.47 crore in June 2020 and the balance amount was repaid in September 2020.

(e) Unsecured packing credit facility from Deustsche Bank having carrying amount as at March 31, 2021 of ₹ 29.00 crore carries a interest rate ranging from of 7.00% p.a. to 7.70% p.a.. The Holding Company has repaid ₹ 10.00 crore in May 2021 and the balance amount is repayable on June 30, 2021.

(f) Secured working capital demand loan from banks under Consortium arrangement having carring amount as at March 31, 2021 of ₹ 166.55 crore, the bank includes IDFC First Bank Limited, DBS Bank India Limited, Union Bank of India, Axis Bank Limited, ICICI Bank Limited, IDBI Bank Limited, IndusInd Bank Limited, RBL Bank Limited and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The loans carry a variable interest rate which ranges from 8.50% to 11.75%. The loans are secured by first pari passu charge over the current assets and movable fixed assets (excluding leasehold improvements and capital work-in-progress) of the Company. Working capital demand loan is subject to repayment / roll-over on due date, for a period of 120-180 days.

Secured working capital demand loan from banks under Consortium arrangement having carring amount as at March 31, 2020 of ₹ 169.74 crore, the bank includes HDFC Bank, IDFC Bank, DBS Bank, Union Bank of India, Axis Bank, ICICI Bank, IDBI Bank and State Bank of India, the lead bank for the consortium arrangement is Union Bank of India. The loans carry a variable interest rate which ranges from 9.10% to 11.55%. The loans are secured by first pari passu charge over the current assets of the Holding Company. The Holding Company has repaid ₹ 42.00 crore in May 2020 and the balance loan of ₹ 80.36 crore, ₹ 22.00 crore, ₹ 19.00 crore and ₹ 6.38 crore was repaid in the month of July 2020, August 2020, September 2020 and October 2020 respectively.

(g) Secured commercial paper from IIFCL Mutual Fund Infrastructure Debt Fund Series-I having carrying amount as at March 31, 2021 of ₹ 37.34 crore carries a discount rate of 9.75% p.a.. The commercial paper is repayable in December 2021, on maturity the amount payable is ₹ 40.00 crore. The commercial paper is secured by charge on Inter corporate deposit receivable from Sterling and Wilson Private Limited, a fellow subsidiary of the Company. The Commercial papar is listed on Bombay Stock Exchange on March 31, 2021.

(h) Working capital loan from a State Bank of India is denominated in United States Dollar (USD). The loan carries an interest rate of 3-month Libor + 4% per annum (March 31, 2020: 3-month Libor + 2% per annum) and was repaid on April 30, 2021. The loan is secured by stand-by letter of credit of USD 20.00 million and lien over margin money deposit amounting to 10% of the loan facility availed by a subsidiary company in UAE.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(i) Working capital loan from a Duetsche bank is denominated in United States Dollar (USD). The loan carries an interest rate ranging from 4.70% to 4.80% per annum and is repayable within a period of 12 months. The loan is secured by irrevocable stand-by letter of credit issued in favor of the bank. The loan was repaid during the year.

(j) Overdraft facility from Emirates NBD Bank is denominated in Arab Emirates Dirham (AED). The loan carries an interest rate of 1-month Eibor + 3% per annum (March 31, 2020: 1-month Eibor + 2.25% per annum) on actual amount utilised, and are repayable on demand. The overdraft facility is secured by charge over assignment of receivables of a subsidiary company in UAE. The loan was repaid by an overseas subsidiary during the year.

(k) Trust receipts are availed from Union Bank of India and is denominated in United States Dollar (USD). Trust receipts are secured by charge over assignment of receivables of a subsidiary company in UAE on pari-passu basis, carrying an interest rate of 3-month Libor + 2.50% per annum (March 31, 2020: 3 month Libor + 2.25% per annum) and are repayable within 180 to 360 days from the draw down date.

28 Trade Payables

Particulars	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	83.74	39.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,730.12	2,132.30
Acceptances*	42.87	48.95
	1,856.73	**2,221.14**

*Acceptances are repayable within a period of 180 days from the date of acceptance.

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

Particulars	March 31, 2021	March 31, 2020
The principal amount remaining unpaid to any supplier as at the end of each accounting year	83.74	39.89
Interest due thereon	3.86	0.74
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the each accounting year	4.59	0.74
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

29 Derivatives

Particulars	March 31, 2021	March 31, 2020
Foreign currency forward exchange contract liabilities	98.68	6.23
	98.68	**6.23**

30 Other Financial Liabilities

Particulars	March 31, 2021	March 31, 2020
To related parties		
Interest accrued and not due		
- To others	1.86	1.87
Other payables*	5.33	61.49
Employee benefits payable	0.22	-
To parties other than related parties		
Interest accrued and due :		
- To micro enterprises and small enterprises (refer note 28)	4.59	0.74
Interest accrued and not due :		
- To banks	1.55	9.79
- To others	0.31	0.32
Employee expenses payable	1.08	0.10
Payable towards buy-back of Equity share***	0.00	0.00
Payable for capital goods	0.68	0.91
Employee benefits payable	23.54	21.77
Other payables**	28.92	-
	68.08	**96.98**

* Payable to fellow subsidary on account of transfer of branch w.e.f January 1, 2019, sitting fees payable and payable towards employee liability taken over

** Include payable on cancellation of forward contracts and employee benefits payable

*** Payable towards buy-back of Equity share

31 Other Current Liabilities

Particulars	March 31, 2021	March 31, 2020
To parties other than related parties		
Advances from customers	325.14	242.19
Statutory liabilities		
- TDS payable	6.01	3.92
- Goods and Services Tax payable	9.99	-
- Fringe Benefit Tax payable	2.04	-
- Withholding tax payable	0.52	-
- PAYG tax payable	8.29	-
- Provident fund payable	2.52	2.24
- Profession tax payable	0.03	0.02
- Employees State Insurance payable	0.63	3.07
- Value added tax payable	1.31	1.95
	356.48	**253.39**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

32 Short-term Provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits (refer note 46)		
Gratuity	0.32	0.27
Compensated absences	34.31	29.27
Other provisions		
Provision for liquidated damages	98.59	67.47
Provision for product warranty	0.39	15.80
Other provision	4.56	-
Provision for foreseeable loss/ onerous contracts	14.71	0.86
	152.88	113.67

Provision for liquidated damages:

Liquidated damages are contractual obligations affecting the contract revenue in case of the works contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.

Provision for product warranty:

The warranty provision represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

Provision for foreseeable loss/ onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Other Provision

Other provision include provision made towards the Corporate Social Responsibility as per the requierment of the Companies Act, 2013 (refer note 48)

Particulars	Liquidated damages	Product warranty	Other Provision	Onerous contracts/ Foreseeable Loss
As at April 1, 2020	67.47	15.80	-	0.86
Add: Additions during the year (including foreign exchange adjustments)	63.04	-	4.56	14.71
Less: Utilisation/ Write back during the year (including foreign exchange adjustments)	(31.92)	(15.41)	-	(0.86)
As at March 31, 2021	98.59	0.39	4.56	14.71
As at April 1, 2019	46.04	17.63	-	-
Add: Additions during the year (including foreign exchange adjustments)	44.60	-	-	0.86
Less: Utilisation/ Write back during the year (including foreign exchange adjustments)	(23.16)	(1.83)	-	-
As at March 31, 2020	67.47	15.80	-	0.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

33 Current Tax Liabilities (net)

Particulars	March 31, 2021	March 31, 2020
Provision for current tax (net of advance tax of ₹ 123.67 crore (March 31, 2020: ₹ 310.93 crore)	13.59	22.82
	13.59	22.82

34 Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of services		
Income from works contracts	4,734.50	5,391.28
Revenue from operation and maintenance services	252.07	183.54
Income from Design and Engineering services	61.67	-
Other operating income		
Sale of scrap	2.98	0.47
Liquidated damages recovered from vendor	29.58	-
Others*	0.00	-
	5,080.80	5,575.29

35 Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income under the effective interest method on:		
- deposits with banks	5.70	1.82
- loan to fellow subsidiaries	124.53	216.39
- loan to employees	0.05	0.07
- receivable from customers / deferred payment terms	1.59	5.83
- others	0.06	-
Write back of expected credit loss on financial assets	2.08	5.80
Gain on forward cover premium	-	2.09
Foreign exchange gain (net)	-	12.40
Supplier balances written back	5.49	1.66
Export incentive	3.21	5.30
Fair value gain on investment in mutual fund measured at FVTPL	-	0.01
Insurance claim received	1.94	8.90
Profit on sale of mutual funds	-	0.30
Liabilities no longer required written back	10.29	34.84
Profit on sale of property, plant and equipments (net)	-	0.06
Miscellaneous income	3.55	8.02
	158.49	303.49

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

36 Cost of Construction Materials, Stores and Spare Parts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory of materials as at the beginning of the year	13.37	12.01
Add: Purchase during the year	3,057.68	3,590.66
Inventory of materials as at the end of the year	1.95	13.37
	3,069.10	3,589.30

37 Change in Inventory of Stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory of stock-in-trade as at the beginning of the year	1.14	1.14
Inventory of stock-in-trade as at the end of the year	1.14	1.14
	-	-

38 Direct Project Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Communication expenses	3.19	2.65
Stores and spare parts consumed	9.32	6.80
Commission expenses	0.32	0.14
Legal and professional fees	40.05	29.56
Printing and stationery expenses	1.16	0.92
Insurance costs	35.50	11.13
Repairs and maintenance - others	31.26	3.83
Selling and marketing expenses	1.89	0.35
Traveling and conveyance expenses	27.79	18.13
Rent (refer note 50)	43.73	21.61
Rates and taxes	14.68	9.23
Electricity, power and fuel	6.64	3.76
Bank charges	69.50	43.83
Provision Liquidated damages	19.06	-
Provision for foreseeable losses	13.19	0.86
Security Charges	20.50	14.77
Miscellaneous expenses	33.27	34.98
	371.05	202.55
Employee benefits expense		
Salaries, wages and bonus	173.28	125.98
Contribution to provident and other funds (refer note 46)	8.15	1.60
Staff welfare expenses	18.77	11.47
	200.20	139.05
Sub-contractor expenses	**1,357.10**	**929.39**
	1,928.35	1,270.99

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

39 Employee benefits Expense*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	169.50	213.88
Contribution to provident and other funds (refer note 46)	12.34	6.85
Gratuity and terminal benefits (refer note 46)	5.95	3.14
Compensated absences (refer note 46)	6.28	12.25
Staff welfare expenses	14.41	4.15
	208.48	240.27

* Salaries, wages and bonus, Contribution to funds and Staff welfare expenses are net of ₹ 200.20 crore (March 31, 2020: ₹ 139.05 crore), which pertain to site staff and are transferred to Direct project cost

40 Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		
- on secured loans	54.47	90.34
- on unsecured loans	22.76	89.59
- on dues of micro enterprises and small enterprises	3.86	0.70
- on income tax and indirect taxes	3.59	2.27
- on lease liabilities	1.09	0.73
- on others	2.75	4.90
Other borrowing costs	4.57	6.40
	93.09	194.93

41 Depreciation and Amortisation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation and amortisation on property, plant and equipment	10.79	9.00
Depreciation on Right-of-use of assets	4.85	4.79
Amortisation of intangible assets	0.87	0.44
	16.51	14.23

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

42 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Communication expenses	3.57	4.01
Stores and spare parts consumed	0.31	0.30
Commission expenses	0.08	0.13
Legal and professional fees	27.35	31.43
Printing and stationery expenses	0.73	0.97
Insurance costs	12.66	7.32
Repairs and maintenance - others	8.09	4.90
Selling and marketing expenses	0.48	1.48
Traveling and conveyance expenses	5.16	28.51
Rent (refer note 50)	12.37	11.61
Rates and taxes	15.11	1.43
Electricity, power and fuel	0.79	1.90
Payment to auditors (refer note (a) below)	1.13	1.14
Foreign exchange loss (net)	42.92	-
Loss on sale of property, plant and equipment (net)	0.26	-
Property, plant and equipment written off	1.52	-
Donation	0.00	0.01
Management support fees	11.41	13.82
Bank charges (net)	11.88	24.76
Loans and advances written off	2.33	-
Bad debts written off	0.32	3.64
Corporate social responsibility expenses (refer note 48)	6.66	3.41
Expected credit loss on financial assets	29.77	7.52
Security Charges	0.63	1.01
Impairment of goodwill	3.36	-
Mark-to-market losses on derivative instruments (net)	56.87	6.23
Miscellaneous expenses	8.04	15.03
	263.80	**170.56**

(a) Payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
Statutory audit	0.87	0.79
In other capacity		
Tax audit	0.06	0.08
Certification services	0.13	0.19
Other services* (including reimbursement of expenses)	0.07	0.67
	1.13	**1.73**

* Includes ₹ Nil (March 31, 2020: ₹ 0.60 crore) towards payment made to the auditors on account of initial public offering of equity shares of face value of ₹ 1 each. The expenses were recovered from Selling Shareholders in the ratio of their existing shareholding percentage.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

43 Income Taxes

a) Amount recognised in the Consolidated statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expense :		
Current year	1.88	98.51
Adjustment of tax relating to earlier years	9.63	(0.04)
	11.51	**98.47**
Deferred tax (credit) :		
Origination and reversal of temporary differences	(61.51)	(4.24)
	(61.51)	**(4.24)**
Tax expenses for the year	**(50.00)**	**94.23**

b) Income tax recognised in other comprehensive income

Particulars	March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	0.58	(0.07)	0.51
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	(51.21)	-	(51.21)
Effective portion of (losses) on hedging instruments in cash flow hedges	(159.95)	38.65	(121.30)
Effective portion of losses on hedging instruments in cash flow hedges reclassified to profit or loss	63.10	(15.88)	47.22

Particulars	March 31, 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(3.25)	0.46	(2.79)
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	49.71	-	49.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(Loss) / profit before tax	(340.04)	398.50
Tax using the Group's domestic tax rate at 25.168% (March 31, 2020: 25.168%)	(85.58)	100.29
Tax effect of:		
Difference in tax rates	(37.82)	(0.09)
Tax relating to previous periods	9.63	(0.04)
Impact due to change in tax rate from 34.944% to 25.168%	-	7.60
Current year losses on which no deferred tax asset was recognised	53.62	15.10
Effect of consolidation of profits of subsidiaries in tax free zone	4.66	(27.51)
Item taxable at lower Income tax rate	-	(6.25)
Non-deductible expenses	5.49	5.13
Total tax expense	**(50.00)**	**94.23**

d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Movement in deferred tax balances for the year ended March 31, 2021

Particulars	Net asset/ (liability) April 1, 2020	Recognised in profit or loss during the year	Recognised in OCI during year	Other adjustments/ Forex	Net asset/ (liability) March 31, 2021
Employee benefits	7.75	(5.48)	(0.07)	-	2.20
Expected credit loss on financial assets	5.71	9.40	-	-	15.11
Provision for mark to market losses on derivative instruments	1.59	(1.59)	22.77	-	22.77
Fair valuation of financial assets	(0.00)	0.00	-	-	-
Tax losses carried forward	9.18	51.11	-	0.01	60.30
Provision for liquidated damages	12.09	6.56	-	(0.01)	18.64
Unabsorbed depreciation	-	1.95	-	-	1.95
Amortisation of expenses on merger	0.00	(0.00)	-	-	-
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(0.16)	(0.33)	-	-	(0.49)
Others	0.21	(0.11)	-	-	0.10
Net deferred tax asset	**36.37**	**61.51**	**22.70**	**-**	**120.58**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Movement in deferred tax balances for the year ended March 31, 2020

Particulars	Net asset/ (liability) April 1, 2019	Recognised in profit or loss during the year	Recognised in OCI during year	Other adjustments/ Forex	Net asset/ (liability) March 31, 2020
Employee benefits	6.74	0.55	0.46	(0.00)	7.75
Provision for bad and doubtful debts	7.71	(1.99)	-	-	5.71
Provision for mark to market losses on derivative instruments	(1.47)	3.06	-	-	1.59
Fair valuation of financial assets	-	(0.00)	-	-	(0.00)
Tax losses carried forward	1.97	7.59	-	(0.38)	9.18
Provision for liquidated damages	13.83	(1.74)	-	-	12.09
Provision for Bonus	3.14	(3.14)	-	-	-
Amortisation of expenses on merger	0.04	(0.04)	-	-	0.00
Provision for onerous contracts	-	-	-	-	-
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	(0.16)	(0.01)	-	-	(0.16)
Fair valuation of financial liabilities	-	-	-	-	-
Others	0.32	(0.03)	-	(0.07)	0.21
Net deferred tax asset	**32.12**	**4.24**	**0.46**	**(0.46)**	**36.37**

Deferred tax assets for the carry forward of unused tax losses and unabsorbed depreciation are recognised as it is probable that future taxable profits will be available against which the unused tax losses and unabsorbed depreciation can be utilised.

e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised during the year in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	March 31, 2021		March 31, 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	526.06	(82.58)	177.04	(28.87)
Unabsorbed depreciation	1.16	(0.14)	0.75	(0.23)
Total	**527.22**	**(82.72)**	**177.79**	**(29.10)**

As included in the table above, the subsidiary of the Company, Sterling Wilson - SPCPL - Chint Moroccan Venture and the subsidiaries of Sterling and Wilson International Solar FZCO, UAE, in Singapore, and Kazakhstan are subject to income tax in accordance with the countries' respective income tax laws. Since the subsidiaries had incurred losses in the previous periods, the management had decided not to consider the potential deferred tax assets arising from carry forward tax losses of the aforementioned entities in absence of convincing evidence that future profitability will be consistently demonstrated.

f) Unrecognised deferred tax liabilities

Deferred tax liabilities is not recognised amounting to ₹ 38.03 crore for the year ended March 31, 2021 (March 31, 2020: ₹ 66.91 crore) for temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

g) Tax losses carried forward

	Year ended March 31, 2021	Expiry date	Year ended March 31, 2020	Expiry date
Expire	132.97	2030-2041	116.95	2028-2040
	72.49	2029-2030	-	
	205.46		116.95	
Never expire	401.99		60.85	

44 Earnings per share

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Basic and diluted earnings per share			
Numerator:			
Consolidated (loss) / profit after tax attributable to equity shareholders	A	(285.38)	310.06
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		160,360,000	160,360,000
Number of equity shares outstanding at the end of the year		160,360,000	160,360,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	160,360,000	160,360,000
Basic and diluted earnings per share (₹)	A / B	(17.80)	19.33
Face value per share		1.00	1.00

45 Contingent Liabilities and Commitments

A. Contingent Liabilities

		March 31, 2021	March 31, 2020
(a)	Claims against the Group not acknowledged as debts	0.31	0.14
(b)	The Claim against Group under Andhra Pradesh Goods and Services Tax Act, 2017 and Rajasthan Goods and Services Tax Act, 2017 demanding tax, penalty and interest (net of provision) *	249.40	140.14
(c)	The Claim against Group under South Africa Income tax Act demanding tax, penalty and interest. The Group has filed an appeal against the order to Honorable High Court of Capetown and received the stay order against this demand.	28.54	-
Total		278.25	140.28

* The demand was raised on Sterling and Wilson Private Limited ('SWPL') by Authorities. However, Pursuant to the Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from 9 March 2017 to 28 March 2018 (the date on which Scheme become approved by regulatory authorities). Accordingly, the contingent liability is considered in the books of the Holding Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

B. Subsequent to the balance sheet date, a customer in respect of a 93.30 MW DC Photovoltaic solar energy generation facility has initiated Arbitration proceeding for recovery of liquidated damage levied and (unsubstantiated) costs amounting to ₹ 227.57 crore. The Holding Company will now be responding to the same as part of the proceedings. As on date the customer owes to the Holding Company an overdue amount of ₹ 119.50 crore towards EPC work with a further amount of ₹ 10.17 crore towards unbilled receivable, which is pending certification of final invoice. The Holding Company has also made a claim of ₹ 94.18 crore towards prolongation cost, interest on overdue payment and other ancillary costs on the customer. Basis the contractual rights available, the management is confident of full recovery of the receivables and unbilled revenue as at March 31, 2021 and accordingly believes that no further provision is required pertaining to liquidated damages and costs as claimed by the customer.

C. A Subsidiary Company has received intimation for liquidated damages from two of its customers for an amount of approximately ₹ 87.39 crore. The Subsidiary Company has sent its responses refuting such liquidated damages and has sought extension of time due to various circumstances (including but not limited to the impact of the COVID-19 pandemic). Further, the Subsidiary Company has also made a counter claim of ₹ 99.63 crore for additional cost incurred mainly due to the impact of the COVID 19 pandemic. Contractual documentation is being exchanged and based on management's best estimate, no provision for liquidated damages is required to be made.

D. During the year, a significant subcontractor in a particular geography filed for bankruptcy. The subcontractor has levied a claim on a Subsidiary Company for approximately ₹ 92.15 crore which has been refuted by the management. The Subsidiary Company is in the process of levying a counter claim on the subcontractor for an amount of ₹ 84.04 crore for noncompliance 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.

E. In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Group's results of operations or financial condition

F. The Hon'ble Supreme Court of India ("SC") by it's order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to March 31, 2020 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

G. Capital and other commitments

Particulars	March 31, 2021	March 31, 2020
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.01	0.01
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance ₹ Nil (March 31, 2020: ₹ Nil))	1.83	2.10

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

46 Employee Benefits

Defined contribution plan:

Contribution to provident fund, Employees State Insurance Scheme, Super annuation fund and other funds aggregating to ₹ 20.49 crore (March 31, 2020: ₹ 8.45 crore) is recognised as an expense and included in 'Employee benefits expense' and 'direct project costs'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company and its subsidiaries in India has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of ₹ 0.20 crore.

Terminal benefits (Defined benefit plan)

In respect of the overseas subsidiaries, the Group has made provision of ₹ 1.93 crore for the year March 31, 2021 (March 31, 2020: ₹ 1.43 crore), for employees' terminal benefits on the basis prescribed under the labour laws of respective countries in which the overseas subsidiaries operates and same is determined based on acturial valuation basis. Accordingly, the Group has disclosed information related to defined benefits for overseas subsidiaries in the table below.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement.

Change in the present value of the defined benefit obligation (Gratuity and terminal benefits)

I Reconciliation of the present value of defined benefit obligation

Particulars	Gratuity and Terminal benefits	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation at the beginning of the year	13.88	8.78
Benefits paid	(2.14)	(1.41)
Current service cost	3.41	2.57
Past Service Cost- Vested Benefits	-	-
Interest cost	0.78	0.57
Liability transferred in / acquisitions	0.16	0.19
Liability transferred out	(0.05)	(0.31)
Impact of foreign exchange translation	(0.03)	0.23
Actuarial (gains) / losses recognised in other comprehensive income	-	-
- changes in financial assumptions	(0.21)	1.20
- experience adjustments	(0.36)	2.06
Balance at the end of the year	**15.44**	**13.88**

II Amount recognised in the consolidated statement of profit and loss under employee benefits expense

Particulars	March 31, 2021	March 31, 2020
(i) Expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	3.41	2.57
Interest cost	0.78	0.57
Additional charge recognised during the year	1.76	-
	5.95	**3.14**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

III. Remeasurement recognised in other comprehensive income

Particulars	March 31, 2021	March 31, 2020
(i) Expense recognised in the Consolidated Statement of other comprehensive income		
Actuarial gain/ (losses) on obligation for the year	0.58	(3.25)
	0.58	**(3.25)**

IV Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Group's plan is shown below:

Particulars	March 31, 2021	March 31, 2020
Actuarial assumptions taken for domestic entities:		
Discount rate	6.86%	6.60%
Salary escalation	7.00%	7.00%
Employee turnover	Service < 5 : 14% Service>=5 : 2%	Service < 5 : 14% Service>=5 : 2%
Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Weighted average duration of the projected benefit obligation	17 years	18 years

The principal assumptions used in determining terminal benefit obligation for the Group's plan is shown below:

Particulars	March 31, 2021	March 31, 2020
Actuarial assumptions taken for overseas entities:		
Discount rate	3.30%	3.20%
Salary escalation	5.00%	5.00%
Employee Turnover		
20 - 30 years age	1.00%	1.00%
31 - 49 years age	1.00%	1.00%
Mortality tables	AM-92	AM-92
Weighted average duration of the projected benefit obligation	17 years	17 years

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

Assumptions regarding future mortality are based on published Statistics and Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

V Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

	March 31, 2021		March 31, 2020	
For the Company and its subsidaries in India:				
Discount rate (100 basis point movement)	(1.34)	1.66	(1.29)	1.61
Salary escalation rate (100 basis point movement)	1.20	(1.07)	1.15	(1.02)
Employee turnover (100 basis point movement)	0.10	(0.12)	0.10	(0.12)

	March 31, 2021		March 31, 2020	
For overseas subsidaries:				
Discount rate (100 basis point movement)	(0.75)	0.82	(0.64)	0.79
Salary escalation rate (100 basis point movement)	0.90	(0.75)	0.77	(0.63)
Employee turnover (100 basis point movement)	(0.16)	0.18	(0.16)	0.18

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

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

VI Maturity profile of defined benefit obligation (Gratuity and terminal benefits)

	March 31, 2021	March 31, 2020
Within next 12 months	0.32	0.22
Between 1 and 5 years	1.79	1.26
Above 5 years	35.99	27.81

Compensated absences

Compensated absences for employee benefits of ₹ 6.28 crore for the year ended March 31, 2021 (March 31, 2020: ₹ 12.25 crore) expected to be paid in exchange for the services is recognised as an expense during the year.

47 Loans and Investments

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Investments in government securities and mutual funds (unquoted)

Particulars	As at April 1, 2020	Investment during the year	Redemption during the year	Foreign exchange/ adjustment during the year	As at March 31, 2021
Treasury bills	0.19	-	0.19	-	-
Investment in mutual fund	0.27	-	0.27	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at April 1, 2019	Investment during the year	Redemption during the year	Foreign exchange/ adjustment during the year	As at March 31, 2020
Treasury bills	0.17	-	-	0.02	0.19
Investment in mutual fund	-	190.00	189.74	0.01	0.27

B. Details of loans given by the Indian entities of the Group are as follows:

Name of the entity	As at April 1, 2020	Converted to loan	Loan given during the year (refer note 51)	Loan repaid during the year (refer note 51)	Foreign exchange/ adjustment during the year	As at March 31, 2021
Sterling and Wilson Private Limited (refer note 1 below) (net)	576.06	-	-	(178.51)	-	397.55

Name of the entity	As at April 1, 2019	Converted to loan	Loan given during the year	Loan repaid during the year	Foreign exchange/ adjustment during the year	As at March 31, 2020
Sterling and Wilson Private Limited (refer note 1 below)	1,279.17	-	562.24	(1,265.35)	-	576.06
Sterling and Wilson Powergen Private Limited (refer note 2)	11.00	-	-	(11.00)	-	-

Note 1: Sterling and Wilson Private Limited

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	September 30, 2021	11 months to 11 months and 25 days
Rate of Interest	10.50% to 15.55% p.a.	9.70% to 13.80% p.a.

Note 2: Sterling and Wilson Powergen Private Limited

	March 31, 2021	March 31, 2020
Purpose of utilization of loan given to the entities	-	Working Capital
Loan repayment terms	-	Repayable on demand
Rate of Interest	-	12 % p.a.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

48 Corporate Social Responsibility

The Group has consituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The funds are utilised during the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards various activities.

The details set below are for the amount spent by the Group. The Holding Company qualifies for CSR contribution, based on threshold prescribed in the Act.

Particulars		March 31, 2021		
		In cash	Yet to be paid in cash	Total
A.	Gross amount required to be spent by the Group during the year			6.66
B.	Amount spent during the year ended March 31, 2021			
i)	Renovation of Toilets & sanitation for Dombivali Mentally retarded School	0.13	-	0.13
ii)	Education and Scholarship Program	0.60	-	0.60
iii)	PM Care Fund	0.15	-	0.15
iv)	Contribution for providing financial support to critical patient	0.23	-	0.23
v)	Contribution for construction of boundry wall for School	0.27	-	0.27
vi)	Community initiatives for the rural and tribal population to implement the water lifting and Lift Irrigation.	0.18	-	0.18
vii)	Other donations and contributions	0.54	-	0.54
		2.10	-	2.10
C.	Related party transactions in relation to Corporate Social Responsibility			Nil
D.	Provision movement during the year			
	Opening balance as at April 1, 2020			-
	Addition during the year			4.56
	Utilised during the year			-
	Closing balance as at March 31, 2021			4.56

E. Unspent amount

Particulars	Opening balance	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
	-	-	6.66	2.10	4.56
	-	-	6.66	2.10	4.56

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		March 31, 2020		
		In cash	Yet to be paid in cash	Total
A.	Gross amount required to be spent by the Company during the year			5.68
B.	Amount spent during the year ended March 31, 2019			
i)	CSR spents for roof top solar projects at various Schools, Hospital, Ashtam and research centre	0.88	-	0.88
ii)	Contribution for Academic Coaching and infrastructure development (Solar Building & convert Container)	0.66	0.22	0.88
iii)	Contribution for facilitating toilets and sanitation for school Students in Nashik	0.15	-	0.15
iv)	Contribution for facilitating sanitary vending machine, sanitary napkin and incinerator for college students	0.18	-	0.18
v)	Contribution provide jousing and sanitation facility to Karjat tribal community	0.13	-	0.13
vi)	Contribution for providing financial support to critical patients	0.10	-	0.10
vii)	Contribution for set up of library and language lab	0.12	0.06	0.18
viii)	Contribution for anemia reducation program for adolescent girls and BCC-Health	0.10	0.03	0.14
ix)	Contribution towards Academic Coaching and Counseling up to primary level at Chilwadi-Osmanabad	0.05	0.07	0.12
x)	Contribution to Mitti Café for training disable youth and providing livelihood	0.07	-	0.07
xi)	Contribution for skill training of blind students	0.06	-	0.06
xii)	Contribution for Mid-day meal to School Students in Silvasa	0.10	-	0.10
xiii)	Contribution Sushrut Hospital to provide financial help for poor Patients	0.06	-	0.06
xiv)	Contribution for renovation of old age home	0.08	-	0.08
xv)	Other donations and contributions	0.26	0.03	0.28
		3.00	0.41	3.41
C.	Related party transactions in relation to Corporate Social Responsibility			Nil
D.	Provision movement during the year			
	Opening balance as at April 1, 2019			-
	Addition during the year			-
	Utilised during the year			-
	Closing balance as at March 31, 2020			-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

49 Disclosure under Ind AS 115, Revenue from Contracts with Customers

A) The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. There is no impact on the Group's revenue on applying Ind AS 115 from the contracts with customers.

B) Disaggreagtion of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Group's reportable segments is given in the note 52.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	501.39	350.50
Less: Billing during the year	4,625.96	5,009.51
Add Revenue recognised during the year	4,806.05	5,160.40
Contract assets as at end of the year	**681.48**	**501.39**
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	242.19	230.88
Add: Addition during the year	325.14	242.19
Less: Applied during the year	242.19	230.88
Contract liabilities as at end of the year	**325.14**	**242.19**

* The contract assets primarily relate to the Group's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

** The contract liabilities primarily relates to the advances from customer towards on-going EPC projects and operation and maintainence projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from works contracts	4,778.48	5,414.94
Adjustment on account of:		
Less: Liquidated damages provided during the year	(43.98)	(38.94)
Add: Reversal of provision for liquidated damages	-	23.16
Less: Deferment of revenue pertaining to free operation and maintenance period	-	(7.88)
Total	**4,734.50**	**5,391.28**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operation and maintenance services	247.58	180.58
Adjustment on account of:		
Add: Recognition of revenue towards free operation and maintenance period	4.49	2.96
Total	**252.07**	**183.53**
Income from Design and Engineering services	61.67	-
Adjustment on account of:		
Total	**61.67**	**-**
Other operating Income	32.56	0.46
Adjustment on account of:	-	-
Total	**32.56**	**0.46**

E) Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration. If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognizes the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at March 31, 2021 and March 31, 2020, except as disclosed below:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at March 31, 2021:

Particulars	0-2 years	Total
Income from works contracts	2,305.63	2,305.63
	2,305.63	2,305.63

F) Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the year between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

50 Disclosure under Ind AS 116, Leases

A) Right-of-use assets

Particulars	Land and Buildings *	
	March 31, 2021	March 31, 2020
Cost		
Balance as at the beginning of the year	15.22	8.43
Add: Additions during the year	4.27	6.79
Less: Disposals during the year	(2.56)	-
Add: Exchange differences on translation of foreign operations	(0.13)	-
Balance as at the end of the year	16.80	15.22
Accumulated depreciation and impairment		
Balance as at the beginning of the year	4.90	-
Add: Depreciation for the year	4.85	4.80
Less: Disposals during the year	(2.56)	-
Add: Exchange differences on translation of foreign operations	(0.06)	0.10
Balance as at the end of the year	7.13	4.90
Carrying amounts		
Balance as at April 1, 2020	10.32	8.43
Balance as at March 31, 2021	9.67	10.32

* Carrying amount of Right-of-use assets at the end of the reporting period is towards property taken on lease for office premises, the underlying leasehold improvements is presented in note 5 under "Property, plant and equipment and capital work-in-progress".

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

B) Breakdown of lease expenses

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Short-term lease expense	56.10	33.22
Total lease expense	56.10	33.22

C) Cash outflow on leases

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Repayment of lease liabilities (including Interest on lease liabilities)	4.75	5.20
Short-term lease expense	56.10	33.22
Total cash outflow on leases	60.85	38.42

D) Maturity analysis of lease liabilities

	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Total	Weighted average effective interest rate %
March 31, 2021						
Lease liabilities						
- Indian entities	0.40	0.51	2.34	3.23	6.48	11.00%
- Overseas entities	1.17	1.10	1.93	-	4.20	6.00%
	1.57	1.61	4.27	3.23	10.68	
March 31, 2020						
Lease liabilities						
- Indian entities	2.18	0.40	1.94	4.14	8.66	11.00%
- Overseas entities	1.03	0.31	-	-	1.34	6.00%
Total	3.21	0.71	1.94	4.14	10.00	

E) Impact of changes in accounting policies

Effective from April 1, 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on April 1, 2019.

F) Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Particulars	₹ in crore
Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)	12.44
Less: Discounting impact	4.01
Lease liabilities recognised in the statement of financial position as at April 1, 2019	8.43

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

51 Related Party Disclosures

A. Related parties and their relationship

	Category of related parties	
1)	**Holding company**	Shapoorji Pallonji and Company Private Limited
2)	**Fellow subsidiaries (with which the Company has transaction and or balances)**	Shapoorji Pallonji Energy Egypt S.A.E
		Shapoorji Pallonji Infrastructure Capital Co Private Limited
		Shapoorji Pallonji Middle East LLC
		Sterling Generators Private Limited (formerly known as Sterling and Wilson Powergen Private Limited
		Sterling Generators Private Limited (merger with Sterling and Wilson Powergen Private Limited w.e.f. April 1, 2019)
		Shapoorji Pallonji Solar Holdings Private Limited
		Forbes & Company Ltd.
		Shapoorji Pallonji Solar PV Private Limited
		Sterling and Wilson Private Limited
		Forvol International Services Limited
		Sterling and Wilson Powergen Private Limited
		Sterling and Wilson Powergen FZE
		Sterling and Wilson Power Solutions LLC
		Sterling and Wilson Cogen Solutions Private Limited
		Sterling Viking Power Private Limited
		Rihand Floating Solar Private Limited
		Surajkiran Solar Technologies Private Limited (w.e.f August 5, 2020 upto March 25, 2021)
		Sterling and Wilson Middle East Electro Mechanical L.L.C
		Gco Australia Pty Ltd
		Sterling and Wilson International FZE
3)	**Key Management Personnel**	Mr. Khurshed Y Daruvala, Chairman
		Mr. Pallon Shapoor Mistry, Non-Executive Director
		Mr. Bikesh Ogra, Non-Executive Director
		Mr. Bahadur Dastoor, CFO
		Mr. Jagannadha Rao Ch. V., Company Secretary
		Mr. K. Kannan, Manager (upto August 31, 2020)
		Mr. Chandra Thakur, Manager (w.e.f September 1, 2020)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

B Transactions and balances with related parties

Related party disclosures for the year ended March 31, 2021

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	53.38	19.55	-	72.93
II	Revenue from Operation and maintenance aervices	-	6.58	-	6.58
III	Income from Design and Engineering services	56.20	-	-	56.20
IV	Purchase of services	-	26.61	-	26.61
V	Purchases of construction material	-	5.74	0.01	5.75
VI	Management support fees	11.41	-	-	11.41
VII	Interest income	-	124.53	-	124.53
VIII	Remuneration and sitting fees paid	-	-	8.33	8.33
IX	Other expense	0.51	-	-	0.51
X	Expenses recovered	-	19.25	-	19.25
XI	Purchase of Intangible assets	-	6.20	-	6.20
XII	Sale of assets	-	0.02	-	0.02
XIII	Reimbursement of expenses and others	-	10.69	-	10.69
XIV	Inter-corporate deposits/ Loan repaid	-	218.52	-	218.52
XV	Transfer of trade receivable balances	45.50	-	-	45.50
XVI	Trade Receivables	86.72	134.15	-	220.88
XVII	Trade payable	7.41	25.70	0.02	33.14
XVIII	Other receivables	-	17.69	-	17.69
XIX	Other Payables	-	5.26	0.07	5.33
XX	Remuneration payable	-	0.04	0.22	0.26
XXI	Unbilled receivables	0.53	5.88	-	6.41
XXII	Interest payable	1.86	-	-	1.86
XXIII	Inter-corporate deposits / Loan receivable	-	885.25	-	885.25

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	53.38	-	-	53.38
	Shapoorji Pallonji Energy Egypt S.A.E	-	-	-	-
	Shapoorji Pallonji Solar Holdings Private Limited	-	7.03	-	7.03
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	12.06	-	12.06
	Rihand Floating Solar Private Limited	-	0.30	-	0.30
	Sterling Generators Private Limited	-	0.10	-	0.10
	Forbes and Company Limited	-	0.03	-	0.03

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Private Limited	-	0.05	-	0.05
II	Revenue from Operation and maintenance services				
	Shapoorji Pallonji Energy Egypt S.A.E	-	4.86	-	4.86
	Surajkiran Solar Technologies Private Limited	-	1.45	-	1.45
	Sterling and Wilson Private Limited	-	0.27	-	0.27
III	Income from Design and Engineering services				
	Shapoorji Pallonji and Company Private Limited	56.20	-	-	56.20
IV	Purchases of services				
	Sterling and Wilson Private Limited	-	26.41	-	26.41
	Forvol International Services Limited	-	0.20	-	0.20
V	Purchases of construction material				
	Sterling Viking Power Private Limited	-	-	0.01	0.01
	Sterling Generators Private Limited	-	5.74	-	5.74
VI	Management support fees				
	Shapoorji Pallonji and Company Private Limited	11.41	-	-	11.41
VII	Interest income				
	Sterling and Wilson Private Limited	-	73.70	-	73.70
	Sterling and Wilson International FZE	-	50.83	-	50.83
VIII	Remuneration and sitting fees paid				
	Mr. Khurshed Y Daruvala, Chairman	-	-	0.66	0.66
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.05	0.05
	Mr. Bikesh Ogra, Non Executive Director	-	-	2.88	2.88
	Mr. Bahadur Dastoor, CFO				
	- Short-term employee benefits	-	-	2.18	2.18
	- Post-employment benefits	-	-	0.00	0.00
	- Other long-term benefits	-	-	0.04	0.04
	Mr. Jagannadha Rao Ch.V., Company Secretary				
	- Short-term employee benefits	-	-	1.03	1.03
	- Post-employment benefits	-	-	0.03	0.03
	- Other long-term benefits	-	-	0.11	0.11
	Mr. K. Kannan, Manager				
	- Short-term employee benefits	-	-	0.38	0.38
	- Post-employment benefits	-	-	0.02	0.02
	- Other long-term benefits	-	-	-	-
	Mr. Chandra Thakur, Manager				
	- Short-term employee benefits	-	-	0.85	0.85
	- Post-employment benefits	-	-	0.02	0.02

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	- Other long-term benefits	-	-	0.08	0.08
IX	Other expense				
	Shapoorji Pallonji and Company Private Limited	0.51	-	-	0.51
X	Expenses recovered				
	Sterling and Wilson Private Limited	-	1.78	-	1.78
	GCO Australia Pty Ltd	-	1.70	-	1.70
	Sterling and Wilson International FZE	-	15.77	-	15.77
XI	Purchase of Intangible assets				
	Sterling and Wilson Private Limited	-	6.20	-	6.20
XII	Sale of assets				
	GCO Australia Pty Ltd	-	0.02	-	0.02
XIII	Reimbursement of expenses and others				
	Sterling and Wilson Private Limited	-	7.63	-	7.63
	Sterling and Wilson International FZE	-	0.21	-	0.21
	Sterling and Wilson Middle East Electro Mechenical LLC	-	1.10	-	1.10
	Gco Australia Pty Ltd	-	1.74	-	1.74
XIV	Inter-corporate deposits/ Loan repaid				
	Sterling and Wilson Powergen Private Limited	-	-	-	-
	Sterling and Wilson International FZE	-	40.01	-	40.01
	Sterling and Wilson Private Limited	-	178.51	-	178.51
XV	Transfer of trade receivable balances				
	Shapoorji Pallonji and Company Private Limited	45.50	-	-	45.50
XVI	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	86.72	-	-	86.72
	Shapoorji Pallonji Energy Egypt S.A.E	-	3.33	-	3.33
	Shapoorji Pallonji Middle East LLC	-	0.85	-	0.85
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	114.82	-	114.82
	Shapoorji Pallonji Solar Holdings Private Limited	-	7.99	-	7.99
	Forbes and Company Limited	-	0.05	-	0.05
	Sterling Generators Private Limited	-	1.58	-	1.58
	GCO Australia Pty Ltd	-	3.32	-	3.32
	Sterling and Wilson Private Limited	-	2.21	-	2.21
XVII	Trade payable				
	Shapoorji Pallonji and Company Private Limited	7.41	-	-	7.41
	Forvol International Services Limited	-	0.20	-	0.20

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson Private Limited	-	19.55	-	19.55
	Sterling Viking Power Private Limited	-	-	0.02	0.02
	Sterling Generators Private Limited	-	5.95	-	5.95
XVIII	Other receivables				
	Sterling and Wilson International FZE	-	17.69	-	17.69
XIX	Other payables				
	Sterling and Wilson Private Limited	-	3.93	-	3.93
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	1.30	-	1.30
	Mr. Khurshed Y Daruvala, Chairman	-	-	0.04	0.04
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.02	0.02
	Mr. Bikesh Ogra, Non Executive Director	-	-	0.01	0.01
	Sterling and Wilson Cogen Solutions Private Limited	-	0.04	-	0.04
XX	Remuneration payable				
	Mr. Bahadur Dastoor, CFO	-	-	0.11	0.11
	Mr. Jagannadha Rao Ch.V., Company Secretary	-	-	0.03	0.03
	Mr. Chandra Thakur, Manager	-	-	0.08	0.08
XXI	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	0.53	-	-	0.53
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	3.66	-	3.66
	Shapoorji Pallonji Solar Holdings Private Limited	-	1.92	-	1.92
	Forbes & Company Ltd.	-	0.01	-	0.01
	Rihand Floating Solar Private Limited	-	0.15	-	0.15
	Sterling and Wilson Private Limited	-	0.15	-	0.15
XXII	Interest payable				
	Shapoorji Pallonji and Company Private Limited	1.86	-	-	1.86
XXIII	Inter-corporate deposits / Loan receivable*				
	Sterling and Wilson Private Limited	-	397.55	-	397.55
	Sterling and Wilson International FZE	-	487.70	-	487.70

The transactions with related parties are at arm's length and were in ordinary course of business. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year in respect of outstanding balances.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Related party disclosures for the year ended March 31, 2020

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts	127.31	308.30	-	435.61
II	Revenue from Operation and maintenance aervices	-	2.79	-	2.79
III	Purchase of services	-	38.33	-	38.33
IV	Purchases of construction material	-	2.11	0.01	2.12
V	Advance received from customers	2.39	5.71	-	8.11
VI	Management support fees	13.82	-	-	13.82
VII	Interest income	-	216.39	-	216.39
VIII	Remuneration and sitting fees paid	-	-	21.59	21.59
IX	Interest expense	2.06	2.03	-	4.09
X	Expenses recovered	-	21.30	-	21.30
XI	Transfer of fixed assets	-	0.18	-	0.18
XII	Sale of assets	-	2.19	-	2.19
XIII	Reimbursement of expenses and others	-	74.15	-	74.15
XIV	Short term borrowings obtained	280.00	-	-	280.00
XV	Short term borrowings repaid	280.00	-	-	280.00
XVI	Inter-corporate deposits/ Loan given / (repaid) - Prior to date of listing (net)	-	503.73	-	503.73
XVII	Inter-corporate deposits/ Loan repaid - Post date of listing	-	1,279.78	-	1,279.78
XVIII	Interest receivable	-	112.70	-	112.70
XIX	Corporate guarantee released	-	27.78	-	27.78
XX	Trade Receivables	96.05	227.54	-	323.58
XXI	Trade payable	0.59	14.27	0.01	14.87
XXII	Other receivables	-	0.19	-	0.19
XXIII	Advance to vendors	-	2.35	-	2.35
XXIV	Other Payables	-	61.49	-	61.49
XXV	Unbilled receivables	0.76	21.86	-	22.62
XXVI	Interest payable	1.87	-	-	1.87
XXVII	Inter-corporate deposits / Loan receivable	-	1,159.41	-	1,159.41

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	127.31	-	-	127.31
	Shapoorji Pallonji Energy Egypt S.A.E	-	16.57	-	16.57
	Shapoorji Pallonji Solar Holdings Private Limited	-	17.36	-	17.36
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	259.44	-	259.44
	Sterling Generators Private Limited	-	0.30	-	0.30
	Forbes and Company Limited	-	3.29	-	3.29
	Shapoorji Pallonji Solar PV Private Limited	-	7.83	-	7.83
	Gco Australia Pty Ltd	-	1.70	-	1.70
	Sterling and Wilson Australia Pty Ltd.	-	0.71	-	0.71
	Sterling and Wilson Private Limited	-	1.10	-	1.10
II	Revenue from Operation and maintenance services				
	Shapoorji Pallonji Energy Egypt S.A.E	-	2.58	-	2.58
	Sterling and Wilson Private Limited	-	0.21	-	0.21
III	Purchases of services				
	Sterling and Wilson Private Limited	-	33.18	-	33.18
	Forvol International Services Limited	-	5.15	-	5.15
IV	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	0.10	-	0.10
	Sterling and Wilson Power Solutions LLC	-	0.00	-	0.00
	Sterling and Wilson Viking Private Limited	-	-	0.01	0.01
	Sterling Generators Private Limited	-	2.00	-	2.00
V	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	2.39	-	-	2.39
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	5.71	-	5.71
VI	Management support fees				
	Shapoorji Pallonji and Company Private Limited	13.82	-	-	13.82
VII	Interest income				
	Sterling and Wilson Powergen Private Limited	-	1.32	-	1.32
	Sterling and Wilson Private Limited	-	168.76	-	168.76
	Sterling and Wilson International FZE	-	46.31	-	46.31
VIII	Remuneration and sitting fees paid				
	Mr. Khurshed Y Daruvala, Chairman	-	-	5.78	5.78

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Mr. Pallon Shapoor Mistry, Non-Executive Director	-	-	0.09	0.09
	Mr. Bikesh Ogra, Non Executive Director	-	-	8.97	8.97
	Mr. Bahadur Dastoor, CFO	-	-	-	
	- Short-term employee benefits	-	-	2.89	2.89
	- Post-employment benefits	-	-	0.05	0.05
	- Other long-term benefits	-	-	0.09	0.09
	Mr. Jagannadha Rao Ch.V., Company Secretary	-	-	-	
	- Short-term employee benefits	-	-	1.53	1.53
	- Post-employment benefits	-	-	0.03	0.03
	- Other long-term benefits	-	-	0.10	0.10
	Mr. K. Kannan, Manager	-	-	-	
	- Short-term employee benefits	-	-	1.93	1.93
	- Post-employment benefits	-	-	0.01	0.01
	- Other long-term benefits	-	-	0.10	0.10
IX	Interest expense				
	Shapoorji Pallonji and Company Private Limited	2.06	-	-	2.06
	Sterling and Wilson Private Limited	-	2.03	-	2.03
X	Expenses recovered				
	Sterling and Wilson Private Limited	-	11.30	-	11.30
	Sterling and Wilson International FZE	-	10.00	-	10.00
XI	Transfer of fixed assets				
	Sterling and Wilson Middle East Electromechanical LLC	-	0.18	-	0.18
XII	Sale of assets				
	Gco Australia Pty Ltd	-	2.19	-	2.19
XIII	Reimbursement of expenses and others				
	Sterling and Wilson Private Limited	-	67.17	-	67.17
	Sterling and Wilson International FZE	-	0.51	-	0.51
	Gco Australia Pty Ltd	-	6.48	-	6.48
XIV	Short term borrowings obtained				
	Shapoorji Pallonji and Company Private Limited	280.00	-	-	280.00
XV	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	280.00	-	-	280.00
XVI	Inter-corporate deposits/ Loan given / (repaid) - Prior to date of listing (net)	-	503.73	-	503.73
	Sterling and Wilson Private Limited	-	562.24	-	562.24

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling and Wilson International FZE	-	(58.51)	-	(58.51)
XVI(a)	Inter-corporate deposits/ Loan given - Prior to date of listing				
	Sterling and Wilson Private Limited	-	1,672.76	-	1,672.76
XVI(b)	Inter-corporate deposits/ Loan repaid - Prior to date of listing				
	Sterling and Wilson Private Limited	-	1,110.52	-	1,110.52
	Sterling and Wilson International FZE	-	58.51	-	58.51
XVII	Inter-corporate deposits/ Loan repaid - Post date of listing				
	Sterling and Wilson Powergen Private Limited	-	11.00	-	11.00
	Sterling and Wilson International FZE	-	3.43	-	3.43
	Sterling and Wilson Private Limited	-	1,265.35	-	1,265.35
XVIII	Interest receivable*				
	Sterling and Wilson Private Limited	-	33.83	-	33.83
	Sterling and Wilson International FZE	-	78.87	-	78.87
XIX	Corporate guarantee released				
	Sterling and Wilson Private Limited	-	27.78	-	27.78
XX	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	96.05	-	-	96.05
	Shapoorji Pallonji Energy Egypt S.A.E	-	5.92	-	5.92
	Shapoorji Pallonji Middle East LLC	-	0.85	-	0.85
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	202.33	-	202.33
	Shapoorji Pallonji Solar Holdings Private Limited	-	9.08	-	9.08
	Shapoorji Pallonji Solar PV Private Limited	-	0.96	-	0.96
	Forbes and Company Limited	-	0.47	-	0.47
	Sterling Generators Private Limited	-	0.05	-	0.05
	Sterling and Wilson Powergen Private Limited	-	1.11	-	1.11
	GCO Australia Pty Ltd	-	4.38	-	4.38
	Sterling and Wilson Australia Pty Ltd.	-	0.04	-	0.04
	Sterling and Wilson Private Limited	-	2.33	-	2.33
XXI	Trade payable				
	Shapoorji Pallonji and Company Private Limited	0.59	-	-	0.59
	Forvol International Services Limited	-	0.15	-	0.15
	Gco Australia Pty Ltd	-	1.41	-	1.41
	Sterling and Wilson Private Limited	-	12.08	-	12.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	KMP, their relatives and Entities over which KMP or their relatives exercise control	Total
	Sterling Viking Power Private Limited	-	-	0.01	0.01
	Sterling Generators Private Limited	-	0.30	-	0.30
	Sterling and Wilson Powegen FZE	-	0.10	-	0.10
	Sterling and Wilson Powergen Private Limited	-	0.21	-	0.21
XXII	Other receivables				
	Sterling and Wilson International FZE	-	0.13	-	0.13
	GCO Australia Pty Ltd	-	0.06	-	0.06
XXIII	Advance to vendors				
	Sterling and Wilson International FZE	-	2.35	-	2.35
XXIV	Other payables				
	Sterling and Wilson Private Limited*	-	58.96	-	58.96
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	2.49	-	2.49
	Sterling and Wilson Cogen Solutions Private Limited	-	0.04	-	0.04
XXV	Unbilled receivables				
	Shapoorji Pallonji and Company Private Limited	0.76	-	-	0.76
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	14.49	-	14.49
	Shapoorji Pallonji Solar Holdings Private Limited	-	6.79	-	6.79
	Sterling Generators Private Limited	-	0.25	-	0.25
	Sterling and Wilson Private Limited	-	0.34	-	0.34
XXVI	Interest payable				
	Shapoorji Pallonji and Company Private Limited	1.87	-	-	1.87
XXVII	Inter-corporate deposits / Loan receivable*				
	Sterling and Wilson Private Limited	-	576.06	-	576.06
	Sterling and Wilson International FZE	-	583.35	-	583.35

The transactions with related parties are at arm's length and were in ordinary course of business. The amounts outstanding are unsecured and will be settled in cash.

* The inter-corporate deposits/loans (including interest accrued) outstanding as at March 31, 2020 aggregate to ₹ 1,216.60 crore is net of Other payables amounting to ₹ 55.51 crore.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

52 Segment Reporting

A. Basis for segmentation

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

- Engineering, Procurement and Construction (Solar EPC); and
- Operation and maintenance service.

B. Business Segment

The Group's revenues and assets represents company's businesses viz. Solar EPC and Solar Operation and maintenance service. Accordingly, Revenue and expenses have been identified to a segment on the basis of direct relationship to operating activities of the segment. Expenditure which are not directly identifiable but has a relationship to the operating activities of the segment are allocated on a reasonable basis.

Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other common assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Information about reportable segments

March 31, 2021

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	4,825.75	252.07	2.98	5,080.80
Total revenue	**4,825.75**	**252.07**	**2.98**	**5,080.80**
Segment Results	**(81.52)**	**99.79**	**(1.31)**	**16.96**
Unallocable Expense				
Finance costs	-	-	93.09	93.09
Depreciation and amortisation expense	-	-	16.51	16.51
Employee benefits and other expenses	-	-	385.31	385.31
Total unallocated expenses	**-**	**-**	**494.91**	**494.91**
Unallocable Income				
Interest income	-	-	130.34	130.34
Other income	-	-	7.57	7.57
Total unallocated income	**-**	**-**	**137.91**	**137.91**
Consolidated (loss) / profit before tax	(81.52)	99.79	(358.31)	(340.04)
Tax expense	-	-	(50.00)	(50.00)
Consolidated (loss) / profit before tax	**(81.52)**	**99.79**	**(308.31)**	**(290.04)**
Other information				
Segment assets	1,887.96	150.39	1,671.02	3,709.37
Segment liabilities	2,358.01	53.84	639.74	3,051.59
Capital Expenditure	-	-	16.45	16.45
Depreciation and amortisation expense	-	-	16.51	16.51

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2020

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	5,391.28	183.54	0.47	5,575.29
Total revenue	**5,391.28**	**183.54**	**0.47**	**5,575.29**
Segment Results	**657.28**	**88.72**	**0.46**	**746.46**
Unallocable Expense				
Finance costs	-	-	194.93	194.93
Depreciation	-	-	14.23	14.23
Employee benefits and other expenses	-	-	393.45	393.45
Total unallocated expenses	**-**	**-**	**602.61**	**602.61**
Unallocable Income				
Interest income	-	-	218.28	218.28
Other income	-	-	36.35	36.35
Total unallocated income	**-**	**-**	**254.64**	**254.65**
Profit before tax	657.28	88.72	(347.50)	398.50
Tax expense/ (credit)			94.23	94.23
Profit after tax	**657.28**	**88.72**	**(441.73)**	**304.27**
Other information				
Segment assets	2,896.34	116.79	2,021.36	5,034.48
Segement liabilities	2,528.76	24.07	1,409.05	3,961.88
Capital Expenditure	-	-	17.54	17.54
Depreciation and amortisation	-	-	14.23	14.23

C. Geographical information

The geographic information analyses the Group's revenues and non-current assets by the Group's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from external customers

March 31, 2021

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India	1,075.01	131.42	2.96
South East Asia	5.40	11.24	-
Middle East and North Africa	469.50	80.07	0.02
Rest of Africa	76.17	22.78	-
United States of America and Latin America	1,039.68	6.56	-
Australia	2,159.99	-	-
	4,825.75	**252.07**	**2.98**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2020

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
India	1,399.41	110.91	0.04
South East Asia	629.27	5.66	-
Middle East and North Africa	1,288.62	47.12	0.43
Rest of Africa	245.53	16.97	-
United States of America and Latin America	1,500.17	2.88	-
Australia	328.29	-	-
	5,391.28	**183.54**	**0.47**

Business in India, the Group's country of domicile, represented approximately 23.79% during the year ended March 31, 2021 (March 31, 2020: 27.09%) of its consolidated net revenues.

The Group's business in Australia and Chile represented 42.52% and 16.78% of its consolidated net revenues during the year ended March 31, 2021 (March 31, 2020: Chile, Oman and Vietnam represented 22.54%,12.58% and 11.39% respectively). No other country individually comprised 10% or more of the Group's consolidated net revenues during these periods.

b) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	March 31, 2021	March 31, 2020
India	66.07	32.39
South-east Asia	0.20	0.51
Middle East and North Africa	19.40	13.49
Rest of Africa	2.03	0.76
United States of America and Latin America	5.74	4.31
Australia	1.88	0.54
Europe	0.15	1.03
	95.47	**53.03**

The following countries hold 10% or more of the Group's consolidated Non-current assets (other than financial instruments and deferred tax assets):

Particulars	March 31, 2021	March 31, 2020
United Arab Emirates	20.33%	22.46%

c) Information about major customers

Revenue from two customers of the Group is ₹ 1,415.17 crore (March 31, 2020: One customer ₹ 719.83 crore) which is more than 10% of the Group's total revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

53 Financial Instruments – Fair values and Risk Management

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It dose not include fair value information for financial assets and financial liabilities not measured at fair value, if carrying amount is a reasonable approximation of fair value..

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non-current								
(i) Loans	-	-	0.77	0.77	-	-	-	-
(ii) Other financial assets			5.17	5.17				-
Current								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade receivables	-	-	848.86	848.86	-	-	-	-
(iii) Cash and cash equivalents	-	-	219.82	219.82	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	71.13	71.13	-	-	-	-
(v) Loans	-	-	904.57	904.57	-	-	-	-
(vi) Other financial assets	-	-	207.89	207.89	-	-	-	-
(vii) Derivatives	1.92	-	-	1.92	-	1.92	-	1.92
Total	**1.92**	**-**	**2,258.21**	**2,260.13**	**-**	**1.92**	**-**	**1.92**
Financial liabilities								
Non Current								
(i) Borrowings	-	-	0.00	0.00	-	0.00	-	0.00
(ii) Lease liabilities	-	-	9.11	9.11	-	-	9.11	9.11
Current								
(i) Borrowings	-	-	468.35	468.35	-	40.00	-	40.00
(ii) Lease liabilities	-	-	1.57	1.57	-	-	1.57	1.57
(iii) Trade payables	-	-	1,856.73	1,856.73	-	-	-	-
(iv) Derivatives	98.68	-	-	98.68	-	98.68	-	98.68
(v) Other financial liabilities	-	-	68.08	68.08	-	-	-	-
Total	**98.68**	**-**	**2,403.84**	**2,502.52**	**-**	**138.68**	**10.68**	**149.36**

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets								
Non-current								
(i) Loans	-	-	1.44	1.44	-	1.44	-	1.44
Current								
(i) Investments	0.27	-	0.19	0.46	-	0.27	-	0.27
(ii) Trade receivables	-	-	2,030.31	2,030.31	-	-	-	-

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
(iii) Cash and cash equivalents	-	-	463.28	463.28	-	-	-	-
(iv) Bank balances other than cash and cash equivalents	-	-	36.07	36.07	-	-	-	-
(v) Loans	-	-	1,185.32	1,185.32	-	-	-	-
(vi) Other financial assets	-	-	233.03	233.03	-	-	-	-
(vii) Derivatives	-	-	-	-	-	-	-	-
TOTAL	**0.27**	**-**	**3,949.64**	**3,949.91**	**-**	**1.71**	**-**	**1.71**
Financial liabilities								
Non Current							-	
(i) Borrowings	-	-	0.00	0.00	-	0.00	-	0.00
(ii) Lease liabilities			6.79	6.79	-	-	6.79	6.79
Current								
(i) Borrowings	-	-	1,224.04	1,224.04	-	-	-	-
(ii) Lease liabilities			3.21	3.21	-	-	3.21	3.21
(iii) Trade payables	-	-	2,221.14	2,221.14	-	-	-	-
(iii) Other financial liabilities	-	-	96.98	96.98	-	-	-	-
(iv) Derivatives	6.23	-	-	6.23	-	6.23	-	6.23
TOTAL	**6.23**	**-**	**3,552.15**	**3,558.38**	**-**	**6.23**	**10.00**	**16.23**

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current and current financial assets and liabilities measured at amortised cost	Discounted cash flow approach: The valuation model considers the present value of expected receipts/ payments, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Investments in mutual Funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-current investments in unquoted instruments accounted for as fair value through profit and loss	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a risk adjusted discount rate.	Average cost of borrowings	Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting year.

Sensitivity Analysis for level 3

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

	Discounting rate	March 31, 2021	March 31, 2020
Lease liabilities - Discount rate + 100 basis points	Indian entities - 11.00%	0.01	(0.27)
Lease liabilities - Discount rate - 100 basis points*	Foreign entities - 6.00%	(0.00)	0.29

(c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

i) Credit risk ;

ii) Liquidity risk ; and

iii) Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors of the Group.

Off-setting of financial assets, financial liabilities and Provisions

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The following table represent the recognised financials instruments that are off-set or are subject to enforceable master netting arrangement.

March 31, 2021	Effects of offsetting on the balance sheet		
	Gross Amount	Gross amount set-off in the balance sheet	Net amounts presented in the balance sheet
Financial assets			
Trade receivables	905.60	(56.74)	848.86
Financial liabilities and Provisions			
Trade Payble	6,322.73	(44.66)	6,278.07
Provision for waranty	12.46	(12.07)	0.39
	6,335.19	**(56.73)**	**6,278.46**

i. ***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment in debt securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivable and investment.

Net trade receivable as on March 31, 2021 is ₹ 850.77 crore (March 31, 2020: ₹ 2,030.31 crore).

Two largest customers (net of expected credit loss provision) have a total concentration of 25.36% (March 31, 2020: Two largest customer has a total concentration of 27.26%) of net trade receivables.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables and other receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Amount
Balance as at April 1, 2020	21.70
Add: Impairment losses recognised during the year	29.77
Less: Provision written back	-
Balance as at March 31, 2021	**51.27**
Balance as at April 1, 2019	22.05
Add: Impairment losses recognised during the year	5.45
Less: Provision written back	(5.80)
Balance as at March 31, 2020	**21.70**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Cash and bank balances

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 290.95 crore and ₹ 499.35 crore as at March 31, 2021 and March 31, 2020 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Inter-Corporate Deposits/ Loans to fellow subsidiaries

The Group has given unsecured Inter-corporate deposits /loans to its fellow subsidiaries for meeting its working capital requirements. The Group does not perceive any credit risk pertaining to inter-corporate deposits/ loans provided to fellow subsidiaries.The Group makes provision of expected credit losses to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The Credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries. During the year ended March 31, 2021, the Company has issued guarantees of ₹ 43.98 crore (USD 6 million) (March 31, 2020: ₹ 896.51 crore (USD 119.84 million) to a bank in respect of credit facilities availed by a subsidiary of the Company. The Company has also provided guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligations.

Security deposits given to lessors

The Group has given security deposit to lessors for premises leased by the Group as at March 31, 2021 and March 31, 2020. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

Other than the trade receivables, and other receivables the Group has no other financial assets that are past due but not impaired.

ii ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks and financial institutions. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The management monitor's the company net liquidity position through rolling forecasts on the basis of expected cash flow.

As at March 31, 2021, the Group had trust receipts of ₹ 62.77 crore (March 31, 2020: ₹ 224.04 crore), secured borrowings from banks of ₹ 313.94 crore (March 31, 2020: ₹ 592.54 crore), unsecured borrowings from banks and others of ₹ 54.30 crore (March 31, 2020: ₹ 407.47 crore), Commercial papers ₹ 37.34 crore (March 31, 2020 : ₹ Nil), cash and cash equivalents of ₹ 219.82 crore (March 31, 2020: ₹ 463.28 crore) and other bank balances of ₹ 76.30 crore (March 31, 2020: ₹ 36.07 crore).

During the year there were four occasions of delay in repayment of working capital demand loans to three Banks for a period ranging between 1 to 9 days and in one instance of 29 days (during which period the Holding Company was in discussion with the bank for a rollover). There were no instances of delays in working capital demand loans other than as mentioned. Further the same were regularised and there is no overdue outstanding as at March 31, 2021 (Refer note 65).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Exposure to liquidity risk

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for non derivative financial liabilities:

March 31, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.00	0.00	-	-	-	0.00
Lease liabilities	10.68	13.92	2.25	2.24	5.74	3.69
Secured loans	351.28	358.08	358.08	-	-	-
Unsecured loans	54.30	55.26	55.26	-	-	-
Trust receipts	62.77	62.77	62.77	-	-	-
Trade payables	1,856.73	1,856.73	1,856.73	-	-	-
Interest accrued and due	4.59	4.59	4.59	-	-	-
Interest accrued and not due	3.72	3.72	3.72	-	-	-
Other current financial liabilities	59.77	59.77	59.77	-	-	-
	2,403.84	**2,414.84**	**2,403.17**	**2.24**	**5.74**	**3.69**
Derivative financial liabilities:						
Forward exchanged contracts used for hedging						
- Outflow	98.68	805.77	805.77	-	-	-
- Inflow		(707.09)	(707.09)	-	-	-
	98.68	**98.68**	**98.68**	**-**	**-**	**-**

March 31, 2020	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.00	0.02		-	-	0.02
Lease liabilities	10.00	14.10	4.07	1.39	3.63	5.01
Secured loans	692.53	703.78	703.78	-	-	-
Unsecured loans	307.47	308.42	308.42			
Trust receipts	224.03	226.17	226.17			
Trade payables	2,221.14	2,221.14	2,221.14	-	-	-
Interest accrued and due	0.74	0.74	0.74	-	-	-
Interest accrued and not due	11.98	11.98	11.98	-	-	-
Other current financial liabilities	84.26	84.26	84.26	-	-	-
	3,552.15	**3,570.61**	**3,560.56**	**1.39**	**3.63**	**5.03**
Derivative financial liabilities:						
Forward exchanged contracts used for hedging						
- Outflow	6.23	301.59	301.59	-	-	-
- Inflow		(295.36)	(295.36)	-	-	-
Other current financial liabilities	6.23	6.23	6.23			

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii ***Market risk***

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(a) Currency Risk

The Holding Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Holding Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

Amounts in INR	March 31, 2021				
	USD	EUR	AUD	AED	Others *
Financial assets					
Trade Receivables	306.29	-	50.91	-	-
Cash and Cash Equivalents	11.46	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-	-
Other receivables	8.43	-	-	-	-
Exposure to foreign currency assets	**326.18**	**-**	**50.91**	**-**	**-**
Less: Forward exchange contract	-	-	-	-	-
Net exposure to foreign currency Asset	**326.18**	**-**	**50.91**	**-**	**-**
Financial liabilities					
Trade payables and other payable	180.10	98.50	-	0.07	1.44
Exposure to foreign currency liabilities	**180.10**	**98.50**	**-**	**0.07**	**1.44**
Less: Forward exchange contract	23.07	-	-	-	-
Net exposure to foreign currency liabilities	**157.03**	**98.50**	**-**	**0.07**	**1.44**
Net Exposure	**169.15**	**(98.50)**	**50.91**	**(0.07)**	**(1.44)**

*others include West African Franc (XOF), Moroccon Dirhams (MAD), Swiss Franc (CHF), Israeli Shekel (ILS) and Australian Dollar (AUD).

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Amounts in INR	March 31, 2020				
	USD	EUR	Peso	ARS	Others *
Financial assets					
Trade Receivable	1,046.29	-	-	-	-
Cash and Cash Equivalents	19.31	-	-	-	12.46
Bank balances other than cash and cash equivalents	0.08	-	-	-	0.12
Unbilled receivables	5.35	-	-	-	0.08
Exposure to foreign currency assets	**1,071.03**	**-**	**-**	**-**	**12.66**
Forward exchange contract	261.84	-	-	-	-
Net exposure to foreign currency assets	**809.19**	**-**	**-**	**-**	**12.66**
Financial liabilities					
Trade payables and other payable	46.03	5.99	6.12	0.71	0.12
Exposure to foreign currency liabilities	**46.03**	**5.99**	**6.12**	**0.71**	**0.12**
Forward exchange contract	-	-	-	-	-
Net exposure to foreign currency liabilities	**46.03**	**5.99**	**6.12**	**0.71**	**0.12**
Net exposure	**763.16**	**(5.99)**	**(6.12)**	**(0.71)**	**12.54**

*others include West African Franc (XOF), Moroccon Dirhams (MAD), Swiss Franc (CHF) Israeli Shekel (ILS) and Australian Dollar (AUD).

a. The forward contracts booked also includes the future purchase transaction exposure.

b. Hedged foreign currency exposure

		March 31, 2021		March 31, 2020 (Restated)	
		Foreign currency (in crore)	Indian Rupees (in crore)	Foreign currency (in crore)	Indian Rupees (in crore)
Foreign exchange forward contracts (To hedge Buyers credit)	USD	-	-	-	-
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	USD	0.31	23.07	0.47	35.10
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	EUR	-	-	-	-
Foreign exchange forward contracts (To hedge receivables)	USD	-	-	3.50	261.84
		0.31	**23.07**	**3.97**	**296.94**

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Effect in INR million	March 31, 2021 Profit or loss		March 31, 2020 Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD	8.46	(8.46)	38.16	(38.16)
EUR	(4.92)	4.92	(0.30)	0.30
Peso	2.55	(2.55)	(0.31)	0.31
ARS	(0.00)	0.00	(0.04)	0.04
Others *	(0.07)	0.07	0.63	(0.63)

*others include West African Franc (XOF), Moroccon Dirhams (MAD), Swiss Franc (CHF), Australian Dollar (AUD), British Pound (GBP), Zambian Kwacha (ZMW), Namibia Dollar (NAD), Egyptian Pound (EGP), South African Rand (SAR), Thailand Baht(**THB).**

c. Hedge accounting

Cash flow hedges

At March 31, 2021, the Group holds the following instruments to hedge exposures to changes in foreign currency.

Foreign currency risk	Maturity analysis		
	1-6 months	6-12 months	More than 1 year
Foreign exchange forward contracts			
Net exposure (loss) / gain (₹ in crore)	(97.91)	1.07	-
Average AUD:USD forward contract rate	0.67	0.77	-
Average USD:INR forward contract rate	-	77.21	-
Average AUD:INR forward contract rate	51.41	-	-

The amounts at the reporting date relating to items designated as hedged items are as follows

Foreign currency risk	Change in value used for calculating hedge ineffectivness	Effective portion of cash flow hedges	Costs of hedging	Balances remaining in equity head 'effective portion of cash flow hedges' from hedging relationships for which hedge accounting is no longer applied
March 31, 2021				
Foreign currency risk				
Highly probable forecast cash flows - receivable (AUD) and payable (USD)	0.02	(96.10)	-	-
Highly probable forecast cash flows - receivable (AUD)	-	(0.31)	-	
Highly probable forecast cash flows - letter of credit payable (USD)	-	(0.45)	-	-
	0.02	**(96.86)**	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

Foreign currency risk	March 31, 2021			During the year ended March 31, 2021		
	Carrying amount					
	Nominal amount	Assets	Liabilities	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI
March 31, 2021						
AUD-INR	0.06	-	(0.30)	(0.30)	-	-
AUD-USD	17.01	1.92	(97.93)	(96.03)	0.02	-
USD-INR	0.31	-	(0.45)	(0.45)	-	-

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting :

	March 31, 2021	
	Equity head	
	Effective portion of cash flow hedges	Cost of hedging
Balance as at April 1, 2020 (Restated)	-	-
Cash flow hedges		
Changes in fair value :		
Highly probable forecast cash flows – Trade receivables	(159.51)	-
Highly probable forecast cash flows – Trade payable and Letter of credit payable	(0.45)	-
Amount reclassified to profit or loss - Highly probable forecast cash flows – Trade receivables	63.10	-
Amount included in the cost of non-financial items	-	-
Tax on movements in relevant items of OCI during the year	38.65	-
Tax on relevant items of OCI during the year reclassified to profit or loss	(15.88)	-
Balance as at March 31, 2021	**(74.08)**	**-**

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to security deposits, loans given and borrowings from financial institutions.

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 25 and 27 of these financial statements.

Particulars	March 31, 2021	March 31, 2020
Fixed rate instruments		
Financial Assets	959.98	1,200.71
Financial liabilities	(381.24)	(811.25)
	578.74	**389.46**
Variable rate instruments		
Financial liabilities	(97.79)	(422.79)
	(97.79)	**(422.79)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

INR	March 31, 2021		March 31, 2020	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(0.98)	0.98	(4.23)	4.23
Cash flow sensitivity (net)	**(0.98)**	**0.98**	**(4.23)**	**4.23**

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

(c) Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio is as follows:

Particulars	March 31, 2021	March 31, 2020
Non-Current Borrowings	9.11	6.79
Current Borrowings	469.92	1,227.24
Gross debt	479.03	1,234.04
Less : Cash and cash equivalents	219.82	463.28
Adjusted net debt	259.21	770.76
Total equity	657.78	1,072.61
Adjusted net debt to adjusted equity ratio	**0.39**	**0.72**

54 The Red Herring Prospectus dated July 29, 2019 stated that the 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 fellow subsidiaries to the Holding Company and its subsidiary company by November 18, 2019. The Selling Shareholders pursuant to their letter dated November 14, 2019, however, requested the Board of Directors of the Holding Company and its subsidiary company to consider a revised payment schedule for the outstanding inter-corporate deposits/ loans of ₹ 2,341.53 crore (net) (including interest thereon of ₹ 249.37 crore) as at September 30, 2019 with additional interest of 50 basis points per annum.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The Board of Directors in their meeting held on December 31, 2019 had considered the revised payment schedule of the outstanding inter-corporate deposits/ loans of ₹ 1,650.84 crore (net) (including accrued interest thereon of ₹ 115.53 crore) as at that date, in three quarterly installments of ₹ 500.00 crore by March 31, 2020, ₹ 500.00 crore by June 30, 2020 and balance amount by September 30, 2020 (which would include further accruals of interest beyond December 31, 2019).

Considering the current economic slowdown and the challenges which the selling shareholders (promoter group) are facing due to their business being significantly impacted by COVID-19, the selling shareholders made a further request to extend the time lines for payment of the outstanding of ₹ 1,167.36 (net) (including principal and interest and an amount outstanding of overseas subsidiary amounting to ₹ 607.07 crore (net)) as at September 30, 2020 till September 30, 2021. The Board of Directors had taken a decision to extend the repayment timelines till September 30, 2021 and levy additional interest spread of 400 basis points over and above the average interest rate and requested that securities be provided to cover the outstanding inter-corporate deposits / loans. The Selling Shareholders have provided security by way of immovable properties during the year and hypothecation of receivables from certain customers of a fellow subsidiary subsequent to the year-end, amounting to ₹ 460.17 crore and ₹ 345.00 crores, respectively, making the total security package of about ₹ 805.17 crore, covering the value of outstanding inter-corporate deposits / loans of ₹ 728.55 crore (before accrual of interest post March 31, 2021) as on date.

The Selling Shareholders have already facilitated the repayment of inter-corporate deposits/ loans amounting to ₹ 1,959.02 crore by the fellow subsidiaries to the Holding Company and its subsidiary company, from the date of listing i.e. August 20, 2019 till March 31, 2021 and an additional ₹ 156.70 crore from April 1, 2021 till date. In view of the steps taken/being taken by the Holding Company, management believes that no provision towards expected credit losses is required as at March 31, 2021 for inter-corporate deposits / loans outstanding aggregating to ₹ 885.25 crore (with all interest upto March 31, 2021 serviced) which, as on date stands reduced to ₹ 728.55 crore (before accrual of interest post March 31, 2021).

The Holding Company has also responded to queries on this matter (including from Shareholders, SEBI, ROC and 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 matter.

55 Details of Branches and Company

The Consolidated Financial Statements includes the financial statements of the following entities:

Sr. No.	Name of Branch/ Company	Country of Incorporation	% Holding as at March 31, 2021	Control and share of profit / loss as at March 31, 2021
	Branches:			
1	Sterling and Wilson - Philippines	Phillipines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Vietnam (1 branch and 2 Project office)	Vietnam	NA	NA
5	Sterling and Wilson - Argentina	Argentina	NA	NA
6	Sterling and Wilson - Egypt	Egypt	NA	NA
7	Sterling and Wilson - Australia	Australia	NA	NA
8	Sterling and Wilson - Indonesia	Indonesia	NA	NA
9	Sterling and Wilson - Jordan (2 branches)	Jordon	NA	NA
10	Sterling and Wilson - Mexico	Mexico	NA	NA
11	Sterling and Wilson - Kenya	Kenya	NA	NA
12	Sterling and Wilson - Morocoo	Morocco	NA	NA
13	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
14	Sterling and Wilson - Chile	Chile	NA	NA
	Subsidiaries:			
1	Sterling and Wilson International Solar FZCO	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited (merged with Holding Company w.e.f. April 1, 2020)	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda. (upto August 26, 2019)	Brazil	100%	100%
7	Esterlina Solar Engineers Private Limited	India	100%	100%
8	Sterling and Wilson Solar LLC	Oman	70%	100%
	Subsidiaries of Sterling and Wilson International Solar FZCO:			
1	Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC).	United Arab Emirates	49%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%
3	Sterling and Wilson Engineering (Pty) Ltd	South Africa	60%	60%
4	Sterling and Wilson Solar Solutions Inc.	United States of America	100%	100%
5	Renovable Energia Contracting S.L.*	Spain	99%	99%
6	GCO Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd) (w.e.f. January 1, 2021)	Australia	100%	100%
7	Sterling and Wilson International LLP (w.e.f. July 1, 2018) (formerly A&S Company LLP)	Kazakhstan	100%	100%
8	Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. April 16, 2019)	Australia	100%	100%
9	Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. June 4, 2019)	Malasiya	30%	100%
	Subsidiary of Sterling and Wilson Singapore Pte Ltd:			
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%
	Subsidiary of Sterling and Wilson Solar Solutions Inc.			
1	Sterling and Wilson Solar Solutions LLC (w.e.f. December 1, 2018)	United States of America	100%	100%

* The Company is in the process of completing the relevant statutory and regulatory procedures to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The Consolidated Financial Statements includes the financial statements of the following entities:

Sr. No.	Name of Company	Country of Incorporation	% Holding as at March 31, 2020	Control and share of profit / loss as at March 31, 2020
	Branches:			
1	Sterling and Wilson - Philippines	Phillipines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Vietnam (1 Branch and 2 Project office)	Vietnam	NA	NA
5	Sterling and Wilson - Argentina	Bangladesh	NA	NA
6	Sterling and Wilson - Egypt	Egypt	NA	NA
7	Sterling and Wilson - Australia	Australia	NA	NA
8	Sterling and Wilson - Indonesia	Indonesia	NA	NA
9	Sterling and Wilson - Jordon (2 Branches)	Jordon	NA	NA
10	Sterling and Wilson - Mexico	Mexico	NA	NA
11	Sterling and Wilson - Kenya	Kenya	NA	NA
12	Sterling and Wilson - Morocoo	Morocco	NA	NA
13	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
14	Sterling and Wilson - Chile	Chile	NA	NA
	Subsidiaries:			
1	Sterling and Wilson International Solar FZCO	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited (merged with Holding Company w.e.f. April 1, 2020	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda. (upto August 26, 2019)	Brazil	100%	100%
7	Esterlina Solar Engineers Private Limited	India	100%	100%
8	Sterling and Wilson Solar LLC	Oman	70%	100%
	Subsidiaries of Sterling and Wilson International Solar FZCO:			
1	Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC).	United Arab Emirates	49%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%
3	Sterling and Wilson Engineering (Pty) Ltd	South Africa	60%	60%
4	Sterling and Wilson Solar Solutions Inc.	United States of America	100%	100%
5	Renovable Energia Contracting S.L.*	Spain	99%	99%
6	GCO Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd) (w.e.f. December 1, 2018)	Australia	76%	76%
7	Sterling and Wilson International LLP	Kazakhstan	100%	100%
8	Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. April 16, 2019)	Australia	100%	100%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Name of Company	Country of Incorporation	% Holding as at March 31, 2020	Control and share of profit / loss as at March 31, 2020
9	Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. June 4, 2019)	Malasiya	30%	100%
	Subsidiary of Sterling and Wilson Singapore Pte Ltd:			
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%
	Subsidiary of Sterling and Wilson Solar Solutions Inc.			
1	Sterling and Wilson Solar Solutions LLC (w.e.f. December 1, 2018)	United States of America	100%	100%

* The Company is in the process of completing the relevant statutory and regulatory procedures to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

56 Additional information, as required under Schedule III to the Companies Act, 2013

Name of the Company	March 31, 2021							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Limited	77.83%	511.98	38.42%	(111.44)	63.29%	(78.98)	45.90%	(190.42)
Subsidiaries								
Indian								
Sterling & Wilson - Waaree Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sterling Wilson-SPCPL-Chint Moroccan Venture	-3.80%	(24.99)	1.58%	(4.57)	2.59%	(3.23)	1.88%	(7.80)
Esterlina Solar Engineers Private Limited	0.29%	1.89	-0.28%	0.82	0.00%	-	-0.20%	0.82
Foreign								
Sterling and Wilson International Solar FZCO and its subsidiaries								
Sterling and Wilson International Solar FZCO	136.39%	897.14	-47.66%	138.23	28.20%	(35.19)	-24.84%	103.05
Sterling and Wilson Middle East Solar Energy LLC	15.67%	103.04	0.81%	(2.36)	-0.13%	0.16	0.53%	(2.20)
Sterling and Wilson Singapore Pte Ltd.	-0.15%	(0.98)	0.03%	(0.09)	0.00%	-	0.02%	(0.09)
Sterling and Wilson Kazakhstan LLP	-0.12%	(0.82)	0.07%	(0.20)	0.00%	-	0.05%	(0.20)
Sterling and Wilson International LLP - Kazakhstan (formerly known as A&S Company LLP)	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
Geco Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd)	-10.30%	(67.72)	17.78%	(51.57)	0.00%	-	12.43%	(51.57)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Name of the Company	March 31, 2021 Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Sterling and Wilson Engineering (Pty) Ltd.	-0.70%	(4.59)	-1.79%	5.18	0.00%		-1.25%	5.18
Sterling and Wilson Solar Solutions Inc.	-15.55%	(102.31)	9.17%	(26.60)	0.00%	-	6.41%	(26.60)
Renovable Energia Contracting S.L.	-1.64%	(10.78)	2.50%	(7.25)	0.00%	-	1.75%	(7.25)
Sterling and Wilson Solar Australia Pty. Ltd.	-22.66%	(149.07)	48.29%	(140.05)	0.00%	-	33.76%	(140.05)
Sterling and Wilson Solar Malaysia Sdn. Bhd.	0.12%	0.81	0.10%	(0.30)	0.00%	-	0.07%	(0.30)
Sterling and Wilson Solar Solutions LLC	0.00%	-	0.00%	-	0.00%		0.00%	-
Other Foreign Subsidiaries								
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson (Thailand) Limited	-0.02%	(0.11)	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson Solar LLC	1.77%	11.65	-3.52%	10.20	0.11%	(0.13)	-2.43%	10.07
Sterling & Wilson Saudi Arabia Limited	-0.22%	(1.43)	0.29%	(0.84)	-0.04%	0.05	0.19%	(0.79)
Non Controlling Interest in all subsidiaries	-0.62%	(4.10)	1.61%	(4.66)	1.59%	(1.98)	1.60%	(6.65)
Total Eliminations on Consolidation	-76.28%	(501.79)	32.60%	(94.54)	4.39%	(5.48)	24.11%	(100.02)
Total	**100.00%**	**657.78**	**100.00%**	**(290.04)**	**100.01%**	**(124.78)**	**100.00%**	**(414.82)**

Name of the Company	March 31, 2020 Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Private Limited	61.65%	661.23	102.36%	311.44	28.73%	13.48	92.52%	324.92
Subsidiaries								
Indian								
Sterling & Wilson Waaree Private Limited	3.84%	41.17	1.73%	5.26	0.00%	-	1.50%	5.26
Sterling Wilson-SPCPL-Chint Moroccan Venture	-1.60%	(17.19)	-4.77%	(14.50)	-5.95%	(2.79)	-4.92%	(17.29)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Name of the Company	March 31, 2020 Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Esterlina Solar Engineers Pvt. Ltd.	0.10%	1.07	0.14%	0.44	0.00%	-	0.13%	0.44
Foreign								
Sterling and Wilson International Solar FZCO and its subsidaries								
Sterling and Wilson International Solar FZCO	38.10%	408.66	38.08%	115.85	78.23%	36.71	43.44%	152.56
Sterling and Wilson Middle East Solar Energy LLC	15.89%	170.42	2.48%	7.54	-3.22%	(1.51)	1.72%	6.03
Sterling and Wilson Singapore Pte Ltd.	-0.08%	(0.90)	-0.09%	(0.27)	0.00%	-	-0.08%	(0.27)
Sterling and Wilson Kazakhstan LLP	-0.06%	(0.64)	-0.20%	(0.61)	0.00%	-	-0.18%	(0.61)
Sterling and Wilson International LLP - Kazakhstan (formerly known as A&S Company LLP)	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
GCO Electrical Pty Ltd	-0.64%	(6.90)	-1.62%	(4.92)	0.00%	-	-1.40%	(4.92)
Sterling and Wilson Engineering (Pty) Ltd.	-0.92%	(9.92)	-1.47%	(4.46)	0.00%	-	-1.27%	(4.46)
Sterling and Wilson Solar Solutions Inc.	-7.23%	(77.53)	-10.53%	(32.04)	0.00%	-	-9.12%	(32.04)
Renovable Energia Contracting S.L.	-0.34%	(3.68)	-0.33%	(1.00)	0.00%	-	-0.29%	(1.00)
Sterling and Wilson Solar Australia Pty. Ltd.	-1.00%	(10.68)	-3.38%	(10.29)	0.00%	-	-2.93%	(10.29)
Sterling and Wilson Solar Malaysia Sdn. Bhd.	0.10%	1.13		(0.20)		-	-0.06%	(0.20)
Sterling and Wilson Solar Solutions LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Other Foreign Subsidaries								
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson (Thailand) Limited	-0.01%	(0.11)	0.00%	-	-0.03%	(0.02)	0.00%	(0.02)
Sterling and Wilson Solar LLC	0.15%	1.58	-0.37%	(1.13)	0.34%	0.16	-0.28%	(0.97)
Sterling & Wilson Saudi Arabia Limited	-0.06%	(0.65)	-0.35%	(1.05)	-0.06%	(0.03)	-0.31%	(1.08)
Non Controlling Interest in all subsidiaries	-0.78%	(8.36)	-1.90%	(5.79)	1.95%	0.91	-1.39%	(4.87)
Total Eliminations on Consolidation	-7.09%	(76.09)	-19.72%	(60.00)	0.00%	(0.00)	-17.08%	(60.00)
Exchange differences on translation of foreign operations			0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**1,072.60**	**100.07%**	**304.27**	**100.00%**	**46.92**	**100.00%**	**351.19**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

57 Non-controlling Interests

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra-group eliminations:

March 31, 2021	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Solar Proprietary Limited. (formerly known as GCO Electrical Proprietary Limited)	Total
Percentage of non-controlling interests	8%	40%	100% Refer note 6	
Non-current assets	1.26	3.65	-	4.92
Current assets	108.67	92.92	-	201.59
Non-current liabilities	-	-	-	-
Current liabilities	(136.82)	(103.16)	-	(239.99)
Net assets	**(26.88)**	**(6.57)**	**-**	**(33.45)**
Consolidation adjustment	**-**	**1.70**		**1.70**
Net assets attributable to NCI	**(2.15)**	**(1.95)**	**-**	**(4.10)**

March 31, 2021	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
(Loss) / profit after income tax	(4.97)	8.63	(59.29)	(55.62)
Other comprehensive income	(3.51)	(1.51)	(6.78)	(11.80)
Total comprehensive income	(8.48)	7.13	(66.07)	(67.42)
Profit attributable to NCI	(0.40)	3.45	(14.23)	(11.17)
Consolidation adjustment	-	-	6.52	6.52
Total profit attributable to NCI	**(0.40)**	**3.45**	**(7.71)**	**(4.66)**
Other comprehensive income attributable to NCI	**(0.28)**	**(0.60)**	**(1.10)**	**(1.98)**
Total comprehensive income attributable to NCI	**(0.68)**	**2.85**	**(8.81)**	**(6.64)**
Cash flows generated from / (used in) operating activities	(10.09)	(5.24)	(0.03)	(15.36)
Cash flows generated from investing activities	(0.10)	3.15	(0.31)	2.74
Cash flows (used in) / generated from financing activities	19.34	3.94	-	23.28
Net increase / (decrease) in cash and cash equivalents	**9.14**	**1.86**	**(0.34)**	**10.67**
Net increase / (decrease) in cash and cash equivalents attributable to NCI	**0.73**	**0.74**	**(8.13)**	**(6.66)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

March 31, 2020	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Percentage of non-controlling interests	8%	40%	24%	
Non-current assets	1.14	4.30	0.44	5.89
Current assets	106.27	87.27	12.86	206.40
Non-current liabilities	-	-	-	-
Current liabilities	(125.81)	(105.81)	(21.54)	(253.16)
Net assets	**(18.40)**	**(14.23)**	**(8.24)**	**(40.87)**
Consolidation adjustment	**-**	**1.96**	**-**	**1.96**
Net assets attributable to NCI	**(1.47)**	**(4.91)**	**(1.98)**	**(8.36)**

March 31, 2020	Sterling Wilson-SPCPL-Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Profit after income tax	(15.76)	(7.78)	(5.90)	(29.45)
Other comprehensive income	(3.03)	2.42	0.80	0.19
Total comprehensive income	(18.80)	(5.35)	(5.10)	(29.25)
Profit attributable to NCI	(1.26)	(3.11)	(1.42)	(5.79)
Consolidation adjustment	-	-	-	-
Total profit attributable to NCI	**(1.26)**	**(3.11)**	**(1.42)**	**(5.79)**
Other comprehensive income attributable to NCI	**(0.24)**	**0.97**	**0.19**	**0.91**
Total comprehensive income attributable to NCI	**(1.50)**	**(2.14)**	**(1.22)**	**(4.88)**
Cash flows generated from / (used in) operating activities	(40.54)	(22.24)	(5.60)	(68.38)
Cash flows generated from investing activities	(0.08)	(0.39)	(2.63)	(3.11)
Cash flows (used in) / generated from financing activities	26.39	23.59	8.61	58.59
Net increase / (decrease) in cash and cash equivalents	**(14.23)**	**0.96**	**0.37**	**(12.90)**
Net increase / (decrease) in cash and cash equivalents attributable to NCI	**(1.14)**	**0.38**	**0.09**	**(0.66)**

58 Transfer Pricing

The Group's international transactions with related parties are at arm's length as per the Independent accountants report for the year ended March 31, 2020. Management believes that the Group's international transactions with related parties post March 31, 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these consolidated financial statements, particularly on amount of tax expense and that of provision for taxation.

59 Other receivables include costs incurred in relation to additional works undertaken by the Subsidiary Company to compensate a customer for deficiencies in the products supplied under the terms of the contract with the customer. The Subsidiary Company has incurred total cost of ₹ 101.34 crore (2020: ₹ 35.17 crore) for the supply and installation of additional works. The management is of the view that the Subsidiary Company, under the terms of the Supply Agreement with its supplier has reasonable grounds to claim against the supplier for the costs incurred to complete the additional works.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The management's view is also endorsed and supported by a legal opinion obtained from an external law firm. Accordingly, the management is confident that the amount is fully recoverable.

The Subsidiary Company has also filed a claim for recovery of ₹ 1,223.94 crore (inclusive of the above incurred cost) as per the Module supply agreement between the Subsidiary Company and its supplier for its failure to rectify degradation losses in the performance of the PV modules.

60 The Board of Directors had at their meeting held on 16 March 2020 have approved the "Scheme of Arrangement" ('the Scheme') for merger of Sterling & Wilson - Warree Private Limited ('SWWPL') with the Holding Company subject to obtaining necessary approvals from the applicable statutory authorities. The final hearing on petition for sanction of the Scheme before the Mumbai bench of NCLT took place on January 29, 2021 and the Scheme was approved by the NCLT. The Holding Company has received the final order on March 29, 2021. Accordingly, the impact for merger of SWWPL with the Holding Company as required under Para 9(iii) of Appendix C of Ind AS 103 has been given in the audited consolidated financial statements of Holding Company for the quarter and year ended March 31, 2021.

61 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 Holding 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 Hoding Company that they would make the payment if the customer failed to pay. As on date the customer owes SWSL ₹ 92.45 crore. In addition, an amount of ₹ 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 SWPL, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer's bank refused to make the payment to the 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 March 31, 2020, the Holding Company had initiated legal proceedings in both these matters: the matter in respect of the customer / developer in currently pending with the NCLT and the matter in respect of the customers bank is currently pending with the National Company Law Appellate Tribunal.

The Holding Company has sought legal opinion regarding the amount due from the developer as per their assurance letter and from the customer's bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are recoverable. The amount of ₹ 92.45 crore and ₹ 64.10 crore is shown under the head Trade Receivables and Other Financial Assets, respectively. Basis the aforementioned legal opinion and the management assessment, inspite of being confident of full recovery, considering the expected credit loss requirement of Ind AS 109 "Financial Instruments", the management has recognised the provision to the extent of ₹ 31.33 crore (March 31, 2020: ₹ 21.33 crore) as at March 31, 2021, based on management's best estimate of collection of the aforementioned receivables as at March 31, 2021.

62 During the year ended March 31, 2020, the Selling Shareholders made an offer for sale which was subscribed for 36,533,820 Equity shares of Re 1 each for cash at a price of ₹ 780 per equity share (including a share premium of ₹ 779 per equity share) aggregating to ₹ 2,849.64 crore.

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID SWSOLAR and BSE Limited (BSE) via ID 542760 on August 20, 2019.

The Holding Company has incurred ₹ 3.83 crore and ₹ 79.90 crore in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 83.72 crore (excluding Goods and Services Tax and including Securities Transaction Tax of ₹ 5.70 crore which is directly paid from IPO ESCROW Account) in respect of sale of shares, these expenses were recovered from the Selling Shareholders in the ratio of their existing shareholding percentage. These expenses include a sum of ₹ 0.88 crore and ₹ 0.60 crore incurred in financial year 2018-19 and 2019-20, respectively, aggregating to ₹ 1.48 crore (excluding Goods and Services Tax) paid to Statutory auditors of the Holding Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

63 On 27 March 2019, The Board of Directors' of the Company had proposed to Institute the Scheme for Employee Stock Option Plan ('ESOP') subject to approval of Shareholders'. The said scheme has been approved by the Shareholders' on May 30, 2021. The scheme will be effective on final approval by the Nomination and Remuneration Committee which is currently awaited. Accordingly, no provision has been created in the books towards the liability of ESOP as at March 31, 2021 and March 31, 2020.

64 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company towards Provident fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code of Social Security, 2020 on 13 Novemeber 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The HoldingCompany will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

65 The outbreak of the Coronavirus (COVID-19) pandemic globally continues to cause significant disturbance and slowdown of economic activity. During the year ended March 31, 2021, the construction activities at various sites witnessed a slowdown as per the directives issued by various regulatory authorities which has led to an increased cost of construction (including rise in module and commodity costs) as well as overheads due to extended time. Further, a significant subcontractor in a particular geography filed for bankruptcy causing enhanced replacement costs for a project. All the above has contributed in the Group incurring a loss for the year ended March 31, 2021. Also, during the year Shapoorji Pallonji and Company Private Limited ('the Parent Company'), being in the construction and real estate sector was severely affected due to the COVID-19 pandemic, and had filed for One Time Restructuring ("OTR") under the prescribed guidelines of the Reserve Bank of India. Owing to these factors, the Group had also faced liquidity challenges for part of the year.

The Group continues to have a strong order book, a positive net-worth and favorable net current asset position. The Group's management and the Board of Directors of the Company have also made an assessment, of the Group's ability to continue as a going concern, its projected cash flows for the next 12 months, as well as financing arrangements to fulfil its working capital requirements and necessary capital expenditure. The Parent Company's OTR has also been approved as at March 31, 2021.

The Group has used the principles of prudence in applying judgements, estimates and assumption and based on the current estimates' management has assessed the impact of existing and anticipated impact of COVID-19 on future projected cash-flows. Based on all the above the Management believes that the Group will continue its business in the foreseeable future, so as to be able to realise its assets and discharge its liabilities in the normal course. Accordingly, the audited consolidated financial results of the Group have been prepared on a going concern basis.

66 Other Matters

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Group for the year.

The attached notes 1 to 66 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
CIN:L74999MH2017PLC292281

Khurshed Daruvala *Chairman* DIN:00216905 Mumbai	**Pallon Mistry** *Director* DIN:05229734 Mumbai	**Bikesh Ogra** *Director* DIN:08378235 Dubai, UAE
Chandra Thakur *Manager* Delhi	**Bahadur Dastoor** *Chief Financial Officer* Membership No: 48936 Mumbai June 29, 2021	**Jagannadha Rao Ch. V.** *Company Secretary* Membership No: F2808 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, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification) (₹ in Crore)	Audited Figures (as reported before adjusting for qualification) (₹ in Crore)*
	1	Total income	5,239.29	5,239.29
	2	Total Expenditure	5,579.33	5,579.33
	3	Net (Loss)/ Profit	(340.04)	(340.04)
	4	Earnings Per Share	(17.80)	(17.80)
	5	Total Assets	3,709.37	3,709.37
	6	Total Liabilities	3,051.59	3,051.59
	7	Net Worth	657.78	657.78
	8	Any other financial item(s) (as felt appropriate by the management)	None	None

* Audit qualification is in respect of items, the impact of which is not quantifiable, Accordingly, we have kept the figures in (as reported after adjusting for qualification) column the same (as before adjustment of qualification) column.

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

i. note 5 to the consolidated annual financial results relating to outstanding inter-corporate deposits and loans of ₹ 397.55 crores and ₹ 487.70 crores (net) respectively (including interest accrued on inter-corporate deposits of ₹ Nil crores and on loans of ₹ Nil crores) as at 31 March 2021. This amount is the balance of inter-corporate deposits of ₹ 1,765.02 crores (including interest accrued thereon of ₹ 173.56 crores) and loans of ₹ 576.51 crores (net) (including interest accrued thereon of ₹ 75.81 crores) that were outstanding as on 30 September 2019 made to fellow subsidiaries by the Group which were to be repaid within 90 days period from the date of listing as stated in the Red Herring Prospectus for the purpose of Offer of Sale to public of the Holding Company's shares by the Selling Shareholders. The Board of Directors of the Holding Company had in December 2019 extended the repayment period at the request of the Selling Shareholders with enhanced rate of interest. Thereafter, considering the current economic slowdown and the challenges to their business due to COVID, the Selling Shareholders made a further request on 15 September 2020 to extend the timelines for payment till 30 September 2021. The Board of Directors in their meeting held on 15 September 2020 have approved further extension of the repayment timelines up to 30 September 2021 and levied an additional interest spread of 400 basis points p.a. over the average interest rate on borrowings of the respective entities of the Group.

The Holding 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 and loans by the Selling Shareholders on which the Holding Company has submitted its replies. Until the final conclusions are received from the regulators, we cannot ascertain the impact of non-compliance with laws and regulations, if any, by the Holding Company. Although the Holding 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 Group in respect of this matter, in our opinion, there exists a possibility for a contrary view in the matter.

The Group has obtained partial security for the outstanding amount as at the year- end and has obtained balance security towards the outstanding amount subsequent to the year-end. In view of the steps taken/being taken by the Holding Company and its overseas subsidiary as discussed in the said note, management believes that no provision towards expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management.

As a result of the above, we are unable to quantify the impact of the non-compliance with laws and regulations, if any, in particular for delay in the repayment by borrowers of inter- corporate deposits and loans in the earlier quarters and default in repayment of instalments of inter- corporate deposits and loans due during the year ended 31 March 2021 in the absence of final conclusions from the regulators in this regard; the uncertainty regarding the timing of repayment of outstanding inter-corporate deposits and loans by the borrowers; and adjustments that may arise from the aforementioned matters including non- measurement of expected credit losses on inter-corporate deposits on the consolidated annual financial results of the Group for the year ended 31 March 2021.

ii. the following qualification included in the audit report on the consolidated annual financial results of Sterling and Wilson International Solar FZCO, an overseas subsidiary of the Holding Company, for the year ended 31 March 2021 issued by the independent auditors vide their report dated 24 June 2021 is reproduced by us as under:

The consolidated annual financial results of the overseas subsidiary of the Holding Company include a loan from a related party in the amount of AED 244,662,085 (net) equivalent to ₹ 487.70 crores (net), which was repayable on demand. The Board of the overseas subsidiary has received a request from the ultimate promoters of the related party to extend the repayment timeline, in lieu of obtaining security to cover the amount outstanding and also levy penal interest. Accordingly, the Board of the overseas subsidiary had taken a decision to extend the repayment timelines till September 2021 and levy additional penal interest. Further, on behalf of the overseas subsidiary, the Holding Company in India has obtained security against immovable property for the aforesaid amount due to the overseas subsidiary and subsequent to the reporting date, the overseas subsidiary has obtained additional security by assignment of certain project receivables. Considering the steps taken/being taken by the overseas subsidiary, the management believes that no provision for expected credit losses is required as at 31 March 2021. In our view, however, a provision for expected credit losses on the amounts overdue should be estimated by the management. As a result of the uncertainty relating to timing of repayment of the outstanding balance we are unable to quantify the impact of adjustments that may arise from non-measurement of expected credit losses on the consolidated financial results of the overseas subsidiary for the year ended 31 March 2021.

iii. As more fully explained in note 9 to the consolidated annual financial results, the Holding Company has trade receivables from a customer aggregating to INR 92.45 crores which are outstanding as at 31 March 2021. The customer is currently undergoing a resolution process under the supervision of the National Company Law Tribunal and has appointed an IRP to supervise the operations and settlement of creditors. The Holding Company's claims have been admitted by the IRP and based on the confirmation received from the customer as at 31 March 2021 and the alternate legal routes being pursued by the Holding Company, management believes that the current expected credit loss provision of ₹ 31.33 crores is appropriate and adequate. However, we believe that given the past history of IRP settlements and the delays experienced in settlement of the matter, the expected credit loss provision needs to be enhanced. Pending completion of the resolution process and the alternate legal routes pursued by the Holding Company, and having regard to the age of these balances, we are unable to comment on the recoverability of balance outstanding from this customer and the consequent impact on the consolidated annual financial results, if any.

b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification: since how long continuing

Qualification (i) and (ii) since March 2020 and Qualification (iii) in March 2021

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

NIL

(ii) If management is unable to estimate the impact, reasons for the same:
Not Applicable

(iii) Auditors' Comments on (i) or (ii) above:
Impact not determinable

III. Signatories

Mr. Khurshed Daruvala, Chairman

Mr. Chandra Kishore Thakur, Manager

Mr. Bahadur Dastoor, Chief Financial Officer

Ms. Rukhshana Mistry, Chairperson of Audit Committee

Statutory Auditors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Place: Mumbai
Date: June 29, 2021