

## Audit Report

### INDEPENDENT AUDITORS' REPORT

For the year ended March 31, 2024

Component Name	Sterling and Wilson Solar Solutions Inc. & LLC
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From: **Bajwa CPA & Associates LLC**

Date: **April 01, 2024**

Subject: **Audit of Sterling and Wilson Solar Solutions Inc. & LLC for the year ended March 31, 2024**

To: Mr. Farad K. Lakdawala, Moore Stephens, UAE.

#### Independent Auditors' Report on Sterling and Wilson Solar Solutions Inc. & LLC

##### Report on the reporting pack

In accordance with your instructions dated April 1 2024, we have audited the accompanying reporting pack of **Sterling and Wilson Solar Solutions Inc. & LLC** ("the component") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (*including Other Comprehensive Income*), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements"), prepared in accordance with the group accounting policies followed by Sterling and Wilson International Solar FZCO ('SWFZCO or the Parent Company') with its subsidiaries (Parent Company and its subsidiaries together referred to as the "Group"). The reporting pack has been prepared solely to enable the Group to prepare its consolidated financial statements as at and for the year ended March 31, 2024.

##### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid reporting pack give the information required in accordance with the instructions dated [*Insert date*], in the manner so required, and gives a true and fair view in conformity with the accounting policies followed by the Group as at March 31, 2024, of its profit / loss, other comprehensive income / loss, changes in equity and its cash flows for the year ended on that date and is suitable for inclusion in the consolidated financial statements of the Group.

##### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Reporting pack* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Reporting pack.

##### Management's Responsibility for the Reporting pack

The Company's Management and Board of Directors is responsible for the preparation and presentation of the Reporting pack in terms of the requirements of the accounting policies followed by the Group that give a true and fair view of the financial position, financial performance, changes in

equity and the cash flows of the Component in accordance with group accounting policies followed by the Component. The Management and the Board of Directors of the Company are responsible for maintenance of adequate accounting records for safeguarding the assets of the Company 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Reporting pack 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 Reporting pack by the Management and Directors of the Company, as aforesaid.

In preparing the Reporting pack, 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 Management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Reporting pack has been prepared by the Management on the basis of instructions received in this regard from SWFZCO solely for the use in the preparation of its consolidated financial statements in accordance with the accounting policies followed by the Group.

#### **Auditors' Responsibility for the Reporting pack**

Our objectives are to obtain reasonable assurance about whether the Reporting pack as a whole is 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 ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Reporting pack.

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

- Identify and assess the risks of material misstatement of the Reporting pack, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls with reference to financial statements.
- 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 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 Reporting pack 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Reporting pack, including the disclosures, and whether the Reporting pack represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Reporting pack.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We have communicated all matters of significance to you in the communications you requested in your referral instructions.

### **Outstanding Item**

Outstanding Item (if any)

{The following areas of our audit that are more than inconsequential to our opinion and that may have an impact on the Component are incomplete at the date of this report and, as such, our opinion is qualified in this regard:

- [insert outstanding items].

We acknowledge that it is our responsibility to finalise these outstanding matters, and we anticipate completing them by [insert date] and will advise you as to the status at that time.}

### **Limitation of Use**

This report is intended solely for use by Moore Stephens, UAE in connection with its audit of the financial statements of the Group as at and for the year ended March 31, 2024, and should not be used for any other purpose.

Waqar A. Bajwa CPA

Waqar Bajwa  
Waqar Bajwa (Apr 5, 2024 05:12 EDT)

Partner

April 1, 2024

# Sterling and Wilson Solar Solutions INC

## Balance sheet

as at 31 March 2024

(Currency : USD)

	<i>Note</i>	31 March 2024	31 March 2023
<b>Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	1	11,674	31,258
(b) Right-of-use assets	2	72,222	196,032
<b>Total non-current assets</b>		<u>83,896</u>	<u>227,290</u>
<b>2 Current assets</b>			
<b>(a) Financial assets</b>			
(i) Trade receivables	3	10,262,462	12,235,336
(ii) Cash and cash equivalents	4	792,028	531,668
(iii) Other financial assets	5	60,585,375	60,156,524
<b>(b) Other current assets</b>	6	7,976,934	3,903,805
<b>Total current assets</b>		<u>79,616,799</u>	<u>76,827,333</u>
<b>Total assets</b>		<u>79,700,696</u>	<u>77,054,623</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital		1	1
(c) Other equity	7		
- Securities premium		99	99
- Retained earnings		(60,239,569)	(54,221,069)
<b>Total equity</b>		<u>(60,239,469)</u>	<u>(54,220,969)</u>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Non-current lease liabilities	8	-	100,989
<b>Total non-current liabilities</b>		<u>-</u>	<u>100,989</u>
<b>2 Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	9	115,931,800	105,738,044
(ii) Lease liabilities	10	100,989	162,995
(iii) Trade payables	11	23,420,015	22,019,516
(iv) Other financial liabilities	12	149,854	69,546
<b>(b) Other current liabilities</b>	13	-	1,256,621
<b>(c) Provisions</b>	14	337,506	1,927,882
<b>Total current liabilities</b>		<u>139,940,165</u>	<u>131,174,604</u>
<b>Total liabilities</b>		<u>139,940,165</u>	<u>131,275,593</u>
<b>Total equity and liabilities</b>		<u>79,700,696</u>	<u>77,054,624</u>

For and on behalf of the Board of Directors of  
Sterling and Wilson Solar Solutions INC



Neville Madan  
Australia  
17 April 2024

# Sterling and Wilson Solar Solutions INC

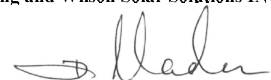
## Statement of profit and loss

for the year ended 31 March 2024

(Currency : USD)

	<i>Note</i>	<b>Year ended 31 March 2024</b>	Year ended 31 March 2023
<b>Continuing operations</b>			
Revenue from operations	15	<u>11,295,460</u>	<u>56,130,966</u>
<b>Total income</b>		<u>11,295,460</u>	<u>56,130,966</u>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	16	569,108	18,517,911
Direct project costs	17	9,963,027	61,738,299
Employee benefits expense	18	1,667,187	4,185,592
Finance costs	19	10,565	37,769
Depreciation and amortisation expense	20	143,394	189,803
Other expenses	21	4,959,415	3,772,836
<b>Total expenses</b>		<u>17,312,696</u>	<u>88,442,211</u>
<b>profit for the year</b>		<b>(6,017,236)</b>	<b>(32,311,245)</b>
<b>Tax expenses:</b>			
Current tax		1,264	83,633
Tax expenses of earlier years		-	(201)
Deferred tax (credit)		-	-
		<u>1,264</u>	<u>83,432</u>
<b>Profit after tax for the year</b>		<u><b>(6,018,500)</b></u>	<u><b>(32,394,677)</b></u>

For and on behalf of the Board of Directors of  
Sterling and Wilson Solar Solutions INC



**Neville Madan**  
Australia  
17 April 2024

## Sterling and Wilson Solar Solutions INC

### Notes to the financial statements (Continued)

as at 31 March 2024

(Currency : USD)

#### 1 Property, plant and equipment and capital work-in-progress

##### Reconciliation of carrying amount

Particulars	Office equipment	Furniture and fixtures	Tools and equipment	Total
<b>Gross carrying amount :</b>				
Balance as at 1 April 2023	263,445	49,325	143,668	456,439
Add: Additions during the year	-	-	-	-
Less: Disposals during the year	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>263,445</b>	<b>49,325</b>	<b>143,668</b>	<b>456,439</b>
<b>Accumulated depreciation and impairment losses:</b>				
Balance as at 1 April 2023	233,880	47,633	143,668	425,181
Add: Depreciation for the year	17,892	1,692	-	19,584
Less: Disposals during the year	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>251,772</b>	<b>49,325</b>	<b>143,668</b>	<b>444,765</b>
<b>Carrying amounts (net)</b>				
At 1 April 2023	29,565	1,692	-	31,258
At 31 March 2024	11,673	-	-	11,674

# Sterling and Wilson Solar Solutions INC

## Notes to the financial statements (Continued)

as at 31 March 2024

(Currency : USD)

### 2 Disclosure under Ind AS 116, Leases

#### A) Right-of-use assets

	Land and Buildings	Total
<b>Cost</b>		
Balance as at 1 April 2023	691,272	691,272
Additions		-
Disposals		-
Balance at 31 March 24	<b>691,272</b>	<b>691,272</b>
<b>Accumulated depreciation and impairment</b>		
Balance as at 1 April 2023	495,240	495,240
Depreciation	123,810	123,810
Impairment loss		-
Eliminated on disposals of assets		-
Balance at 31 March 24	<b>619,050</b>	<b>619,050</b>
<b>Carrying amounts</b>		
Balance as at 1 April 2023	196,032	196,032
Balance as at 31 March 2024	<b>72,222.49</b>	<b>72,222</b>

#### B) Breakdown of lease expenses

	For the year ended 31-Mar-24	For the year ended 31-Mar-23
Short-term lease expense		
Low value lease expense	18,468	14,905
<b>Total lease expense</b>	<b>18,468</b>	<b>13,749</b>

### 2 Disclosure under Ind AS 116, Leases (Continued)

#### C) Cash outflow on leases

	For the year ended 31-Mar-24	For the year ended 31-Mar-23
Repayment of lease liabilities	332,276	149,913
Interest on lease liabilities	10,565	19,934
Short-term lease expense		
Low value lease expense	18,468	14,905
<b>Total cash outflow on leases</b>	<b>361,308.57</b>	<b>184,752</b>

#### D) Maturity analysis of lease liabilities

31 March 2024	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
Lease liabilities	100,989		-		
	100,989	-	-	-	

# Sterling and Wilson Solar Solutions INC

## Notes to the standalone financial statements *(Continued)*

as at 31 March 2024

	31 March 2024	31 March 2023
<b>3. Trade receivables</b>		
- Undisputed trade receivables - considered good		
Less than 6 months	10,262,462	12,235,336
- Significant increase in credit risk	-	-
- Undisputed trade receivables - credit impaired		
Less than 6 months	-	-
	<u>10,262,462</u>	<u>12,235,336</u>
Loss allowance		
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Net trade receivables	<u>10,262,462</u>	<u>12,235,336</u>



# Sterling and Wilson Solar Solutions INC

## Notes to the standalone financial statements (Continued)

as at 31 March 2024

	31 March 2024	31 March 2023
<b>4 Cash and cash equivalents</b>		
Balances with Bank		
- in current accounts	792,028	531,668
Cash and cash equivalents in the standalone balance sheet	<u>792,028</u>	<u>531,668</u>
<b>5 Other financial assets</b> <i>(Unsecured, considered good)</i>		
<i>From related parties</i>		
Other receivables	1,124,612	832,582
<i>From parties other than related parties</i>		
Security deposits	600,600	600,600
Other receivables	58,860,163	58,723,342
	<u>60,585,375</u>	<u>60,156,524</u>
<b>6 Other current assets</b> <i>(Unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
Unbilled receivables	7,482,948	3,100,650
Prepayments	445,850	683,584
Sales Tax receivable	48,136	119,571
	<u>7,976,934</u>	<u>3,903,805</u>

# Sterling and Wilson International Solar FZCO

## Notes to the standalone financial statements (Continued)

as at 31 March 2024

### 7 Other equity

	<i>Note</i>	<b>31 March 2024</b>	31 March 2023
Securities premium	<i>(i)</i>	99	99
Retained earnings	<i>(ii)</i>	<b>(60,239,569)</b>	-
		<b><u>(60,239,470)</u></b>	<u>99</u>

#### Notes:

	<b>31 March 2024</b>	31 March 2023
<b>(i) Securities premium</b>		
Balance as at the beginning of the year	99	99
Add: Transferred from retained earnings	-	-
<b>Balance as at the end of the year</b>	<b><u>99</u></b>	<u>99</u>
<b>(ii) Retained earnings</b>		
Balance as at the beginning of the year	(54,221,069)	(21,826,392)
Add: Profit for the year	(6,018,500)	(32,394,677)
<b>Balance as at the end of the year</b>	<b><u>(60,239,569)</u></b>	<u>(54,221,069)</u>

# Sterling and Wilson International Solar FZCO

## Notes to the standalone financial statements (Continued) as at 31 March 2024

	31 March 2024	31 March 2023
<b>8 Non-current lease liabilities</b>		
Land and Buildings	-	100,989
	<u>-</u>	<u>100,989</u>
<b>9 Current borrowings</b>		
Unsecured loans		
- Loan from holding company	115,931,800	105,738,044
	<u>115,931,800</u>	<u>105,738,044</u>
<b>10 Current lease liabilities</b>		
Land and Buildings	100,989	162,995
	<u>100,989</u>	<u>162,995</u>
<b>11 Trade payables</b>		
Undisputed dues - Others		
Less than 1 year	23,420,015	22,019,516
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>23,420,015</u>	<u>22,019,516</u>
<b>12 Other financial liabilities</b>		
<i>To related parties</i>		
- Other payables	149,854	69,546
	<u>149,854</u>	<u>69,546</u>
<b>13 Other current liabilities</b>		
Advances from customers	-	1,256,621
	<u>-</u>	<u>1,256,621</u>
<b>14 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	134,593	492,335
<b>Other provisions</b>		
Provision for warranties	-	260,000
Provision for foreseeable losses	202,914	1,175,548
	<u>337,506</u>	<u>1,927,882</u>

# Sterling and Wilson Solar Solutions INC

## Notes to the standalone financial statements *(Continued)* for the year ended 31 March 2024

	Year ended 31 March 2024	Year ended 31 March 2023
<b>15 Revenue from operations</b>		
<b>Sale of services</b>		
Income from works contracts	11,295,460	56,130,966
	<u>11,295,460</u>	<u>56,130,966</u>
<b>16 Cost of construction materials, stores and spare parts</b>		
Purchase	569,108	18,517,911
	<u>569,108</u>	<u>18,517,911</u>
<b>17 Direct project costs</b>		
Communication expenses	31,176	49,610
Stores and spare parts consumed	46,156	104,392
Legal and professional fees	51,115	125,191
Printing and stationery expenses	13,030	133,337
Repairs and maintenance - others	7,192	44,596
Traveling and conveyance expenses	556,577	1,425,777
Rates and taxes	75,315	198,330
Electricity, power and fuel	451,849	1,822,463
Security charges	895,924	1,024,261
Handling charges	720	167,457
Provision for foreseeable losses (net)	(972,634)	1,175,548
Bank charges	816,594	1,458,048
Miscellaneous expenses	1,248,203	2,135,948
	<u>3,221,216</u>	<u>9,864,956</u>
<b>Employee benefits expense</b>		
Salaries, wages and bonus	2,157,864	4,352,675
	<u>2,157,864</u>	<u>4,352,675</u>
<b>Sub-contractor expenses</b>	4,583,947	47,520,667
	<u>9,963,027</u>	<u>61,738,299</u>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	1,674,334	3,349,316
Compensated absences	(283,935)	-
Employee benefits	276,789	836,277
	<u>1,667,187</u>	<u>4,185,592</u>
<b>19 Finance costs</b>		
Interest expense		
- on lease liability	10,565	19,934
- Others	-	17,835
	<u>10,565</u>	<u>37,769</u>

# Sterling and Wilson Solar Solutions INC

## Notes to the standalone financial statements *(Continued)* for the year ended 31 March 2024

	Year ended 31 March 2024	Year ended 31 March 2023
<b>20 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	19,584	65,993
Amortisation of intangible assets	123,810	123,810
	<u>143,394</u>	<u>189,803</u>
<b>21 Other expenses</b>		
Communication expenses	35,861	48,984
Legal and professional fees	2,855,342	532,484
Printing and stationery expenses	52,475	43,465
Insurance costs	710,076	1,082,273
Repairs and maintenance - others	7,855	(10,505)
Selling and marketing expenses	(819)	69,921
Traveling and conveyance expenses	76,580	354,637
Rent	18,468	14,905
Payment to auditors	22,000	22,000
Bad debts written off	-	704,196
Handling charges	2,285	3,160
Liquidated Damages	-	-
Donation	20,000	750
Provision for foreseeable losses (net)	-	-
Bank charges	1,036,658	520,763
Miscellaneous expenses	122,634	385,802
	<u>4,959,415</u>	<u>3,772,836</u>