

B S R & Co. LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' Report

To the Members of Esterlina Solar Engineers Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Esterlina Solar Engineers Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and 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, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 Directors report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (*Continued*)

Esterlina Solar Engineers Private Limited

Management's and Board of Directors' Responsibility for the 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements in place and the operating effectiveness of such controls.



Independent Auditors' Report (Continued)

Esterlina Solar Engineers Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Director's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) 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;
- c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;



Independent Auditors' Report (*Continued*)

Esterlina Solar Engineers Private Limited

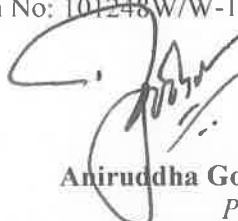
Report on Other Legal and Regulatory Requirements (*Continued*)

- e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) with respect to the adequacy of the internal financial controls with reference to the 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 does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the 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 financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Mumbai
22 June 2020

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149

Unique Document Identification No.: 20105149AAAAEA9929

Esterlina Solar Engineers Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

- (i) The Company does not have fixed assets and immovable properties. Accordingly, paragraphs 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The Company does not hold any inventory of construction of materials, stores and spare parts throughout the year. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (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 not granted any loans or made any investment, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order 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 under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and service tax, Income tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable to the appropriate authorities.

- (b) According to the information and explanations given to us, there are no dues of Goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute.



Esterlina Solar Engineers Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2020 **(Continued)**

- (viii) The Company does not have any loans or borrowings from government or outstanding dues to any financial institutions or banks or dues to debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, 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 on the basis of our examination of the records of the Company, the Company is not a public company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (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 Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute audit committee under Section 177 of the Act and hence, to this extent, the provision of clause 3 (xiii) of the Order is not applicable to the Company.
- (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 based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.



Esterlina Solar Engineers Private Limited

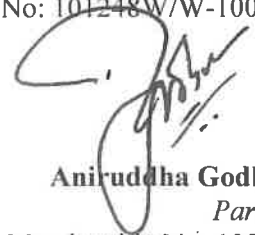
Annexure A to the Independent Auditors' Report – 31 March 2020 **(Continued)**

- (xvi) 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

Mumbai
22 June 2020

Unique Document Identification No.: 20105149AAAAEA9929

Esterlina Solar Engineers Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1 A (f) 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 the financial statements of Esterlina Solar Engineers Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to 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 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 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 both applicable to an audit of internal financial controls with reference to 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 financial statements was 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 control with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



Esterlina Solar Engineers Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2020 (Continued)

Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

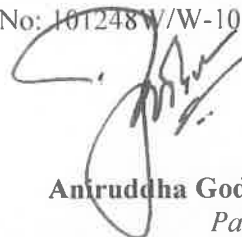
A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mumbai
22 June 2020

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248 W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149

Unique Document Identification No.: 20105149AAAAEA9929

Esterlina Solar Engineers Private Limited

Balance sheet as at 31 March 2020

(Currency : Indian rupees in million)

Particulars	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
(a) Non-current tax assets (net)	4	0.65	-
Total non-current assets		0.65	-
Current assets			
(a) Financial assets			
(i) Trade receivables	5	23.03	129.86
(ii) Cash and cash equivalents	6	6.01	1.60
(b) Other current assets	7	0.60	8.34
Total current assets		29.64	139.80
Total assets		30.29	139.80
Equity and Liabilities			
Equity			
(a) Equity share capital	8	0.10	0.10
(b) Other equity	9	10.58	6.20
Total equity		10.68	6.30
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	14.50	20.61
(ii) Trade payables	11	-	-
- Total outstanding dues of micro enterprises and small enterprises		4.00	100.31
(ii) Other financial liabilities*	12	0.00	1.00
(b) Other current liabilities	13	0.09	9.15
(c) Current tax liabilities (net)	14	1.02	2.43
Total current liabilities		19.61	133.50
Total liabilities		19.61	133.50
Total equity and liabilities		30.29	139.80

*Amount less than Rs 0.01 million

Significant accounting policies

3

Notes to the financial statements

1-29

The attached notes are an integral part of these financial statements.

As per our report of even date attached.

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
22 June 2020

For and on behalf of Board of Directors
Esterlina Solar Engineers Private Limited
CIN: U74999MH2018PTC315871

Khurshed Daruvala
Chairman
DIN:00216905

Zarine Y Daruvala
Director
DIN:00190585

Mumbai
22 June 2020

Esterlina Solar Engineers Private Limited

Statement of profit and loss

for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	Note	For the year ended 31 March 2020	For the period from 16 October 2018 to 31 March 2019
Income			
Revenue from operations	15	22.27	105.65
Total income		<u>22.27</u>	<u>105.65</u>
Expenses			
Cost of construction materials, stores and spare parts	16	-	0.51
Direct project costs	17	12.79	95.53
Other expenses	19	0.36	0.35
Total expenses		<u>13.15</u>	<u>96.39</u>
Earnings before interest, depreciation and tax (EBIDTA)		9.12	9.26
Finance costs	18	3.16	0.80
Profit before tax		<u>5.96</u>	<u>8.46</u>
Tax expenses:	24		
(i) Current tax		1.58	2.25
		<u>1.58</u>	<u>2.25</u>
Profit for the year		<u>4.38</u>	<u>6.21</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>4.38</u>	<u>6.21</u>
Earnings per equity share (nominal value of Rs. 1,000 each, fully paid-up)			
Basic and diluted earnings per share (Rs.) - Class A equity shares	22	<u>438.28</u>	<u>620.16</u>
Significant accounting policies	3		
Notes to the financial statements	1-29		

The attached notes are an integral part of these 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: 05149

Mumbai
22 June 2020

For and on behalf of Board of Directors
Esterlina Solar Engineers Private Limited
CIN: U74999MH2018PTC315871

Khurshed Daruvala
Chairman
DIN:00216905

Mumbai
22 June 2020

Zarine Y Daruvala
Director
DIN:00190585

Esterlina Solar Engineers Private Limited

Statement of changes in equity for the year ended 31 March 2020

(Currency : Indian rupees in million)

A. Equity share capital

	Notes	Balance as at 1 April 2019	Changes in Equity Share Capital during the year	Balance as at 31 March 2020
Equity Share Capital	8	0.10	-	0.10

	Notes	Balance as at 16 October 2018	Changes in Equity Share Capital during the period	Balance as at 31 March 2019
Equity Share Capital	8	-	0.10	0.10

B. Other equity

	Retained Earnings
Balance as at 16 October 2018	6.21
Profit for the period	6.21
Total comprehensive income for the period	6.21
Balance as at 31 March 2019	6.20
Balance as at 1 April 2019	4.38
Profit for the year	4.38
Total comprehensive income for the year	10.58
Balance as at 31 March 2020	

The attached notes are an integral part of these 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
22 June 2020

For and on behalf of Board of Directors
Esterlina Solar Engineers Private Limited
CIN: U74999MH2018PTC315871

Khurshed Daruvala
Chairman
DIN:00216905

Mumbai
22 June 2020

Zarine Y Daruvala
Director
DIN:00190585

Esterlina Solar Engineers Private Limited

Statement of cash flows

for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the period from 16 October 2018 to 31 March 2019
A Cash flows from operating activities		
Profit before tax	5.96	8.46
Adjustments:		
Finance cost	3.16	0.80
Operating profit before working capital changes	9.12	9.26
Changes in working capital:		
Decrease/ (increase) in trade receivables	106.82	(129.86)
Decrease / (Increase) in other financial assets	-	(8.34)
Decrease in other current assets	7.73	-
(Decrease)/ increase in trade payables	(96.32)	100.31
(Decrease) / increase in other financial liabilities	(1.00)	0.44
(Decrease)/ increase in other current liabilities	(9.05)	9.15
Net change in working capital	8.18	(28.30)
Cash generated from/ (used in) operations	17.30	(19.04)
Income taxes paid	(3.82)	-
Net cash flows generated from/ (used in) operating activities	13.48	(19.04)
B Cash flows from investing activities		
Net cash flows generated from/ (used in) investment activities	-	-
C Cash flows from financing activities		
Interest paid	(2.97)	(0.06)
Loan taken from holding company	7.17	21.00
Loan repaid to holding company	(13.28)	(0.39)
Proceeds from issue of equity shares	-	0.10
Net cash flows (used in)/ generated from financing activities	(9.08)	20.65
Net increase in cash and cash equivalents (A+B+C+D)	4.40	1.61
Cash and cash equivalents at the beginning of the year/ period	1.61	-
Cash and cash equivalents at the end of the year/ period	6.01	1.61



Esterlina Solar Engineers Private Limited

Statement of cash flows (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Notes to statement of cash flows:

- 1 The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 'Statement of Cash Flows'.

2 Components of cash and cash equivalents:

Particulars	31 March 2020	31 March 2019
Balances with banks		
- On current accounts	6.01	1.60
Cash on hand		
Total cash and cash equivalents	6.01	1.60

- 3 Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes:

Particulars	31 March 2020	For the period from 16 October 2018 to 31 March 2019
Short term borrowings		
At the beginning of the year/ period	20.61	-
Loan taken during the year/ period	7.17	21.00
Loan repaid during the year/ period	(13.28)	(0.39)
At the end of the year/ period	14.50	20.61

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
22 June 2020

For and on behalf of Board of Directors
Esterlina Solar Engineers Private Limited
CIN: U74999MH2018PTC315871

Khurshed Daruvala
Chairman
DIN:00216905

Mumbai
22 June 2020

Zarine Y Daruvala
Director
DIN:00190585

Esterlina Solar Engineers Private Limited

Notes to the financial statements

for the year ended 31 March 2020

(Currency : Indian rupees in million)

1. Background

Esterlina Solar Engineers Private Limited ("the Company") is a Private Limited Company domiciled in India with its registered office situated at 9th Floor, Universal Majestic, P.L.Lokhande Marg, Chembur (West) Mumbai - 400043. The Company has been incorporated on 16 October 2018 under the provisions of the Companies Act, 2013. The Company has been incorporated to design, engineer, supply, erect, commission, maintain, repair solar power plants, accessories, components, spare parts thereof and provide renewable energy solutions, both in India and abroad.

The Company is a wholly owned subsidiary of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited).

2. Basis of preparation of the financial statements

(a) Statement of compliance

The accompanying 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 Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 22 June 2020.

This is the first set of the Company's financial statements in which Ind AS 116, Leases has been applied. Changes to significant accounting policies are described in note 3.7.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in million, unless otherwise stated.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

(d) Use of estimates and judgements

The preparation of the 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 for the year ending 31 March 2021 are as follows:

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the year/period in which such changes are determined.

(ii) 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 period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

2. Basis of preparation of the financial statements (Continued)

(d) Use of estimates and judgements (Continued)

(iii) 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.

(iv) 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).
- 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 during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 25 to the Financial statements.

(v) 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.

(vi) Impairment losses on trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the 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.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies

3.1 Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is expected to be realised within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is due to be settled within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 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.

For purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets and their realisation in cash and cash equivalents.

3.2 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.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.2 Financial instruments

(b) Classification and subsequent measurement (Continued)

Financial assets (Continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- 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.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.2 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the 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 statement of profit and loss. Any gain or loss on derecognition is recognised in the 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 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 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 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 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 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 statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.2 Financial instruments (Continued)

(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 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.

3.3 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

(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 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 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.



Esterlina Sólár Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.4 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an 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.

3.5 Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company performance as the company performs; or
2. The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company performance does not create an asset with an alternative use to and the entity has an enforceable right to payment for performance completed to date.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.5 Revenue recognition (Continued)

Revenue from contracts with customers: (Continued)

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 contract

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

3.6 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.

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 statement of profit and loss as and when incurred.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.6 Property, plant and equipment (Continued)

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. 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).

3.7 Leases

Policy applicable before April 01, 2019:

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

Lease payments

Payments made under operating leases are generally recognised in the Standalone statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Policy applicable after April 01, 2019

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.7 Leases (Continued)

As a lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

Changes in accounting policies and Transition note

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

The cumulative effect on transition in retained earnings is Rs Nil.

3.8 Advances from customers, progress payments and retention

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.9 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares.

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.

3.10 Impairment

Impairment of non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- (i) Trade receivables, lease receivables and contract assets; and
- (ii) Financial assets measured at amortised cost (other than trade receivables, lease receivables and contract assets)

In case of trade receivables, lease receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and profitability 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 statement of profit and loss.

Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in the 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 period and any adjustment to the tax payable or receivable in respect of previous periods. 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 best estimate of the weighted average annual income tax rate expected for the full financial year.

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.

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 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.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.12 Statement of cash flows

The Company's statement of cash flows are prepared using the Indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances 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.

3.13 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the year, 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.

3.14 Share capital

Common stock issued by the Company is classified as equity net of directly attributable expenses when there is no contractual obligation to transfer cash or other financial assets to the holder of shares. Incremental costs directly attributable to the issue of equity instruments are recognised in equity, net of tax.

Dividends and others distributions to holders of the Company's equity instruments are recognised directly in equity.

3.15 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 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. 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 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 statement of profit and loss.

3.16 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 financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.17 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
4 Non-current tax assets (net)		
Advance tax (net of provision for tax 31 March 2020: Rs 1.58 million, 31 March 2019: Rs Nil)	0.65	-
	<u>0.65</u>	<u>-</u>
5. Trade receivables (Unsecured)		
Trade Receivable		
- considered good	23.03	129.86
-significant increase in credit risk	-	-
-credit impaired	-	-
	<u>23.03</u>	<u>129.86</u>
Loss allowance *		
- doubtful	-	-
	<u>-</u>	<u>-</u>
Net Trade Receivables	<u>23.03</u>	<u>129.86</u>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	22.11	108.98
Loss allowances	-	-
* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low. The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in Note 25.		
As at 31 March 2020, trade receivables includes retention of Rs Nil (31 March 2019: Rs 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 :		
	31 March 2020	31 March 2019
Sterling and Wilson Private Limited	22.11	6.48
Shapoorji Pallonji Infrastructure Capital Company Limited	-	102.50
	<u>22.11</u>	<u>108.98</u>
6. Cash and cash equivalents		
Balances with Bank		
- in current accounts	6.01	1.60
	<u>6.01</u>	<u>1.60</u>
7 Other current assets (Unsecured, considered good)		
Advance to suppliers	-	7.69
Prepayments	0.01	0.46
Advance to employees	-	0.19
Balance with government authorities	0.59	-
	<u>0.60</u>	<u>8.34</u>



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
8 Equity share capital		
Authorised		
10,000 (31 March 2019 : 10,000 equity shares of Rs 10 each) equity shares of Rs 10 each , fully paid-up	0.10	0.10
	<u>0.10</u>	<u>0.10</u>
Issued, subscribed and paid-up:		
10,000 (31 March 2019 : 10,000 equity shares of Rs 10 each) equity shares of Rs 10 each , fully paid-up	0.10	0.10
	<u>0.10</u>	<u>0.10</u>

a) **Reconciliation of the shares outstanding at the beginning and at the end of the period is as below:**

Particulars	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year/period	10,000.00	0.10	-	-
Add: Equity shares issued during the year/period	-	-	10,000.00	0.10
Equity shares at the end of the year/period	10,000.00	0.10	10,000.00	0.10

b) **Rights, preferences and restrictions attached to the 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**

Name of the shareholder	31 March 2020		31 March 2019	
	Number of equity shares held	Amount	Number of equity shares held	Amount
Equity shares of Rs 10 each fully paid-up held by				
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited), the Holding Company, the Holding Company*	10,000.00	0.10	10,000.00	0.10
* One equity share is held by Mrs. Zarine Yazdi Daruvala as nominee shareholder of Sterling and Wilson Solar Limited				

d) **Details of shares held by shareholders (including those holding more than 5% of the equity shares of the Company)**

Name of the shareholder	31 March 2020		31 March 2019	
	Number of equity shares held	Percentage holding	Number of equity shares held	Percentage holding
Equity shares of Rs 10 each fully paid-up held by				
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited), the Holding Company, the Holding Company*	10,000.00	100.00%	10,000.00	100.00%
* One equity share is held by Mrs. Zarine Yazdi Daruvala as nominee shareholder of Sterling and Wilson Solar Limited				



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
9 Other equity		
Retained earnings		
At the beginning of the year/period	6.20	-
Add: Profit during the year/period	4.38	6.20
At the end of the year/period	<u>10.58</u>	<u>6.20</u>

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.

10 Borrowings

Unsecured loans		
Working capital loan from related party (refer note (a) below)	14.50	20.61
	<u>14.50</u>	<u>20.61</u>

a) Unsecured working capital loan is from Sterling and Wilson Solar Limited at the rate of 12% p.a. and repayable on demand.

11 Trade payables

- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4.00	100.30
	<u>4.00</u>	<u>100.30</u>

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available the management, there are outstanding dues of Rs Nil to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in following disclosure:

Particulars	31 March 2020	31 March 2019
The principal amount remaining unpaid to any supplier as at the end of each accounting year/ period	Nil	Nil
Interest due thereon	Nil	Nil
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/ period	Nil	Nil
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

12 Other financial liabilities

To related parties		
Interest accrued and due*	0.00	0.56
To parties other than related parties	-	0.44
Other payables		
	<u>0.00</u>	<u>1.00</u>

*Amount less than Rs 0.01 million



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
13 Other current liabilities		
<i>To parties other than related parties</i>		
Advances from customers	-	4.55
Statutory liabilities	0.09	4.60
- GST payable	-	2.83
- Tax deducted at source payable	0.09	1.77
	<u>0.09</u>	<u>9.15</u>
14 Current tax liabilities (net)		
Provision for current tax (net of advance tax 31 March 2020: Rs 0.62 million, 31 March 2019: Rs Nil)	1.02	2.43
	<u>1.02</u>	<u>2.43</u>



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the period from 16 October 2018 to 31 March 2019
15 Revenue from operations		
Sale of services	22.27	105.65
Income from works contract		
	<u>22.27</u>	<u>105.65</u>
16 Cost of construction materials, stores and spare parts		
Inventory of materials at the beginning of the year/period	-	-
Purchase made during the year/period	-	0.51
Less : Inventory of materials at the end of the year/period	-	-
	<u>-</u>	<u>0.51</u>
17 Direct project costs		
Communication expenses	0.04	0.02
Legal and professional fees	0.17	-
Printing and stationery expenses*	0.00	0.07
Rent	0.22	0.03
Repairs and maintenance - others	0.02	0.02
Traveling and conveyance expenses	0.14	0.14
Electricity, power and fuel*	0.00	1.07
Bank charges	-	0.00
Insurance costs	0.67	0.31
Miscellaneous expenses	0.43	0.16
	<u>1.69</u>	<u>1.82</u>
Employee benefits expense		
Salaries, wages and bonus	0.06	0.04
Staff welfare expenses	-	0.36
	<u>0.06</u>	<u>0.40</u>
Sub-contractor expenses	11.04	93.31
	<u>12.79</u>	<u>95.53</u>

*Amount less than Rs 0.01 million



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the period from 16 October 2018 to 31 March 2019
18 Finance costs		
Interest on loan	2.98	0.62
Interest on income tax	0.18	0.18
	3.16	0.80
19 Other expenses		
Payment to auditors (refer note (a) below)	0.36	0.35
(a) As auditor	0.22	0.20
Statutory audit		
In other capacity	0.12	0.10
tax Audit	0.02	0.05
other services		
	0.36	0.35



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

20 Contingent liabilities and commitments

	31 March 2020	31 March 2019
Contingent liabilities		
Claims against the Company not acknowledged as debts	Nil	Nil
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

21 Related party disclosures

21.1 Related parties and their relationship

In accordance with the requirements of Ind AS -24 " Related Party Disclosures", following are the details of the transactions during the year with the related parties of the Company:

Name of the related party	Nature of relationship
Shapoorji Pallonji and Company Private Limited	Ultimate Holding Company
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Holding Company
Sterling & Wilson - Waaree Private Limited	Fellow Subsidiary
Sterling and Wilson (Thailand) Limited	Fellow Subsidiary
Sterling and Wilson Middle East Solar Energy L.L.C., Dubai	Fellow Subsidiary
Sterling and Wilson Engineering (Pty) Limited	Fellow Subsidiary
Sterling and Wilson Singapore Pte Limited	Fellow Subsidiary
Sterling and Wilson Kazakhstan LLP	Fellow Subsidiary
Sterling and Wilson Brasil Servicos Ltda. (upto 26 August 2019)	Fellow Subsidiary
Sterling Wilson - SPCPL - Chint Moroccan Venture	Fellow Subsidiary
Renovable Energia Contracting S.L.	Fellow Subsidiary
Sterling and Wilson Solar Solutions Inc.	Fellow Subsidiary
Geco Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd) (w.e.f. 1 December	Fellow Subsidiary
Sterling Wilson Solar Solutions LLC (w.e.f 17 October 2018)	Fellow Subsidiary
Sterling and Wilson International LLP (w.e.f 27 June 2018)	Fellow Subsidiary
Sterling and Wilson Solar Australia Pty. Ltd. (w.e.f. 16 April 2019)	Fellow Subsidiary
Sterling and Wilson Solar Malaysia Sdn. Bhd. (w.e.f. 4 June 2019)	Fellow Subsidiary
Sterling and Wilson Solar LLC (w.e.f 1 January 2019)	Fellow Subsidiary
Shapoorji Pallonji Infrastructure Capital Company Limited	Fellow Subsidiary
Sterling and Wilson Private Limited	Fellow Subsidiary
Mrs. Zarine Yazdi Daruvala (Director)	Key Management Personnel
Mr. Khurshed Yazdi Daruvala (Chairman)	Key Management Personnel



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

21 Related party disclosures (Continued)

21.2 Transactions and balances with related parties

Related party	Nature of transaction	For the year ended 31 March 2020	For the period ended 31 March 2019
Shapoorji Pallonji and Company Private Limited	Service fees	0.05	-
Shapoorji Pallonji and Company Private Limited	Trade payables	0.06	-
Shapoorji Pallonji and Company Private Limited	Income from works contracts	-	86.86
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Purchase of services	-	78.18
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Loan taken	7.17	21.00
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Loan repaid	13.28	0.39
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Interest expense	2.98	0.62
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Loan outstanding	14.50	20.61
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Interest payable*	0.00	0.56
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Advance to Suppliers	-	7.00
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Recoverable expenses	-	0.44
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Trade payables	-	92.25
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Trade receivables	22.11	6.48
Sterling and Wilson Private Limited	Income from works contract	9.86	5.17
Sterling and Wilson Private Limited	Income from works contracts	-	86.86
Shapoorji Pallonji Infrastructure Capital Company Limited	Trade Receivables	-	102.50

*Amount less than Rs 0.01 million

22 Earnings per share

Particulars		For the year ended 31 March 2020	For the period ended 31 March 2019
Profit after tax attributable to equity shareholders	A	4.38	6.20
Calculation of weighted average number of equity shares (Class A)		10,000.00	10,000.00
Number of equity shares at the beginning of the year/period		-	-
Equity shares issued during the year/period		10,000.00	10,000.00
Number of equity shares outstanding at the end of the year/period		10,000.00	10,000.00
Weighted average number of equity shares outstanding during the year/period (based on date of issue of shares)	B	10,000.00	10,000.00
Class A equity shares			
Basic and diluted earnings per share (Rs)	A / B	438.28	620.16
Class A equity shares		10.00	10.00
Face value per share (Rs)			

23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company has only one reportable business segment, which is solar and renewable energy solutions and only one reportable geographical segment.

Revenue from one customer of the Company is Rs 9.86 million which accounts for more than 10% of the Company's total revenue (31 March 2019: Rs 86.86 million)



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

24 Income taxes

a) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2020	For the period from 16 October 2018 to 31 March 2019
Current tax expense :	1.58	2.25
Current year charge	1.58	2.25
Tax expenses		

b) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020		For the period from 16 October 2018 to 31 March 2019	
	Percentage	Amount	Percentage	Amount
Profit before tax		5.96		8.46
Tax using the Company's domestic tax rate	25.17%	1.51	26.00%	2.20
Tax effect of:				
	1.32%	0.07	0.55%	0.05
Non deductible expenses	26.49%	1.58	26.55%	2.25
Effective tax rate				



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

25 Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if carrying amount is a reasonable approximation of fair value.

31 March 2020	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1 - Quoted price in	Level 2 - Significant observable	Level 3 - Significant unobservab	
Financial assets							
Trade receivables	-	23.03	23.03	-	-	-	-
Cash and cash equivalents	-	6.01	6.01	-	-	-	-
	-	29.04	29.04	-	-	-	-
Financial liabilities							
Borrowings	-	14.50	14.50	-	-	-	-
Trade payables	-	4.00	4.00	-	-	-	-
Other financial liabilities	-	0.00	0.00	-	-	-	-
	-	18.50	18.50	-	-	-	-

31 March 2019	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1 - Quoted price in	Level 2 - Significant observable	Level 3 - Significant unobservab	
Financial assets							
Trade receivables	-	129.86	129.86	-	-	-	-
Cash and cash equivalents	-	1.60	1.60	-	-	-	-
	-	131.46	131.46	-	-	-	-
Financial liabilities							
Borrowings	-	20.61	20.61	-	-	-	-
Trade payables	-	100.31	100.31	-	-	-	-
Other financial liabilities	-	1.00	1.00	-	-	-	-
	-	121.92	121.92	-	-	-	-

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The Company does not have any financial assets or financial liabilities which are measured at fair value.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the year/ period.

Level 3 fair values

There are no items in Level 3 fair values.



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

25 Financial instruments – Fair values and risk management (Continued)

(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 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.

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. 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 receivables.

Total trade receivable as on 31 March 2020 is Rs 23.03 million (31 March 2019: Rs 129.86 million)

One largest customer has a total concentration of 96.02 % (31 March 2019: One largest customer has a total concentration of 71.04%) of total trade receivable.

As per simplified approach, the Company makes provision of expected credit losses on trade 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 Company does not have any provision for expected credit losses on trade receivables as at 31 March 2020 and 31 March 2019.

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs 6.01 million and Rs 1.06 million as at 31 March 2020 and 31 March 2019 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

25 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amount	Contractual cash flows			More than 5 years
		Total	1 year or less	1-2 years	
31 March 2020					
Non-derivative financial liabilities					
Borrowings	14.50	16.24	16.24	-	-
Trade payables	4.00	4.00	4.00	-	-
Other financial liabilities	0.00	0.00	0.00	-	-
	18.49	20.24	20.24	-	-

	Carrying amount	Contractual cash flows			More than 5 years
		Total	1 year or less	1-2 years	
31 March 2019					
Non-derivative financial liabilities					
Borrowings	20.61	23.09	23.09	-	-
Trade payables	100.30	100.30	100.30	-	-
Other financial liabilities	1.00	1.00	1.00	-	-
	121.91	124.39	124.39	-	-

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. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the Company's exposure to market risk is a function of revenue generating and operating activities in foreign currencies.

(a) Currency Risk

The Company is not exposed to currency risk on account of its operating activities because the Company does not have foreign currency exposure. The functional currency of the Company is Indian Rupees.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2020

(Currency : Indian rupees in million)

25 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

iii Market risk (Continued)

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company has no borrowings from banks and financial institutions.

Exposure to interest rate risk

Since the Company does not have any financial assets or financial liabilities bearing floating interest rates, a change in interest rates at the reporting date would not have any significant impact on the financial statements of the Company.

(c) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows:

Particulars	31 March 2020	31 March 2019
Non-Current Borrowings	14.50	20.61
Current Borrowings	14.50	20.61
Gross debt	6.01	1.60
Less : Cash and cash equivalents	8.49	19.01
Adjusted net debt	10.68	6.30
Total equity	0.80	3.02
Adjusted net debt to adjusted equity ratio		



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

26 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. There is no impact on the Company's revenue on applying Ind AS 115 from the contracts with customers.

B) Reconciliation of contract liabilities

Particulars	31 March 2020	31 March 2019
Contract assets*		
Unbilled receivables	-	-
Contract assets at the beginning of the period	(17.72)	97.19
Less: Billed during the year/period	17.72	(97.19)
Add: Revenue recognised during the year/period	-	-
Contract assets as at end of the period		
Contract liabilities**		
Advances from customers	4.55	-
Contract liabilities at the beginning of the reporting year/period	-	13.01
Add: addition during the year/period	(4.55)	(8.46)
Less: applied during the year/period	-	4.55
Contract liabilities as at end of the reporting year/period		

*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 liability primarily relates to the billing in advance towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

C) Reconciliation of revenue as per Ind AS 115

	For the year ended March 31, 2020	For the period from 16 October 2018 to 31 March 2019
Income from works contracts	22.27	105.65
Adjustment on account of:	-	-
Total	22.27	105.65

D) 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.



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Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

26 Disclosure under Ind AS 115, Revenue from Contracts with Customers

D) Performance obligation (Continued)

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 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.

E) Practical expedient for significant financing component:

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.



Esterlina Solar Engineers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

- 27 The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

28 Prior Period Comparatives

The comparative financial information included in these financial statements are for the period from 16 October 2018 to 31 March 2019 and hence previous period numbers are not comparable.

29 Other matters

Information with regard to other matters, specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

22 June 2020

For and on behalf of Board of Directors

Esterlina Solar Engineers Private Limited

CIN: U74999MH2018PTC315871

Khurshed Daruvala

Director

DIN:00216905

Mumbai

22 June 2020

Zarine Y Daruvala

Director

DIN:00190585