

**Independent Auditors' Report**

To the Partners of  
Sterling Wilson – SPCPL – Chint Moroccan Venture

**Report on audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Sterling Wilson – SPCPL – Chint Moroccan Venture ('the Partnership Firm'), which comprise the balance sheet as at 31 March 2020, and the profit and loss account and the cash flow statement for the year on that date, and a summary of the significant accounting policies and other explanatory information, in which are included the Return for the year ended on that date audited by the branch auditors' of the Partnership Firm's branch at Morocco.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of branch auditors' on the financial statements of the branch referred to in the Other Matters section below, the accompanying financial statements give a true and fair view of the financial position of the Partnership as at 31 March 2020, and its financial performance of cash flows for the year then ended in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI).

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the audit of the Financial Statements* section of our report. We are independent of the Partnership Firm and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics issued by the ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of management for the Financial Statements**

The Partnership Firm's designated partners are responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Partnership Firm in accordance with the accounting principles generally accepted in India, including Accounting Standards issued by the ICAI and the provisions of the Partnership Act, 1932 ('the Act'), to the extent applicable. This responsibility also includes design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give true and fair view and free from material misstatement, whether due to fraud or error.





In preparing the financial statements, Partnership Firm's designated partners are responsible for assessing the Partnership Firm'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 Partnership Firm or to cease operations, or has no realistic alternative but to do so.

The Partnership Firm's designated partners are also responsible for overseeing the Partnership Firm's financial reporting process.

### **Auditors' 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.

### **Other Matters**

1. (a) We did not audit the financial statements of one branch included in the financial statements of the Partnership Firm, whose financial statements reflect total assets of Rs. 1,140.69 million as at 31 March 2020 and total revenues of Rs. Nil million for the year ended 31 March 2020, as considered in the financial statements. The financial statements of branch have been audited by branch auditors whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of the branch is based solely on the audit report of the branch auditors.
- (b) The financial statements include one branch, namely Morocco, which is located outside India, and whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective country. The Partnership Firm's management has converted the financial statements of this branch located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted India. We have audited these conversion adjustments made by the Partnership Firm's management. Our opinion in so far as it related to the balances and affairs of this branch located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Partnership Firm and audited by us.





# **G.N. SHANBHAG & CO.**

**CHARTERED ACCOUNTANTS**

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Our opinion on the financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors.

For G. N. Shanbhag & Co.

Chartered Accountants

Firm's Registration No: 109885W



**G. N. Shanbhag**

Proprietor

Membership No: 032057

UDIN :20032057AAAANQ3458



Place: Mumbai

Dated: June 09,2020

# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Balance sheet

as at 31 March 2020

(Currency : Indian Rupees in million)

| Particulars  | Note | 31 March 2020   | 31 March 2019   |
|--|------|-----------------|-----------------|
| <b>CAPITAL AND LIABILITIES</b>   |      |                 |                 |
| <b>Capital Accounts</b>  |      |                 |                 |
| Partners' Capital Account  | 3    | (184.00)        | 1.24            |
|  |      | (184.00)        | 1.24            |
| <b>Current liabilities</b>   |      |                 |                 |
| Borrowings   | 4    | 276.38          | -               |
| Trade payables   | 5    | -               | -               |
| - Outstanding dues of Micro Enterprises and Small Enterprises                      |      | -               | -               |
| - Outstanding dues of creditors other than Micro Enterprises and Small Enterprises |      | -               | -               |
| Other current liabilities  | 6    | 778.99          | 1,386.97        |
| Short-term provisions  | 7    | 8.47            | 4.53            |
|  |      | 194.51          | 110.01          |
|  |      | <b>1,258.35</b> | <b>1,501.51</b> |
| <b>TOTAL</b>   |      | <b>1,074.35</b> | <b>1,502.75</b> |
| <b>ASSETS</b>  |      |                 |                 |
| <b>Non-current assets</b>  |      |                 |                 |
| Property, plant and equipment  | 8    | 11.67           | 13.59           |
| <b>Current assets</b>  |      |                 |                 |
| Trade receivables  | 9    | 333.78          | 633.63          |
| Cash and cash equivalents  | 10   | 36.85           | 133.07          |
| Short term loans and advances  | 11   | 692.05          | 722.46          |
|  |      | <b>1,062.68</b> | <b>1,489.16</b> |
| <b>TOTAL</b>   |      | <b>1,074.35</b> | <b>1,502.75</b> |

Significant accounting policies

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Notes to the financial statements

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

As per our report of even date attached.

For G N Shanbhag & Co  
Chartered Accountants  
Firm's Registration No: FRN 109885W

G N Shanbhag  
Proprietor  
Membership No: 032057  
UDIN : 20032057AAAANQ3458

Place : Mumbai  
Date: June 09, 2020



For and on behalf of the Partners of  
Sterling Wilson-SPCPL-Chint Moroccan Venture  
Firm Registration No : JNR / 884/2016-17

*(Signature)*

Bahadur Dastoor  
Managing Partner

Place : Mumbai  
Date: June 09, 2020



# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Statement of profit and loss

for the year ended 31 March 2020

|  | Note | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|------|-----------------------------|-----------------------------|
| <b>Income</b>  |      |                             |                             |
| Revenue from operations                                | 12   | 112.67                      | 2,152.49                    |
| Other income   | 13   | 26.22                       | 492.86                      |
| <b>Total income</b>                                    |      | <b>138.89</b>               | <b>2,645.35</b>             |
| <b>Expenses</b>  |      |                             |                             |
| Cost of construction materials, stores and spare parts | 14   | -                           | 677.42                      |
| Direct project costs                                   | 15   | 302.56                      | 1,700.56                    |
| Finance costs  | 16   | 15.25                       | 5.69                        |
| Depreciation and amortisation expense                  | 17   | 1.97                        | 3.70                        |
| Other expenses   | 18   | 2.50                        | 9.27                        |
| <b>Total expenses</b>                                  |      | <b>322.28</b>               | <b>2,396.64</b>             |
| <b>Profit before income tax</b>                        |      | <b>(183.40)</b>             | <b>248.71</b>               |
| <b>Tax expense:</b>                                    |      |                             |                             |
| Current tax  |      | -                           | 41.44                       |
| Short provision of previous year                       |      | 1.84                        | -                           |
| Deferred tax (credit)                                  |      | -                           | -                           |
|  |      | 1.84                        | 41.44                       |
| <b>Profit after income tax</b>                         |      | <b>(185.24)</b>             | <b>207.28</b>               |
| <b>Significant accounting policies</b>                 | 2    |                             |                             |

Notes to the financial statements

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

As per our report of even date attached.

For G N Shanbhag & Co  
Chartered Accountants  
Firm's Registration No: FRN 109885W

G N Shanbhag  
Proprietor  
Membership No: 032057  
UDIN : 20032057AAAANQ3458

Place : Mumbai  
Date: June 09, 2020



For and on behalf of the Partners of  
Sterling Wilson-SPCPL-Chint Moroccan Venture  
Firm Registration No : JNR / 884/2016-17

Bahadur Dastoor  
Managing Partner

Place : Mumbai  
Date: June 09, 2020



# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Cash flow statement

for the year ended 31 March 2020

(Currency : Indian Rupees in million)

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                               |                             |                             |
| Profit / (Loss) before tax  | (183.40)                    | 248.72                      |
| Adjustment for:   |                             |                             |
| Depreciation expenses   | 1.97                        | 3.70                        |
| Finance cost*   | 15.25                       | 5.69                        |
| (Write back) / provision for foreseeable losses                           | -                           | (16.30)                     |
| Liquidated damages  | 112.67                      | -                           |
| Unrealised foreign exchange (gain) / loss (net)                           | (79.24)                     | (131.66)                    |
| Loss on sale of tangible asset  | -                           | 6.19                        |
| Capital work in progress written off                                      | -                           | 2.58                        |
| <b>Operating profit / (loss) before working capital changes</b>           | <b>(132.74)</b>             | <b>118.92</b>               |
| <b>Changes in working capital</b>   |                             |                             |
| Decrease / (Increase) in trade receivable                                 | 350.37                      | 595.70                      |
| Decrease / (Increase) in Short term loans and advances                    | 30.40                       | (310.81)                    |
| Decrease in other current assets  | -                           | 6,732.33                    |
| (Decrease) / Increase in trade payables                                   | (607.98)                    | (6,392.57)                  |
| (Decrease) / Increase in current liabilities and provisions               | 1.16                        | (1,161.95)                  |
| <b>Net cash flows (used in) / generated from operating activities</b>     | <b>(358.78)</b>             | <b>(418.38)</b>             |
| Income tax paid   | (47.03)                     | -                           |
| Effects of exchange differences on translation of assets and liabilities  | 0.14                        | (1.27)                      |
| <b>Net cash flows (used in) / generated from operating activities (A)</b> | <b>(405.67)</b>             | <b>(419.65)</b>             |
| <b>Cash flows from investing activities</b>                               |                             |                             |
| Proceeds from (purchase) / Sale of property, plant and equipment          | (0.60)                      | 7.30                        |
| <b>Net cash flows generated from / (used in) investing activities (B)</b> | <b>(0.60)</b>               | <b>7.30</b>                 |
| <b>Cash flows from financing activities</b>                               |                             |                             |
| Finance costs paid*   | (12.47)                     | (1.94)                      |
| Proceeds from borrowings  | 717.81                      | -                           |
| Repayment of borrowings   | (441.43)                    | -                           |
| <b>Net cash flows (used in) financing activities (C)</b>                  | <b>263.91</b>               | <b>(1.94)</b>               |
| <b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>     | <b>(142.37)</b>             | <b>(414.29)</b>             |
| <b>Cash and cash equivalents - opening balance</b>                        | <b>133.07</b>               | <b>500.78</b>               |
| Net movement in currency translation                                      | 46.15                       | 46.58                       |
| <b>Cash and cash equivalents - closing balance (Refer note 10)</b>        | <b>36.85</b>                | <b>133.07</b>               |

\*Amount less than Rs 0.01 million

Notes:

- The above cash flow statement have been prepared under the "Indirect Method" as set out in Accounting Standard (AS) 3.
- Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).





| Components of cash and cash equivalents | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Cash on hand                            | 0.06          | 0.92          |
| Balances with banks                     |               |               |
| - in current accounts                   | 36.79         | 132.15        |
|   | <b>36.85</b>  | <b>133.07</b> |

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

As per our report of even date attached.

For G N Shanbhag & Co  
Chartered Accountants  
Firm's Registration No: FRN 109885W

G N Shanbhag  
Proprietor  
Membership No: 032057  
UDIN : 20032057AAAAANQ3458

Place : Mumbai  
Date: June 09, 2020



For and on behalf of the Partners of  
Sterling Wilson-SPCPL-Chint Moroccan Venture  
Firm Registration No : JNR / 884/2016-17

Bahadur Dastoor  
Managing Partner

Place :Mumbai  
Date: June 09, 2020



# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements for the year ended 31 March 2020

(Currency : Indian Rupees in million)

### 1 Background

Sterling and Wilson-SPCPL-Chint Moroccan Venture and its branch office in Morocco (hereinafter referred to as "the Partnership Firm") was formed on 28 November 2016 between Sterling and Wilson Private Limited (Partner 1), Shapoorji Pallonji and Company Private Limited (Partner 2) and Astronergy Solar India Private Limited (Partner 3).

The Partnership Firm is a joint operation for carrying the business of turnkey execution of 65 MW (AC) at Laayoune, 55 MW (AC) at Quarzazate, and 15 MW (AC) at Boujdour totalling to 135 MW (AC) EPC solar project in Morocco including supply, erection, installation, testing, commissioning and other things which are incidental, ancillary or conducive to the aforesaid objects.

Persuant to a scheme of arrangement between Sterling and Wilson Private Limited ('SWPL') and Sterling and Wilson Solar Limited (SWSL) (formerly known as Sterling and Wilson Solar Private Limited (SWSP)) approved by NCLT on 28 March 2018, the share of SWPL in partnership firm has been transferred to SWSL with effect from 1 April 2017.

### 2 Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India, including accounting standards issued by The Institute of Chartered Accountants of India (ICAI). The accounting policies have been consistently applied by the Partnership firm. The financial statements are presented in Indian Rupees in millions to the nearest two decimal places, unless otherwise stated.

The Partnership Firm has incurred a net loss of Rs 185.24 million for the year ended 31 March 2020 and as of 31 March 2020 has a negative net worth of Rs 184.00 million. Due to this there exist uncertainty of the Partnership Firm to continue on a going concern basis for next 12 months from the balance sheet date. However, the partners' has confirmed to provide necessary financial support for next 12 months to meet the financial liabilities. In view of this the management believes that the going concern assumption is appropriate.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.3 Current-non-current classification

##### Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Partnership Firm's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

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

- it is expected to be settled in the Partnership Firm's normal operating cycle;
  - it is held primarily for the purpose of being traded;
  - it is due to be settled within 12 months after the reporting date; or
  - the Partnership Firm does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its

Current liabilities include current portion of non-current financial liabilities.

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 Partnership Firm's normal operating cycle and other criteria set out above.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Partnership Firm has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities.





# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian Rupees in million)

## 2 Significant accounting policies (Continued)

### 2.4 Property, plant and equipment

Tangible assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as non-refundable duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

#### Depreciation

As regards rates of Depreciation, the same is taken as set out in below table:

| Assets                 | Rate of depreciation |
|------------------------|----------------------|
| Computers              | 25%                  |
| Plant and Machinery    | 10%                  |
| Furniture and fixtures | 10%                  |

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Advance paid /expenditure incurred on acquisition /construction of property, plant and equipment which are not ready for their intended use at each balance sheet date are disclosed under long-term loans and advances as advances on capital account and capital work-in-progress respectively. Capital work-in-progress includes cost of tangible assets that are not ready to use at balance sheet date.

### 2.5 Impairment of assets

The Partnership Firm assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Partnership Firm estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### 2.6 Inventories and project work-in-progress

Direct expenses like materials used for the projects, site labour cost, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, bank guarantee charges, design and technical assistance, and direct project overheads are taken as the cost of the project work-in-progress.

Material at central stores comprises wiring, cabling and air-conditioning material, 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.

### 2.7 Revenue recognition

#### Revenue from works contracts

Contract prices are either fixed or subject to price escalation clauses. Revenue from works contracts is recognised on the basis of percentage completion method, and the level of completion depends on the nature and type of each contract including:

- Unbilled work-in-progress valued at lower of cost and net realisable value upto the stage of completion. Cost includes direct material, labour cost and appropriate overheads; and
- amounts due in respect of the price and other escalation, bonus claims and/or variation in contract work approved by the customer/third parties etc. where the contract allows for such claims or variations and there is evidence that the customer/third party has accepted it.

## 2 Significant accounting policies (Continued)

### 2.7 Revenue recognition (Continued)

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 Partnership Firm, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are identified.

Revenue from works contracts, where the outcome cannot be estimated reliably, is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs shall be recognised as an expense in the year in which they are incurred.

In addition, if it is expected that the contract will make a loss, the estimated loss is provided for in the books of account. Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Partnership Firm.

Income from works contracts exclude GST on accrual basis when the services are completed.





## **2.8 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.

## **2.9 Income taxes**

Income-tax expense comprises current tax and deferred tax charge or credit.

### **Current tax**

Provision for current tax is based on the results for the year in accordance with the provisions of the Income-tax Act, 1961 and applicable income-tax laws in Morocco.

### **Deferred tax**

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset will be realised. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

## **2.10 Borrowing costs**

Borrowing costs attributable to the borrowings made towards working capital requirement are recognised as an expense in the year in which they are incurred.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

## **2 Significant accounting policies (Continued)**

### **2.11 Employee benefits**

#### **(a) Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of exgratia are recognised in the period in which the employee rendered the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the year.

#### **(b) Post employment benefits**

##### **Defined contribution plans:**

The Partnership Firm makes specified monthly contributions towards Social Security Contributions in compliance with the domestic laws of the country in which the foreign branch operates. The Partnership Firm's contribution paid / payable under these schemes are recognised as expense in the Profit and loss account during the year in which the employee renders the related service.

### **2.12 Foreign currency transactions**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the Profit and loss account of the year.

All assets and liabilities in foreign currency, which are outstanding as at the period-end and not covered by forward contracts, are translated at the period-end at the closing exchange rate and the resultant exchange differences are recognized in the Profit and loss account. Non-monetary foreign currency items are carried at cost.

The Partnership Firm treats its foreign branch transactions as integral foreign operations and accounting for the same is in compliance with the revised Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

Revenue items are translated into the reporting currency at average exchange rates during the period. Foreign currency denominated current assets and current liabilities at balance sheet date are translated at exchange rates prevailing on the date of the balance sheet are translated at exchange rates on the date of transaction and depreciation on tangible assets is translated at the exchange rates used for translation of the underlying tangible assets. Net exchange difference resulting from translation of items in the financial statements of the foreign branch office is recognised in the Profit and loss account.

### **2.13 Operating lease**

Lease rentals in respect of assets acquired on operating leases are recognised in the Profit and loss account on a straight line basis over the lease term.





#### 2.14 *Export incentives*

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other income in the financial statements.

#### 2.15 *Provisions and contingencies*

A provision is recognised when:

- a) the Partnership Firm has a present obligation as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.



# Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements *(Continued)*  
as at 31 March 2020

| 3 Partners' Capital Account             | 31 March 2020   | 31 March 2019 |
|---|-----------------|---------------|
| (i) Partners' Capital Account           |                 |               |
| Balance as at the beginning of the year | 1.24            | (206.04)      |
| Add: Profit for the year                | (185.24)        | 207.28        |
| Balance as at the end of the year       | <b>(184.00)</b> | <b>1.24</b>   |





Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)  
as at 31 March 2020

|  | 31 March 2020 | 31 March 2019   |
|--|---------------|-----------------|
| <b>4 Current borrowings</b>  |               |                 |
| <i>Unsecured loans</i>   |               |                 |
| Loans from related parties   | 276.38        | -               |
|  | <b>276.38</b> | <b>-</b>        |
| <b>5 Trade payables</b>  |               |                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 778.99        | 1,386.97        |
|  | <b>778.99</b> | <b>1,386.97</b> |
| <b>6 Other current liabilities</b>   |               |                 |
| Interest accrued and not due   | 2.78          | -               |
| Employee benefits payable  | 2.46          | 2.44            |
| Statutory dues payable :   |               |                 |
| - TDS payable  | 2.32          | 1.14            |
| - Social security contribution   | 0.91          | 0.95            |
|  | <b>8.47</b>   | <b>4.53</b>     |
| <b>7 Short-term provisions</b>   |               |                 |
| Other provisions   |               |                 |
| Provision for tax (net of advance tax: Rs 47.04 million (31 March 2019: Nil))          | -             | 45.19           |
| Provision for Liquidated damages   | 194.51        | 64.82           |
|  | <b>194.51</b> | <b>110.01</b>   |





# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

as at and for the year ended 31 March 2020

(Currency : Indian Rupees in million)

### 8. Property, plant and equipment

| Assets description       | Gross Block           |                              |  |                                  |                           | Accumulated depreciation     |   |                               |                        | Net block |
|--------------------------|-----------------------|------------------------------|--|----------------------------------|---------------------------|------------------------------|---|-------------------------------|------------------------|-----------|
|                          | As at<br>1 April 2019 | Additions during<br>the year | Exchange<br>differences on<br>translation of<br>foreign operations | Deductions<br>during the<br>year | As at<br>31 March<br>2020 | Depreciation for<br>the year | Exchange differences on<br>translation of foreign<br>operations | Deductions<br>during the year | As at<br>31 March 2020 |           |
| Leasehold improvements   | 1.13                  | -                            | 0.57   | -                                | 1.70                      | 0.07                         | 0.02  | -                             | 0.70                   | 1.01      |
| Plant and Machinery      | 8.64                  | 0.50                         | (0.70)   | -                                | 8.42                      | 0.81                         | 0.33  | -                             | 2.09                   | 6.33      |
| Computers                | 2.58                  | 0.11                         | 0.04   | -                                | 2.73                      | 1.69                         | (0.25)  | -                             | 2.02                   | 0.70      |
| Furniture and fixtures   | 5.18                  | -                            | (0.10)   | -                                | 5.06                      | 0.69                         | 0.23  | -                             | 1.44                   | 3.63      |
| Total (A)                | 17.53                 | 0.60                         | (0.21)   | -                                | 17.91                     | 1.97                         | 0.34  | -                             | 6.26                   | 11.67     |
| Capital work-in-progress | -                     | -                            | -  | -                                | -                         | -                            | -   | -                             | -                      | -         |
| Total (B)                | -                     | -                            | -  | -                                | -                         | -                            | -   | -                             | -                      | -         |
| Total (A+B)              | 17.53                 | 0.60                         | (0.21)   | -                                | 17.91                     | 1.97                         | 0.34  | -                             | 6.26                   | 11.67     |

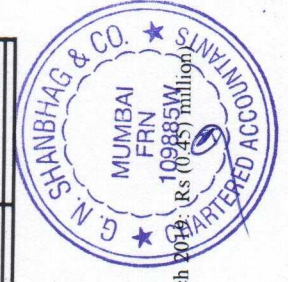
| Assets description  | Gross Block           |                              |  |                                  |                      | Accumulated depreciation |                        |   | Net block |                               |
|---|-----------------------|------------------------------|--|----------------------------------|----------------------|--------------------------|------------------------|---|-----------|-------------------------------|
|   | As at<br>1 April 2018 | Additions during<br>the year | Exchange<br>differences on<br>translation of<br>foreign operations | Deductions<br>during the<br>year | As at<br>31 Mar 2019 | As at<br>1 April 2018    | Charge for the<br>year | Exchange differences on<br>translation of foreign<br>operations |           | Deductions<br>during the year |
| Leasehold improvements<br>Plant and Machinery<br>Computers<br>Furniture and fixtures<br>Total (A) | 1.10                  | -                            | 0.03   | -                                | 1.13                 | 0.26                     | 0.34                   | 0.00  | -         | 0.61                          |
|   | 8.40                  | -                            | 0.24   | -                                | 8.64                 | 0.08                     | 0.88                   | (0.01)  | -         | 0.95                          |
|   | 2.67                  | -                            | (0.09)   | -                                | 2.58                 | 0.81                     | 1.05                   | (0.17)  | -         | 1.69                          |
|   | 19.46                 | -                            | 0.57   | 14.85                            | 5.18                 | 0.90                     | 1.43                   | (0.27)  | 1.36      | 0.69                          |
|   | 31.63                 | -                            | 0.75   | 14.85                            | 17.53                | 2.05                     | 3.70                   | (0.45)  | 1.36      | 3.94                          |
| Capital work in progress (B)  | 2.51                  | -                            | 0.07   | 2.58                             | -                    | -                        | -                      | -   | -         | -                             |
| Total (A+B)   | 34.14                 | -                            | 0.82   | 17.43                            | 17.53                | 2.05                     | 3.70                   | (0.45)  | 1.36      | 3.94                          |

#### Notes :

a) Nil amount of borrowing cost is capitalised during the year ended 31 March 2020 (31 March 2019: Rs Nil).

b) Nil amount of impairment loss is recognised during the year ended 31 March 2020 (31 March 2019: Rs Nil).

c) Exchange differences on translation of foreign operations includes the exchange fluctuation of Rs (0.21) million (31 March 2019: Rs 0.82 million) on gross block and Rs 0.34 million (31 March 2019: Rs (0.45) million) on accumulated depreciation due to translation of tangible assets and capital work in progress of foreign branch at closing exchange rate.





# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

as at 31 March 2020

|                                       | 31 March 2020 | 31 March 2019 |
|---------------------------------------|---------------|---------------|
| <b>9 Trade receivables</b>            |               |               |
| <i>(Unsecured)</i>                    |               |               |
| Trade receivables                     |               |               |
| - Considered good                     | 333.78        | 633.6         |
| - Significant increase in credit risk | -             | -             |
| - Credit impaired                     | -             | -             |
|                                       | <b>333.78</b> | <b>633.6</b>  |
| Loss allowance *                      |               |               |
| - Doubtful                            | -             | -             |
|                                       | -             | -             |
| Net trade receivables                 | <b>333.78</b> | <b>633.6</b>  |





# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

as at 31 March 2020

|   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| <b>10 Cash and cash equivalents</b>                                     |               |               |
| Balances with Bank  |               |               |
| - in current accounts   | 36.79         | 132.15        |
| Cash on hand  | 0.06          | 0.92          |
| Cash and cash equivalents in the standalone balance sheet               | <b>36.85</b>  | <b>133.07</b> |
| <b>11 Short term loans and advances</b><br>(Unsecured, considered good) |               |               |
| Security deposits   | 0.26          | 1.99          |
| Advances for supply of goods  | 1.68          | 15.55         |
| Balance with government authorities                                     | 689.07        | 693.60        |
| Prepayments and deposits  | 1.00          | 0.01          |
| Other receivables *   | 0.04          | 11.31         |
|   | <b>692.05</b> | <b>722.46</b> |
| * Includes insurance claim receivable                                   |               |               |





## Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2020

|  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>12 Revenue from operations</b>                                |                             |                             |
| Sale of services   |                             |                             |
| Income from works contracts                                      | 112.67                      | 2,152.49                    |
|  | <b>112.67</b>               | <b>2,152.49</b>             |
| <b>13 Other income</b>   |                             |                             |
| Foreign exchange gain (net)                                      | 25.37                       | 476.56                      |
| Write back of provision for foreseeable loss                     | -                           | 16.30                       |
| Export incentives  | 0.85                        | -                           |
|  | <b>26.22</b>                | <b>492.86</b>               |
| <b>14 Cost of construction materials, stores and spare parts</b> |                             |                             |
| Construction materials, stores and spare parts                   |                             |                             |
| Inventory of materials at the beginning of the year              | -                           | -                           |
| Purchase   | -                           | 677.42                      |
| Less : Inventory of materials at the end of the year             | -                           | -                           |
|  | <b>-</b>                    | <b>677.42</b>               |
| <b>15 Direct project costs</b>                                   |                             |                             |
| Communication expenses   | 8.01                        | 0.82                        |
| Stores and spare parts consumed                                  | 0.41                        | 6.07                        |
| Legal and professional fees                                      | 6.80                        | 31.95                       |
| Printing and stationery expenses                                 | 0.07                        | 0.52                        |
| Insurance costs  | 0.20                        | -                           |
| Repairs and maintenance - others                                 | 0.20                        | 0.03                        |
| Traveling and conveyance expenses                                | 0.25                        | 0.22                        |
| Rent (refer note 26)   | 3.51                        | 16.65                       |
| Rates and taxes  | 6.01                        | 0.72                        |
| Electricity, power and fuel                                      | 0.56                        | 12.52                       |
| Liquidated Damages   | 112.67                      | -                           |
| Bank charges   | 11.74                       | 31.47                       |
| Miscellaneous expenses   | 3.64                        | 0.76                        |
|  | <b>154.07</b>               | <b>101.74</b>               |
| <b>Employee benefits expense</b>                                 |                             |                             |
| Salaries, wages and bonus  | 23.57                       | 78.07                       |
| Contribution to provident fund and other funds                   | 3.99                        | 0.31                        |
| Gratuity (refer note 43)   | -                           | -                           |
| Compensated absences   | -                           | -                           |
| Staff welfare expenses   | 1.01                        | 4.36                        |
|  | <b>28.57</b>                | <b>82.74</b>                |
| Sub-contractor expenses  | 119.92                      | 1,516.08                    |
|  | <b>302.56</b>               | <b>1,700.56</b>             |
| <b>16 Finance costs</b>  |                             |                             |
| Interest expense   |                             |                             |
| - on unsecured loans   | 15.19                       | -                           |
| - on late payment of tax   | 0.06                        | 5.69                        |
|  | <b>15.25</b>                | <b>5.69</b>                 |
| <b>17 Depreciation and amortisation expense</b>                  |                             |                             |
| Depreciation of property, plant and equipment                    | 1.97                        | 3.70                        |
|  | <b>1.97</b>                 | <b>3.70</b>                 |
| <b>18 Other expenses</b>   |                             |                             |
| Legal and professional fees                                      | 2.47                        | -                           |
| Payment to auditors  | 0.03                        | 0.50                        |
| Foreign exchange loss (net)                                      | -                           | -                           |
| Loss on sale of property, plant and equipment (net)              | -                           | 8.77                        |
| Miscellaneous expenses   | -                           | -                           |
|  | <b>2.50</b>                 | <b>9.27</b>                 |





# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian Rupees in million)

### 19. Disclosures under the Accounting Standard 7 - 'Construction contracts'

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| a) Contract revenue                                  | -                           | 2,152.49                    |
| b) Disclosure for contracts in progress:             |                             |                             |
| (i) Aggregate amount of costs incurred               | -                           | -                           |
| (ii) Recognized profits (less recognised losses)     | -                           | -                           |
| c) Advances received                                 | -                           | -                           |
| d) Gross amount due from customers for contract work | -                           | -                           |
| e) Gross amount due to customers                     | -                           | -                           |
| f) Retention due from customers                      | -                           | -                           |

### 20. Contingent liabilities and commitments

| Contingent liabilities   | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Claims against the Partnership firm not acknowledged as debts  | 1.42          | 1.72          |
| <b>Commitments</b>   |               |               |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | Nil           | Nil           |

In addition, the Partnership firm is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Partners' of the firm has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Partners' does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Partnership firm's results of operations or financial condition.

### 21. Related party disclosures

#### A Related parties and their relationship

In accordance with the requirements of AS -18 "Related Party Disclosures", following are the details of the transactions during the period with the related parties of the partnership firm

| Name of the related party   | Nature of relationship                       |
|---|--|
| Shapoorji Pallonji and Company Private Limited  | Partner                                      |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited (SWSPL)) | Partner                                      |
| Astronergy Solar India Private Limited  | Partner                                      |
| Sterling and Wilson Waaree Private Limited  | Entities over which Partner exercise control |
| Sterling and Wilson Power Solutions LLC   | Entities over which Partner exercise control |
| Sterling and Wilson Middle East Electro Mechanical L.L.C  | Entities over which Partner exercise control |

#### B Transactions and balances with related parties

| Related party   | Nature of transaction       | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Purchase of material        | -                           | 266.48                      |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Income from works contracts | 112.67                      | -                           |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Loan taken                  | 441.43                      | -                           |
| Sterling and Wilson Power Solutions LLC   | Purchase of material        | 0.03                        | 0.26                        |
| Sterling and Wilson Middle East Electromechanical LLC   | Purchase of material        | -                           | 2.89                        |
| Sterling and Wilson Waaree Private Limited  | Loan taken                  | 276.38                      | -                           |





## 21. Related party disclosures (Continued)

### B Transactions and balances with related parties (Continued)

| Related party   | Nature of transaction                        | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|--|-----------------------------|-----------------------------|
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Loan repaid                                  | 441.43                      | -                           |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Interest Expenses                            | 12.10                       | -                           |
| Sterling and Wilson Waaree Private Limited  | Interest Expenses                            | 3.09                        | -                           |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Interest Repaid                              | 12.10                       | -                           |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Share in (loss) / profit the year            | 170.42                      | 190.70                      |
| Shapoorji Pallonji and Company Private Limited  | Share in (loss) / profit the year            | 9.26                        | 10.36                       |
| Astronergy Solar India Private Limited  | Share in (loss) / profit the year            | 5.56                        | 6.22                        |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Trade payables                               | 571.24                      | 603.86                      |
| Sterling and Wilson Middle East Electromechanical LLC   | Advance to Vendors                           | -                           | 1.18                        |
| Sterling and Wilson Power Solutions LLC   | Trade payables                               | -                           | 0.26                        |
| Sterling and Wilson Waaree Private Limited  | Loan outstanding                             | 276.38                      | -                           |
| Sterling and Wilson Waaree Private Limited  | Interest Payable                             | 2.78                        | -                           |
| Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) | Share in capital account of partnership firm | (169.28)                    | 1.14                        |
| Shapoorji Pallonji and Company Private Limited  | Share in capital account of partnership firm | (9.20)                      | 0.06                        |
| Astronergy Solar India Private Limited  | Share in capital account of partnership firm | (5.52)                      | 0.04                        |

## 22. Dues to micro and small suppliers

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:

|  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Principal amount remaining unpaid to any supplier as at the end of accounting period / year  | Nil           | Nil           |
| Interest due thereon   | Nil           | Nil           |
| Amount of interest paid by the Partnership firm in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period         | Nil           | Nil           |
| 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 period) but without adding the interest specified under the MSMED | Nil           | Nil           |
| Amount of interest accrued and remaining unpaid at the end of the accounting period / year   | Nil           | Nil           |

## 23. Segment reporting

The Partnership firm is engaged in solar and renewable energy solutions which is the primary business segment. The Partnership firm has only one reportable business segment, which is solar and renewable energy solutions and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard 17 on 'Segment Reporting'.

### Geographical segment information

The secondary segment of the partnership firm is based on revenue generated from the geographical locations, that is within India (Domestic) and outside India (Offshore). The partnership firm's business is mainly in the offshore market and Domestic turnover being Nil [31 March 2019: Nil] of the total turnover of the partnership firm, hence separate geographical segment information has not been given in the financial statements.

## 24. Operating lease

The partnership firm has taken office premises on cancellable and non-cancellable operating leases. The future minimum lease payments in respect of office premises as on 31 March 2019 are as follows:

| Lease obligations  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Lease payments recognised in the statement of profit and loss        |                             |                             |
| - Cancellable  | 3.51                        | 16.65                       |
| - Non-cancellable  | -                           | -                           |
| Future minimum lease payments under non-cancellable operating leases | -                           | -                           |
| Due not later than one year  | -                           | -                           |
| Due later than one year but not later than five years                | -                           | -                           |
| Later than five years  | -                           | -                           |
| Minimum lease payment  | -                           | -                           |





25. The Partners 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 Partners, as at the date of approval of these financial results has used internal and external sources of information. As on current date, the Partners has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Partners will continue to monitor developments to identify significant uncertainties in future periods, if any.

**26. Unhedged foreign currency exposure**

The unhedged foreign currency exposure as at 31 March 2020 is given below:

| Particulars                                   | Year ended<br>31 March 2020 |                     | Year ended<br>31 March 2019 |                     |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
|   | In Foreign<br>currency      | In Indian<br>Rupees | In Foreign<br>currency      | In Indian<br>Rupees |
| <b>Payables</b>                               |                             |                     |                             |                     |
| Euro  | 0.30                        | 24.36               | 0.27                        | 21.26               |
| AED   | 0.04                        | 0.74                | 0.04                        | 0.69                |
| US Dollars                                    | 2.34                        | 175.32              | 0.18                        | 12.27               |
| <b>Trade receivables and unbilled revenue</b> |                             |                     |                             |                     |
| US Dollars                                    | 4.46                        | 333.78              | 9.14                        | 633.63              |
| <b>Cash and cash equivalents</b>              |                             |                     |                             |                     |
| US Dollars                                    | 0.07                        | 5.30                | 0.07                        | 4.95                |

**27. Earnings and expenditure in foreign currency**

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <b>(a) Earnings in foreign currency (on accrual basis)</b>    |                             |                             |
| - Income from work contracts                                  | -                           | 2,152.49                    |
| <b>(b) Expenditure in foreign currency (on accrual basis)</b> |                             |                             |
| - Traveling expenses  | 0.25                        | 0.22                        |
| - Legal and Professional fees                                 | 6.80                        | 4.40                        |
| - Project expenditure   | 135.28                      | 1,677.25                    |
| - Other expenditure   | 6.19                        | 6.19                        |
| - Purchase of fixed assets                                    | 0.60                        | -                           |
| <b>(c) Value of imports calculated on CIF basis</b>           |                             |                             |
| - Construction materials                                      | -                           | 313.55                      |

As per our report of even date attached.

For G N Shanbhag & Co  
Chartered Accountants  
Firm's Registration No: FRN 109885W

G N Shanbhag  
Proprietor  
Membership No: 032057  
UDIN : 20032057AAAAAQ3458

Place : Mumbai  
Date: June 09, 2020



For and on behalf of the Partners of  
Sterling Wilson-SPCPL-Chint Moroccan Venture  
Firm Registration No : JNR / 884/2016-17

  
Bahadur Dastoor  
Managing Partner

Place : Mumbai  
Date: June 09, 2020