

To the Board of Directors and Shareholders
Sterling and Wilson Solar Solutions, Inc.
7025 N. Scottsdale Road, Suite 160, Scottsdale, AZ 85253

Report on the Financial Statements

We have audited the accompanying balance sheets of Sterling and Wilson Solar Solutions, Inc. as of March 31, 2020 and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Sterling and Wilson Solar Solutions, Inc. as of March 31, 2020 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Waqar Bajwa". The signature is fluid and cursive, with the first name "Waqar" written in a smaller, more compact script and the last name "Bajwa" in a larger, more prominent script.

Waqar A. Bajwa, CPA

Bajwa CPA & Associates, LLC

May 1, 2020

Sterling & Wilson Solar Solutions, Inc. & LLC

Consolidated balance sheet

as at 31 March 2020

(Currency : USD)

	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	5	246,725.79	150,549.11
Right-of-use assets	59	174,997.88	
Other non-current assets	11	572,550.00	572,550.00
Total non-current assets		<u>994,272.87</u>	<u>723,099.11</u>
Current assets			
Financial assets			
(ii) Trade receivables	14	274,596.46	1,414,558.45
(iii) Cash and cash equivalents	15	1,275,819.03	179,386.66
(v) Loans	17	82,588.28	
Other current assets	21	1,684,262.66	1,245,390.99
Total current assets		<u>3,317,266.43</u>	<u>2,839,336.10</u>
Total assets		<u>4,311,539.30</u>	<u>3,562,435.21</u>
Equity and liabilities			
Equity			
Equity share capital	22	100.00	100.00
Retained earnings		(10,379,594.56)	(5,927,390.34)
Total equity attributable to owners of the Company		<u>(10,379,494.56)</u>	<u>(5,927,290.34)</u>
Non-controlling interests			
Total equity		<u>(10,379,494.56)</u>	<u>(5,927,290.34)</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
(ii) Lease liabilities	25	41,768.61	-
Total non-current liabilities		<u>41,768.61</u>	<u>-</u>
Current liabilities			
Financial liabilities			
(ii) Lease liabilities	28	137,645.29	-
(iii) Trade payables	29		
Total outstanding dues of micro enterprises and small enterprises		4,083,282.13	791,592.61
Total outstanding dues of creditors other than micro enterprises and small enterprises			
(v) Other financial liabilities	31	138,268.41	330,080.62
Other current liabilities	32	9,817,884.73	8,348,824.23
Provisions	33	472,184.69	219,228.09
Total current liabilities		<u>14,649,265.25</u>	<u>9,489,725.55</u>
Total equity and liabilities		<u>4,311,539.30</u>	<u>3,562,435.21</u>

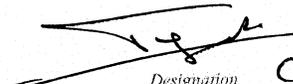
For and on behalf of the Board of Directors of

Sterling & Wilson Solar Solutions, Inc. & LLC

Chartered Accountants
Firm's Registration No

Waqar A. Bajwa CPA
Partner
Membership No: 26648

Bajwa CPA & Associates LLC
Date: 5/20/2020


Designation Coo

Ray LeTourneur
Date: 5/20/2020

Sterling & Wilson Solar Solutions, Inc. & LLC

Consolidated statement of profit and loss

for the year ended 31 March 2020

(Currency : USD)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	35	27,093,580.82	8,542,481.08
Other income	36		
Total income		<u>27,093,580.82</u>	<u>8,542,481.08</u>
Expenses			
Cost of construction materials, stores and spare parts	37	10,416,149.57	3,138,217.00
Changes in inventories of stock-in-trade	38		
Direct project costs	39	16,341,241.26	5,262,742.01
Employee benefits expense	40	3,305,649.46	3,162,668.78
Other expenses	43	1,253,008.07	1,526,666.50
Total expenses		<u>31,316,048.36</u>	<u>13,090,294.29</u>
Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA)		<u>(4,222,467.54)</u>	<u>(4,547,813.21)</u>
Finance costs	41	14,244.05	
Depreciation and amortisation expense	42	206,007.48	58,574.81
Consolidated profit before income tax		<u>(4,442,719.07)</u>	<u>(4,606,388.02)</u>
Tax expense:			
Current tax	44	1,425.00	1,200.00
Current tax relating to earlier period		8,060.16	
Deferred tax (credit)			
		<u>9,485.16</u>	<u>1,200.00</u>
Consolidated profit for the year/period after income tax		<u>(4,452,204.23)</u>	<u>(4,607,588.02)</u>
Total comprehensive income for the year		<u>(4,452,204.23)</u>	<u>(4,607,588.02)</u>

For and on behalf of the Board of Directors of

Sterling & Wilson Solar Solutions, Inc. & LLC

Chartered Accountants
Firm's Registration No



Waqar A. Bajwa CPA
Partner
Membership No: 26648

Bajwa CPA & Associates LLC
Date: 5/20/2020



Designation
Co.

Ray LeTourneur
Date: 5/20/2020

Sterling & Wilson Solar Solutions, Inc. & LLC

Consolidated statement of changes in equity

for the year ended 31 March 2020

(Currency : USD)

A. Equity share capital

Particulars	31 March 2020	31 March 2019
Balance at the beginning of the year	100.00	100.00
Add: Issued during the year/period		
Add: Shares issued pursuant to Scheme of Arrangement (Refer note 4)		
Less: Shares cancelled Pursuant to Scheme of Arrangement (Refer note 4)		
Balance at the end of the year/period	100.00	100.00

B. Other equity

	Attributable to the Owners of the Company						Attributable to non-controlling interests of the Company	Total
	Reserves and Surplus			Items of other comprehensive income				
	Capital reserve on Demerger	Capital Reserve	Legal Reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve		
Balance as at 1 April 2019				(5,927,390.33)			(5,927,390.33)	(5,927,390.33)
Adjustments:								
Total comprehensive income for the year								
Profit for the year				(4,452,204.23)				-
<i>Items of OCI for the year, net of tax:</i>								
Remeasurement of the defined benefit liability								-
Exchange differences in translating financial statements of foreign operations								-
Total comprehensive income	-	-	-	(4,452,204.23)	-	-	-	-
<i>Transactions with owners, recorded directly in equity</i>								
Arising on acquisition of subsidiaries during the year (refer note 6)								-
Transfer to non controlling interests								-
Balance as at 31 March 2020	-	-	-	(10,379,594.56)	-	-	(5,927,390.33)	(5,927,390.33)

Sterling & Wilson Solar Solutions, Inc. & LLC

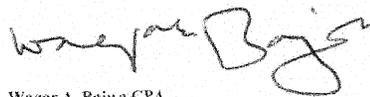
Consolidated statement of changes in equity (Continued)
for the year ended 31 March 2020

(Currency : USD)

B. Other equity (Continued)

	Attributable to the Owners of the Company					Total attributable to owners of the Company	Attributable to non-controlling interests of the Company	Total
	Reserves and Surplus			Items of other comprehensive income				
	Capital reserve on Demerger	Capital Reserve	Legal Reserve	Retained earnings	Effective portion of cash flow hedge			
Balance as at 1 April 2018				(1,319,802.31)			(1,319,802.31)	(1,319,802.31)
Adjustments:								
Total comprehensive income for the year								
Profit for the year				(4,607,588.02)				-
Items of OCI for the year, net of tax:								
Remeasurement of the defined benefit liability								-
Exchange differences in translating financial statements of foreign operations								-
Total comprehensive income				(4,607,588.02)				-
Transactions with owners, recorded directly in equity								
Arising on acquisition of subsidiaries during the year (refer note 6)								-
Transfer to non controlling interests								-
Balance as at 31 March 2019				(5,927,390.33)			(1,319,802.31)	(1,319,802.31)

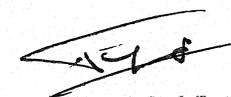
Chartered Accountants
Firm's Registration No



Waqar A. Bajwa CPA
Partner
Membership No: 26648

Bajwa CPA & Associates LLC
Date: 5/20/2020

For and on behalf of the Board of Directors of
Sterling & Wilson Solar Solutions, Inc. & LLC



Designation
COO

Ray LeTourneur
Date: 5/20/2020

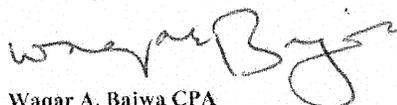
Sterling & Wilson Solar Solutions, Inc. & LLC

Consolidated statement of cash flow for the year ended 31 March 2020

(Currency : USD)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A) Cash flow from operating activities		
Consolidated profit before tax	(4,452,204.23)	(4,607,588.02)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	88,031.17	58,574.81
Operating profit before working capital changes	<u>(4,364,173.06)</u>	<u>(4,549,013.21)</u>
<i>Working capital adjustments:</i>		
Decrease / (Increase) in inventories	1,139,961.99	(1,068,142.58)
(Increase) in trade receivables	1,586,472.22	6,205,758.10
(Increase) in loans and advances	(191,812.21)	
Decrease/ (Increase) in other current financial assets*	(438,871.67)	
(Increase) in other current assets	3,544,646.12	709,665.44
(Decrease)/ Increase in trade payables, other current liabilities and provisions		(1,055,927.58)
Decrease in other non-current assets and liabilities	<u>5,640,396.45</u>	<u>4,791,353.38</u>
Net change in working capital	1,276,223.39	242,340.17
Cash flows (used in) / generated from operating activities		
Income tax (paid) (net)		
Effects of exchange differences on translation of assets and liabilities		
Net cash flows (used in) / generated from operating activities (A)	<u>1,276,223.39</u>	<u>242,340.17</u>
B) Cash flow from investing activities		
(Purchase) of property, plant and equipment, capital work-in-progress and intangible assets	(184,207.84)	(97,453.51)
Net cash flows (used in) from investing activities (B)	<u>(184,207.84)</u>	<u>(97,453.51)</u>
	For the year ended	For the year ended
	31 March 2020	31 March 2019
C) Cash flow from financing activities		
IFRS 16 Lease Liabilities	179,413.90	
IFRS 16 Right-of-use assets	(174,997.08)	
Net cash flows generated from/ (used in) financing activities (C)	<u>4,416.82</u>	<u>-</u>
Net movement in currency translation (D)		
Net increase in cash and cash equivalents (A+B+C+D)	1,096,432.37	144,886.66
Cash and cash equivalents at the beginning of the year	179,386.66	34,500.00
Cash and cash equivalents of subsidiaries acquired during the year (refer note 6 and 4)		
Cash and cash equivalents at the end of the year	<u>1,275,819.03</u>	<u>179,386.66</u>

Chartered Accountants
Firm's Registration No



Waqar A. Bajwa CPA

Partner

Membership No: 26648

Bajwa CPA & Associates LLC

Date: 5/20/2020

For and on behalf of the Board of Directors of
Sterling & Wilson Solar Solutions, Inc. & LLC



CEO
Designation

Ray LeTourneur

Date: 5/20/2020

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : USD)

5 Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount for the year ended 31 March 2020

Particulars	Loose ToolsLSBP	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in progress (B)	Total (A+B)
Gross carrying amount :				41,152.73		109,396.37	150,549.10		
Balance as at 1 April 2019				49,325.42		166,367.34	215,692.76	-	215,692.76
Add: Acquisition of a subsidiary (refer note 6)							-	-	-
Add: Additions during the year	143,668.23					40,539.63	184,207.86		184,207.86
Less: Disposals during the year							-	-	-
Less: Capitalised during the year							-	-	-
Add: Exchange differences on translation of foreign operations							-	-	-
Balance as at 31 March 2020	143,668.23	-	-	49,325.42	-	206,906.97	399,900.62	-	399,900.62
Accumulated depreciation and amortisation :									
Balance as at 1 April 2019				8,172.69		56,970.97	65,143.66	-	65,143.66
Add: Acquisition of a subsidiary (refer note 6)							-	-	-
Add: Depreciation for the year	13,272			9,865.08		64,894.59	88,031.17		88,031.17
Less: Disposals during the year							-	-	-
Add: Exchange differences on translation of foreign operations							-	-	-
Balance as at 31 March 2020	13,271.50	-	-	18,037.77	-	121,865.56	153,174.83	-	153,174.83
Carrying amounts (net)									
At 1 April 2019	-	-	-	41,152.73	-	109,396.37	150,549.10	-	150,549.10
At 31 March 2020	130,396.73	-	-	31,287.65	-	85,041.41	246,725.79	-	246,725.79

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : USD)

5 Property, plant and equipment and capital work-in-progress (Continued)

Reconciliation of carrying amount for the year ended 31 March 2019

Particulars	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in progress (B)	Total (A+B)
Gross carrying amount :						111,670.41	111,670.41		
Balance as at 1 April 2018						118,239.25	118,239.25	-	118,239.25
Add: Acquisition of a subsidiary (refer note 6)				49,325.42	-	48,128.09	97,453.51	-	97,453.51
Add: Additions during the year							-	-	-
Less: Disposals during the year							-	-	-
Less: Capitalised during the year							-	-	-
Add: Exchange differences on translation of foreign operations							-	-	-
Balance as at 31 March 2019	-	-	-	49,325.42	-	166,367.34	215,692.76	-	215,692.76
Accumulated depreciation and amortisation :									
Balance as at 1 April 2018						6,569	6,569	-	6,568.84
Add: Acquisition of a subsidiary (refer note 6)							-	-	-
Add: Depreciation for the year				8,172.69	-	50,402.13	58,574.82	-	58,574.82
Less: Disposals during the year							-	-	-
Add: Exchange differences on translation of foreign operations							-	-	-
Balance as at 31 March 2019	-	-	-	8,172.69	-	56,970.97	65,143.66	-	65,143.66
Carrying amounts (net)									
At 1 April 2018	-	-	-	-	-	105,101.57	111,670.41	-	111,670.41
At 31 March 2019	-	-	-	41,152.73	-	109,396.37	150,549.10	-	150,549.10

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : USD)

5 Property, plant and equipment and capital work-in-progress (Continued)

f) Transferred to direct project cost

31 March 2020 31 March 2019

Depreciation of property, plant and equipment	88,031.17	58,574.82
Amortisation of intangible assets	-	-
	88,031.17	58,574.82
Less: Transferred to direct project costs	13,271.50	-
Depreciation and amortisation expense as per the Consolidated statement of profit and loss	74,759.67	58,574.82

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

	31 March 2020	31 March 2019
11 Other non-current assets		
<i>(Unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
<i>MOU Investment</i>		
Tangent-Development fee \$16,550, Interconnection application \$56,000	72,550.00	72,550.00
NCRE Deposit \$500,000	500,000.00	500,000.00
	<u>572,550.00</u>	<u>572,550.00</u>

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

31 March 2020

31 March 2019

14 Trade receivables

(Unsecured)-EPC Agreement

	Current	1 - 30	31 - 60	61 - 90	>90	TOTAL		
KS-18-0001 LSBP-JC	-379,509.99	-2,045,685.00	5,840,162.39	-5,631,195.00	2,490,824.06	274,596.46	274,596.46	1,414,558.45
OR-17-0000 BNRG COMMON								
OR-17-0005 BNRG - Kale Patch	0.00	0.00	0.00	0.00	56,704.00	56,704.00		
OR-17-0006 BNRG - Rafael	0.00	0.00	0.00	0.00	25,000.00	25,000.00		
OR-17-0010 BNRG - O'Neil Creek	0.00	0.00	0.00	0.00	45,000.00	45,000.00	274,596.46	1,414,558.45
Total OR-17-0000 BNRG COMMON	0.00	0.00	0.00	0.00	126,704.00	126,704.00		
Less: Loss allowances*	-379,509.99	-2,045,685.00	5,840,162.39	-5,631,195.00	2,617,528.06	401,300.46		
TOTAL							274,596.46	1,414,558.45
							-	-
							274,596.46	1,414,558.45

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

	31 March 2020	31 March 2019
15 Cash and cash equivalents		
Balances with Bank		
- in current accounts	<u>1,275,819.03</u>	<u>179,386.66</u>
	<u><u>1,275,819.03</u></u>	<u><u>179,386.66</u></u>
17 Loans		
<i>(Unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
Security deposits	<u>82,588.28</u>	<u>-</u>
	<u><u>82,588.28</u></u>	<u><u>-</u></u>

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

	31 March 2020	31 March 2019
21 Other current assets		
<i>(Unsecured, considered good)</i>		
<i>From parties other than related parties</i>		
Unbilled receivables: BNRG \$126,704	126,704.00	
Advances for supply of goods		20,101.72
Advance for projects	434,769.61	390,701.28
Other recoverables*		834,587.99
Balance with government authorities		
Prepayments	1,122,789	
	1,684,262.66	1,245,390.99

* Includes insurance claim receivables

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

as at 31 March 2020

(Currency : USD)

31 March 2020 31 March 2019

22 Share capital

Authorised

1,000 shares of common stock, \$.01 par value

1,000.00 1,000.00

Issued, subscribed and fully paid up:

100 common stock shares

100.00 100.00

100.00 100.00

(A) Reconciliation of shares outstanding at the beginning and at the end of the year/period :

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning of the year	100	100.00	100	100.00
Balance as at the end of the year/period (Post-split)		100.00		
Add: Issued during the year		-		
Balance as at the end of the year/period	-	100.00	100	100.00

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(C) Shares held by holding company

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Sterling and Wilson International Solar FZCO	100	100.00	100	100.00

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2020		31 March 2019	
	Number	% holding	Number	% holding
Equity shares				
SWFZCO	100	100.00%	100	100.00%

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

	31 March 2020	31 March 2019
25 Non-current lease liabilities		
Land and Buildings	41,768.61	
	<u>41,768.61</u>	-
28 Current lease liabilities		
Land and Buildings	137,645.29	
	<u>137,645.29</u>	-
29 Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,083,282.13	791,592.61
	<u>4,083,282.13</u>	<u>791,592.61</u>
31 Other financial liabilities		
Employee benefits payable	138,268.41	330,080.62
	<u>138,268.41</u>	<u>330,080.62</u>
<i>*Payable to fellow subsidiary on account of transfer of branch w.e.f 1 January 2019, payable towards the reimbursement of expenses etc.</i>		
32 Other current liabilities		
<i>To related parties</i>		
Advances from Parent	9,817,884.74	7,885,408.22
<i>To parties other than related parties</i>		
Advances from customers		263,416.01
	<u>9,817,884.74</u>	<u>8,148,824.23</u>
33 Short-term provisions		
Provision for employee benefits (refer note 46)		
Compensated absences	117,203.31	115,072.97
Other provisions		
Provision for product warranty	240,283.18	76,485.84
Provision for AZ office Rent	17,578.88	27,669.27
Provision for Uncompleted BRNGPunch list Accruals	97,119.32	
	<u>472,184.69</u>	<u>219,228.08</u>

Provision for product warranty:

The warranty provision represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

Provision for foreseeable loss/ onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Particulars	Liquidated damages	Product warranty	Onerous contracts/ Foreseeable Loss
As at 1 April 2019		76,485.84	
Additions during the year		163,797.34	
Utilisation/ Write back during the year			
As at 31 March 2020	-	<u>240,283.18</u>	
As at 31 March 2018		3,954.44	
Acquired pursuant to scheme of arrangement			
Additions during the period		72,531.40	
Utilisation/ Write back during the period			
As at 31 March 2019	-	<u>76,485.84</u>	

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

	For the year ended 31 March 2020	For the year ended 31 March 2019
35 Revenue from operations		
Sale of services		
Income from works contracts	27,093,580.82	8,542,481.08
	<u>27,093,580.82</u>	<u>8,542,481.08</u>
37 Cost of construction materials, stores and spare parts		
Add: Purchase during the year/period	10,416,149.57	3,138,217.00
	<u>10,416,149.57</u>	<u>3,138,217.00</u>
39 Direct project costs		
Printing and stationery expenses		
Insurance costs	25,800.00	
Traveling and conveyance expenses	404,469.06	128,689.00
Bank charges	50,664.30	65,758.00
Security Charges	41,655.68	
Depreciation	13,271.50	
Miscellaneous expenses	785,806.98	265,375.84
	<u>1,321,667.52</u>	<u>459,822.84</u>
Employee benefits expense		
Salaries, wages and bonus	5,072,127.23	406,583.94
	<u>5,072,127.23</u>	<u>406,583.94</u>
Sub-contractor expenses	9,947,446.51	4,396,335.23
	<u>16,341,241.26</u>	<u>5,262,742.01</u>
40 Employee benefits expense		
Salaries, wages and bonus	2,647,996.50	2,616,712.82
Staff welfare expenses	657,652.96	545,955.96
	<u>3,305,649.46</u>	<u>3,162,668.78</u>
41 Finance costs		
Interest expense		
- on others- IFRS 16 Leases	14,244.05	
	<u>14,244.05</u>	<u>-</u>
42 Depreciation and amortisation		
Depreciation on property, plant and equipment	219,278.98	58,574.81
Less : Transferred to direct project cost	(13,271.50)	
	<u>206,007.48</u>	<u>58,574.81</u>
Amortisation of intangible assets		
	<u>206,007.48</u>	<u>58,574.81</u>
43 Other expenses		
Communication expenses	26,575.77	21,029.71
Legal and professional fees	307,582.29	554,226.52
Printing and stationery expenses	49,127.85	49,332.72
Insurance costs	271,117.43	198,357.24
Selling and marketing expenses	-	5,518.40
Traveling and conveyance expenses	341,256.66	404,242.10
Rent (refer note 44)	26,264.12	166,292.91
Payment to auditors (refer note (a) below)	27,000.00	10,000.00
Foreign exchange loss (net)	162.45	
Bank charges	1,261.68	2,278.80
Miscellaneous expenses	202,659.82	115,388.10
	<u>1,253,008.07</u>	<u>1,526,666.50</u>
(a) Payment to auditors		
As auditor		
Statutory audit	27,000.00	10,000.00
	<u>27,000.00</u>	<u>10,000.00</u>

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

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

A) The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. There is no impact on the Group's revenue on applying Ind AS 115 from the contracts with customers.

B) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Group's reportable segments is given in the note 52.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year		
Add: Addition during the year	126,704.00	
Less: Revenue recognised during the year		
Contract assets as at end of the year	<u>126,704.00</u>	<u>-</u>
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	263,416.01	
Add: Addition during the year		263,416.01
Less: Applied during the year	263,416.01	
Contract liabilities as at end of the year	<u>-</u>	<u>263,416.01</u>

*The contract assets primarily relate to the Group's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

**The contract liabilities primarily relates to the advances from customer towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from works contracts	27,093,580.82	
<i>Adjustment on account of:</i>		
Liquidated damages	-	
Reversal of provision for liquidated damages	-	
Deferment of revenue pertaining to free operation and maintenance period	-	
Total	<u>27,093,580.82</u>	

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

49 Disclosure under Ind AS 115, Revenue from Contracts with Customers (Continued)

E) Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognizes the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group recognises revenue from Operations and Maintenance services using the time-elapsd measure of progress i.e input method on a straight line basis.

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020 and 31 March 2019.

F) Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the year/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 Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

50 Disclosure under Ind AS 116, Leases

A) Right-of-use assets

	Land and Buildings	Exchange and network assets	Other equipments	Total
Cost				
Balance as at 1 April 2019		-	-	-
Additions	306,244.89	-	-	306,244.89
Disposals	-	-	-	-
Balance at 31 March 2020	306,244.89	-	-	306,244.89
Accumulated depreciation and impairment				
Balance as at 1 April 2019				-
Depreciation	131,247.81			131,247.81
Impairment loss				-
Eliminated on disposals of assets				-
Balance at 31 March 2020	131,247.81	-	-	131,247.81
Carrying amounts				
Balance as at 1 April 2019	306,244.89	-	-	-
Balance at 31 March 2020	174,997.08	-	-	174,997.08

B) Breakdown of lease expenses

	For the year ended 31 March 2020
Short-term lease expense	24,620
Low value lease expense	1,644
Total lease expense	26,264

50 Disclosure under Ind AS 116, Leases (Continued)

C) Cash outflow on leases

	For the year ended 31 March 2020
Repayment of lease liabilities	126,830.95
Interest on lease liabilities	14,244.05
Short-term lease expense	24,619.62
Low value lease expense	1,644.38
Total cash outflow on leases	167,339.00

D) Maturity analysis of lease liabilities

31 March 2020	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
...					
Lease liabilities	137,645.29	41,768.61			6%
...					
...					
...	137,645.29	41,768.61	-	-	

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

50 Disclosure under Ind AS 116, Leases (*Continued*)

E) Impact of changes in accounting policies

Effective from 1 April 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 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.

F) Reconciliation between operating lease commitments disclosed in March 2020 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Particulars	in UDS
Operating lease commitments disclosed in March 2020 financials (under Ind AS 17)	333,300.12
Less: Discounting impact	27,055.23
Lease liabilities recognised in the statement of financial position as at April 2019	306,244.89

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures

A. Related parties and their relationship

Category of related parties	
1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Fellow subsidiaries	Abhipreet Trading Pvt. Ltd. Acreage Farm Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Infra projects Kazakhstan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Offshore and Marine Services Pvt. Ltd. Afcons Overseas Project Gabon SARL Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC Afcons Shareholding (Education Assistance) Trust nos. 1, 2 and 3* Afcons Shareholding (General assistance) Trust nos. 1, 2 and 3* Afcons Shareholding (Health promotion) Trust nos. 1, 2 and 3* Afcons Shareholding (Hobbies and Craft Training) Trust nos. 1, 2 and 3* Afcons Shareholding (Holiday Assistance) Trust nos. 1, 2 and 3* Afcons Shareholding (Medical Benefit) Trust nos. 1, 2 and 3* Afcons Shareholding (Personnel Development) Trust nos. 1, 2 and 3* Afcons Shareholding (Training and Development) Trust nos. 1, 2 and 3* Afcons Shareholding Employees Welfare Trust nos. 1, 2, 3 and 4* Alaya Properties Pvt. Ltd. Aquadiagnostics Water Research & Technology Centre Ltd. Aqualgnis Technologies Pvt. Ltd. (w.e.f 13 June 2018) Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Arina Solar Private Limited Armada Madura EPC Ltd Arme Investment Company Ltd Aspire Properties Holdings Ltd

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
2) Fellow subsidiaries (<i>Continued</i>)	Ativa Real Estate Developers Pvt Ltd (w.e.f 1 February 2019)
	Atnu Solar Pvt. Ltd. (w.e.f. 21/09/2018)
	Aurinko Energy Private Limited
	Awesome Space Creations LLP (w.e.f. 25/06/2018)
	Balgad Power Company Pvt. Ltd.
	Banglore streetlighting Pvt. Ltd. (w.e.f. 28/03/2019)
	Belva Farms Pvt. Ltd.
	Bengal Shapoorji Infrastructure Development Pvt. Ltd.
	Bisho infra projects ltd
	Blue Riband Properties Pvt. Ltd.
	Bracewall Builders Pvt. Ltd.
	Callidora Farms Pvt. Ltd.
	Campbell Properties and Hospitality Services Ltd.
	Chinsha Property Pvt. Ltd.
	Cyrus Engineers Pvt. Ltd.
	Dahej Standby Jetty Project Undertaking
	Delna Finance & Investments Pvt. Ltd.
	Delphi Properties Pvt. Ltd.
	Devine Realty & Construction Pvt. Ltd.
	Dhan Gaming Solution (India) Pvt. Ltd.
	Dynamic sun energy private limited
	EFL Mauritius Ltd.
	Egni Generation Pvt. Ltd. (w.e.f.20/12/2018)
	Elaine Renewable Energy Pvt. Ltd. (w.e.f.05/09/2018)
	Eloise Energy Pvt. Ltd. (w.e.f. 03/08/2018)
	Empower Builder Pvt. Ltd.
	Esem Stables Pvt. Ltd. (w.e.f. 16/05/2018)
	ESPI Farms Pvt. Ltd. (w.e.f.21/05/2018)
	ESPI Holdings Mauritius Ltd.
	ESPI Homested Pvt. Ltd. (w.e.f. 17/05/2018)
	ESPI Stables and farms Pvt. Ltd. (w.e.f. 21/05/2018)
	Eureka Forbes Ltd.
	Euro Forbes Financial Services Ltd.
	Euro Forbes Ltd. Dubai
	Fayland Estates Pvt. Ltd.
	Filippa Farms Pvt. Ltd.
	Fine Energy Solar Pvt. Ltd.
	Flamboyant Developers Pvt. Ltd.
	Flooraise Developers Pvt. Ltd.
	Floral Finance Pvt. Ltd.
	Floreat Investments Ltd.
	Flotilla Finance Pvt. Ltd.
	Forbes & Company Ltd.
	Forbes Campbell Finance Ltd.
	Forbes Campbell Services Ltd.
	Forbes Edumetry Ltd.
	Forbes Enviro Solutions Ltd.
	Forbes Facility Services Pvt. Ltd.
	Forbes International AG
	Forbes Lux FZCO

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
2) Fellow subsidiaries (<i>Continued</i>)	Forbes Lux International AG Forbes Technosys Ltd. Forvol International Service Ltd. Gallops Developers Pvt. Ltd. Global Bulk Minerals FZE ("GBM") Global Energy projects holding Global Energy S.L. Ltd. Global Energy Ventures Mauritius. Global Infra FZCO Global Resource and Logistics Pte. Ltd. Global solar energy holding Gokak Power & Energy Ltd. Gokak Textiles Ltd. Gossip Properties Pvt. Ltd. GRL Mozambique S A Haul Power Pvt. Ltd. (w.e.f. 26/12/2018) Hazarat & Co Pvt. Ltd. Hermes Commerce Ltd. High Point Properties Pvt. Ltd. Instant Karma Properties Pvt. Ltd. Jaykali Developers Pvt. Ltd. Kamal Power Ltd. (Tanzania) Kanpur River Management Pvt. Ltd. (w.e.f.16/11/2018) Kavinam Property Development Pvt.Ltd. (w.e.f.31/01/2019) Khvafar Investments Pvt. Ltd. Khvafar Property Developers Pvt. Ltd. Leader Shipyard Pvt. Ltd. LIAG Trading and Investments Ltd. Lucrative Properties Pvt. Ltd. Lux (Deutschland) GmbH Lux Aqua Czech s.r.o. (upto 30 April 2018) Lux Aqua Hungaria Kft (upto 30 April 2018) Lux Aqua Paraguay SA Lux del Paraguay S.A. Lux Hungária Kereskedelmi Kft. Lux Interantional AG Lux International Service Kft (Upto 30/09/2018) Lux International Services and Logistics GmbH (Formerly: Lux Service GmbH) Lux Italia srl Lux Norge A/S Lux Oesterreich GmbH Lux Professional International GmbH Lux Schweiz AG Magpie Finance Pvt. Ltd Make Home Realty & Construction Pvt. Ltd. Malabar Trustee Co. Ltd Manjri Farmsted Pvt. Ltd. (w.e.f. 11/05/2018) Manjri Horse Breeders Farm Pvt. Ltd. Manor Stud Farm Pvt. Ltd. Mazsons Builders & Developers Pvt. Ltd.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
2) Fellow subsidiaries (<i>Continued</i>)	Meridian Enterprise (Joint venture)
	Meriland Estates Pvt. Ltd.
	Mileage Properties Pvt. Ltd.
	Mrunmai Properties Ltd
	Musamdham Rock LLC
	National power generation company limited
	Neil Properties Pvt. Ltd
	Next Gen Publishing Ltd.
	Nuevo Consultancy Services Ltd.
	Nursery Projects and Agri Development Pvt. Ltd.
	Nutan Bidyut (Bangladesh) Ltd.
	OSCO SP Facilities Management LLC
	Palchin Real Estates Pvt. Ltd.
	Parikar Real Estate Pvt. Ltd. (w.e.f.22/06/2018)
	Precaution Properties Pvt. Ltd.
	PT. Nusantara Global Resources.
	Radiance Solar Pvt. Ltd.
	Range Consultants Private Limited
	Relationship Properties Pvt. Ltd.
	Renaissance Commerce Pvt. Ltd.
	Ricardo Construction Pvt. Ltd.
	Rihand Floating Solar Pvt. Ltd. (w.e.f.24/12/2018)
	S C Motors Pvt. Ltd.
	S P Global Operations Ltd.
	S P International
	S P Kam Synthetics Pvt. Ltd.
	S. C. Impex Pvt. Ltd.
	Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)
	Sagar Premi Builders and Developers Pvt. Ltd.
	Samalpatti Power Co Pvt. Ltd.
	Saral SP Algeria
	Sashwat Energy Private Limited
	Shachin Real Estate Pvt. Ltd.
	Shapoorji AECOS Construction Pvt. Ltd.
	Shapoorji Data Processing Pvt. Ltd.
	Shapoorji Holding Limited
	Shapoorji Hotels Pvt. Ltd.
	Shapoorji Pallonji 98/2 Company Pte Ltd
	Shapoorji Pallonji and Co KIPL JV (Partnership Firm)
	Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)
	Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.
	Shapoorji Pallonji Construction Private Limited
	Shapoorji Pallonji Consulting Services Pvt. Ltd. (w.e.f. 04/01/2019)
	Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.
	Shapoorji Pallonji Egypt LLC.(w.e.f. 18/02/2019)
	Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
	Shapoorji Pallonji Energy Company INC
	Shapoorji Pallonji Europe Ltd.(w.e.f. 27/08/2018)
	Shapoorji Pallonji Finance Pvt. Ltd.
	Shapoorji Pallonji Forbes Shipping Ltd.
	Shapoorji Pallonji General Contracting Company for Buildings

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
2) Fellow subsidiaries (<i>Continued</i>)	Shapoorji Pallonji Ghana Ltd. Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd. Shapoorji Pallonji Infrastructure Capital Co Private Limited Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd. Shapoorji Pallonji International LLC (w.e.f.12/02/2018) Shapoorji Pallonji International, FZC Shapoorji Pallonji International, FZE Shapoorji Pallonji Investment Advisors Pvt. Ltd. Shapoorji Pallonji Kazakhstan LLC Shapoorji Pallonji Lanka Pvt. Ltd. Shapoorji Pallonji Libya Company for General Construction Shapoorji Pallonji Logispace & Investment Advisors Pvt. Ltd. (w.e.f.01/02/2019) Shapoorji Pallonji Malta Ltd Shapoorji Pallonji Mid East LLC Shapoorji Pallonji Nigeria FZE (w.e.f.12/09/2018) Shapoorji Pallonji Nigeria Ltd. Shapoorji Pallonji Oil and Gas Godavari Pvt Ltd Shapoorji Pallonji Oil and Gas International FZE Shapoorji Pallonji Oil and Gas Pvt Ltd Shapoorji Pallonji Ports Pvt. Ltd. Shapoorji Pallonji Power Company Ltd Shapoorji Pallonji Projects Pvt. Ltd. Shapoorji Pallonji Properties LLC Shapoorji Pallonji Qatar WLL Shapoorji Pallonji Qatar WLL Shapoorji Pallonji Renewables Pvt. Ltd. Shapoorji Pallonji Roads Pvt. Ltd. Shapoorji Pallonji Rural Solutions Pvt Ltd. Shapoorji Pallonji Saurpower Pvt. Ltd. (w.e.f. 26/10/2018) Shapoorji Pallonji Solar Holdings Pvt Ltd Shapoorji Pallonji Solar PV Pvt. Ltd. Shapoorji Pallonji Suryaprakash Pvt. Ltd. (w.e.f. 09/10/2018) Shapoorji Pallonji Technologies FZE Shapoorji Pallonji Transportation Projects Pvt. Ltd. Shapoorji Pallonji Pandoh Takoli highways private limited Sharus Steels Products Pvt. Ltd. Simar Port Pvt. Ltd. Solar Edge Power and Energy Pvt. Ltd. SP Advanced Engineering Materials Pvt. Ltd. SP Agri Management Services P Ltd. SP Aluminium System Pvt. Ltd. SP Architectural Coatings Pvt. Ltd. SP Bio Science Pvt. Ltd. SP Biofuel Ventures Pvt. Ltd. SP Consulting Services DMCC UAE SP Energy (Egypt) S.A.E. SP Energy Venture AG SP Engineering Services Pte. Ltd. SP Fabricators Pvt. Ltd. SP Infocity Developers Pvt. Ltd.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
2) Fellow subsidiaries (<i>Continued</i>)	SP International Property Developer LLC
	SP Jammu Udampur Highway Pvt. Ltd.
	SP Lanka Properties Pvt. Ltd.
	SP Nano Products Pvt. Ltd.
	SP Oil and Gas Malaysia SDN BHD
	SP Oil Exploration Pvt. Ltd
	SP Photovoltaic Pvt. Ltd. (upto 29 March 2019)
	SP Ports Pvt. Ltd.
	SP Properties Holding Ltd.
	SP Sierra Joint Venture (Pvt) Ltd
	SP Solren Pvt. Ltd. (upto 29 March 2019)
	SP Trading (Partnership Firm)
	SPCL Holdings Pte Ltd.
	SPCPL-SMC IPL Joint Venture (w.e.f. 02/09/2018)
	SPI Nowa Energia spółka z ograniczoną odpowiedzialnością (w.e.f.14/02/2019)
	SPM 5 Investment L.L.C
	SP-NMJ Project Private Limited
	Steppe Developers Pvt. Ltd.
	Sterling & Wilson Australia Pty Ltd
	Sterling & Wilson Nigeria Ltd.
	Sterling & Wilson Power Solutions LLC
	Sterling & Wilson Powergen LLC
	Sterling and Wilson Cogen Solutions AG
	Sterling and Wilson Cogen Solutions Ltd. (formerly Sterling and Wilson Royal Power Solutions Ltd.)
	Sterling and Wilson Co-Gen Solutions Private Limited
	Sterling and Wilson HES UK Ltd. (formerly Sterling & Wilson UK Holdings Ltd.)
	Sterling and Wilson International FZE
	Sterling and Wilson International solar FZO
	Sterling and Wilson International Solar LLP (w.e.f. 27/06/2018)
	Sterling and Wilson Middle East Electromechanical (Bahrain) WLL
	Sterling and Wilson Middle East Electromechanical LLC, Dubai
	Sterling and Wilson Middle East Sanitation, Electrical, Cooling & Conditioning Contracting LLC, Kuwait
	Sterling and Wilson Middle East WLL
	Sterling and Wilson Power Systems Inc.
	Sterling and Wilson Powergen FZE
	Sterling and Wilson Powergen Private Limited
	Sterling and Wilson Private Limited
	Sterling and Wilson Security Systems Private Limited
	Sterling Generators Private Limited
	Sterling and Wilson Co-Gen FZCO (w.e.f 13 February 2019)
	Stonebricks Developers Pvt.Ltd. (w.e.f.11/05/2018)
	Stonebricks Property Development Pvt.Ltd. (w.e.f.04/06/2018)
	Sun Energy One Pvt. Ltd.
	Sunny View Estates Pvt. Ltd
	Sunrays Power One (Pvt.) Ltd.
	Sunrise Energy Pvt. Ltd.
	Sunshine Energy Kenya Ltd.
	Surya Power One Pvt. Ltd.
	Surya Prakash Vietnam Energy Company Limited
	Suryoday Energy Pvt. Ltd. (upto 29 March 2019)
	Suryoday One Energy Pvt. Ltd.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
2) Fellow subsidiaries (<i>Continued</i>)	<p>SWB Power Limited TN Solar Power Energy Pvt. Ltd. Transform Sun Energy Pvt. Ltd. (upto 29 March 2019) Transtonnelstroy Afcons Joint Venture Turner Property Developers LLP (w.e.f. 25/06/2018) United Motors (India) Pvt. Ltd. Universal Mine Developers and Service Providers Pvt. Ltd. Vizion Business Parks Private Limited Volkart Fleming Shipping & Services Ltd. West Coast Liquid Terminal Pvt. Ltd.</p>
3) Joint ventures of fellow subsidiary	<p>Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium STC Power SRL Co.Stell SRL P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017) Sterling and Wilson Cogen Solutions LLC</p>
4) Key Management Personnel	<p>Mrs Zarine Y Daruvala, Director (upto 27 March 2019) Mr. Khurshed Y Daruvala, Chairman Mr. Pallon Shapoor Mistry, Non-Executive Director Mr. Bikesh Ogra, Non-Executive Director (w.e.f 27 March 2019) Mr. Bahadur Dastoor, CFO (w.e.f 1 April 2018) Mr. Jagannadha Rao, Company Secretary (w.e.f 8 May 2018) Mr. K. Kannan, Manager (w.e.f 27 March 2019)</p>
5) Relatives of Key Management Personnel	<p>Mrs Kainaz K. Daruvala Mrs Parvin Zarine Madan</p>
6) Entities over which key managerial person or their relatives exercise control	<p>Delsys Infotech Private Limited, Transtel Systems Private Limited M/S. Fahudco Sterling Viking Power Private Limited Iris Energy Private Limited Daric Consultancy FZC Sterling and Wilson Energy Systems Private Limited</p>
7) Entities over which Holding Company exercise significant influence	<p>Afcons (Mideast) Constructions & Investments Pvt. Ltd. Afcons Jal Joint Venture (w.e.f.20/09/2017) Afcons KPTL Joint Venture (Dhaka Tongi) (w.e.f. 09/11/2016) Afcons Pauling Joint Venture AFCONS Sener LNG Construction Projects Pvt.Ltd. Afcons SMC Joint Venture Afcons Vijeta Joint Venture Afcons-Sibmost Joint Venture Afcons-Vijeta -PES Joint Venture Always Remember Properties Pvt. Ltd. AMC Cookware PTE Ltd. Armada 98/2 Pte. Ltd. Armada C7 Pte Ltd.(Singapore) Armada D1 Pte Ltd.(Singapore) Armada Madura EPC Ltd Awesome Properties Pvt. Ltd.</p>

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
7) Entities over which Holding Company exercise significant influence (<i>Continued</i>)	Behold Space Developers Pvt. Ltd. Bengal Shapoorji Housing Development Pvt. Ltd. Bigsearch Properties Pvt. Ltd. Blue Stone Middle East Ltd BNV Gujarat Rail Private Ltd. Coventry Properties Pvt. Ltd. Dream Chalet Pvt. Ltd. Euro P2P Direct (Thailand) Co Ltd. Forbes Aquatech Ltd. Forbes Bumi Armada Ltd. Forbes Concept Hospitality Services Pvt. Ltd. Forbes G4S Solutions Private Limited G. S. Enterprises (Partnership Firm) Grand View Estates Pvt. Ltd. Heart Beat Properties Pvt. Ltd. HPCL Shapoorji Energy Ltd. Image Realty LLP Infinite Water Solutions Private Limited Insight Properties Pvt. Ltd. Ircan Afcons Joint venture Jess Realty Pvt. Ltd. Joyous Housing Ltd. Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.) JV Hochtief – Nahdat AL Emaar-Shapoorji Karapan Armada Madura Pte. Ltd. Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture Minean SP Construction Corporation Mirth Property Developers Pvt. Ltd. Nandadevi Infrastructure Private Limited Natural Oil Ventures Co Ltd. Newtech Planners & Consultancy Services Pvt. Ltd. P T Gokak Indonesia P.T.C. S.a.s. di Barzanti Massimo Redstone Films Pvt Ltd S. D. Corporation Pvt. Ltd. S. D. New Samata Nagar Development Pvt. Ltd. S. D. Recreational Services Pvt. Ltd. S. D. Service Management Pvt. Ltd. S. D. SVP Nagar Redevelopment Pvt. Ltd. S. D. Town Development Pvt. Ltd. S.D. Imperial Property Maintenance Pvt. Ltd. Saipem Afcons Joint Venture Satori Property Developers Pvt. Ltd. SD Palm Lands Redevelopment Pvt. Ltd. SD Powai Redevelopment Pvt. Ltd. SDC Mines Pvt Ltd SDC Township Pvt. Ltd. Seaward Realty Pvt. Ltd. Shapoorji Pallonji and OEG Services Private Limited Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

51 Related party disclosures (*Continued*)

A. Related parties and their relationship (*Continued*)

Category of related parties	
7) Entities over which Holding Company exercise significant influence (<i>Continued</i>)	Shapoorji Pallonji Bumi Armada Offshore Ltd. Shapoorji Pallonji Finance Pvt. Ltd. Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture Solar Capital De Aar 3 (RF)Proprietary Limited SP Armada Oil Exploration Pvt. Ltd. SP Imperial Star Pvt. Ltd. SP Trading (Partnership Firm) Space Square Developers Pvt. Ltd. Sterling Motors (Partnership Firm) Strabag Afcons Joint Venture Sunny Recreational Property Developers Pvt. Ltd Turner Films Pvt Ltd West Coast Liquid Terminal Pvt. Ltd. (W.e.f. 09/05/2018) Zhanakorgan Energy LLP

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

52 Related Party Transactions (Continued)

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2020

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
XII	Loan given	9,817,884.74	-	-	9,817,884.74
XXIII	Corporate Guarantee outstanding	-	-	-	-

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
XII	Loan given				
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited	9,817,884.74			9,817,884.74
XXIII	Corporate Guarantee outstanding				
	Sterling and Wilson Private Limited				-

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
XII	Loan given	7,885,408.22			7,885,408.22

B Transactions and balances with related parties (Continued)

Related party disclosures for the period ended 31 March 2019 (Continued)

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
XII	Loan given				
	Sterling and Wilson Powergen Private Limited				-
	Sterling and Wilson Private Limited	7,885,408.22			7,885,408.22

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

53 Segment reporting

A. Basis for segmentation

The Group is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Solar Power projects. The company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Solar EPC and Solar Operation and maintenance service. Accordingly, company has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:

- Engineering, Procurement and Construction (Solar EPC); and
- Operation and maintenance service

B. Business Segment

The Group's revenues and assets represents company's businesses viz. Solar EPC and Solar Operation and maintenance service. Accordingly, Revenue and expenses have been identified to a segment on the basis of direct relationship to operating activities of the segment. Expenditure which are not directly identifiable but has a relationship to the operating activities of the segment are allocated on a reasonable basis.

Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other common assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Information about reportable segments

31 March 2020

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	27,093,580.82	-	-	27,093,580.82
Total revenue	27,093,580.82	-	-	27,093,580.82
Segment Results	336,189.99			336,189.99
Unallocable Expense				
Interest expense	-	-	14,244.05	
Depreciation	-	-	206,007.48	-
Employee benefits and other expenses	-	-	4,558,657.53	4,558,657.53
Total unallocated expenses	-	-	4,778,909.06	4,558,657.53
Unallocable Income				
Interest income	-	-	-	-
Other income	-	-	-	-
Total unallocated income	-	-	-	-
Consolidated profit before tax	336,189.99			(4,222,467.54)
Tax expense/ (credit)		-	9,485.16	9,485.16
Consolidated profit after tax	336,189.99	-	9,485.16	(4,231,952.70)
Other information				
Segment assets	2,168,290.45		2,143,248.85	4,311,539.30
Segment liabilities	4,372,571.77		10,318,462.10	14,691,033.86
Capital Expenditure	-	-	-	-
Depreciation and amortisation		-	206,007.48	206,007.48

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

53 Segment reporting (Continued)

B. Business Segment (Continued)

Information about reportable segments (Continued)

31 March 2019

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	8,542,481.08			8,542,481.08
Total revenue	8,542,481.08	-	-	8,542,481.08
Segment Results	141,522.07			141,522.07
Unallocable Expense				
Interest expense	-	-	-	-
Depreciation	58,574.81	-	-	58,574.81
Employee benefits and other expenses	4,689,335.28	-	-	4,689,335.28
Total unallocated expenses	4,747,910.09	-	-	4,747,910.09
Unallocable Income				
Interest income	-	-	-	-
Other income	-	-	-	-
Total unallocated income	-	-	-	-
Profit before tax	(4,606,388.02)			(4,606,388.02)
Tax expense/ (credit)	1,200.00		-	1,200.00
Profit after tax	(4,607,588.02)	-	-	(4,607,588.02)
Other information				
Segment assets				
Segment liabilities				
Capital Expenditure				
Depreciation and amortisation				

C. Geographical information

The geographic information analyses the Group's revenues and non-current assets by the Group's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from external customers

31 March 2020	Solar EPC business	Operation and maintenance service	Unallocated
Particulars			
India			
South East Asia			
Middle East and North Africa			
Rest of Africa			
United States of America and Latin America	27,093,580.82		
Australia			
	27,093,580.82	-	-

31 March 2019	Solar EPC business	Operation and maintenance service	Unallocated
Particulars			
India			
South East Asia			
Middle East and North Africa			
Rest of Africa			
United States of America and Latin America	8,542,481.08		
Australia			
	8,542,481.08	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

52 Segment reporting (Continued)

C. Geographical information

a) Revenue from external customers (Continued)

Business in US, the country of domicile, represented approximately 100% during the year ended 31 March 2020 (31 March 2019: 100%) of its consolidated net revenues.

b) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	31 March 2020	31 March 2019
India		
South-east Asia		
Middle East and North Africa		
Rest of Africa		
United States of America and Latin America	994,272.87	723,099.11
Australia		
Europe		
	<u>994,272.87</u>	<u>723,099.11</u>

The following countries hold 10% or more of the Group's consolidated Non-current assets (other than financial instruments and deferred tax assets):

Particulars	31 March 2020	31 March 2019
United Arab Emirates		
Australia		
Morocco		

c) Information about major customers

Revenue from one customer is USD 14.5 million as 31 March 2020 (31 March 2019: USD 8.5 million)) which is more than 54% of the total revenue (31 March 2019: 100%)

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

41.10 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	FVTPL	Carrying amount		Total	Fair value			Total
		FVTOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Non-current								
(i) Loans	-	-	-	-	-	-	-	-
Current								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade receivables	-	-	274,596.46	274,596.46	-	274,596.46	-	274,596.46
(iii) Cash and cash equivalents	-	-	1,275,819.03	1,275,819.03	-	1,275,819.03	-	1,275,819.03
(iv) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
(v) Loans	-	-	82,588.28	82,588.28	-	82,588.28	-	82,588.28
(vi) Other financial assets	-	-	-	-	-	-	-	-
(vii) Derivatives	-	-	-	-	-	-	-	-
Total	-	-	1,633,003.78	1,633,003.78	-	1,633,003.77	-	1,633,003.77
Financial liabilities								
Non Current								
(i) Borrowings	-	-	-	-	-	-	-	-
Current								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	4,220,927.42	4,220,927.42	4,220,927.42	-	-	4,220,927.42
(iii) Other financial liabilities	-	-	138,268.41	138,268.41	72,626.82	65,641.59	-	138,268.41
Total	-	-	4,359,195.83	4,359,195.83	4,293,554.24	65,641.59	-	4,359,195.83

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

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

(a) Accounting classification and fair values (Continued)

31 March 2020	FVTPL	Carrying amount		Total	Fair value			Total
		FVTOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial Assets								
Current								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade receivables	-	-	1,414,558.45	1,414,558.45	1,414,558.45	-	-	1,414,558.45
(iii) Cash and cash equivalents	-	-	179,386.66	179,386.66	179,386.66	-	-	179,386.66
(iv) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
(v) Loans	-	-	-	-	-	-	-	-
(vi) Other financial assets	-	-	-	-	-	-	-	-
TOTAL	-	-	1,593,945.11	1,593,945.11	1,593,945.11	-	-	1,593,945.11
Financial liabilities								
Non Current								
(i) Borrowings	-	-	-	-	-	-	-	-
Current								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	791,592.61	791,592.61	791,592.61	-	-	791,592.61
(iii) Other financial liabilities	-	-	330,080.62	330,080.62	65,195.92	264,884.70	-	330,080.62
(iv) Derivatives	-	-	-	-	-	-	-	-
TOTAL	-	-	1,121,673.23	1,121,673.23	856,788.53	264,884.70	-	1,121,673.23

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

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

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Amortised cost: 1. Security deposits (Asset) 2. Borrowings	Discounted cash flow approach: The valuation model considers the present value of expected payments, discounted using a risk adjusted discount rate.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

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

Level 3 fair values

There are no items in Level 3 fair values.

(c) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- i) Credit risk ;
- ii) Liquidity risk ; and
- iii) Market risk

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

41.10 Financial instruments – Fair values and risk management *(Continued)*

(c) Financial risk management *(Continued)*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors of the Group.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

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

(c) Financial risk management (Continued)

i. Credit risk

Credit risk is the risk of financial loss to SWSS if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from SWSS's receivables from customers and investment in debt securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables

Accounts receivable are carried at face value, net of allowances for estimated uncollectible balance. Customer accounts receivable balances are reviewed for collectability based upon historical factors, economic conditions, and the credit risk of SWSS customers. As a result of these reviews, SWSS determined that no reserve was required to be recorded for uncollectable accounts receivable balances at 31 March 2020.

Total trade receivable as at 31 March 2020 is 274,596 USD (31 March 2019: 1,414,558 USD).

One largest customer has a total concentration of 100% (31 March 2019: One largest customer has a total concentration of 100%) of total trade receivables.

As per simplified approach, the Group 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 movement in the allowance for impairment in respect of trade and other receivables during the year/ period was as follows:

Particulars	Amount
Balance as at 1 April 2019	
Add: Impairment losses recognised during the year/period	
Balance as at 31 March 2020	-
Balance as at 1 April 2018	
Add: Impairment losses recognised during the year/period	
Balance as at 31 March 2019	-

Cash and bank balances

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of 1,275,819 USD and 179,387 USD 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. FDIC deposit insurance covers the depositors of a failed FDIC-insured depository institution dollar-for-dollar, principal plus any interest accrued or due to the depositor, through the date of default, up to at least \$250,000

Loans to fellow subsidiaries

The Group has given unsecured loans to its fellow subsidiaries for meeting its working capital requirements. The Group does not perceive any credit risk pertaining to loans provided to fellow subsidiaries.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries.

Security deposits given to lessors

SWSS has given security deposit \$82,588 to lessors for premises leased by the Company as at 31 March 2020. SWSS monitors the credit worthiness of such lessors where the amount of security deposit is material.

Other than the trade receivables, other receivables and unbilled revenue, the Group has no other financial assets that are past due but not impaired.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

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

(c) Financial risk management (Continued)

ii Liquidity risk

Liquidity risk is the risk that SWSS will not be able to meet its financial obligations as they become due. SWSS 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 SWSS's reputation.

Pursuant to Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL'). As at 31 March 2018, pending issuance of Banking facilities, SWPL has obtained fund and non-fund based working capital lines from various banks for the Group. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The management monitors the company net liquidity position through rolling forecasts on the basis of expected cash flow.

The buyers credit as at 31 March 2020 is 0 USD (31 March 2019: 263,416 USD) and cash and cash equivalents as at 31 March 2020 is 1,275,819 USD (31 March 2019: 179,387 USD)

Exposure to liquidity risk

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for non derivative financial liabilities:

31 March 2020	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	-	-	-	-	-	-
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Trust receipts	-	-	-	-	-	-
Trade payables	4,083,282.13	4,083,282.13	4,083,282.13	-	-	-
Interest accrued and due	-	-	-	-	-	-
Interest accrued and not due	-	-	-	-	-	-
Other current financial liabilities	-	-	-	-	-	-
	4,083,282.13	4,083,282.13	4,083,282.13	-	-	-

31 March 2019	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	-	-	-	-	-	-
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Trust receipts	-	-	-	-	-	-
Trade payables	791,592.61	791,592.61	791,592.61	-	-	-
Interest accrued and due	-	-	-	-	-	-
Interest accrued and not due	-	-	-	-	-	-
Other current financial liabilities	-	-	-	-	-	-
	791,592.61	791,592.61	791,592.61	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

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

(c) **Financial risk management (Continued)**

iii **Market risk (Continued)**

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to security deposits, loans given and borrowings from financial institutions.

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 24 and 26 of these financial statements.

Particulars	31 March 2020	31 March 2019
Fixed rate instruments		
Financial Assets	82,588.28	-
Financial liabilities	-	-
	<u>82,588.28</u>	<u>-</u>
Variable rate instruments		
Financial liabilities	-	-
	<u>-</u>	<u>-</u>

Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

USD	31 March 2020		31 March 2019	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	0.00	0.00	-	-
Cash flow sensitivity (net)	<u>0.00</u>	<u>0.00</u>	<u>-</u>	<u>-</u>

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

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

(c) Financial risk management (Continued)

iii Market risk (Continued)

(c) Capital Management

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

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

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

Particulars	31 March 2020	31 March 2019
Non-Current Borrowings	-	-
Current Borrowings	-	-
Gross debt	-	-
Less : Cash and cash equivalents	1,275,819.03	179,386.66
Adjusted net debt	-	-
Total equity	(10,379,494.56)	(5,927,290.34)
Adjusted net debt to adjusted equity ratio	-	-

42 Hedge accounting

During the year ended 31 March 2019 and 31 March 2018, the Group has a number of financial instruments in a hedging relationship. The Company uses foreign currency forward to hedge changes in future cash flows as a result of foreign currency and interest rate risk arising from sales and purchases and borrowings taken.

Changes in fair value of foreign currency derivative, to the extent determined to be an effective hedge, is recognised in other comprehensive income and the ineffective portion of the fair value change is recognised in statement of profit and loss. The fair value gain/losses recorded in Hedge reserve and Cost of Hedge reserve is recognised in the statement of profit and loss when the forecasted transactions occur.

Particulars	31 March 2020	31 March 2019
Fair Value (loss) recognised in hedge reserve	-	-
Gain reclassified from hedge reserve	-	-
Fair value loss (net) recognised in 'Foreign exchange loss (net)' in the statement of profit and loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

44 Income taxes

a) Amount recognised in the Consolidated statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense :		
Current year/period	9,485.16	1,200.00
Adjustment of tax relating to earlier years/periods		
	<u>9,485.16</u>	<u>1,200.00</u>
Deferred tax (credit) :		
	<u>0.00</u>	<u>0.00</u>
Tax expenses for the year/period	<u><u>9,485.16</u></u>	<u><u>1,200.00</u></u>

44 Income taxes (Continued)

c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax		
Tax using the Company's domestic tax rate at 34.944%		
Tax effect of:		
Difference in tax rates		
Tax relating to previous periods	8,060.16	
Tax losses utilised on which deferred tax was not created earlier		
Employee benefits		
Current year/period losses on which no deferred tax asset was recognised	1,425.00	1,200.00
Items on which deferred tax was not recognised in the previous year/period, now recognised		
Effect of consolidation of profits of subsidiaries in tax free zone		
Impact due to consolidation adjustments		
Non-deductible expenses		
Total tax expense	<u><u>9,485.16</u></u>	<u><u>1,200.00</u></u>

e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised during the year/ period in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

	31 March 2020		31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	20,450,118	2,627,680	11,277,829	1,366,184
Unabsorbed depreciation				
Total	20,450,118	2,627,680	11,277,827	1,366,184

44 Income taxes (Continued)

f) Tax losses carried forward

Particulars	Year ended 31 March 2020	Expiry date	Year ended 31 March 2019	Expiry date
Expire				
Kansas 31 March 2020	\$ 71,570	2030		
Oregon 31 March 2018	\$ 1,050,838	2033	\$ 1,050,838	2033
Oregon 31 March 2019	\$ 3,771,125	2034	\$ 3,771,005	2034
Oregon 31 March 2020	\$ 2,126,228	2035		
Federal & Arizona 31 March 2018	\$ 1,382,265	2038	\$ 1,382,265	2038
Arizona 31 March 2019	\$ 1,302,917	2039	\$ 1,302,513	2039
Arizona 31 March 2020	\$ 1,953,860	2040		
	<u>11,658,804</u>		<u>7,506,622</u>	
Never expire	8,791,314		3,771,205	

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2019

(Currency : USD)

APPLICABLE FOR STERLING AND WILSON INTERNATIONAL SOLAR FZCO

49 Details of branches and subsidiaries

The Consolidated Financial Statements includes the financial statements of the following entities:

Sr. No.	Name of Company	Country of Incorporation	% Holding as at 31 March 2020	Control and share of profit / loss as at 31 March 2020
Branches:				
1	Sterling and Wilson - Philippines	Philippines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Vietnam	Vietnam	NA	NA
5	Sterling and Wilson - Bangladesh (up to 31 December 2018)	Bangladesh	NA	NA
6	Sterling and Wilson - Argentina	Argentina	NA	NA
7	Sterling and Wilson - Egypt	Egypt	NA	NA
8	Sterling and Wilson - Australia	Australia	NA	NA
9	Sterling and Wilson - Indonesia	Indonesia	NA	NA
10	Sterling and Wilson - Jordan	Jordan	NA	NA
11	Sterling and Wilson - Mexico	Mexico	NA	NA
12	Sterling and Wilson - Kenya	Kenya	NA	NA
13	Sterling and Wilson - Morocco	Morocco	NA	NA
14	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
Subsidiaries:				
1	Sterling and Wilson International Solar FZCO	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda.	Brazil	100%	100%
7	Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)	India	100%	100%
8	Sterling and Wilson Solar LLC	Oman	70%	100%
Subsidiaries of Sterling and Wilson International Solar FZCO:				
1	Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC).	United Arab Emirates	49%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%
3	Sterling and Wilson Engineering (Pty) Ltd	South Africa	60%	60%
4	Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)	United States of America	100%	100%
5	Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)*	Spain	99%	99%
6	GCO Electrical Pty. Ltd. (w.e.f. 1 December 2018)	Australia	76%	76%
7	Sterling and Wilson International LLP (w.e.f. 1 July 2018) (formerly A&S Company LLP)	Kazakhstan	100%	100%
Subsidiary of Sterling and Wilson Singapore Pte Ltd:				
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%
Subsidiary of Sterling and Wilson Solar Solutions Inc.				
1	Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)	United States of America	100%	100%

* The Company is in the process of completing the relevant statutory and regulatory procedures to B48 to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal (NCLT) order dated 28 March 2018.

The Consolidated Financial Statements includes the financial statements of the following entities:

Sr. No.	Name of Company	Country of Incorporation	% Holding as at 31 March 2019	Control and share of profit / loss as at 31 March 2019
Branches:				
1	Sterling and Wilson - Philippines	Philippines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Vietnam	Vietnam	NA	NA
5	Sterling and Wilson - Bangladesh (up to 31 December 2018)	Bangladesh	NA	NA
6	Sterling and Wilson - Argentina	Argentina	NA	NA
7	Sterling and Wilson - Egypt	Egypt	NA	NA
8	Sterling and Wilson - Australia	Australia	NA	NA
9	Sterling and Wilson - Indonesia	Indonesia	NA	NA
10	Sterling and Wilson - Jordan	Jordan	NA	NA
11	Sterling and Wilson - Mexico	Mexico	NA	NA
12	Sterling and Wilson - Kenya	Kenya	NA	NA
13	Sterling and Wilson - Morocco	Morocco	NA	NA
14	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
Subsidiaries:				
1	Sterling and Wilson International Solar FZCO	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited	India	100%	100%

4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda.	Brazil	100%	100%
7	Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)	India	100%	100%
8	Sterling and Wilson Solar LLC	Oman	70%	100%
<u>Subsidiaries of Sterling and Wilson International Solar FZCO:</u>				
1	Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC).	United Arab Emirates	49%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%
3	Sterling and Wilson Engineering (Pty) Ltd	South Africa	60%	60%
4	Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)	United States of America	100%	100%
5	Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)*	Spain	99%	99%
6	GCO Electrical Pty. Ltd. (w.e.f. 1 December 2018)	Australia	76%	76%
7	Sterling and Wilson International LLP (w.e.f. 1 July 2018) (formerly A&S Company LLP)	Kazakhstan	100%	100%
<u>Subsidiary of Sterling and Wilson Singapore Pte Ltd:</u>				
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%
<u>Subsidiary of Sterling and Wilson Solar Solutions Inc.</u>				
1	Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)	United States of America	100%	100%

* The Company is in the process of completing the relevant statutory and regulatory procedures to B48 to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

42 Transfer Pricing

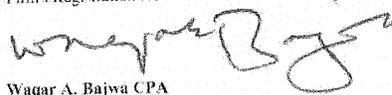
Management believes that the Group's international transactions with related parties for the reporting period is at arm's length and that the transfer pricing legislation will not have any impact on these consolidated financial statements, particularly on amount of tax expense and that of provision for taxation.

43 Other matters

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Group for the year/period.

As per our report of even date attached.

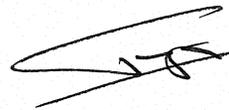
Chartered Accountants
Firm's Registration No



Waqar A. Bajwa CPA
Partner
Membership No: 26648

Bajwa CPA & Associates LLC
Date: 5/20/2020

For and on behalf of the Board of Directors of
Sterling & Wilson Solar Solutions, Inc. & LLC



Designation
COO

Ray LeTourneur
Date: 5/20/2020