

Sterling & Wilson Solar Solutions, Inc. & LLC

Balance sheet

as at 31 March 2021

(Currency: USD in million)

	31 March 2021 (Audited)	31 March 2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	0.14	0.25
Capital work-in-progress	-	-
Goodwill	0.57	0.57
Other intangible assets	-	-
Right-of-use assets	0.44	0.17
Deferred tax assets (net)	1.25	-
Total non-current assets	2.40	0.99
Current assets		
Inventories	-	-
Financial assets		
(i) Trade receivables	-	0.27
(ii) Cash and cash equivalents	3.50	1.28
(iii) Bank balances other than cash and cash equivalents	-	-
(iv) Loans	0.08	0.08
(v) Derivatives	-	-
(vi) Other financial assets	-	-
Current tax asset (net)	-	-
Other current assets	3.39	1.68
Total current assets	6.97	3.32
Total assets	9.38	4.31
Equity and liabilities		
Equity		
Equity share capital	0.00	0.00
Share holder current account	-	-
Other equity		
Retained Earnings	(13.98)	(10.38)
Legal reserve	-	-
Effective portion of cash flow hedge	-	-
Foreign currency translation reserve	-	-
Capital reserve	-	-
Total equity attributable to owners of the Company	(13.98)	(10.38)
Shareholder's loan	-	-
Non-controlling interest	-	-
Total equity	(13.98)	(10.38)
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Lease liabilities	0.41	0.04
Provisions	1.57	-
Total non-current liabilities	1.99	0.04

Sterling & Wilson Solar Solutions, Inc. & LLC

Balance sheet

as at 31 March 2021

(Currency: USD in million)

	31 March 2021	31 March 2020
Current liabilities		
Financial liabilities		
(i) Borrowings	-	-
(ii) Lease liabilities	0.06	0.14
(iii) Trade payables	12.68	4.08
(iv) Derivatives	-	-
(v) Other financial liabilities	5.84	9.96
Other current liabilities	2.54	-
Provisions	0.24	0.47
Current tax liabilities (net)	-	-
Total current liabilities	21.37	14.65
Total liabilities	23.35	14.69
Total equity and liabilities	9.38	4.31

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

Director 
R Le Tourneur (Jun 3, 2021 06:58 PDT)

Place: USA
Date: 5/24/2021

Sterling & Wilson Solar Solutions, Inc. & LLC

Statement of profit and loss for the year ended 31 March 2021

(Currency: USD in million)

Particulars	Quarter			Year	
	For the quarter ended 31 March 2021 (3 months) (Audited)	For the quarter ended 31 December 2020 (3 months) (Unaudited)	For the quarter ended 31 March 2020 (3 months) (Audited)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Income					
Revenue from operations	13.54	6.57	10.27	25.29	27.09
Other income					
Total income	13.54	6.57	10.27	25.29	27.09
Expenses					
Cost of construction materials, stores and spare parts	11.28	1.84	5.44	13.23	10.42
Purchase of traded goods					
Direct project costs	2.90	4.46	7.13	11.79	16.34
Employee benefits expense	0.60	0.95	0.45	3.57	3.31
Finance costs	0.01	0.00	0.01	0.03	0.01
Depreciation and amortisation expense	0.15	0.03	0.21	0.24	0.21
Other expenses	0.43	0.29	0.20	1.27	1.25
Total expenses	15.37	7.58	13.43	30.12	31.54
(Loss) / Profit before income tax	(1.82)	(1.02)	(3.16)	(4.83)	(4.44)
Tax expenses:					
Current tax				0.00	0.00
Current tax relating to earlier period	0.00		0.01	0.02	0.01
Deferred tax (credit) / charge					
	0.00	-	0.01	0.02	0.01
(Loss) / Profit for the period after income tax	(1.83)	(1.02)	(3.17)	(4.85)	(4.45)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
(i) Remeasurements of defined benefit liability					
(ii) Income tax relating to items that will not be reclassified to profit or loss					
Items that will be reclassified subsequently to profit or loss					
(i) Exchange differences in translating financial statements of foreign operations					
(ii) Effective portion of (losses) on hedging instruments in cash flow hedges					
(iii) Income tax relating to items that will be reclassified to profit or loss					
Other comprehensive income for the period, net of income tax	-	-	-	-	-
Total comprehensive income for the period	(1.83)	(1.02)	(3.17)	(4.85)	(4.45)

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

Director

R Le Tourneur
R Le Tourneur (Jun 3, 2021 06:58 PDT)

Place:

USA

Date:

5/24/2021

Sterling & Wilson Solar Solutions, Inc. & LLC

Segment

for the year ended 31 March 2021

(Currency: USD in million)

Particulars	Quarter			Year	
	For the quarter ended 31 March 2021 (3 months) (Audited)	For the quarter ended 31 December 2020 (3 months) (Unaudited)	For the quarter ended 31 March 2020 (3 months) (Audited)	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Segment Revenue					
Solar EPC business	13.54	6.57	10.27	25.29	27.09
Operation and maintenance service					
Total	13.54	6.57	10.27	25.29	27.09
Other operating income					
Revenue from operations	13.54	6.57	10.27	25.29	27.09
Segment Results					
Solar EPC business	(0.64)	2.58	(2.31)	0.27	0.34
Operation and maintenance service					
Total	(0.64)	2.58	(2.31)	0.27	0.34
Add / (less): Unallocable income net of unallocable expenditure					
Total profit before tax	(0.64)	2.58	(2.31)	0.27	0.34

Sterling & Wilson Solar Solutions, Inc. & LLC

Balance sheet

as at 31 March 2021

(Currency : USD)

	<i>Note</i>	31 March 2021	31 March 2020
Assets			
1 Non-current assets			
(a) Property, plant and equipment	3	135,464	246,726
(b) Capital work-in-progress	3		
(c) Investment in equity instruments	7	572,550	572,550
(d) Other intangible assets	4		
(e) Right-of-use assets	5	443,652	174,997
(f) Deferred tax assets (net)	6	1,250,000	
Total non-current assets		2,401,667	994,273
2 Current assets			
(a) Inventories	7		
(b) Financial assets			
(i) Trade receivables	8	-	274,596
(ii) Cash and cash equivalents	9	3,502,782	1,275,819
(iii) Bank balances other than cash and cash equivalents	10	-	-
(iv) Loans	11	82,588	82,588
(v) Derivatives	12	-	-
(vi) Other financial assets	13	-	-
(c) Current tax asset (net)			
(d) Other current assets	14	3,389,308	1,684,263
Total current assets		6,974,678	3,317,266
Total assets		9,376,344.60	4,311,539
Equity and liabilities			
Equity			
(a) Equity share capital	15	100	100
(b) Share holder current account			
(c) Other equity	16		
- Securities premium account		-	
- Retained earnings		(13,977,142)	(10,379,594)
- Legal reserve		-	-
- Effective portion of cash flow hedge		-	-
- Foreign currency translation reserve			
- Capital reserve		-	-
Total equity attributable to owners of the Company		(13,977,042)	(10,379,494)
Shareholder's loan			
Non-controlling interest			
Total equity		(13,977,042)	(10,379,494)
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17	413,897	41,769
(b) Provisions-PPP Loan	18	1,572,862	-
Total non-current liabilities		1,986,759	41,769
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	-
(ii) Lease liabilities	20	61,859	137,645
(iii) Trade payables	21	12,682,374	4,083,282
(iv) Derivatives	22	-	-
(v) Other financial liabilities	23	5,836,869	9,956,153
(b) Other current liabilities	24	2,541,602	-
(c) Provisions	25	243,924	472,185
(d) Income tax liabilities (net)			
Total current liabilities		21,366,628	14,649,265
Total liabilities		23,353,387	14,691,034
Total equity and liabilities		9,376,345	4,311,539

Sterling & Wilson Solar Solutions, Inc. & LLC

Statement of profit and loss

for the year ended 31 March 2021

(Currency : USD)

	<i>Note</i>	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	26	25,288,008	27,093,581
Other income	27	-	-
Total income		25,288,008	27,093,581
Expenses			
Cost of construction materials, stores and spare parts	28	13,227,472	10,416,150
Purchase of traded goods	29	-	-
Direct project costs	30	11,787,157	16,341,241
Employee benefits expense	31	3,565,885	3,305,649
Finance costs	32	34,501	14,244
Depreciation and amortisation expense	33	237,538	206,007
Other expenses	34	1,266,581	1,253,008
Total expenses		30,119,134	31,536,300
profit before income tax		(4,831,126)	(4,442,719)
Tax expense:			
Current tax		1,422	1,425
Current tax relating to earlier period		15,000	8,060
Deferred tax (credit)		(1,250,000)	-
		(1,233,578)	9,485
profit after income tax		(3,597,548)	(4,452,204)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Items that will be reclassified subsequently to profit or loss			
(i) Exchange differences in translating financial statements of foreign operations			
(ii) Effective portion of (losses) on hedging instruments in cash flow hedges			
(iii) Income tax relating to items that will be reclassified to profit or loss			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		(3,597,548)	(4,452,204)

Sterling & Wilson Solar Solutions, Inc. & LLC

Statement of cash flow

for the year ended 31 March 2021

(Currency : USD)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A) Cash flow from operating activities		
profit before tax	(4,831,126)	(4,442,719)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	237,538	
Bad debts written off	-	
Supplier balances/ liabilities written back	-	
Profit on sale of property, plant and equipments (net)	-	
Provision for foreseeable losses (net)	28,911	
Finance costs	34,501	
Interest income	-	
Provision for mark-to-market (gain) / loss on derivative instruments	-	
Operating profit before working capital changes	<u>(4,530,176)</u>	<u>(4,442,719)</u>
Working capital adjustments:		
(Increase)/ decrease in inventories	-	
Decrease in trade receivables	274,596	
(Increase) in loans and advances	-	
(Increase) in other current financial assets	-	
(Increase) in other current assets	(1,705,045)	
(Decrease)/ increase in trade payables, other current liabilities and provisions	8,244,018	
Net change in working capital	<u>6,813,569</u>	<u>-</u>
Net cash flows generated from operating activities	2,283,393	(4,442,719)
Income tax (paid) (net)	(16,422)	
Effects of exchange differences on translation of assets and liabilities	-	
Net cash flows generated from operating activities	<u>(A) 2,266,971</u>	<u>(4,442,719)</u>
B) Cash flow from investing activities		
(Purchase) of property, plant and equipment, capital work-in-progress and intangible assets	(126,277)	
(Investment) in fixed deposits (net)	-	
Proceeds from sale of property, plant and equipment	-	
Interest received	-	
Loans repaid by related parties (net)	-	
Movement in escrow account	-	
(Investment) in subsidiary	-	
Net cash flows generated from investing activities	<u>(B) (126,277)</u>	<u>-</u>
C) Cash flow from financing activities		
Proceeds from Secured Short-term borrowings (net)	-	
(Repayment of) / Proceeds from unsecured short-term borrowings	-	
Finance costs paid	-	
Lease payments	(6,814)	
Proceeds from shareholder's loan	-	
Dividend paid	-	
Net cash flows (used in) financing activities	<u>(C) (6,814)</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>(A+B+C) 2,133,880</u>	<u>(4,442,719)</u>
Cash and cash equivalents at the beginning of the year	1,275,819	
Cash and cash equivalents of subsidiaries acquired during the year	-	-
Cash and cash equivalents at the end of the year	<u>3,409,699</u>	<u>(4,442,719)</u>

Sterling & Wilson Solar Solutions, Inc. & LLC

Statement of cash flow

for the year ended 31 March 2021

(Currency : USD)

Notes :

- 1 Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

	For the year ended 31 March 2021	For the year ended 31 March 2020
2 Components of cash and cash equivalents		
Balance with banks		
- in current accounts	3,502,782	1,275,819
- in fixed deposit (with original maturity of less than 3 months)	-	-
Cheques on hand	-	-
Cash on hand	-	-
Less: Bank over draft	-	-
	<u>3,502,782</u>	<u>1,275,819</u>
3 Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes		

Reconciliation of liabilities arising from financing activities

Particulars	At beginning of the period/year	Changes considered in statement of cash- flow	Non-cash changes on account of acquisition	At end of the period/year
Short-term bank borrowings (including interest accrued)	-	-	-	-
31 March 2021	-	-	-	-
Short-term bank borrowings (including interest accrued)	-	-	-	-
31 March 2020	-	-	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Statement of changes in equity for the year ended 31 March 2021

(Currency : USD)

A. Equity share capital

	31 March 2021	31 March 2020
Balance at the beginning of the year	100	100
Add: Issued during the year		
Balance at the end of the year	100	100

B. Other equity

	Share capital	Legal reserve	Attributable to the shareholder of the Parent Company				Shareholder's current account	Attributable to non-controlling interests	Shareholder's loan	Total
			Capital reserve	Foreign currency translation reserve	Retained earnings	Effective portion of cash flow hedge				
Balance as at 1 April 2020					(10,379,595)		(10,379,595)			(10,379,595)
Adjustments:										
Total comprehensive income for the year										
Profit for the year							-			-
<i>Items of OCI for the year, net of tax:</i>					(3,597,548)					
Remeasurement of the defined benefit liability							-			-
Effective portion of loss on hedging instruments in cash flow hedges							-			-
Exchange differences in translating financial statements of foreign operations							-			-
Total comprehensive income	-	-	-	-	(3,597,548)	-	-	-	-	-
<i>Transactions with owners, recorded directly in equity</i>										
Arising on change in ownership							-			-
Dividend paid							-			-
Movement during the year							-			-
Balance as at 31 March 2021	-	-	-	-	(13,977,142)	-	(10,379,595)	-	-	(10,379,595)

	Attributable to the shareholder of the Parent Company							Attributable to non-controlling interests	Shareholder's loan	Total
	Share capital	Legal reserve	Capital reserve	Foreign currency translation reserve	Retained earnings	Effective portion of cash flow hedge	Shareholder's current account			
Balance as at 1 April 2019					(5,927,390)			(5,927,390)		(5,927,390)
Adjustments:										
Total comprehensive income for the year										
Profit for the year					(4,452,204)			(4,452,204)		(4,452,204)
<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)	-	-	(4,452,204)	-	(4,452,204)
<i>Transactions with owners, recorded directly in equity</i>										
Arising on change in ownership								-		-
Dividend paid								-		-
Movement during the year								-		-
Balance as at 31 March 2020	-	-	-	-	(10,379,595)	-	-	(10,379,595)	-	(10,379,595)

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

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

Reconciliation of carrying amount

Particulars	Land	Office equipment	Furniture and fixtures	Plant and machinery	Motor vehicles	Tools and equipment	Leasehold improvements	Total (A)	Capital work-in progress (B)	Total (A+B)
Gross carrying amount :										
Balance as at 1 April 2020		206,906.97	49,325.42			143,668.23		399,901		399,901
Add: Additions during the year		9,905						9,905		9,905
Less: Disposals during the year								-		-
Add: Adjustments								-		-
Add: Exchange differences on translation of foreign operations								-		-
Balance as at 31 March 2021	-	216,812	49,325	-	-	143,668	-	409,806	-	409,806
Accumulated depreciation and impairment losses:										
Balance as at 1 April 2020		121,866	18,038			13,272		153,175		153,175
Add: Depreciation for the year		63,355	9,865			47,946		121,166		121,166
Less: Disposals during the year								-		-
Add: Adjustments								-		-
Add: Exchange differences on translation of foreign operations								-		-
Balance as at 31 March 2021	-	185,220	27,903	-	-	61,218	-	274,341	-	274,341
Carrying amounts (net)										
At 1 April 2020	-	85,041	31,288	-	-	130,397	-	246,726	-	246,726
At 31 March 2021	-	31,591	21,423	-	-	82,450	-	135,464	-	135,464

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

5 Disclosure under Ind AS 116, Leases

A) Right-of-use assets

	Land and Buildings	Total
Cost		
Balance as at 1 April 2020	306,244.89	306,244.89
Additions	385,027	385,027
Disposals	-	-
Balance at 31 March 2021	691,272	691,272
Accumulated depreciation and impairment		
Balance as at 1 April 2020	131,248	131,248
Depreciation	116,372	116,372
Impairment loss	-	-
Eliminated on disposals of assets	-	-
Balance at 31 March 2021	247,620	247,620
Carrying amounts		
Balance as at 1 April 2020	174,997	174,997
Balance at 31 March 2021	443,652	443,652

B) Breakdown of lease expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term lease expense	12,390	24,620
Low value lease expense	14,725	1,644
Total lease expense	27,115	26,264

5 Disclosure under Ind AS 116, Leases (Continued)

C) Cash outflow on leases

	For the year ended 31 March 2021	For the year ended 31 March 2020
Repayment of lease liabilities	106,314	126,831
Interest on lease liabilities	34,501	14,244
Short-term lease expense	12,390	24,620
Low value lease expense	14,725	1,644
Total cash outflow on leases	167,930	167,339

D) Maturity analysis of lease liabilities

31 March 2021	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
Lease liabilities	61,859	149,913	263,984		6%
	61,859	149,913	263,984	-	

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

6 Deferred tax assets (net)

Movement in deferred tax balances for the year ended 31 March 2021

Particulars	Net asset/ (liability) 1 April 2020	Recognised in profit or loss during the period	Other adjustments/ Forex	Net asset/ (liability) 31 March 2021
Provision for interest not recoverable				
Provision for doubtful debts and advances				
Trade payables				
Income in advance				
Employee benefits				
Tax losses available for set off against future taxable income		1,250,000		1,250,000
Deductible temporary difference on prepayments				
Trade receivables				
Net deferred tax asset	-	1,250,000	-	1,250,000

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

	31 March 2021	31 March 2020
7 Non-current investments		
Investment in equity instruments		
<i>MOU Investment</i>		
Tangent-Development fee \$16,550, Interconnection application \$56,000	72,550	72,550
NCRE Deposit \$500,000	500,000	500,000
	<u>572,550</u>	<u>572,550</u>
8 Trade receivables		
(Unsecured)-EPC Agreement		274,596.46
Trade receivables		
- Considered good		
- Significant increase in credit risk		
- Credit impaired		
	<u>-</u>	<u>274,596</u>
Loss allowance *		
- Doubtful		
	<u>-</u>	<u>-</u>
Trade receivables	<u>-</u>	<u>274,596</u>

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

	31 March 2021	31 March 2020
9 Cash and cash equivalents		
Balances with Bank		
- in current accounts	3,502,782	1,275,819
- in fixed deposit (with original maturity of more than 3 months)		
Cheques on hand		
Cash on hand		
Cash and cash equivalents in the balance sheet	3,502,782	1,275,819
10 Bank balances other than cash and cash equivalents		
Balances with banks		
- in current accounts		
- in deposit accounts (with original maturity more than 3 months but less than 12 months)		
- Margin money deposits		
- Balances with banks in escrow account relating to acquisition of australian subsidiary		
	-	-
11 Loans		
<i>(Unsecured, considered good)</i>		
<i>To related parties</i>		
-Loan given to subsidiaries *		
-Less: Provision for doubtful advance		
	-	-
-Others **		
<i>To parties other than related parties</i>		
Security deposits	82,588	82,588
Loan to employees		
Loan to Others		
	82,588	82,588

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

	31 March 2021	31 March 2020
12 Derivatives		
Foreign currency forward exchange contract liabilities	-	-
13 Other financial assets <i>(Unsecured, considered good)</i>		
<i>From related parties</i>		
Other receivables		
<i>From parties other than related parties</i>		
Other receivables		
	-	-
14 Other current assets <i>(Unsecured, considered good)</i>		
<i>From related parties</i>		
Unbilled receivables		
<i>From parties other than related parties</i>		
Unbilled receivables	11,178	
Advances for supply of goods	1,794,964	434,769.61
Advances for projects	126,821	126,704
Advances to employees		
VAT / GST receivable		
Prepayments and deposits	1,456,345	1,122,789
Other		
	3,389,308	1,684,263

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

	31 March 2021	31 March 2020
15 Share capital		
Authorised		
1,000 shares of common stock, \$.01 par value	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Issued, subscribed and fully paid-up:		
100 common stock shares	100	100
	<u>100</u>	<u>100</u>

Reconciliation of shares outstanding at the beginning and at the end of year :

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Balance as at the beginning and end of the year	100	100	100	100
Add: Issued during the year				
Balance as at the end of the year	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

16 Other equity

	Note	31 March 2021	31 March 2020
Retained earnings	(i)	(13,977,142)	(10,379,595)
Legal reserve	(ii)	-	-
Foreign currency translation reserve	(iii)	-	-
Capital reserve	(iv)	-	-
		<u>(13,977,142)</u>	<u>(10,379,595)</u>

Notes:

	31 March 2021	31 March 2020
(i) Retained earnings		
Balance as at the beginning of the year	(10,379,594)	(5,927,390)
Add: Profit for the year	(3,597,548)	(4,452,204)
Add: Remeasurement of the defined benefit liability		
Less: Dividend paid		
Balance as at the end of the year	<u>(13,977,142)</u>	<u>(10,379,594)</u>
(ii) Legal reserve		
Balance as at the beginning and end of the year		
(iii) Foreign currency translation reserve		
Balance as at the beginning of the year		
Add: Movement during the year		
Balance as at the end of the year	<u>-</u>	<u>-</u>
(iv) Effective portion of cash flow hedge		
Balance as at the beginning of the year		
Add: Effective portion of loss on hedging instruments in cash flow hedges		
Balance as at the end of the year	<u>-</u>	<u>-</u>
(v) Capital reserve		
Balance as at the beginning and end of the year		

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : USD)

	31 March 2021	31 March 2020
17 Non-current liabilities		
Land and Buildings	413,897	41,769
	<u>413,897</u>	<u>41,769</u>
18 Long-term provisions		
PPP Loan	1,572,862	
	<u>1,572,862</u>	<u>-</u>
19 Current borrowings		
<i>Secured loans</i>		
- Working capital loan from banks		
- Trust receipts	<u>-</u>	<u>-</u>
<i>Unsecured loans</i>		
Trust receipts		
Loan from banks		
Loan from holding company		
Loans from related parties	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
20 Current lease liabilities		
Land and Buildings	61,859	137,645
	<u>61,859</u>	<u>137,645</u>
21 Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,682,374	4,083,282
	<u>12,682,374</u>	<u>4,083,282</u>
22 Derivatives		
Foreign currency forward exchange contract liabilities	<u>-</u>	<u>-</u>
23 Other financial liabilities		
<i>To related parties</i>		
Other payables-Advances from Parent	5,625,932	9,817,884.74
Other payables-Expense reimbursement (Sterling and Wilson Middle East Solar Energy LLC)	93,083	
<i>To parties other than related parties</i>		
Interest accrued and not due:		
- to banks		
Employee benefits payable		
- provision for employee terminal benefits		
- other employee benefits payable (Salary)	117,854	138,268
Payable for acquisition of subsidiary		
Other payables	<u>5,836,869</u>	<u>9,956,153</u>
24 Other current liabilities		
<i>To parties other than related parties</i>		
Advances from customers	2,541,602	
Statutory dues payable :		

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

as at 31 March 2021

- Vat payable
- Fringe Benefit Tax payable
- Withholding tax payable
- GST payable
- PAYG tax payable
- Employee tax payable
- Others

<u>2,541,602</u>	<u>-</u>
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25 Short-term provisions

Provision for employee benefits

Compensated absences

161,917

117,203

Provision for bonus

Other provisions

Provision for warranties

53,096

240,283

Provision for AZ office Rent

-

17,579

Accrued Inventory

28,911

97,119

<u>243,924</u>	<u>472,185</u>
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Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

	Year ended 31 March 2021	Year ended 31 March 2020
26 Revenue from operations		
Sale of services		
Income from works contracts	25,288,008	27,093,581
	<u>25,288,008</u>	<u>27,093,581</u>
28 Cost of construction materials, stores and spare parts		
Construction materials, stores and spare parts		
Inventory of materials at the beginning of the year		
Purchase	13,227,472	10,416,150
	<u>13,227,472</u>	<u>10,416,150</u>
30 Direct project costs		
Communication expenses	2,758	
Stores and spare parts consumed	3,686	
Commission expenses	42,812	
Legal and professional fees	77,182	
Insurance costs	344,941	25,800
Traveling and conveyance expenses	406,890	404,469
Rates and taxes	109,171	
Electricity, power and fuel	21,196	
Security Charges	264,521	41,656
Depreciation expense		13,272
Bank charges	671,065	50,664
Miscellaneous expenses	557,675	785,807
	<u>2,501,897</u>	<u>1,321,668</u>
Employee benefits expense		
Salaries, wages and bonus	1,160,823	5,072,127
	<u>1,160,823</u>	<u>5,072,127</u>
Sub-contractor expenses	8,124,438	9,947,447
	<u>11,787,157</u>	<u>16,341,241</u>
31 Employee benefits expense		
Salaries, wages and bonus	2,826,988	2,647,997
Employee benefits	738,897	657,653
	<u>3,565,885</u>	<u>3,305,649</u>
32 Finance costs		
Interest expense		
- on lease liability	34,501	14,244
	<u>34,501</u>	<u>14,244</u>
33 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	121,166	206,007
Amortisation of intangible assets	116,372	
	<u>237,538</u>	<u>206,007</u>
34 Other expenses		
Communication expenses	30,097	26,576
Legal and professional fees	374,588	307,582
Printing and stationery expenses	58,430	46,753
Insurance costs	511,884	271,117
Repairs and maintenance - others	21,535	
Traveling and conveyance expenses	42,332	341,257
Rent (refer note 40)	27,115	26,264
Payment to auditors (refer note (a) below)	22,000	27,000
Foreign exchange loss (net)		162
Handling charges	11,782	2,375
Bank charges	25,647	1,262
Miscellaneous expenses	141,171	202,660
	<u>1,266,581</u>	<u>1,253,008</u>

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

35 Income taxes

a) Amount recognised in the statement of profit and loss

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Current tax expense :		
Current year	1,422	1,425
Adjustment of tax relating to earlier years	15,000	8,060
	<u>16,422</u>	<u>9,485</u>
Deferred tax (credit) :		
Origination and reversal of temporary differences	-	-
	<u>-</u>	<u>-</u>
Tax expenses for the year	<u>16,422</u>	<u>9,485</u>

b) Income tax recognised in other comprehensive income

Particulars	31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	-	-	-
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	-	-	-

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	-	-	-
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	-	-	-

c) Reconciliation of effective tax rate

Particulars	For the year	For the year ended
	31 March 2021	31 March 2020
Profit before tax	(4,831,126)	(4,442,719)
Tax using the Company's domestic tax rate at 0%	-	-
Tax effect of:		
Difference in tax rates	(1,248,578)	1,425
Tax relating to previous periods	15,000	8,060
Total tax expense	<u>(1,233,578)</u>	<u>9,485</u>

35 Income taxes (Continued)

d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Movement in deferred tax balances for the year ended 31 March 2021

Particulars	Net asset/ (liability)	Recognised in profit	Recognised	Other	Net asset/
	1 April 2020	or loss during the	in OCI	adjustments/	(liability)
		year	during year	Forex	31 March 2021
Provision for doubtful debts and advances	-	-	-	-	-
Employee benefits	-	-	-	-	-
Tax losses available for set off against future taxable income	-	1,250,000	-	-	1,250,000
Deductible temporary difference on prepayments	-	-	-	-	-
Others	-	-	-	-	-
Net deferred tax asset	<u>-</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>

Movement in deferred tax balances for the period ended 31 March 2020

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

Particulars	Net asset/ (liability) 1 April 2019	Recognised in profit or loss during the year	Recognised in OCI during year	Other adjustments/ Forex	Net asset/ (liability) 31 March 2020
Provision for doubtful debts and advances					-
Employee benefits					-
Tax losses available for set off against future taxable income					-
Deductible temporary difference on prepayments					-
Others					-
Net deferred tax asset	-	-	-	-	-

As at 31 March 2020, the Group has recognised deferred tax asset on unused tax losses of its subsidiary in South Africa and Spain to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of its subsidiary companies.

e) Unrecognised deferred tax assets

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

	31 March 2021		31 March 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	28,756,493	2,544,760	19,033,561	2,436,937
Unabsorbed depreciation				
Total	28,756,493	2,544,760	19,033,561	2,436,937

As included in the table above, the subsidiary of the Company in US and Australia are subject to income tax in accordance with the countries' respective income tax laws. Since the subsidiaries had incurred losses in the current year, the management had decided not to consider the potential deferred tax assets arising from carry forward tax losses of the aforementioned subsidiaries in absence of convincing evidence that future profitability will be consistently demonstrated.

f) Tax losses carried forward

Particulars	Year ended 31 March 2021	Expiry date	Year ended 31 March 2020	Expiry date
Expire				
Kansas 31 March 2020	978,336	2030	60,911	2030
Kansas 31 March 2021	435,605	2031		
Oregon 31 March 2018	1,050,838	2033	1,050,838	2033
Oregon 31 March 2019	3,771,125	2034	3,771,125	2034
Oregon 31 March 2020	2,126,231	2035	1,756,089	2035
Oregon 31 March 2021	67,824	2036		
Federal & Arizona 31 March 2018	1,382,265	2038	1,382,265	2038
Arizona 31 March 2019	1,210,690	2039	1,302,917	2039
Arizona 31 March 2020	1,953,860	2040	1,664,415	2040
Indiana 31 March 2021	2,089,836	2041		
	15,066,611		10,988,559	
Never expire	13,689,882		8,045,002	

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

36 Earnings per share

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Basic and diluted earnings per share			
Numerator:			
profit after tax attributable to equity shareholders	A -	3,597,548	31,536,300
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year			
Add: Issued during the year			
Number of equity shares outstanding at the end of the year		-	-
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	100	100
Basic and diluted earnings per share (Rs)	A / B	-35,975.48	315,363.00
Face value per share			

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

37 Contingent liabilities and commitments

(to the extent not provided for)

A. Contingent Liabilities

Particulars	31 March 2021	31 March 2020
(a) Claims against the company not acknowledged as debts	-	-
(b) Letters of Credit	-	-
Total	-	-

B. Capital and other commitments

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

38 Employee Benefits

Defined contribution plan:

Contribution to provident fund aggregating to \$108,663.18 (31 March 2020: \$93,442.62) is recognised as an expense and included in 'Employee benefits expense' and 'direct project costs'.

Defined benefit plan and long-term employee benefits:

General description

Terminal benefits (Defined benefit plan)

The provision for end of service benefits for employees made in accordance with the requirements of the labour laws of the respective countries in which the Group operates. This is an unfunded defined benefit plan. The employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment.

Change in the present value of the defined benefit obligation (Terminal benefits)

I Reconciliation of the present value of defined benefit obligation

Particulars	31 March 2021	31 March 2020
Defined benefit obligation at the beginning of the year	-	-
Benefits paid		
Current service cost		
Past Service Cost- Vested Benefits		
Interest cost		
Impact of foreign exchange translation		
Actuarial (gains) recognised in other comprehensive income		
- changes in demographic assumptions		
- changes in financial assumptions		
- experience adjustments		
Balance at the end of the period	-	-
Reconciliation of net (assets)/liability recognised		
Provision for gratuity recognised as per actuarial valuation report	161,917	117,203
Add: Additional provision on account of terminal benefits done under arithmetic calculation		-
Liability/ (assets) recognised in the Balance Sheet	161,917	117,203

II Amount recognised in the statement of profit and loss under employee benefits expense

Particulars	31 March 2021	31 March 2020
(i) Expense recognised in the Statement of Profit and Loss		
Current service cost	-	-
Interest cost	-	-
	-	-
(ii) Reconciliation of net (assets)/liability recognised in the Statement of profit and loss		
Provision for gratuity recognised as per actuarial valuation report	-	-
Add: Additional provision on account of terminal benefits done under arithmetic calculation	-	-
Liability/ (assets) recognised in the Statement of Profit and Loss	-	-

III. Remeasurement recognised in other comprehensive income

Particulars	31 March 2021	31 March 2020
(i) Expense recognised in the Statement of other comprehensive income		
Actuarial (losses) on obligation for the year	-	-
	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

38 Employee Benefits (Continued)

Change in the present value of the defined benefit obligation (Continued)

IV Actuarial assumptions

The principal assumptions used in determining terminal benefit obligation for the Group's plan is shown below:

Particulars	31 March 2021	31 March 2020
Actuarial assumptions taken for domestic entities:		
Discount rate		
Salary escalation		
Employee turnover	97.56%	
Mortality tables		
Weighted average duration of the projected benefit obligation		

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

V Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
For the group:				
Discount rate (100 basis point movement)				
Salary escalation rate (100 basis point movement)				
Employee turnover (100 basis point movement)				

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The Group's liability on account of terminal benefit is not funded and hence the disclosures relating to the planned assets are not applicable.

VI Maturity profile of defined benefit obligation (Gratuity and terminal benefits)

Particulars	31 March 2021	31 March 2020
Within next 12 months		
Between 1 and 5 years		
Above 5 years		

Compensated absences

Compensated absences for employee benefits of \$ 66,858.07 for the year ended 31 March 2020 expected to be paid in exchange for the services is recognised as an expense during the year.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

39 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.

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 39.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	126,704	
Add: Addition during the year	11,178	126,704
Less: Revenue recognised during the year	126,704	-
Contract assets as at end of the year	11,178	126,704
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	-	263,416
Add: Addition during the year	2,541,602	-
Less: Applied during the year	-	263,416
Contract liabilities as at end of the year	2,541,602	-

*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 2021	For the year ended 31 March 2020
Income from works contracts	25,288,008	27,093,581
<i>Adjustment on account of:</i>		
Liquidated damages	-	-
Total	25,288,008	27,093,581

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

39 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-elapsed measure of progress i.e input method on a straight line basis.

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 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 financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

40 Related party disclosures (Continued)

38.2 Transactions and balances with related parties

		31 March 2021				
Sr. No	Nature of transaction	Ultimate Holding Company	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives	Total
XXI	Other payable	-	5,719,014	-	-	5,719,014

		31 March 2021			
Sr. No	Nature of transaction	Ultimate Holding Company	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives
XXI	Other payable				
	Sterling and Wilson Private Limited		5,719,014		
	Sterling and Wilson Middle East Solar Energy LLC		93,083		

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

40 Related party disclosures (Continued)

38.2 Transactions and balances with related parties

		31 March 2020				
Sr. No	Nature of transaction	Ultimate Holding Company	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives	Total
XVI	Other payable	-	9,817,885	-	-	9,817,885

		31 March 2020
Sr. No	Nature of transaction	
XVI	Other payable Sterling and Wilson Private Limited	9,817,885

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

41 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 2021

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	25,288,008	-	-	25,288,008
Total revenue	25,288,008	-	-	25,288,008
Segment Results	273,379	-	-	273,379
Unallocable Expense				
Interest expense			34,501	34,501
Depreciation			237,538	237,538
Employee benefits and other expenses			4,832,466	4,832,466
Total unallocated expenses	-	-	5,104,505	5,104,505
Unallocable Income				
Interest income			-	-
Other income			-	-
Total unallocated income	-	-	-	-
profit before tax				(4,831,126)
Tax expense/ (credit)			(1,233,578)	(1,233,578)
profit after tax	-	-	(1,233,578)	(3,597,548)
Other information				
Segment assets			7,443,382	9,376,345
Segment liabilities			2,450,382	23,353,387
Capital Expenditure			9,905	9,905
Depreciation and amortisation			237,538	237,538

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

41 Segment reporting (Continued)

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 2021	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	25,288,008		
Australia			
	25,288,008	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

52 Segment reporting (Continued)

C. Geographical information

a) Revenue from external customers (Continued)

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

Particulars	31 March 2021	31 March 2020
India		
South-east Asia		
Middle East and North Africa		
Rest of Africa	2,401,667	994,273
United States of America and Latin America		
Australia		
Europe		
	<u>2,401,667</u>	<u>994,273</u>

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

Particulars	31 March 2021	31 March 2020
United Arab Emirates		
United States of America	2,401,667	994,272.87

c) Information about major customers

Revenue from one customer is USD 23.2 million as 31 March 2021 (31 March 2020: USD 14.5 million)) which is more than 91% of the total revenue (31 March 2020: 54%)

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued) for the year ended 31 March 2021

(Currency : USD)

42 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 2021	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) Trade receivables	-	-	-	-	-	-	-	-
(ii) Cash and cash equivalents	-	-	3,502,782	3,502,782	-	-	-	-
(iii) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
(iv) Loans	-	-	82,588	82,588	-	-	-	-
(v) Other financial assets	-	-	-	-	-	-	-	-
Total	-	-	3,585,370	3,585,370	-	-	-	-
Financial liabilities								
Non Current								
(i) Lease liabilities	-	-	413,897	413,897	-	413,897	-	413,897
Current								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Lease liabilities	-	-	61,859	61,859	-	61,859	-	61,859
(iii) Trade payables	-	-	12,682,374	12,682,374	-	-	-	-
(iv) Other financial liabilities	-	-	5,836,869	5,836,869	-	-	-	-
Total	-	-	18,994,999	18,994,999	-	475,756	-	475,756

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

42 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) Trade receivables	-	-	274,596	274,596	-	-	-	-
(ii) Cash and cash equivalents	-	-	1,275,819	1,275,819	-	-	-	-
(iii) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
(iv) Loans	-	-	82,588	82,588	-	-	-	-
(v) Other financial assets	-	-	-	-	-	-	-	-
TOTAL	-	-	1,633,004	1,633,004	-	-	-	-
Financial liabilities								
Current								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Trade payables	-	-	4,083,282	4,083,282	-	-	-	-
(iii) Other financial liabilities	-	-	9,956,153	9,956,153	-	-	-	-
TOTAL	-	-	14,039,435	14,039,435	-	-	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

42 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 3. Lease liabilities	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

Transfers between Levels 1 and 2

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

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 financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

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

(c) Financial risk management (Continued)

Risk management framework

The Holding Company'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 Board of directors of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of directors of the Holding Company 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 Holding Company.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

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

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivable and investment.

Total trade receivable as at 31 March 2020 is 0 USD (31 March 2020: 274,596 USD).

31 March 2020: One largest customer has a total concentration of 100%

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.

There were no allowance for impairment in respect of trade and other receivables as at 31 March 2020 and 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 3,502,782 USD and 1,275,819 USD as at 31 March 2021 and 31 March 2020 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

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.

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 other receivables and unbilled revenue, SWSS has no other financial assets that are past due but not impaired.

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

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

(c) Financial risk management (Continued)

ii Liquidity risk

The buyers credit as at 31 March 2021 is 2,541,602 USD (31 March 2020: 0 USD) and cash and cash equivalents as at 31 March 2021 is 3,502,782 USD (31 March 2020: 1,275,819 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 2021	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Lease liabilities	475,756	475,756	61,859	149,913	263,984	-
Secured loans	-	-	-	-	-	-
Trust receipts	-	-	-	-	-	-
Trade payables	12,682,374	12,682,374	12,682,374	-	-	-
Interest accrued and not due	-	-	-	-	-	-
Other current financial liabilities	5,836,869	5,836,869	5,836,869	-	-	-
	18,994,999	18,994,999	18,581,102	149,913	263,984	-

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						
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Trust receipts	-	-	-	-	-	-
Trade payables	4,083,282	4,083,282	4,083,282	-	-	-
Interest accrued and not due	-	-	-	-	-	-
Other current financial liabilities	9,956,153	9,956,153	9,956,153	-	-	-
	14,039,435	14,039,435	14,039,435	-	-	-

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 financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

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

(c) Financial risk management (Continued)

iii Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(a) Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

Amounts in _____	31 March 2021			
	USD	EUR	AUD	Others *
Financial assets				
Trade Receivables				
Cash and Cash Equivalents				
Other receivables				
Exposure to foreign currency assets	-	-	-	-
Forward exchange contract				
Net exposure to foreign currency Asset	-	-	-	-
Financial liabilities				
Trade payables and other payable				
Exposure to foreign currency liabilities	-	-	-	-
Forward exchange contract				
Net exposure to foreign currency liabilities	-	-	-	-
Net Exposure	-	-	-	-

*others include Israeli Shekel (ILS)

Amounts in _____	31 March 2020			
	USD	EUR	AUD	Others *
Financial assets				
Trade Receivable				
Cash and Cash Equivalents				
Other receivables				
Exposure to foreign currency assets	-	-	-	-
Forward exchange contract				
Net exposure to foreign currency assets	-	-	-	-
Financial liabilities				
Trade payables and other payable				
Exposure to foreign currency liabilities	-	-	-	-
Forward exchange contract				
Net exposure to foreign currency liabilities	-	-	-	-
Net exposure	-	-	-	-

*others include Israeli Shekel (ILS)

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

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

(c) Financial risk management (Continued)

iii Market risk (Continued)

(a) Currency Risk (Continued)

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in AED	31 March 2021		31 March 2020	
	Profit and Loss	Profit and Loss	Profit and Loss	Profit and Loss
	Strengthening	Weakening	Strengthening	Weakening
USD	-	-	-	-
EUR	-	-	-	-
AUD	-	-	-	-
Others *	-	-	-	-

*others include Israeli Shekel (ILS)

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

42 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 18 of these financial statements.

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial Assets		
Financial liabilities		
	-	-
Variable rate instruments		
Financial assets		
Financial liabilities		
	-	-

Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings, fixed rate bank deposits and fixed rates loans 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

AED	31 March 2021		31 March 2020	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

Sterling & Wilson Solar Solutions, Inc. & LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : USD)

42 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 2021	31 March 2020
Non-Current Borrowings	413,897	41,769
Current Borrowings	61,859	137,645
Gross debt	475,756	179,414
Less : Cash and cash equivalents	3,502,782	1,275,819
Adjusted net debt	(3,027,026)	(1,096,405)
Total equity	(13,977,042)	(10,379,494)
Adjusted net debt to adjusted equity ratio	0.22	0.11