

**ESTERLINA SOLAR ENGINEERS PRIVATE  
LIMITED**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED MARCH 31, 2022**

**KALYANIWALLA  
& MISTRY LLP**  
C H A R T E R E D   A C C O U N T A N T S

# KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ESTERLINA SOLAR ENGINEERS PRIVATE LIMITED**

**Report on the Audit of the Ind-AS Financial Statements**

**Opinion**

We have audited the accompanying Ind-AS financial statements of **ESTERLINA SOLAR ENGINEERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind-AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Ind-AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report including Annexures to Board's Report but does not include the standalone Ind-AS financial statements and our auditor's report thereon

Our opinion on the Ind-AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Ind-AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibilities for the Ind-AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind-AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind-AS financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.





The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind-AS financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.





- c) The Balance Sheet, the Statement of Profit and Loss (*including Other Comprehensive Income*), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2022 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2022, from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Ind-AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) According to information and explanations given to us and based on our examination of the records of the Company, the provisions of Section 197 of the Act are not applicable to the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Company does not have any pending litigations which would impact its financial position;
  - ii) the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.  
there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iii) The Management has represented that:
    - a) to the best of its knowledge and belief, other than as disclosed in the Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) to the best of its knowledge and belief, other than as disclosed in the Ind-AS financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



Based on such audit procedures performed by us which is considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

- iv) As per information and explanation represented by Management and based on the records of the Company, no dividend has been declared or paid during the year by the Company, hence the compliance with Section 123 of the Act is not applicable.

***For KALYANIWALLA & MISTRY LLP***  
***CHARTERED ACCOUNTANTS***

Firm Reg. No.: 104607W / W100166



*Daraius Z. Fraser*

***PARTNER***

M. No.: 42454

UDIN: 22042454AGOPHE6712

Mumbai: April 07, 2022.



**Annexure A to the Independent Auditor's Report**

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind-AS financial statements for the year ended March 31, 2022:

**Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020:**

- i) Property, Plant and Equipment:
- a) The Company does not have any Property, Plant and Equipment (including Right of Use assets), intangible assets and immovable properties. Accordingly, the provision stated in paragraphs 3 (i) (a) to (d) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
- ii) Inventory:
- a) The Company does not hold any inventory throughout the year. Accordingly, provisions stated in paragraph 3 (ii) (a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us by the Management and books and records maintained, the Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at various points of time during the year, from banks or financial institutions. Accordingly, provisions stated in paragraph 3 (ii)(b) of the Order are not applicable to the Company.
- iii) The Company has not made any investment nor provided any securities or given any advances in the nature of loans to subsidiaries, associates and joint ventures or any other parties during the year.
- a) The Company has granted unsecured loan to the Holding Company during the year as detailed in Note 22 to the Ind-AS financial statements.

A) The details as under:

| <i>(Rs. Million)</i>   |       |
|--|-------|
| Particulars  | Loans |
| Aggregate amount granted / provided during the year                    |       |
| - Holding Company  | 3.60  |
| Balance outstanding as at balance sheet date in respect of above cases |       |
| - Holding Company  | Nil   |

B) The Company has not provided guarantees, securities, granted advances in the nature of loans to any other parties.



- b) According to the information and explanations given to us and based on audit procedures conducted by us, we are of opinion that rate of interest and other terms and conditions of unsecured loans granted by the Company to its Holding company covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and based on audit procedures conducted by us, the unsecured loans granted to its Holding company and interest thereon are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded or as per contractual terms, as applicable.
- d) According to the information and explanations given to us and based on the audit procedures performed by us, there are no overdue amounts for more than 90 days in respect of secured loan to a related party and unsecured loans to its subsidiaries by the Company and interest thereon. Accordingly, reporting under paragraph 3(iii)(d) of the Order is not applicable to the Company.
- e) No loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settled the over-dues of existing loans given to the same parties.
- f) The Company has granted unsecured loans repayable on demand or without specifying any term or period of repayment to Promoters and related parties as defined in clause (76) of section 2 of the Act whose details are as under:

| Particulars   | Rs. Million |                 |
|---|-------------|-----------------|
|   | Promoters   | Related Parties |
| Aggregate amount of loans:  |             |                 |
| - Repayable on demand (A)   | -           | 301.09          |
| - Agreement does-not specify any terms or period of repayment (B) | -           | -               |
| Total (A+B)   | -           | 301.09          |
| Percentage of loans to the total loans                            | -           | 100%            |

- iv) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees provided as applicable. The Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing securities is not applicable to the Company.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Hence, reporting under clause 3(v) of the Order is not applicable. According to the information and explanations given to us and representation obtained from Management, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.





- vi) According to the information and explanations given to us and on the basis of the records examined by us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the services rendered by the Company. Accordingly, provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii) Statutory dues:
  - a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing with appropriate authorities Goods and Service tax, Income-tax and other material applicable statutory dues during the year. The provision relating to Provident Fund, Employees' State Insurance, sales taxes, duty on excise, value added tax and cess are not applicable to the Company.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred to in sub-clause (a) above were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable to the appropriate authorities.
- viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) Borrowings:
  - a) The Company does not have any loans or borrowings from government or outstanding dues to any financial institutions or banks or dues to debenture holders during the year. Accordingly, paragraph 3 (ix) (a) to (d) of the Order is not applicable to the Company.
  - b) According to the information and explanations given to us, representation obtained from Management, and on an overall examination of the Ind AS financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(e) to (f) of the Order is not applicable.
- x) Allotment of Shares:
  - a) According to the information and explanations given to us, representation obtained from Management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause (x)(b) of the Order is not applicable to the Company



xi) Frauds:

- a) According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us and representation from Management, no whistle-blower complaints has been received by the Company during the year

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind-AS financial statements as required by the applicable accounting standards.

xiv) In our opinion and based on our examination, the Company is not required to have an internal audit system as per provisions of Section 138 of the Act. Accordingly, provisions stated in paragraph 3(xiv) (a) and (b) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi)

- a) In our opinion, according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has also not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi) (a) and (b) of the Order are not applicable.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (c) and (d) of the Order are not applicable.

xvii) The Company has incurred cash loss of Rs. 17.45 million during the current financial year. However, the Company has not incurred cash losses during the immediately preceding financial year.





- xviii) During the year, there has been resignation of erstwhile statutory auditors of the Company. We have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) Corporate Social Responsibility:  
In our opinion and based on our examination, the Company provision of section 135 of the Act are not applicable to the Company. Accordingly, provisions stated in paragraph 3(xx) (a) and (b) of the Order are not applicable to the Company.

***For KALYANIWALLA & MISTRY LLP***  
***CHARTERED ACCOUNTANTS***

Firm Reg. No.: 104607W / W100166

  
*Daraius Z. Fraser*  
***PARTNER***

M. No.: 042454

UDIN: 22042454AGOPHE6712

Mumbai: April 7, 2022.

## **Annexure B to the Independent Auditors' Report**

### **Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind-AS financial statements of **ESTERLINA SOLAR ENGINEERS PRIVATE LIMITED** ("hereinafter refer to as the "the Company") as of March 31, 2022, in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind-AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





**Meaning of Internal Financial Controls with reference to Ind-AS Financial Statements**

A Company's internal financial control with reference to Ind-AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

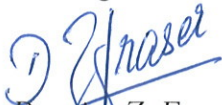
Because of the inherent limitations of internal financial controls with reference to Ind-AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For KALYANIWALLA & MISTRY LLP  
CHARTERED ACCOUNTANTS**

Firm Reg. No.: 104607W / W100166



*Darius Z. Fraser*

**PARTNER**

M. No.: 042454

UDIN: 22042454AGOPHE6712

Mumbai: April 07, 2022.

# Esterlina Solar Engineers Private Limited

## Balance sheet

as at 31 March 2022

(Currency : Indian rupees in million)

| Particulars   | Note | 31 March 2022 | 31 March 2021 |
|---|------|---------------|---------------|
| <b>Assets</b>   |      |               |               |
| <b>1 Non-current assets</b>   |      |               |               |
| (a) Other income tax assets   | 4    | 2.70          | -             |
| <b>Total non-current assets</b>                                     |      | <u>2.70</u>   | <u>-</u>      |
| <b>2 Current assets</b>   |      |               |               |
| (a) Financial assets  |      |               |               |
| (i) Trade receivables   | 5    | -             | 23.03         |
| (ii) Cash and cash equivalents                                      | 6    | 0.31          | 0.40          |
| (iii) Loans   | 7    | -             | 297.49        |
| (iv) Other financial assets   | 8    | -             | 5.61          |
| (b) Other current assets  | 9    | 1.22          | 0.97          |
| <b>Total current assets</b>   |      | <u>1.53</u>   | <u>327.50</u> |
| <b>Total assets</b>   |      | <u>4.23</u>   | <u>327.50</u> |
| <b>Equity and Liabilities</b>                                       |      |               |               |
| <b>Equity</b>   |      |               |               |
| (a) Equity share capital  | 10   | 0.10          | 0.10          |
| (b) Other equity  | 11   | 1.33          | 18.78         |
| <b>Total equity</b>   |      | <u>1.43</u>   | <u>18.88</u>  |
| <b>Liabilities</b>  |      |               |               |
| <b>1 Current liabilities</b>  |      |               |               |
| (a) Financial liabilities   |      |               |               |
| Trade payables  | 12   | -             | -             |
| - Total outstanding dues of micro enterprises and small enterprises |      | 2.18          | 305.52        |
| (b) Other current liabilities                                       | 13   | 0.62          | 0.26          |
| (c) Current tax liabilities (net)                                   | 14   | -             | 2.84          |
| <b>Total current liabilities</b>                                    |      | <u>2.80</u>   | <u>308.62</u> |
| <b>Total liabilities</b>  |      | <u>2.80</u>   | <u>308.62</u> |
| <b>Total equity and liabilities</b>                                 |      | <u>4.23</u>   | <u>327.50</u> |

### Significant accounting policies

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Notes to the financial statements

1-31

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

As per our report of even date attached.

**For Kalyaniwalla and Mistry LLP**

Chartered Accountants

Firm's Registration No: 104607W / W100166

**Darajus L. Fraser**

PARTNER

M. No.: 42454

Mumbai

7 April 2022

**For and on behalf of Board of Directors**

**Esterlina Solar Engineers Private Limited**

CIN: U74999MH2018PTC315871

**Khurshed Daruvala**

Chairman

DIN:00216905

Mumbai

7 April 2022

**Zarine Y. Daruvala**

Director

DIN:00190585



# Esterlina Solar Engineers Private Limited

## Statement of profit and loss

for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars   | Note | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|---|------|-------------------------------------|-------------------------------------|
| <b>Income</b>   |      |                                     |                                     |
| Revenue from operations   | 15   | -                                   | 332.50                              |
| Other income  | 16   | 32.82                               | 20.74                               |
| <b>Total income</b>   |      | <u>32.82</u>                        | <u>353.24</u>                       |
| <b>Expenses</b>   |      |                                     |                                     |
| Purchases of stock-in-trade   | 17   | -                                   | 335.75                              |
| Direct project costs  | 18   | 0.18                                | -                                   |
| Finance costs   | 19   | 21.63                               | 1.73                                |
| Other expenses  | 20   | 28.46                               | 4.69                                |
| <b>Total expenses</b>   |      | <u>50.27</u>                        | <u>342.17</u>                       |
| <b>(Loss) / Profit before tax</b>   |      | (17.45)                             | 11.07                               |
| <b>Tax expenses:</b>  |      |                                     |                                     |
| (i) Current tax   | 26   | -                                   | 2.87                                |
|   |      | -                                   | 2.87                                |
| <b>Profit for the year</b>  |      | <u>(17.45)</u>                      | <u>8.20</u>                         |
| <b>Other comprehensive income for the year, net of tax</b>                        |      | -                                   | -                                   |
| <b>Total comprehensive income for the year</b>                                    |      | <u>(17.45)</u>                      | <u>8.20</u>                         |
| <b>Earnings per equity share (nominal value of Rs. 1,000 each, fully paid-up)</b> |      |                                     |                                     |
| Basic and diluted earnings per share (Rs.) - Class A equity shares                | 24   | <u>(1,745.11)</u>                   | <u>819.55</u>                       |

### Significant accounting policies


Notes to the financial statements

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

As per our report of even date attached.

For Kalyaniwalla and Mistry LLP  
Chartered Accountants  
Firm's Registration No: 104607W / W100166


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

  
Darain Z. Eraser  
PARTNER  
M. No.: 42454

Mumbai  
7 April 2022

  
Khurshed Daruvala  
Chairman  
DIN:00216905

Mumbai  
7 April 2022

  
Zarine Y. Daruvala  
Director  
DIN:00190585

# Esterlina Solar Engineers Private Limited

## Statement of cash flows

for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars   | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| <b>A Cash flows from operating activities</b>                         |                                     |                                     |
| Profit before tax   | (17.45)                             | 11.07                               |
| Adjustments:  |                                     |                                     |
| Provision written back  | -                                   | (1.18)                              |
| Unrealised foreign exchange (gain)                                    | -                                   | (11.89)                             |
| Interest income   | (32.82)                             | (7.44)                              |
| Finance cost  | 21.63                               | 1.73                                |
| <b>Operating (loss) / profit before working capital changes</b>       | <b>(28.64)</b>                      | <b>(7.71)</b>                       |
| <b>Changes in working capital:</b>                                    |                                     |                                     |
| Decrease/ (increase) in trade receivables                             | 23.03                               | -                                   |
| (Increase) / Decrease in other current assets                         | (0.25)                              | (0.37)                              |
| Increase / (Decrease) in trade payables                               | (303.34)                            | 314.60                              |
| (Decrease) in other financial liabilities                             | -                                   | -                                   |
| Increase / (Decrease) in other current liabilities                    | 0.36                                | 0.17                                |
| <b>Net change in working capital</b>                                  | <b>(280.20)</b>                     | <b>314.40</b>                       |
| <b>Cash generated from operations</b>                                 | <b>(308.84)</b>                     | <b>306.69</b>                       |
| Income taxes paid (net)   | (5.68)                              | (0.75)                              |
| <b>Net cash flows generated from operating activities</b>             | <b>(314.52)</b>                     | <b>305.94</b>                       |
| <b>B Cash flows from investing activities</b>                         |                                     |                                     |
| Loan given to Holding Company   | (3.60)                              | (297)                               |
| Loan repaid by Holding Company  | 301.09                              |                                     |
| Interest received   | 38.41                               | 1.83                                |
| <b>Net cash flows (used in) investing activities (B)</b>              | <b>335.90</b>                       | <b>(295.66)</b>                     |
| <b>C Cash flows from financing activities</b>                         |                                     |                                     |
| Interest paid   | (21.47)                             | (1.39)                              |
| Loan taken from holding company                                       | 310.45                              | 38.68                               |
| Loan repaid to holding company  | (310.45)                            | (53.18)                             |
| <b>Net cash flows (used in) financing activities (C)</b>              | <b>(21.47)</b>                      | <b>(15.89)</b>                      |
| <b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b> | <b>(0.09)</b>                       | <b>(5.61)</b>                       |
| <b>Cash and cash equivalents at the beginning of the year</b>         | <b>0.40</b>                         | <b>6.01</b>                         |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>0.31</b>                         | <b>0.40</b>                         |



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# Esterlina Solar Engineers Private Limited

## Statement of cash flows (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### Notes to statement of cash flows:

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

### 2 Components of cash and cash equivalents:

| Particulars                            | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Balances with banks                    |               |               |
| - On current accounts                  | 0.31          | 0.40          |
| <b>Total cash and cash equivalents</b> | <b>0.31</b>   | <b>0.40</b>   |

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

| Particulars                   | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| <b>Short term borrowings</b>  |               |               |
| At the beginning of the year  | -             | 14.50         |
| Loan taken during the year    | 310.45        | 38.68         |
| Loan repaid during the year   | (310.45)      | (53.18)       |
| <b>At the end of the year</b> | <b>-</b>      | <b>-</b>      |

As per our report of even date attached.

**For Kalyaniwalla and Mistry LLP**

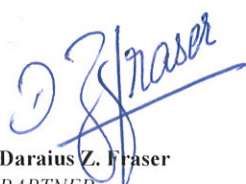
Chartered Accountants

Firm's Registration No: 104607W / W100166

**For and on behalf of Board of Directors**

**Esterlina Solar Engineers Private Limited**

CIN: U74999MH2018PTC315871



**Daraius Z. Fraser**

PARTNER

M. No.: 42454

Mumbai

7 April 2022



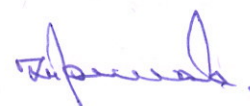
**Khurshed Daruvala**

Chairman

DIN:00216905

Mumbai

7 April 2022



**Zarine Y Daruvala**

Director

DIN:00190585

# Esterlina Solar Engineers Private Limited

## Statement of changes in equity

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### A. Equity share capital

|                      | Notes | Balance as at<br>1 April 2021 | Changes in Equity<br>Share Capital<br>during the year | Balance as at<br>31 March 2022 |
|----------------------|-------|-------------------------------|---|--------------------------------|
| Equity Share Capital | 10    | 0.10                          | -   | 0.10                           |

|                      | Notes | Balance as at<br>31 March 2020 | Changes in Equity<br>Share Capital<br>during the period | Balance as at<br>31 March 2021 |
|----------------------|-------|--------------------------------|---|--------------------------------|
| Equity Share Capital | 10    | 0.10                           | -   | 0.10                           |

### B. Other equity

|  | Retained Earnings |
|--|-------------------|
| Balance as at 1 April 2020                       | 10.58             |
| Profit for the period                            | 8.20              |
| <b>Total comprehensive income for the period</b> | <b>18.78</b>      |
| Balance as at 31 March 2021                      | 18.78             |
| Balance as at 1 April 2021                       | 18.78             |
| Profit for the year                              | (17.45)           |
| <b>Total comprehensive income for the year</b>   | <b>1.33</b>       |
| Balance as at 31 March 2022                      | 1.33              |

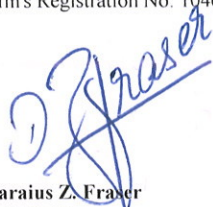
The attached notes are an integral part of these financial statements.

As per our report of even date attached.

For Kalyaniwalla and Mistry LLP

Chartered Accountants

Firm's Registration No: 104607W / W100166



Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai

7 April 2022

For and on behalf of Board of Directors

Esterlina Solar Engineers Private Limited

CIN: U74999MH2018PTC315871



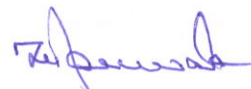
Khurshed Daruvala

Chairman

DIN:00216905

Mumbai

7 April 2022



Zarine Y. Daruvala

Director

DIN:00190585



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 1. Background

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

The Company is a wholly owned subsidiary of Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Limited ('Holding Company')).

### 2. Basis of preparation of the financial statements

#### (a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 7 April 2022.

As at 31 March 2022, the Company does not have any order on hand. The financial statements have been prepared on a going concern basis as the Company has received a letter from the ultimate holding company for continued financial support in the foreseeable future as necessary to enable the Company to continue its operations in the near future and to settle its obligations as they fall due in the foreseeable future.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

#### (b) Functional and presentation currency

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

#### (c) Basis of measurement

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

#### (d) Use of estimates and judgements

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

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

#### (d) Use of estimates and judgements (continued)

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ending 31 March 2022 are as follows:

#### (i) Evaluation of percentage of completion

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

#### (ii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

#### (iii) Impairment losses on financial assets

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

#### (iv) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

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

#### (iv) Measurement of fair values (Continued)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 28 to the Financial statements.

#### (v) Determination of lease term and discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### (vi) Impairment losses on trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

### 3. Significant accounting policies

#### 3.1 Current/ non-current classification

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

##### Assets

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

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

All other assets are classified as non-current.

##### Liabilities

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

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

All other liabilities are classified as non-current.



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.1 Current/ non-current classification (Continued)

##### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

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

#### 3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### (b) Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

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

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

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

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





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### (b) Classification and subsequent measurement (Continued)

##### Financial assets (Continued)

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

##### Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

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





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### (b) Classification and subsequent measurement (Continued)

##### *Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)*

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

##### *Financial assets: Subsequent measurement and gains and losses*

#### (i) Financial assets at FVTPL:

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

#### (ii) Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

#### (iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

#### (iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

##### *Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of

#### (c) Derecognition

##### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### (c) Derecognition (Continued)

##### Financial assets (Continued)

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

#### (d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 3.3 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

### 3.4 Provisions and Contingencies

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





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.4 Provisions and Contingencies (Continued)

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

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

#### Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

#### 3.5 Revenue recognition

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

#### Revenue from contracts with customers

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

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

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

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

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

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

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

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



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.5 Revenue recognition (Continued)

##### Revenue from contracts with customers: (Continued)

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

##### Revenue from works contract

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

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

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

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

##### Revenue from sale of goods

The Company recognises revenue from sale of goods once the customer takes possession of the goods. Revenue represents the invoice value of goods provided to third parties net of discounts and taxes.

##### Contract assets

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

##### Contract liabilities

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

#### 3.6 Property, plant and equipment

##### Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.6 Property, plant and equipment (Continued)

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

#### Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

#### 3.7 Leases

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

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

#### As a lessee

#### Right-of-use assets

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

#### Lease Liability

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

#### Short-term lease and leases of low-value assets

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

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



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.7 Leases (Continued)

##### Changes in accounting policies and Transition note

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

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

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

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

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

#### 3.8 Advances from customers, progress payments and retention

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

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

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

#### 3.9 Inventories

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

Inventories are valued at lower of cost or net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### 3.10 Impairment

##### Impairment of non-derivative financial assets

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

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

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

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





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.10 Impairment (Continued)

##### *Impairment of non-derivative financial assets (Continued)*

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

##### *Impairment of non-financial assets*

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

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

#### 3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

##### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using best estimate of the weighted average annual income tax rate expected for the full financial year.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.11 Income tax (Continued)

##### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### 3.12 Statement of cash flows

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

Cash and cash equivalents comprise cash and bank balances that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

#### 3.13 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

#### 3.14 Share capital

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

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





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 3. Significant accounting policies (Continued)

#### 3.15 Foreign currency transactions

##### - Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

##### - Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

#### 3.16 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### 3.17 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

#### 3.18 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

##### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

##### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

##### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

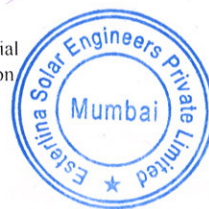
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

##### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

##### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its standalone financial statements.



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| <b>4 Other income tax assets</b>  |               |               |
| Advance tax (net of provision for tax 31 March 2022: Rs Nil, 31 March 2021: Rs Nil) | 2.70          | -             |
|   | <u>2.70</u>   | <u>-</u>      |

## 5. Trade receivables (Unsecured)

|                                       |          |              |
|---------------------------------------|----------|--------------|
| Trade Receivable<br>- considered good | -        | 23.03        |
|                                       | <u>-</u> | <u>23.03</u> |
| Loss allowance *<br>- doubtful        | -        | -            |
|                                       | <u>-</u> | <u>-</u>     |
| Net Trade Receivables                 | <u>-</u> | <u>23.03</u> |

Of the above, trade receivables from related parties are as below:

|  |   |       |
|--|---|-------|
| Total trade receivables from related parties | - | 22.11 |
| Loss allowances                              | - | -     |

\* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low. The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in Note 28.

As at 31 March 2022, trade receivables includes retention of Rs Nil (31 March 2021: Rs Nil) relating to construction contracts in progress.

## Dues from firms or private companies in which any director is a partner or a director or member :

|                                     | 31 March 2022 | 31 March 2021 |
|-------------------------------------|---------------|---------------|
| Sterling and Wilson Private Limited | -             | 22.11         |
|                                     | <u>-</u>      | <u>22.11</u>  |

## Ageing for trade receivables outstanding as at 31 March 2022 is as follows:

| Particulars                                    | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total    |
|--|--------------------|-------------------|-----------|-----------|-------------------|----------|
| Undisputed trade receivables - considered good | -                  | -                 | -         | -         | -                 | -        |
| Undisputed trade receivables - credit impaired | -                  | -                 | -         | -         | -                 | -        |
| Disputed trade receivables - credit impaired   | -                  | -                 | -         | -         | -                 | -        |
|  | <u>-</u>           | <u>-</u>          | <u>-</u>  | <u>-</u>  | <u>-</u>          | <u>-</u> |
| Less: Loss allowances*                         |                    |                   |           |           |                   | -        |
|  |                    |                   |           |           |                   | <u>-</u> |

## Ageing for trade receivables outstanding as at 31 March 2021 is as follows:

| Particulars                                    | Less than 6 months | 6 months - 1 year | 1-2 years   | 2-3 years    | More than 3 years | Total        |
|--|--------------------|-------------------|-------------|--------------|-------------------|--------------|
| Undisputed trade receivables - considered good | -                  | -                 | 9.67        | 13.36        | -                 | 23.03        |
| Undisputed trade receivables - credit impaired | -                  | -                 | -           | -            | -                 | -            |
| Disputed trade receivables - credit impaired   | -                  | -                 | -           | -            | -                 | -            |
|  | <u>-</u>           | <u>-</u>          | <u>9.67</u> | <u>13.36</u> | <u>-</u>          | <u>23.03</u> |
| Less: Loss allowances*                         |                    |                   |             |              |                   | -            |
|  |                    |                   |             |              |                   | <u>-</u>     |





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| <b>6. Cash and cash equivalents</b>  |               |               |
| Balances with Bank   |               |               |
| - in current accounts  | 0.31          | 0.40          |
|  | <u>0.31</u>   | <u>0.40</u>   |
| <b>7. Loans (Current)</b><br>(Unsecured)   |               |               |
| To related parties   |               |               |
| Loan given to Holding Company  | -             | 297.49        |
|  | <u>-</u>      | <u>297.49</u> |
| <b>8. Other financial assets</b>   |               |               |
| To related parties   |               |               |
| (Unsecured, considered good)   |               |               |
| Interest accrued on loan given to Holding Company  | -             | 5.61          |
|  | <u>-</u>      | <u>5.61</u>   |
| Dues from directors or other officers of the company or any of them either severally or jointly with any other person or amounts due from firms or private companies in which any director is a partner or a director or member: |               |               |
| Interest accrued on loan given to Holding Company  |               |               |
| Sterling and Wilson Solar Limited  | -             | 5.61          |
| <b>9. Other current assets</b><br>(Unsecured, considered good)   |               |               |
| Prepayments  | -             | -             |
| Advance to employees   | -             | -             |
| Balance with government authorities  | 1.22          | 0.97          |
|  | <u>1.22</u>   | <u>0.97</u>   |



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| <b>10 Equity share capital</b>  |               |               |
| <b>Authorised</b>   |               |               |
| 10,000 (31 March 2020 : 10,000 equity shares of Rs 10 each) equity shares of Rs 10 each , fully paid-up | 0.10          | 0.10          |
|   | <u>0.10</u>   | <u>0.10</u>   |
| <b>Issued, subscribed and paid-up:</b>  |               |               |
| 10,000 (31 March 2020 : 10,000 equity shares of Rs 10 each) equity shares of Rs 10 each , fully paid-up | 0.10          | 0.10          |
|   | <u>0.10</u>   | <u>0.10</u>   |

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

| Particulars                                 | 31 March 2022    |             | 31 March 2021    |             |
|---|------------------|-------------|------------------|-------------|
|   | No. of shares    | Amount      | No. of shares    | Amount      |
| Equity shares at the beginning of the year  | 10,000.00        | 0.10        | 10,000.00        | 0.10        |
| Add: Equity shares issued during the year   | -                | -           | -                | -           |
| Equity shares at the end of the year/period | <u>10,000.00</u> | <u>0.10</u> | <u>10,000.00</u> | <u>0.10</u> |

b) Rights, preferences and restrictions attached to the equity shares

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

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

c) Shares held by holding company

| Name of the shareholder   | 31 March 2022                |        | 31 March 2021                |        |
|---|------------------------------|--------|------------------------------|--------|
|   | Number of equity shares held | Amount | Number of equity shares held | Amount |
| Equity shares of Rs 10 each fully paid-up held by Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Limited), the Holding Company, the Holding Company* | 10,000.00                    | 0.10   | 10,000.00                    | 0.10   |
| * One equity share is held by Mrs. Zarine Yazdi Daruvala as nominee shareholder of Sterling and Wilson Solar Limited  |                              |        |                              |        |

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

| Name of the shareholder   | 31 March 2022                |                    | 31 March 2021                |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
|   | Number of equity shares held | Percentage holding | Number of equity shares held | Percentage holding |
| Equity shares of Rs 10 each fully paid-up held by Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Limited), the Holding Company, the Holding Company* | 10,000.00                    | 100.00%            | 10,000.00                    | 100.00%            |
| * One equity share is held by Mrs. Zarine Yazdi Daruvala as nominee shareholder of Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Limited)           |                              |                    |                              |                    |





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars                          | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| <b>11 Other equity</b>               |               |               |
| <b>Retained earnings</b>             |               |               |
| At the beginning of the year         | 18.78         | 10.58         |
| Add: (Loss) / Profit during the year | (17.45)       | 8.20          |
| At the end of the year               | <u>1.33</u>   | <u>18.78</u>  |

Retained earnings are the (loss) / profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## 12 Trade payables

|  |             |               |
|--|-------------|---------------|
| - Total outstanding dues of micro enterprises and small enterprises                      | -           | -             |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.18        | 305.52        |
|  | <u>2.18</u> | <u>305.52</u> |

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

| Particulars   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| The principal amount remaining unpaid to any supplier as at the end of each accounting year/ period   | Nil           | Nil           |
| Interest due thereon  | Nil           | Nil           |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year      | Nil           | Nil           |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.   | Nil           | Nil           |
| The amount of interest accrued and remaining unpaid at the end of the each accounting year/ period  | Nil           | Nil           |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | Nil           | Nil           |

Ageing for trade payables outstanding as at 31 March 2022 is as follows:

| Particulars   | Less than 6 months | 6 months - 1 year | 1-2 years   | 2-3 years | More than 3 years | Total       |
|---|--------------------|-------------------|-------------|-----------|-------------------|-------------|
| Undisputed dues - Micro enterprises and small enterprises | -                  | -                 | -           | -         | -                 | -           |
| Undisputed dues - Others                                  | -                  | 1.75              | 0.43        | -         | -                 | 2.18        |
| Disputed dues - Others                                    | -                  | -                 | -           | -         | -                 | -           |
|   | <u>-</u>           | <u>1.75</u>       | <u>0.43</u> | <u>-</u>  | <u>-</u>          | <u>2.18</u> |

Ageing for trade payables outstanding as at 31 March 2021 is as follows:

| Particulars   | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total         |
|---|--------------------|-------------------|-----------|-----------|-------------------|---------------|
| Undisputed dues - Micro enterprises and small enterprises | -                  | -                 | -         | -         | -                 | -             |
| Undisputed dues - Others                                  | 305.52             | -                 | -         | -         | -                 | 305.52        |
| Disputed dues - Others                                    | -                  | -                 | -         | -         | -                 | -             |
|   | <u>305.52</u>      | <u>-</u>          | <u>-</u>  | <u>-</u>  | <u>-</u>          | <u>305.52</u> |



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| <b>13 Other current liabilities</b>   |               |               |
| <i>To parties other than related parties</i>  |               |               |
| Advances from customers   | 0.02          | -             |
| Statutory liabilities   |               |               |
| - Tax deducted at source payable  | 0.60          | 0.26          |
|   | <u>0.62</u>   | <u>0.26</u>   |
| <b>14 Current tax liabilities (net)</b>   |               |               |
| Provision for current tax (net of advance tax 31 March 2022: Nil, 31 March 2021: Rs 4.30 million) | -             | 2.84          |
|   | <u>-</u>      | <u>2.84</u>   |





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars                                    | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| <b>15 Revenue from operations</b>              |                                     |                                     |
| <b>Sale of products</b>                        |                                     |                                     |
| Sale of traded goods                           | -                                   | 332.50                              |
|  | -                                   | 332.50                              |
| <b>16 Other income</b>                         |                                     |                                     |
| Foreign exchange gain (net)                    | -                                   | 11.89                               |
| Interest income                                |                                     |                                     |
| - Loan given to Holding Company                | 32.80                               | 7.44                                |
| - Income tax refund                            | 0.02                                | 0.03                                |
| Provision written back                         | -                                   | 1.18                                |
| Miscellaneous income                           | -                                   | 0.20                                |
|  | 32.82                               | 20.74                               |
| <b>17 Purchases of stock-in-trade</b>          |                                     |                                     |
| Cost of traded goods purchased during the year | -                                   | 335.75                              |
|  | -                                   | 335.75                              |
| <b>18 Direct project costs</b>                 |                                     |                                     |
| <b>Sub-contractor expenses</b>                 | 0.18                                | -                                   |
|  | 0.18                                | -                                   |

\*Amount less than Rs 0.01 million



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

| Particulars                                | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| <b>19 Finance costs</b>                    |                                     |                                     |
| Interest on loan                           | 21.47                               | 1.39                                |
| Interest on income tax                     | 0.16                                | 0.34                                |
|  | <b>21.63</b>                        | <b>1.73</b>                         |
| <b>20 Other expenses</b>                   |                                     |                                     |
| Payment to auditors (refer note (a) below) | 0.20                                | 0.36                                |
| Foreign exchange loss (net)                | 5.73                                | -                                   |
| Legal and professional fees                | 1.08                                | 0.01                                |
| Rates and taxes                            | 0.18                                | 0.24                                |
| Insurance costs                            | 0.03                                | 0.01                                |
| Bank charges                               | 21.24                               | 4.01                                |
| Printing and stationery expenses*          | -                                   | 0.00                                |
| Management support fees                    | -                                   | 0.05                                |
| Miscellaneous expenses                     | -                                   | 0.01                                |
|  | <b>28.46</b>                        | <b>4.69</b>                         |
| (a) As auditor                             |                                     |                                     |
| Statutory audit                            | 0.20                                | 0.22                                |
| In other capacity                          |                                     |                                     |
| Tax audit                                  | -                                   | 0.12                                |
| Other services                             | -                                   | 0.02                                |
|  | <b>0.20</b>                         | <b>0.36</b>                         |





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 21 Contingent liabilities and commitments

| Contingent liabilities   | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Claims against the Company not acknowledged as debts   | Nil           | Nil           |
| <b>Commitments</b>   |               |               |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | Nil           | Nil           |

### 22 Disclosure pursuant to section 186 of the Companies Act, 2013

Details of Inter-corporate deposit given by the Company are as follows:

| Name of the entity  | As at<br>1 April 2021 | Loan given during<br>the year | Loan repaid during<br>the year | As at<br>31 March 2022 |
|---|-----------------------|-------------------------------|--------------------------------|------------------------|
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd. (refer note 1 below) | 297.49                | 3.60                          | 301.09                         | -                      |

**Note 1: Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Limited)**

|  | 31 March 2022   | 31 March 2021   |
|--|-----------------|-----------------|
| Purpose of utilization of loan given to the entity | Working capital | Working capital |
| Loan repayment terms                               | On demand       | On demand       |
| Rate of Interest                                   | 11% p.a.        | 11% p.a.        |

### 23 Related party disclosures

#### 23.1 Related parties and their relationship

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

| Name of the related party   | Nature of relationship   |
|---|--------------------------|
| Shapoorji Pallonji and Company Private Limited (upto 29 December 2021)                              | Ultimate Holding Company |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.)     | Holding Company          |
| Sterling & Wilson - Waaree Private Limited<br>(merged with the Holding Company w.e.f. 1 April 2020) | Fellow Subsidiary        |
| Sterling and Wilson (Thailand) Limited  | Fellow Subsidiary        |
| Sterling and Wilson Middle East Solar Energy L.L.C , Dubai  | Fellow Subsidiary        |
| Sterling and Wilson Engineering (Pty) Limited   | Fellow Subsidiary        |
| Sterling and Wilson Singapore Pte Limited   | Fellow Subsidiary        |
| Sterling and Wilson Kazakhstan LLP  | Fellow Subsidiary        |
| Sterling Wilson - SPCPL - Chint Moroccan Venture  | Fellow Subsidiary        |
| Renovable Energia Contracting S.L   | Fellow Subsidiary        |
| Sterling and Wilson Solar Solutions Inc.  | Fellow Subsidiary        |
| GCO Solar Pty. Ltd. (formerly known as GCO Electrical Pty Ltd)                                      | Fellow Subsidiary        |
| Sterling Wilson Solar Solutions LLC   | Fellow Subsidiary        |
| Sterling and Wilson International LLP   | Fellow Subsidiary        |
| Sterling and Wilson Solar Australia Pty. Ltd  | Fellow Subsidiary        |
| Sterling and Wilson Solar Malaysia Sdn. Bhd.  | Fellow Subsidiary        |
| Sterling and Wilson Solar LLC   | Fellow Subsidiary        |
| Shapoorji Pallonji Infrastructure Capital Company Limited   | Fellow Subsidiary        |
| Sterling and Wilson Private Limited   | Fellow Subsidiary        |
| Mrs. Zarine Yazdi Daruvala (Director)   | Key Management Personnel |
| Mr. Khurshed Yazdi Daruvala (Chairman)  | Key Management Personnel |



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 23 Related party disclosures (Continued)

#### 23.2 Transactions and balances with related parties

| Related party   | Nature of transaction     | For the year ended<br>31 March 2022 | For the period<br>ended<br>31 March 2021 |
|---|---------------------------|-------------------------------------|--|
| Shapoorji Pallonji and Company Private Limited  | Service fees              | -                                   | 0.05                                     |
| Shapoorji Pallonji and Company Private Limited  | Trade payables            | -                                   | 0.11                                     |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Loan given                | 3.60                                | 297.49                                   |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Loan repayment received   | 301.09                              | -  |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Interest income           | 32.80                               | 7.44                                     |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Loan taken                | 310.45                              | 38.68                                    |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Loan repaid               | 310.45                              | 53.18                                    |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Interest expense          | 21.47                               | 1.39                                     |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Reimbursement of expenses | 20.00                               | -  |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Trade Payables            | 0.50                                | -  |
| Sterling and Wilson Private Limited   | Trade receivables         | -                                   | 22.11                                    |
| Sterling and Wilson Renewable Energy Limited (formerly known as Sterling and Wilson Solar Ltd.) | Loan receivable           | -                                   | 297.49                                   |
| Sterling and Wilson Solar Limited   | Interest receivable       | -                                   | 5.61                                     |

\*Amount less than Rs 0.01 million

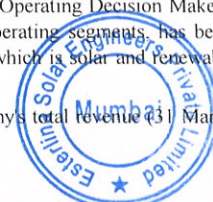
### 24 Earnings per share

| Particulars  |       | For the year ended<br>31 March 2022 | For the period<br>ended<br>31 March 2021 |
|--|-------|-------------------------------------|--|
| Profit after tax attributable to equity shareholders   | A     | (17.45)                             | 8.20                                     |
| Calculation of weighted average number of equity shares (Class A)  |       |                                     |  |
| Number of equity shares at the beginning of the year/period  |       | 10,000.00                           | 10,000.00                                |
| Equity shares issued during the year/period  |       | -                                   | -  |
| Number of equity shares outstanding at the end of the year/period  |       | 10,000.00                           | 10,000.00                                |
| Weighted average number of equity shares outstanding during the year/period (based on date of issue of shares) |       |                                     |  |
| Class A equity shares  | B     | 10,000.00                           | 10,000.00                                |
| Basic and diluted earnings per share (Rs)  |       |                                     |  |
| Class A equity shares  | A / B | (1,745.11)                          | 819.55                                   |
| Face value per share (Rs)  |       | 10.00                               | 10.00                                    |

### 25 Segment reporting

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

Revenue from one customer of the Company is Rs Nil which accounts for more than 10% of the Company's total revenue (31 March 2021: Rs 332.50 million).





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 26 Income taxes

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

| Particulars           | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|-----------------------|-------------------------------------|-------------------------------------|
| Current tax expense : |                                     |                                     |
| Current year charge   | -                                   | 2.87                                |
| Tax expenses          | -                                   | 2.87                                |

#### b) Reconciliation of effective tax rate

| Particulars  | For the year ended<br>31 March 2022 |         | For the year ended<br>31 March 2021 |        |
|--|-------------------------------------|---------|-------------------------------------|--------|
|  | Percentage                          | Amount  | Percentage                          | Amount |
| (Loss) / Profit before tax                                 |                                     | (17.45) |                                     | 11.07  |
| Tax using the Company's domestic tax rate                  | 25.17%                              | (4.39)  | 25.17%                              | 2.79   |
| Tax effect of:   |                                     |         |                                     |        |
| Non deductible expenses                                    | 0.00%                               | -       | 0.78%                               | 0.08   |
| Deferred tax credit not recognised on carry forward losses | 25.17%                              | 4.39    |                                     |        |
| Effective tax rate   | 0.00%                               | -       | 25.95%                              | 2.87   |



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 27 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 2022                | Carrying amount |                |       | Fair value                |                                  |                                    | Total |
|------------------------------|-----------------|----------------|-------|---------------------------|----------------------------------|------------------------------------|-------|
|                              | FVTPL           | Amortised Cost | Total | Level 1 - Quoted price in | Level 2 - Significant observable | Level 3 - Significant unobservable |       |
| <b>Financial assets</b>      |                 |                |       |                           |                                  |                                    |       |
| Trade receivables            | -               | -              | -     | -                         | -                                | -                                  | -     |
| Cash and cash equivalents    | -               | 0.31           | 0.31  | -                         | -                                | -                                  | -     |
| Loans                        | -               | -              | -     | -                         | -                                | -                                  | -     |
| Other financial assets       | -               | -              | -     | -                         | -                                | -                                  | -     |
|                              | -               | 0.31           | 0.31  | -                         | -                                | -                                  | -     |
| <b>Financial liabilities</b> |                 |                |       |                           |                                  |                                    |       |
| Borrowings                   | -               | -              | -     | -                         | -                                | -                                  | -     |
| Trade payables               | -               | 2.18           | 2.18  | -                         | -                                | -                                  | -     |
| Other financial liabilities  | -               | -              | -     | -                         | -                                | -                                  | -     |
|                              | -               | 2.18           | 2.18  | -                         | -                                | -                                  | -     |

| 31 March 2021                | Carrying amount |                |        | Fair value                |                                  |                                    | Total |
|------------------------------|-----------------|----------------|--------|---------------------------|----------------------------------|------------------------------------|-------|
|                              | FVTPL           | Amortised Cost | Total  | Level 1 - Quoted price in | Level 2 - Significant observable | Level 3 - Significant unobservable |       |
| <b>Financial assets</b>      |                 |                |        |                           |                                  |                                    |       |
| Trade receivables            | -               | 23.03          | 23.03  | -                         | -                                | -                                  | -     |
| Cash and cash equivalents    | -               | 0.40           | 0.40   | -                         | -                                | -                                  | -     |
| Loans                        | -               | 297.49         | 297.49 | -                         | -                                | -                                  | -     |
| Other financial assets       | -               | 5.61           | 5.61   | -                         | -                                | -                                  | -     |
|                              | -               | 326.53         | 326.53 | -                         | -                                | -                                  | -     |
| <b>Financial liabilities</b> |                 |                |        |                           |                                  |                                    |       |
| Borrowings                   | -               | -              | -      | -                         | -                                | -                                  | -     |
| Trade payables               | -               | 305.52         | 305.52 | -                         | -                                | -                                  | -     |
| Other financial liabilities  | -               | -              | -      | -                         | -                                | -                                  | -     |
|                              | -               | 305.52         | 305.52 | -                         | -                                | -                                  | -     |

#### (b) Measurement of fair values

##### Valuation techniques and significant unobservable inputs

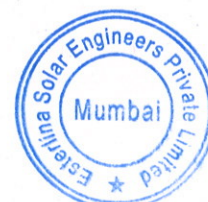
The Company does not have any financial assets or financial liabilities which are measured at fair value.

##### Transfers between Levels 1 and 2

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

##### Level 3 fair values

There are no items in Level 3 fair values.





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 27 Financial instruments – Fair values and risk management (Continued)

#### (c) Financial risk management

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

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

#### Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

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

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

#### i. Credit risk

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

#### Trade and other receivables

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

Total trade receivable as on 31 March 2022 is Rs Nil (31 March 2021: Rs 23.03 million)

During the previous year one largest customer had a total concentration of 96.02% of total trade receivable.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. The Company does not have any provision for expected credit losses on trade receivables as at 31 March 2022 and 31 March 2021.

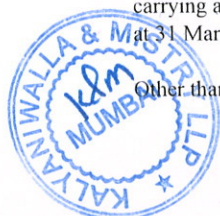
#### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs 0.31 million and Rs 0.40 million as at 31 March 2022 and 31 March 2021 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.

#### Inter-corporate deposits to group company

The Company has given unsecured Inter-corporate deposit to its Holding Company as at 31 March 2022. The Company has reviewed the carrying amount of Inter-corporate deposit to determine whether there is any indication that those loan have suffered an impairment loss, as at 31 March 2022 no such indication exist.

Other than the trade receivables and other receivables, the Company has no other financial assets that are past due but not impaired



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 27 Financial instruments – Fair values and risk management (Continued)

#### (c) Financial risk management (Continued)

##### ii Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

##### Exposure to liquidity risk

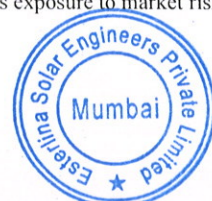
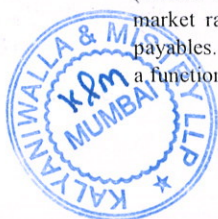
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

|                                      | Carrying amount | Contractual cash flows |                |           | More than 5 years |
|--------------------------------------|-----------------|------------------------|----------------|-----------|-------------------|
|                                      |                 | Total                  | 1 year or less | 1-2 years |                   |
| 31 March 2022                        |                 |                        |                |           |                   |
| Non-derivative financial assets      |                 |                        |                |           |                   |
| Trade receivables                    | -               | -                      | -              | -         | -                 |
| Cash and cash equivalents            | 0.31            | 0.31                   | 0.31           | -         | -                 |
| Loans                                | -               | -                      | -              | -         | -                 |
| Other financial assets               | -               | -                      | -              | -         | -                 |
|                                      | 0.31            | 0.31                   | 0.31           | -         | -                 |
| Non-derivative financial liabilities |                 |                        |                |           |                   |
| Borrowings                           | -               | -                      | -              | -         | -                 |
| Trade payables                       | 2.18            | 2.18                   | 2.18           | -         | -                 |
| Other financial liabilities          | -               | -                      | -              | -         | -                 |
|                                      | 2.18            | 2.18                   | 2.18           | -         | -                 |

|                                      | Carrying<br>amount | Contractual cash flows |                |           | More than<br>5 years |
|--------------------------------------|--------------------|------------------------|----------------|-----------|----------------------|
|                                      |                    | Total                  | 1 year or less | 1-2 years |                      |
| 31 March 2021                        |                    |                        |                |           |                      |
| Non-derivative financial assets      |                    |                        |                |           |                      |
| Trade receivables                    | 23.03              | 23.03                  | 23.03          | -         | -                    |
| Cash and cash equivalents            | 0.40               | 0.40                   | 0.40           | -         | -                    |
| Loans                                | 297.49             | 297.49                 | 297.49         | -         | -                    |
| Other financial assets               | 5.61               | 5.61                   | 5.61           | -         | -                    |
|                                      | 326.53             | 326.53                 | 326.53         | -         | -                    |
| Non-derivative financial liabilities |                    |                        |                |           |                      |
| Borrowings                           | -                  | -                      | -              | -         | -                    |
| Trade payables                       | 305.52             | 305.52                 | 305.52         | -         | -                    |
| Other financial liabilities          | -                  | -                      | -              | -         | -                    |
|                                      | 305.51             | 305.52                 | 305.52         | -         | -                    |

##### iii Market risk

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



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 27 Financial instruments – Fair values and risk management (Continued)

#### (c) Financial risk management (Continued)

##### (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 as at 31 March 2022 and 31 March 2021 are as below:

|   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Amounts in INR                                      | EUR           | EUR           |
| <b>Financial assets</b>                             |               |               |
| Trade receivables                                   | -             | -             |
| <b>Exposure to foreign currency assets</b>          | -             | -             |
| Less: Forward exchange contract                     | -             | -             |
| <b>Net exposure to foreign currency assets</b>      | -             | -             |
| <b>Financial liabilities</b>                        |               |               |
| Trade payables and other payable                    | -             | 304.68        |
| <b>Exposure to foreign currency liabilities</b>     | -             | 304.68        |
| Less: Forward exchange contract                     | -             | -             |
| <b>Net exposure to foreign currency liabilities</b> | -             | 304.68        |





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 27 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 Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. 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 Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

|                                  | 31 March 2022 | 31 March 2021 |
|----------------------------------|---------------|---------------|
| <b>Fixed rate instruments</b>    |               |               |
| Financial assets                 | -             | 297.49        |
| Financial liabilities            | -             | -             |
|                                  | -             | 297.49        |
| <b>Variable rate instruments</b> |               |               |
| Financial assets                 | -             | -             |
| Financial liabilities            | -             | -             |
|                                  | -             | -             |

#### Interest rate sensitivity - fixed rate instruments

The Company's fixed rate Inter-corporate deposit 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.

#### (c) Capital Management

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

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

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

| Particulars                                       | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Non-Current Borrowings                            | -             | -             |
| Current Borrowings                                | -             | -             |
| <b>Gross debt</b>                                 | -             | -             |
| Less : Cash and cash equivalents                  | 0.31          | 0.40          |
| <b>Adjusted net debt</b>                          | <b>(0.31)</b> | <b>(0.40)</b> |
| Total equity                                      | 1.43          | 18.88         |
| <b>Adjusted net debt to adjusted equity ratio</b> | -             | -             |



# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 28 Disclosure under Ind AS 115, Revenue from Contracts with Customers

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

#### B) Reconciliation of revenue as per Ind AS 115

|                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------|--------------------------------------|--------------------------------------|
| Sale of products           | -                                    | 332.50                               |
| Adjustment on account of : | -                                    | -                                    |
| <b>Total</b>               | <b>-</b>                             | <b>332.50</b>                        |

#### C) Performance obligation

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

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

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

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

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

#### E) Practical expedient for significant financing component:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.





# Esterlina Solar Engineers Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

### 29 ANALYTICAL RATIOS

| Ratio                            | Numerator                         | Denominator                  | FY 2021-22     | FY 2020-21 | % Change | Reason for variance |
|----------------------------------|-----------------------------------|------------------------------|----------------|------------|----------|---------------------|
| Current ratio                    | Current Assets                    | Current Liabilities          | 0.55           | 1.06       | -49%     | a)                  |
| Return on equity ratio           | Net Profits after taxes           | Average Shareholder's Equity | -171.86%       | 74.88%     | -330%    | b)                  |
| Trade receivables turnover ratio | Net Credit Sales                  | Average Trade Receivable     | -              | 14.44      | -100%    | c)                  |
| Trade payables turnover ratio    | Net Credit Purchases              | Average Trade Payables       | 0.19           | 2.20       | -92%     | d)                  |
| Net capital turnover ratio       | Net Sales                         | Working Capital              | -              | (1.19)     | -100%    | c)                  |
| Net profit ratio                 | Net Profit after Tax              | Net Sales                    | Not applicable | 2.46%      | -100%    | c)                  |
| Return on Capital Employed       | Earning before interest and taxes | Average Capital Employed     | 47.47%         | 88.55%     | -46%     | e)                  |

a) Reduction is on account of the payment made to trade payable and collection of loan given to Holding Company.

b) The total income for the year ended 31 March 2022 is Rs Nil and hence there is a reduction in Return on equity ratio compared to last year.

c) The sales for the year ended 31 March 2022 is Rs Nil and hence the trade receivables turnover ratio, net capital turnover ratio and net profit ratio is either Nil or Not applicable for the current

d) The trade payable turnover ratio has reduced mainly on account of payment to trade payables.

e) There are no operations during the year ended 31 March 2022 and hence there is a reduction in Return on Capital Employed compared to last year.

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

### 31 Other matters

- i) Information with regard to other matters, specified in Schedule III to the Act is either nil or not applicable to the Company for the year.  
ii) Previous years figures have been reclassified/regrouped wherever necessary.

