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Chartered Accountants

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Independent Auditors' Report

To the Members of Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Report on the audit of the standalone financial statements

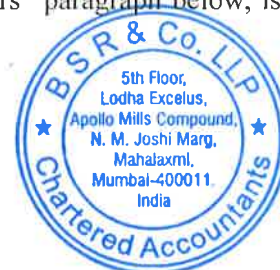
Opinion

We have audited the standalone financial statements of Sterling and Wilson Solar Limited *(formerly known as Sterling and Wilson Solar Private Limited)* ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2019, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by us of the Company's Branches located at Australia, Kenya, Mexico, Philippines and Indonesia and in which are included the returns for the year ended on that date audited by the branch auditors of the Company's Branches located at UAE, Zambia, Namibia, Bangladesh, Argentina, Jordan, Egypt and Vietnam (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of branch auditors as set out in the Other Matters paragraph, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

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

Independent Auditors' Report (Continued)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

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

Management's responsibility for the standalone financial statements

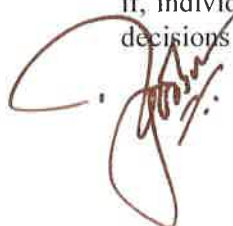
The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.



Independent Auditors' Report (Continued)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

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

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

We did not audit the financial information of Eight branches (located at UAE, Zambia, Namibia, Bangladesh, Argentina, Jordan, Egypt and Vietnam) included in the standalone financial statements of the Company whose financial information reflect total assets of Rs 3,703.12 million as at 31 March 2019 and the total revenue of Rs 5,810.20 million for the year ended on that date, as considered in the standalone financial statements. The financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.



Independent Auditors' Report (*Continued*)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Other Matters (*Continued*)

All these branches referred to in the paragraph above are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of these matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - (c) the reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - (d) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - (e) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
 - (f) on the basis of written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



Independent Auditors' Report (*Continued*)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

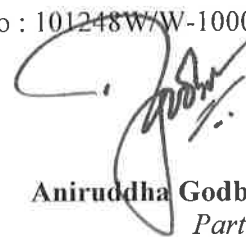
Report on other legal and regulatory requirements (*Continued*)

- (B) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements – Refer Note 44 to the Standalone financial statements;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act:

We draw attention to note 58 to the standalone financial statements, relating to remuneration paid by a subsidiary of the Company to non-executive directors of the Company being in excess of the limit laid down under Section 197 of the Act by Rs 6.35 million as at 31 March 2019. The excess remuneration paid has been approved by the shareholders in the Extraordinary General Meeting held on 10 June 2019. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its manager during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants

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



Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
11 June 2019

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Annexure A to the Independent Auditors' Report – 31 March 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business. In accordance with the above programme, certain fixed assets were physically verified by the management and no discrepancies were noticed upon such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company does not have any immovable properties. Accordingly, paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The inventory of project land, stores and, spare parts and construction materials has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loans to four companies and two body corporates covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Act.
 - (a) According to the information and explanations given to us and based on the audit procedure conducted by us, we are of the opinion that the rate of interest and other terms and conditions of the unsecured loans granted by the Company to four companies and two body corporates 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.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to four companies and two body corporates and interest thereon are repayable on demand. The borrowers have been regular in the payment of principal and interest as demanded.
 - (c) According to the information and explanations given to us and based on the audit procedure conducted by us, we are of the opinion that there are no overdue amounts of more than 90 days in respect of the loans granted to four companies and two body corporates covered in the register required to be maintained under Section 189 of the Act.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Annexure A to the Independent Auditors' Report – 31 March 2019 (Continued)

- (iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans granted to four companies and two body corporates and investments made by the Company. The Company has not provided any guarantee or security during the year to the parties covered under Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act, in respect of providing guarantees and securities is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Profession tax, Income tax, Social Security tax, Goods and service tax, Cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in a few cases.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income tax, Social Security tax, Goods and service tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- Also, refer note 44 to the standalone financial statements.
- (b) According to the information and explanations given to us, there are no dues of Income tax and Goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any loans or borrowings from government or outstanding dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

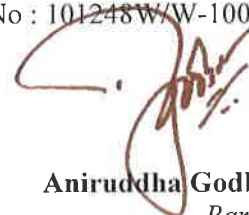
Annexure A to the Independent Auditors' Report – 31 March 2019 (Continued)

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, due to inadequate profits during the current year, the managerial remuneration paid by a subsidiary to the non-executive directors of the Company is in excess of the limits specified under Section 197 of the Act read with Schedule V to the Act by Rs 6.35 million. As more fully explained in note 58 to the standalone financial statements, the Company has obtained approval from shareholders for such excess remuneration paid in the Extraordinary General Meeting held on 10 June 2019. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in respect of the manager in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (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. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

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



Aniruddha Godbole
Partner

Membership No: 105149

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Annexure B to the Independent Auditors' Report – 31 March 2019

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

(Referred to in paragraph 1 A (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the standalone financial statements of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited) ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

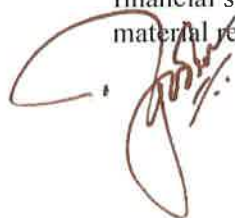
In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Annexure B to the Independent Auditors' Report – 31 March 2019 (Continued)

Auditors' Responsibility (Continued)

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

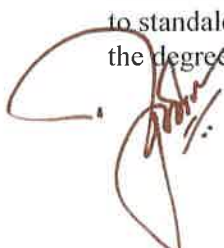
We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Annexure B to the Independent Auditors' Report – 31 March 2019 ***(Continued)***

Other Matters

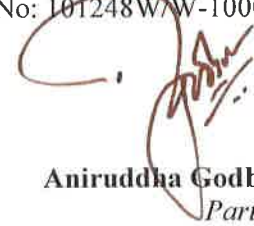
We did not audit the internal financial controls with reference to financial statements of eight branches (in UAE, Zambia, Namibia, Bangladesh, Argentina, Jordan, Egypt and Vietnam) of the Company. The internal financial control with reference to financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the internal financial control with reference to financial statements included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

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



Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 June 2019

Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone balance sheet
as at 31 March 2019

(Currency : Indian rupees in million)

	Note	31 March 2019	31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	5	111.43	94.29
Capital work-in-progress	5	-	0.81
Other intangible assets	6	11.03	10.36
Financial assets			
(i) Investments	7	54.62	35.33
(ii) Loans	8	11.72	-
Deferred tax assets (net)	9	297.87	91.12
Non-current tax assets (net)	10	-	10.21
Other non-current assets	11	6.86	2.61
Total non-current assets		493.53	244.73
Current assets			
Inventories	12	120.27	185.56
Financial assets			
(i) Investments	13	1.69	1.59
(ii) Trade receivables	14	17,254.27	22,063.61
(iii) Cash and cash equivalents	15	3,098.79	393.89
(iv) Bank balances other than cash and cash equivalents	16	48.94	3.60
(v) Loans	17	15,817.09	3,048.40
(vi) Derivatives	18	39.53	-
(vii) Other financial assets	19	2,328.70	5,343.72
Other current assets	20	6,549.08	7,182.63
Total current assets		45,258.36	38,223.00
Total assets		45,751.89	38,467.74
Equity and liabilities			
Equity			
Equity share capital	21	160.36	160.36
Other equity	22		
Capital reserve on demerger		(1,817.37)	(1,817.37)
Foreign currency translation reserve		83.04	1.27
Effective portion of cash flow hedge		-	-
Retained Earnings		5,964.14	4,006.07
Total equity		4,390.17	2,350.33



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone balance sheet (Continued)
as at 31 March 2019

(Currency : Indian rupees in million)

	Note	31 March 2019	31 March 2018
Liabilities			
Non-current liabilities			
Provisions	23	61.86	54.67
Total non-current liabilities		61.86	54.67
Current liabilities			
Financial liabilities			
(i) Borrowings	24	11,746.16	665.24
(ii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		19.28	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		26,240.32	29,019.25
(iii) Derivatives	26	-	104.21
(iii) Other financial liabilities	27	203.87	187.68
Other current liabilities	28	2,208.25	5,995.51
Provisions	29	527.43	90.17
Current tax liabilities (net)	30	354.55	0.68
Total current liabilities		41,299.86	36,062.73
Total equity and liabilities		45,751.89	38,467.74


The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.

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


Aniruddha Godbole
Partner
Membership No: 105149

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN: U74999MH2017PLC292281


Khurshed Daruvala
Chairman
DIN: 00216905


Pallon Mistry
Director
DIN: 05229734


K. Kannan
Manager


Bahadur Dastoor
Chief Financial Officer
Membership No: 48936


Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808

Mumbai
Date: 11 June 2019

Mumbai
Date: 11 June 2019

Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone statement of profit and loss
for the year ended 31 March 2019

(Currency : Indian rupees in million)

	Note	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
Income			
Revenue from operations	31	82,103.79	61,259.75
Other income	32	1,554.67	252.00
Total income		83,658.46	61,511.75
Expenses			
Cost of construction materials, stores and spare parts	33	60,139.49	45,486.24
Purchase of traded goods	34	1,815.72	6,035.22
Changes in inventories of stock-in-trade	35	12.67	118.97
Direct project costs	36	15,639.42	5,825.09
Employee benefits expense	37	1,036.72	824.16
Other expenses	40	1,379.94	1,068.57
Total expenses		80,023.96	59,358.25
Earnings before interest, tax, depreciation and amortisation (EBITDA)		3,634.50	2,153.50
Finance costs	38	561.77	106.16
Depreciation and amortisation expense	39	31.79	23.99
Profit before income tax		3,040.93	2,023.35
Tax expenses:	41		
Current tax		1,256.13	767.43
Current tax relating to earlier period		28.22	-
Deferred tax (credit)		(204.90)	(63.91)
		1,079.45	703.52
Profit for the year/period after income tax		1,961.48	1,319.83
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability		(5.24)	(2.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.83	0.86
Items that will be reclassified subsequently to profit or loss			
(i) Exchange differences in translating financial statements of foreign operations		81.77	1.27
(i) Effective portion of gain on hedging instruments in cash flow hedges reclassified to profit and loss		-	33.12
Other comprehensive income for the year/period, net of income tax		78.36	32.78
Total comprehensive income for the year/period		2,039.84	1,352.61
Earnings per equity share			
Basic and diluted earnings per share (Rs) (face value of Rs 10 split into face value of Re 1 each)	42	12.23	8.75



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Standalone statement of profit and loss (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in million)

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godhole

Partner

Membership No: 105149

K. Kannan
Manager

Khurshed Daruvala

Chairman

DIN:00216905

Bahadur Dastoor

Chief Financial Officer

Membership No: 48936

For and on behalf of the Board of Directors of

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

CIN:U74999MH2017PLC292281

Pallon Mistry

Director

DIN:05229734

Jagannadha Rao Ch. V.

Company Secretary

Membership No: F2808

Mumbai

Date: 11 June 2019

Place: Mumbai

Date: 11 June 2019

Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone statement of changes in equity
for the year ended 31 March 2019

(Currency : Indian rupees in million)

A. Equity Share capital

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year/period	160.36	-
Issued during the year/period	-	0.04
Add: Shares issued pursuant to Scheme of Arrangement (refer note 4)	-	160.36
Less: Shares cancelled	-	(0.04)
Balance at the end of the year/period	160.36	160.36

B. Other equity

	Reserves and surplus	Sub-total	Items of other comprehensive income	Sub-total	Total
	Capital reserve on demerger	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	
Balance as at 1 April 2018	(1,817.37)	4,006.07	2,188.70	1.27	2,189.97
Adjustments:					
Total comprehensive income for the year	-	1,961.48	1,961.48	-	1,961.48
Profit for the year	-	-	-	-	-
Items of OCI for the year, net of tax:	-	-	-	-	-
Remeasurement of the defined benefit liability	-	(3.41)	(3.41)	-	(3.41)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-
Total comprehensive income for the year	-	1,958.07	1,958.07	81.77	81.77
Balance as at 31 March 2019	(1,817.37)	5,964.14	4,146.77	83.04	4,229.81

	Reserves and surplus	Sub-total	Items of other comprehensive income	Sub-total	Total
	Capital reserve on demerger	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	
Balance as at 9 March 2017	(1,817.37)	2,687.86	870.49	(33.12)	837.37
Adjustments:					
Acquired Pursuant to Scheme of Arrangement (refer note 4)	-	-	-	-	-
Total comprehensive income for the period	-	1,319.83	1,319.83	-	1,319.83
Profit for the period	-	-	-	-	-
Items of OCI for the period, net of tax:	-	-	-	-	-
Remeasurement of the defined benefit liability	-	(1.61)	(1.61)	-	(1.60)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-
Effective portion of gain/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	-	-	-	33.12	33.12
Total comprehensive income for the period	-	1,318.22	1,318.22	33.12	1,352.61
Balance as at 31 March 2018	(1,817.37)	4,006.07	2,188.70	1.27	2,189.97



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone statement of changes in equity (Continued)
for the year ended 31 March 2019

(Currency : Indian rupees in million)

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.

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



Aniruddha Godbole
Partner
Membership No: 105149



K. Kannan
Manager

Mumbai
Date: 11 June 2019

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281



Khurshed Daruvala
Chairman
DIN:00216905



Bahadur Dastoor
Chief Financial Officer
Membership No: 48936



Pallon Mistry
Director
DIN:05229734



Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808

Mumbai
Date: 11 June 2019

Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone statement of cash flow
for the year ended 31 March 2019

(Currency : Indian rupees in million)

	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
A) Cash flows from operating activities		
Profit before tax	3,040.93	2,023.35
<i>Adjustments for:</i>		
Depreciation and amortisation expense	31.79	23.99
Supplier balances/ liabilities written back	(11.04)	(9.30)
Bad debts written off	43.28	18.83
Provision for bad and doubtful debts	200.00	13.50
Loans and advances written off	-	2.54
Provision for mark-to-market (gain) / loss on derivative instruments (net)	(39.53)	57.60
Profit on sale of property, plant and equipments (net)	-	(0.43)
Finance costs	561.77	106.16
Interest income	(1,405.94)	(235.81)
Provision for impairment loss on loans and investment in subsidiary	1.49	-
Provision for inventory obsolescence	(4.40)	4.40
Unrealised foreign exchange loss (net)	(21.96)	134.32
Operating profit before working capital changes	2,396.39	2,139.14
<i>Working capital adjustments</i>		
Decrease/ (Increase) in inventories	69.69	(40.72)
Decrease/ (Increase) in trade receivables	4,377.38	(15,024.98)
(Increase) in loans and advances	(6.34)	(13.15)
Decrease in restricted cash (refer note 2 below)	2.45	1.03
Decrease/ (Increase) in other financial assets	1,107.96	(4,086.21)
Decrease/ (Increase) in other current and non-current assets	629.30	(6,711.67)
(Decrease)/ Increase in trade payable, other current liabilities and provisions	(6,197.29)	27,983.44
Net change in working capital	(16.83)	2,107.73
Cash flows generated from operating activities	2,379.56	4,246.86
Income tax (paid) (net)	(969.88)	(772.28)
Effects of exchange differences on translation of assets and liabilities	81.77	(1.27)
Net cash flows generated from operating activities	(A) 1,491.45	3,473.31
B) Cash flows from investing activities		
(Investment) in equity shares of a subsidiary	(0.10)	(17.47)
(Investment)/ Proceeds from redemption of treasury bills (net)	(0.10)	1.72
(Purchase) of property, plant and equipment and intangible assets	(52.45)	(48.05)
Proceeds from sale of property, plant and equipment	-	2.98
(Purchase) of fixed deposits, net	(47.80)	(0.73)
Loan given to subsidiaries and fellow subsidiaries	(18,003.65)	(1,283.13)
Loan repaid by subsidiaries and fellow subsidiaries	8,725.68	372.52
Interest received	33.40	462.98
Net cash flows (used in) investing activities	(B) (9,345.02)	(509.19)
C) Cash flows from financing activities		
(Repayment) of secured short-term borrowings	(665.24)	(2,484.71)
Proceeds from unsecured short-term borrowings	20,194.17	-
(Repayment) of unsecured short-term borrowings	(8,450.00)	-
Finance costs paid	(520.46)	(87.33)
Net cash flows generated from / (used in) financing activities	(C) 10,558.47	(2,572.05)
Net increase in cash and cash equivalents	(A + B + C) 2,704.90	392.07
Cash and cash equivalents at the beginning of the year	393.89	
Cash and cash equivalents of branches acquired during the year/period pursuant to scheme of arrangement (refer note 4)		1.82
Cash and cash equivalents at the end of the year/period	3,098.79	393.89

* During the year ended 31 March 2019, receivables from related party amounting to Rs 3,278.14 millions have been converted into loan.



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Standalone statement of cash flow (Continued)
for the year ended 31 March 2019

(Currency : Indian rupees in million)

Notes :

- 1 The standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Statement of Cash Flows.
- 2 Current account balances with banks include Rs 0.42 million (31 March 2018: Rs 2.87 million) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions.
- 3 Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

4 Components of cash and cash equivalents	31 March 2019	31 March 2018
Balance with banks		
- in current accounts	2,089.29	393.35
Cheques on hand	1,005.12	-
Cash on hand	4.38	0.54
	3,098.79	393.89

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

Particulars	As at 1 April 2018	Changes considered in statement of cash- flow	Non-cash changes on account of foreign exchange	As at 31 March 2019
Short-term borrowings	665.24	11,078.94	1.98	11,746.16

Particulars	As at 9 March 2017	Changes considered in statement of cashflows	Non-cash changes on account of acquisition (including foreign exchange adjustment)	As at 31 March 2018
Short-term borrowings	-	(2,484.71)	3,149.95	665.24

- 6 The above standalone statement of cash flows includes Rs 13.50 million (31 March 2018: Rs 1.70 millions) towards corporate social responsibility.

The attached notes 1 - 60 are an integral part of these standalone financial statements.

As per our report of even date attached.

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

Aniruddha Godbole
Partner
Membership No: 105149

K. Kannan
Manager

Mumbai
Date: 11 June 2019

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN:U74999MH2017PLC292281

Khurshed Daruvala
Chairman
DIN:00216903

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936

Mumbai
Date: 11 June 2019

Pallon Mistry
Director
DIN:05229734

Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Notes to the standalone financial statements

for the year ended 31 March 2019

(Currency: Indian rupees in million)

1 Background

Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited ("the Company")) was incorporated as a Private Limited Company on 9 March 2017 under The Companies Act, 2013. The Company is a Solar EPC contractor with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe, South America, Latin America, Australia and USA.

The Company is specialised in complete turn-key and Roof top solutions for Solar EPC solutions with having experience of executing more than 161 projects. The principal activity of the Company includes import, export and trading of Solar modules, structures, invertors and related accessories, installation and maintenance of Solar power generating facilities and other related activities.

The Company was incorporated on 9 March 2017 as Rashmika Energy Private Limited. The Company was renamed as Sterling and Wilson Solar Private Limited on 24 April 2018 and was further renamed as Sterling and Wilson Solar Limited on 25 January 2019. The balance of the previous period are for the period of 9 March 2017 to 31 March 2018. Accordingly, whilst the balances of the previous period are not strictly comparable to the current year balances, during the period 9 March 2017 to 31 March 2017, the transactions were for issue of share capital and receipt of cash amounting to Rs 300 only, and hence the operations were for a period of 12 months only.

During the previous period, the Company had acquired the Solar EPC business ('Demerged undertaking') along with its subsidiaries and overseas branch offices related to Solar Division from Sterling and Wilson Private Limited, on a going concern basis, under "Scheme of Arrangement" ('the Scheme') with effect from the appointed date of 1 April 2017 (Refer note 4).

Sterling and Wilson Solar Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 1 April 2017.

2 Basis of preparation of the standalone financial statements

a Statement of compliance

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

The standalone financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 11 June 2019.

b Functional and presentation currency

These standalone 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 standalone financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

d Use of estimates and judgments

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

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 are as follows:



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

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

d Use of estimates and judgments (Continued)

(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 standalone financial statements for the year/period in which such changes are

(ii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

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

(iv) Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year/period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(v) Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees in million)

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

d Use of estimates and judgments (Continued)

(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 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.

(vii) Impairment losses on investment

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(viii) 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.

(viii) Measurement of fair values (Continued)

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:-

- Note 52 – financial instruments.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees in million)

3 Significant accounting policies

3.1 Current/ non-current classification

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

Assets

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

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

All other assets are classified as non-current.

Liabilities

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

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

All other liabilities are classified as non-current.

Operating Cycle

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

In respect of the engineering, procurement and construction services (EPC) segment of the Company, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities. For the other operations, the operating cycle is ascertained as 12 months for the purpose of current - non-current classification of the assets and liabilities.

3.2 Foreign currency

(i) 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 standalone statement of profit and loss.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.2 Foreign currency (Continued)

(i) Foreign currency transactions (Continued)

- 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.

(ii) Foreign operations

The assets and liabilities of foreign operations (branches), are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

When a foreign operation is disposed the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the standalone statement profit and loss as part of the gain or loss on disposal.

3.3 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.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

Financial assets (Continued)

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

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

Financial assets: Business model assessment

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

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

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

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

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).



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(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.3 Financial instruments (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 standalone 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 standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss. See Note 3.3 (e) for financial liabilities designated as hedging instruments.



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3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(c) Derecognition

Financial assets

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

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

Financial liabilities

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

(e) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the standalone statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the standalone statement of profit and loss.



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3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(e) Derivative financial instruments and hedge accounting (Continued)

Cash flow hedges (Continued)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the standalone statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the standalone statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the standalone statement of profit and loss.

3.4 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 takes place either:

- (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 standalone 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 standalone 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.

3.5 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.



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3 Significant accounting policies (Continued)

3.5 Property, plant and equipment (Continued)

Recognition and measurement (Continued)

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

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

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

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

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, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Company's management based on the technical evaluation carried out by the projects team. 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). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as

Assets	Life in no. of years	Schedule II useful lives
Plant and equipment	5 years to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing INR 5,000 or less are fully depreciated in the year/period of purchase.



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3 Significant accounting policies (Continued)

3.6 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to five years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit and loss in the year/period the asset is derecognised.

3.7 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

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.

3.8 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 and lease receivables; and
- (ii) Financial assets measured at amortised cost (other than trade receivables and lease receivables)

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

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

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



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3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

Impairment of non-derivative financial assets (Continued)

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 standalone statement of profit and loss.

Impairment of non-financial assets

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

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

3.9 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Company has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the standalone statement of profit and loss in the periods during which the related services are rendered by employees. In respect of foreign branch, the Company's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the standalone foreign branch operates.

(ii) Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.



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3 Significant accounting policies (Continued)

3.9 Employee benefits (Continued)

Post-employment benefits (Continued)

(ii) Defined benefit plans (Continued)

All remeasurement gains and losses arising from defined benefit plans are recognised in the standalone statement of other comprehensive income in the year/period in which they occur and not reclassified to the standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year/period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year/period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year/period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the standalone statement of profit and loss.

Other long-term employee benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit Method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the standalone statement of profit and loss in the year/period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year/period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity settled share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone statement of profit and loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



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3 Significant accounting policies (Continued)

3.10 Provisions and Contingencies

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

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

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

Onerous contracts

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

3.11 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's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.



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3 Significant accounting policies (Continued)

3.11 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 contracts

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 sales taxes/value added taxes.

Operation and maintenance income:

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

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

3.12 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.



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3 Significant accounting policies (Continued)

3.13 Leases

Determining whether an arrangement contains a lease

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

Assets held under leases

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

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

Lease payments

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

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

3.14 Recognition of dividend income, interest income or expense

Dividend income is recognised in the standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.15 Income tax

Income tax comprises current and deferred tax. It is recognised in the standalone 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.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. 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 applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

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.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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/period 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.



Sterling and Wilson Solar Limited

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Notes to the standalone financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.16 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are

3.17 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

Profit or loss on sale of investments is determined on the basis of first in first out (FIFO) basis of carrying amount of investment disposed off.

3.18 Standalone statement of cash flows

The Company's standalone statement of cash flows are prepared using the Indirect method, whereby profit for the year/period 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 and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash

3.19 Earnings per share

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

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

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

3.21 Measurement of earnings before interest, tax, depreciation and amortisation (EBITDA)

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of standalone profit and loss for the year ended 31 March 2019 and for the period beginning from 9 March 2017 to 31 March 2018. The Company measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.



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for the year ended 31 March 2019

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.22 Standard issued but not effective

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, using modified retrospective method under which the right-of-use asset is at an amount equal to the lease liability.

On transition, for leases other than short-term leases and leases of low value assets, the Company will recognise a right-of-use asset of Rs 35.51 millions and a corresponding lease liability of Rs 35.51 millions, with no impact on retained earnings.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular prepayable financial assets
- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).
- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.
- Amendments to Ind AS 28, Investments in Associates and Joint Ventures: When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.



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Notes to the standalone financial statements (Continued)
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(Currency: Indian rupees in million)

4 Scheme of Arrangement

- A The Board of Directors at their meeting held on 7 September 2017 had approved the "Scheme of Arrangement" ('the Scheme') for the demerger of the Solar EPC ("S-EPC") business of Sterling and Wilson Private Limited ("SWPL") along with certain subsidiaries engaged in the S-EPC business (together referred to as 'Demerged undertaking'), at Mumbai under Section 230 to Section 232 of the Companies Act, 2013, with effect from 1 April 2017, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders and National Company Law Tribunal ('NCLT') Mumbai.

The said Scheme received the approval of the NCLT, Mumbai Bench vide orders passed on 28 March 2018. The NCLT order was filed with the Registrar of Companies on 1 May 2018. The Appointed Date for the Scheme is 1 April 2017. The impact of merger has been given with effect from the Appointed date.

In accordance with the provisions of the aforesaid Scheme:

- i. The approved share swap ratio is 1 equity share of the face value of Rs 10 each fully paid-up of the Company for every 1 equity share of the face value of Rs 10 each fully paid-up of SWPL. Accordingly, in consideration of demerger, the Company had allotted and issued 16,036,000 equity shares of Rs 10 each, fully paid-up, to the shareholders of SWPL vide board resolution dated 31 March 2018.
- ii. The Indian Accounting Standard 103 ('Ind AS - 103') - Business Combination, deals with amalgamations, and the accounting treatment in respect of the merger under common control transaction. The demerger has been given effect to as per the accounting treatment specified in the Scheme and approved by the NCLT, and the same is in line with the accounting treatment specified under Ind AS - 103.
- iii. The transfer of assets and liabilities of the Demerged Undertaking at book value has been effected from the "Appointed date" of 1 April 2017, as defined in the Scheme.
- iv. Book value of assets and liabilities related to the Demerged Undertaking acquired and certain direct subsidiaries with effect from the Appointed date i.e. 1 April 2017 are as under:

Particulars	Amount
Assets	
Non-current assets	
Property, plant and equipment	75.21
Other intangible assets	8.78
Financial assets	
(i) Investments	17.87
Deferred tax assets (net)	26.33
Other non-current assets	4.88
Total non-current assets	133.06
Current assets	
Inventories	149.24
Financial assets	
(i) Investments	3.30
(ii) Trade receivables	7,066.61
(iii) Cash and cash equivalents	1.81
(iv) Bank balances other than cash and cash equivalents	3.90
(v) Loans	2,128.55
(vi) Other financial assets	1,439.56
Other current assets	473.53
Total current assets	11,266.51
Total assets	11,399.57



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

(Currency: Indian rupees in million)

4 Scheme of Arrangement (Continued)

A. (Continued)

Particulars	Amount
Equity and liabilities	
Equity	
Other equity	2,654.74
Total equity	2,654.74
Non-current liabilities	
Financial liabilities	
(i) Borrowings	-
Provisions	31.86
Total non-current liabilities	31.86
Current liabilities	
Financial liabilities	
(i) Borrowings	3,151.25
(ii) Trade payables	4,158.23
(iii) Derivatives	194.48
(iv) Other financial liabilities	11.54
Other current liabilities	2,799.59
Provisions	54.89
Total current liabilities	10,369.98
Total equity and liabilities	13,056.58
Net assets taken over	(1,657.01)
Consideration paid - Issue of equity shares	160.36
Capital Reserve on merger	(1,817.37)

B Further to the Scheme, the following subsidiaries of SWPL also became the subsidiaries of the Company, subject to the consent /approval of the Reserve Bank of India or such other statutory agencies, if any:

No.	Name of the Company/Partnership Firm	Country
1	Sterling and Wilson International Solar FZCO ("SWIS")	United Arab Emirates
2	Sterling and Wilson Brasil Servicos Ltda	Brazil
3	Sterling and Wilson (Thailand) Limited	Thailand
4	Sterling and Wilson Saudi Arabia Limited	Kingdom of Saudi Arabia
5	Sterling & Wilson - Waaree Private Limited	India
6	Sterling Wilson -SPCPL - Chint Moroccan Venture (Partnership firm)	India

C Pursuant to the Scheme of Arrangement with an appointed date of 1 April 2017 and approval of National Company Law Tribunal and other statutory and regulatory authorities, SWPL carried out operations of the demerged undertaking in trust on behalf of the Company.



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(Currency : Indian rupees in million)

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

Reconciliation of carrying amount for the year ended 31 March 2019

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :								
Balance as at 1 April 2018	1.97	100.98	1.21	4.18	27.90	136.24	0.81	137.05
Add: Additions during the year	-	26.29	1.58	0.19	21.57	49.63	-	49.63
Less: Deletions/ transfer during the year	2.02	1.13	0.90	-	0.21	4.26	0.81	5.07
Less: Assets capitalised during the year	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations*	0.05	0.03	(0.18)	-	0.07	(0.03)	-	(0.03)
Balance as at 31 March 2019	-	126.17	1.71	4.37	49.33	181.58	-	181.58
Accumulated depreciation and amortisation :								
Balance as at 1 April 2018	-	26.79	0.24	1.30	13.62	41.95	-	41.95
Add: Depreciation for the year	0.34	18.73	0.33	0.49	9.00	28.89	-	28.89
Add: Exchange differences on translation of foreign operations*	-	(0.03)	(0.06)	-	(0.04)	(0.13)	-	(0.13)
Less: Disposals/ transfer during the year	0.34	0.17	-	-	0.05	0.56	-	0.56
Balance as at 31 March 2019	-	45.32	0.51	1.79	22.53	70.15	-	70.15
Carrying amounts (net)								
At 1 April 2018	1.97	74.19	0.97	2.88	14.28	94.29	0.81	95.10
At 31 March 2019	-	80.85	1.20	2.58	26.80	111.43	-	111.43

*Amount less than 0.01 million



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

Reconciliation of carrying amount for the year ended 31 March 2018

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount :								
Balance as at 9 March 2017	-	-	-	-	-	97.12	-	97.12
Add: Acquisitions pursuant to scheme of arrangement (refer note 4)	-	72.56	0.25	5.10	19.21	97.12	-	97.12
Add: Additions during the period	1.97	30.69	0.96	0.42	8.95	42.99	0.81	43.80
Less: Disposals during the period	-	2.27	-	1.34	0.26	3.87	-	3.87
Balance as at 31 March 2018	1.97	100.98	1.21	4.18	27.90	136.24	0.81	137.05
Accumulated depreciation and amortisation :								
As at 9 March 2017	-	-	-	-	-	-	-	-
Add: Acquisitions pursuant to scheme of arrangement (refer note 4)	-	13.33	0.04	1.15	7.41	21.93	-	21.93
Add: Exchange differences on translation of foreign operations*	-	0.01	0.01	0.00	0.01	0.03	-	0.03
Add: Depreciation for the period	-	14.14	0.19	0.54	6.44	21.31	-	21.31
Less: Disposals during the period	-	0.69	-	0.39	0.24	1.32	-	1.32
Balance as at 31 March 2018	-	26.79	0.24	1.30	13.62	41.95	-	41.95
Carrying amounts (net)								
At 9 March 2017	-	-	-	-	-	-	-	-
At 31 March 2018	1.97	74.19	0.97	2.88	14.29	94.29	0.81	95.10

*Amount less than 0.01 million

Nil amount of borrowing cost is capitalised during the year/period ended 31 March 2019 and 31 March 2018.

Nil amount of impairment loss is recognised during the year/period ended 31 March 2019 and 31 March 2018.

Adjustments includes the exchange fluctuation of Rs (0.03) million on gross block for the year ended 31 March 2019 (31 March 2018: Rs Nil) and Rs (0.13) million on accumulated depreciation / amortisation for the year ended 31 March 2019 (31 March 2018: Rs 0.03 million) due to translation of property, plant and equipment of all foreign branches at closing exchange rate

All movable fixed assets with carrying amount of Rs Nil (31 March 2018: Rs 92.33 millions) are subject to first charge to secured bank loans obtained by a fellow subsidiary of the Company



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Notes to the standalone financial statements (Continued)
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6 Other Intangible assets

Particulars	Computer software	Total
Balance as at 1 April 2018	15.70	15.70
Add: Additions during the year	3.63	3.63
Less: Disposals/ transfer during the year	0.02	0.02
Balance as at 31 March 2019	19.31	19.31
Balance as at 9 March 2017	-	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	11.45	11.45
Add: Additions during the period	4.25	4.25
Balance as at 31 March 2018	15.70	15.70
Accumulated amortisation and impairment losses:		
Balance as at 1 April 2018	5.34	5.34
Add: Amortisation for the year	2.90	2.90
Less: Disposals/ transfer during the year	0.01	0.01
Add: Exchange differences on translation of foreign operations	0.05	0.05
Balance as at 31 March 2019	8.28	8.28
Balance as at 9 March 2017		
Add: Acquired pursuant to scheme of arrangement (refer note 4)	2.66	2.66
Add: Amortisation for the period	2.68	2.68
Balance as at 31 March 2018	5.34	5.34
Carrying amounts (net)		
At 31 March 2019	11.03	11.03
At 31 March 2018	10.36	10.36

Notes:

- Nil amount of borrowing cost is capitalised during the year/period ended 31 March 2019 (31 March 2018: Rs Nil)
- Nil amount of impairment loss is recognised during the year/period ended 31 March 2019 (31 March 2018: Rs Nil)



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	31 March 2019	31 March 2018
7 Non-current investments		
Investments in equity instruments		
Unquoted, in subsidiaries (at cost)		
Sterling and Wilson (Thailand) Limited 490 shares (31 March 2018: 490 shares) of 100 baht each, 25 baht paid-up	0.02	0.02
Sterling and Wilson Saudi Arabia Limited 9,500 shares (31 March 2018: 9,500 shares) of Saudi Riyals 100 each, fully paid-up	17.79	17.79
Sterling & Wilson - Waaree Private Limited 49 shares (31 March 2018: 49 shares) of Rs 1,000 each, fully paid-up	0.05	0.05
Sterling and Wilson International Solar FZCO 1,000 shares (31 March 2018: 1,000 shares) of AED 1,000 each, fully paid-up	17.47	17.47
Esterlina Solar Engineers Private Limited (10,000 shares (31 March 2018: Nil) of Rs. 10 each, fully paid up)	0.10	-
Sterling and Wilson Solar LLC (105 shares (31 March 2018: Nil) of OMR 1 each, fully paid up)	19.21	-
Less: Provision for impairment	(0.02)	-
	54.62	35.33

The aggregate book value of unquoted non-current investments are as follows:

Aggregate book value of unquoted non-current investments	54.64	35.33
Aggregate amount of impairment in value of non-current investments	0.02	-
Aggregate carrying amount of non-current investments	54.62	35.33

Investment in partnership firm

(i) **Particulars of the Company's interest in**

Name of Subsidiary	Percentage of ownership	Country of incorporation
Sterling Wilson-SPCPL-Chint Moroccan Venture (w.e.f. 3 October 2017)	92%	India

(ii) The aggregate amount of assets, liabilities, income and expenses related to the Company's interests in the partnership firm as at 31 March 2019 is as follows:

	31 March 2019	31 March 2018
i) Assets	1,502.75	8,821.00
ii) Liabilities	1,501.50	9,027.00
iii) Income	2,645.35	9,055.67
iv) Expenses	2,396.62	9,261.01
v) Net gain / (loss) for the year/period	248.73	(205.34)

(iii) The Company's share of capital commitments of the Subsidiary is Rs Nil.

(iv) The Company's share of contingent liabilities of the Subsidiary is Rs 1.58 million.



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Notes to the standalone financial statements (Continued)
as at 31 March 2019

(Currency : Indian rupees in million)

7 Non-current investments (Continued)

(v) The details of partners in the above partnership firm as at 31 March 2019 and 31 March 2018 are as under:

Name of Partners	Profit sharing ratio	Loss sharing ratio	Capital as at 31 March 2019*
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	92%	92%	-
Shapoorji Pallonji and Company Private Limited	5%	5%	-
Astronergy Solar India Private Limited	3%	3%	-

* Refer note 44 for capital commitment towards partner's capital contribution.

8 Loans

(Unsecured, considered good)

To parties other than related parties

Security deposit

31 March 2019 31 March 2018

11.72

11.72

9 Deferred tax assets (net)

Deferred tax assets

Employee benefits	98.72	50.11
Provision for bad and doubtful debts	77.05	7.16
Provision for mark to market losses on derivative instruments	-	35.54
Fair value of financial assets	-	2.17
Provision for liquidated damages	138.26	-
Amortisation of expenses on demerger	0.39	0.51
Others	-	1.56
	314.43	97.05

Deferred tax liabilities

Excess of depreciation as per Income tax Act, 1961 over book depreciation	(1.56)	(3.44)
Mark to market gain on derivative instruments	(14.69)	-
Fair valuation of financial liabilities	-	(2.49)
Others	(0.30)	-
	(16.54)	(5.93)

Deferred tax assets, net

297.88 91.12

Deferred tax assets (net)

297.88 91.12

10 Non-current tax assets (net)

Advance tax (net of provision for tax 31 March 2019: Nil, 31 March 2018: Rs. Nil)

10.21

10.21

11 Other non-current assets

(Unsecured, considered good)

To parties other than related parties

Prepayments

6.86

2.61

6.86

2.61



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	31 March 2019	31 March 2018
12 Inventories (valued at lower of cost or net realisable value unless otherwise stated)		
Construction materials, stores and spare parts	108.89	161.51
Stock-in-trade	11.38	24.05
	<u>120.27</u>	<u>185.56</u>
Carrying amount of inventories (included above) pledged as securities for borrowings	-	185.56
The write-down (reversal of write-down) of inventories to net realisable value during the period	(4.40)	4.40
Carrying amount of inventories (included above) in transit	-	-
13 Current investments Investment in government securities (unquoted)		
(Measured at amortised cost)		
Treasury bills	1.69	1.59
Total	<u>1.69</u>	<u>1.59</u>
The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:		
Aggregate amount of unquoted current investments	1.69	1.59
Aggregate amount of impairment in value of current investments	-	-
14. Trade receivables (Unsecured)		
Trade Receivables		
- Considered good (refer note 55)	17,254.27	22,063.61
- Significant increase in credit risk	-	-
- Credit impaired	220.50	20.50
	<u>17,474.77</u>	<u>22,084.11</u>
Less: allowance*	(220.50)	(20.50)
Net trade receivables	<u>17,254.27</u>	<u>22,063.61</u>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	3,604.36	7,557.45
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 52		
As at 31 March 2019, trade receivables includes retention of Rs Nil (31 March 2018 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 2019	31 March 2018
Shapoorji Pallonji and Company Private Limited	442.98	2.38
Afcons Infrastructure Limited	-	169.88
Shapoorji Pallonji Infrastructure Capital Company Private Limited	794.16	1,549.66
Sterling and Wilson Private Limited	215.31	-
Sterling and Wilson Powergen Private Limited	83.29	-
Sterling and Wilson Engineering (Pty) Ltd.	-	0.70
Sterling Solar Engineers Private Limited	92.25	-
	<u>1,627.99</u>	<u>1,722.62</u>



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(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
15 Cash and cash equivalents		
Balances with Bank		
- in current accounts	2,089.29	393.35
Cheques on hand	1,005.12	-
Cash on hand	4.38	0.54
	<u>3,098.79</u>	<u>393.89</u>

16 Bank balances other than cash and cash equivalents

Balances with banks		
- in current accounts*	0.42	2.87
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)**	48.52	0.73
	<u>48.94</u>	<u>3.60</u>

* Current account balances with banks include Rs 0.42 million (31 March 2018: Rs 2.87 million) held at a foreign branch at Philippines which are not freely remissible to the Company because of exchange restrictions.

** (the balance in deposit accounts is under lien against the bank guarantees / performance guarantees issued by the Company in favour of various customers.)

17 Loans

<i>To related parties</i>		
<i>(Unsecured, considered good)</i>		
Loans given to subsidiaries and fellow subsidiaries	15,782.99	3,010.18
<i>(Unsecured, considered doubtful)</i>		
Loans given to subsidiaries and fellow subsidiaries	1.27	-
Less: Provision for doubtful loans	(1.27)	-
<i>To parties other than related parties (Unsecured, considered good)</i>		
Security deposits	23.82	32.92
Loan to employees	10.28	5.30
	<u>15,817.09</u>	<u>3,048.40</u>

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

<i>Loans given to subsidiaries and fellow subsidiaries</i>		
Sterling and Wilson Private Limited	12,535.50	-
Sterling and Wilson International Solar FZCO	3,226.89	3,008.99
Sterling and Wilson (Thailand) Limited	1.27	1.19
Esterlina Solar Engineers Private Limited	20.60	-
	<u>15,784.26</u>	<u>3,010.18</u>

* Loans given to fellow subsidiaries are unsecured, repayable on demand and carry interest ranging from 9.90% to 13.50%.

18. Derivatives

Foreign currency forward exchange contract assets	39.53	-
	<u>39.53</u>	<u>-</u>



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
as at 31 March 2019

(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
19. Other financial assets		
<i>To related parties</i>		
(Unsecured, considered good)		
Unbilled receivables	-	109.79
Interest accrued on loan to subsidiaries and fellow subsidiaries	1,306.00	132.65
Interest accrued on receivables from fellow subsidiary	198.99	-
Recoverable expenses from shareholders	38.25	45.29
Recoverable expenses from others	82.37	-
Other receivables*	0.15	3,242.17
(Unsecured, considered doubtful)		
Interest accrued on loan to subsidiaries and fellow subsidiaries	0.20	-
Less: Provision for impairment	(0.20)	-
<i>To parties other than related parties (Unsecured, considered good)</i>		
Unbilled receivables	-	1,813.82
Other receivables** (refer note 55)	702.94	-
	2,328.70	5,343.72

*includes receivable towards the employee liability taken over.

** includes receivable towards encashment of irrevocable letter of credit, insurance claims, etc.

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:

<i>Unbilled receivables</i>		
Shapoorji Pallonji and Company Private Limited	-	15.31
Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	57.56
	-	72.87

<i>Interest accrued on loan to subsidiaries and fellow subsidiaries</i>		
Sterling and Wilson Private Limited	842.87	-
Sterling and Wilson Powergen Private Limited	1.42	-
Esterlina Solar Engineers Private Limited	0.62	-
Sterling and Wilson International Solar FZCO	450.96	132.53
Sterling and Wilson (Thailand) Limited	0.20	0.12
Sterling & Wilson - Waaree Private Limited	10.13	-
	1,306.20	132.65

<i>Interest accrued on receivables from fellow subsidiary</i>		
Shapoorji Pallonji Infrastructure Capital Co Private Limited	198.99	-
	198.99	-

<i>Recoverable expenses from shareholders and others</i>		
Shapoorji Pallonji and Company Private Limited*	25.50	-
Mr. Khurshed Y Daruvala	12.75	-
Sterling and Wilson International Solar FZCO	80.48	-
Sterling & Wilson - Waaree Private Limited	-	7.00
Esterlina Solar Engineers Private Limited	0.45	-
Sterling and Wilson Solar LLC	0.21	-
	119.39	7.00

<i>Other receivables</i>		
Sterling and Wilson Private Limited	-	3,242.17
Sterling and Wilson Powergen Private Limited	0.15	-
	0.15	3,242.17

*During the year ended 31 March 2019, the Company has incurred Rs 38.25 million towards proposed initial public offering of equity shares of face value of Re 1 each. The expenses are recoverable from selling shareholders in the ratio of their holding.



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Notes to the standalone financial statements (Continued)
as at 31 March 2019

(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
20 Other current assets (Unsecured, considered good)		
<i>To related parties</i>		
Advances for supply of goods	-	4,370.67
Unbilled receivables	75.94	-
<i>To parties other than related parties</i>		
Advances for supply of goods	924.98	2,715.50
Unbilled receivables	3,416.95	-
Advance to employees	24.06	-
Advance for projects	-	33.56
Other recoverables*	0.74	0.85
Balance with government authorities	1,974.97	23.50
Prepayments	131.44	38.55
	6,549.08	7,182.63
<i>* Includes insurance claim receivables</i>		
Dues from firms or private companies in which any director is a partner or a director or member:		
<i>Advances for supply of goods</i>		
Sterling and Wilson International Solar FZCO	-	3,662.80
Sterling and Wilson Middle East Solar Energy L.L.C.	-	707.87
	-	4,370.67
<i>Unbilled receivables</i>		
Shapoorji Pallonji and Company Private Limited	70.41	-
Sterling and Wilson Private Limited	0.48	-
	70.89	-



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Notes to the standalone financial statements (Continued)
as at 31 March 2019

(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
21 Equity share capital		
Authorised		
180,000,000 equity shares of Re 1 each (31 March 2018: 18,000,000 equity shares of Rs 10 each)	180.00	180.00
Issued, subscribed and fully paid up:		
160,360,000 Equity shares of Re 1 each (31 March 2018: 16,360,000 equity shares of Rs 10 each) fully paid-up	160.36	160.36
	160.36	160.36

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

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity shares				
Balance as at beginning of the year/period (Pre-split)	16,036,000	160.36	-	-
Adjustment for Sub-Division of Equity Shares	144,324,000	-	-	-
Balance as at beginning of the year/period (Post-split)	160,360,000	160.36	-	-
Add: Issued during the year/period	-	-	356	0.04
Add: Issued during the year/period pursuant to scheme of arrangement (refer note 4)	-	-	16,036,000	160.36
Less: Cancelled pursuant to scheme of arrangement (refer note 4)	-	-	356	0.04
Balance as at the end of the year/period	160,360,000	160.36	16,036,000	160.36

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

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(C) Shares held by holding company

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	105,466,670	105.47	10,546,667	105.47

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

	31 March 2019		31 March 2018	
	Number	% holding	Number	% holding
Equity shares				
Shapoorji Pallonji and Company Private Limited, the holding company	105,466,670	65.77%	10,546,667	65.77%
Khurshed Daruvala, Chairman	53,452,930	33.33%	5,345,293	33.33%



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as at 31 March 2019

(Currency : Indian rupees in million)

21 Equity share capital (Continued)

(E) Equity Shares allotted as fully paid-up without payment being received in cash

During the year ended 31 March 2019:

- a) Nil (31 March 2018: 16,036,000) shares were issued without payment being received in cash pursuant to the scheme of arrangement (refer note 4).
b) Nil (31 March 2018: 3,558) shares were issued without payment being received in cash on conversion of loan to equity.

(F) Share Split

During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs 10 per share to Re 1 per share. This stock split became effective on 23 January, 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

22 Other equity

Particulars	Note	31 March 2019	31 March 2018
Capital reserve on demerger	(i)	(1,817.37)	(1,817.37)
Foreign currency translation reserve	(ii)	83.04	1.27
Effective portion of cash flow hedge	(iii)	-	-
Retained earnings	(iv)	5,964.14	4,006.07
		<u>4,229.81</u>	<u>2,189.97</u>

Particulars	31 March 2019	31 March 2018
(i) Capital reserve on demerger		
Balance as at the beginning of the year/period	(1,817.37)	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	-	(1,817.37)
Balance at end of the year/period	<u>(1,817.37)</u>	<u>(1,817.37)</u>
(ii) Foreign currency translation reserve		
Balance as at the beginning of the year/period	1.27	-
Add: Exchange difference on translation of foreign operations arisen during the year/period	81.77	1.27
Balance at end of the year/period	<u>83.04</u>	<u>1.27</u>
(iii) Effective portion of cash flow hedge		
Balance as at the beginning of the year/period	-	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	-	(33.12)
Less: Effective portion of gain on hedging instruments in cash flow hedges reclassified to profit or loss	-	33.12
Balance at end of the year/period	<u>-</u>	<u>-</u>
(iv) Retained earnings		
At the beginning of the year/period	4,006.07	2,692.52
Add: Acquired pursuant to scheme of arrangement (refer note 4)	-	(4.66)
Add: Addition during the year/period	1,961.48	1,319.81
Remeasurements of defined benefit liability, net of tax (refer note below)	(3.41)	(1.60)
Balance at end of the year/period	<u>5,964.14</u>	<u>4,006.07</u>
Total	<u>4,229.81</u>	<u>2,189.97</u>



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
as at 31 March 2019

(Currency : Indian rupees in million)

22 Other equity (Continued)

Notes:

(i) Capital reserve on demerger

The Company's capital reserve on demerger is on account of the difference between the net assets and liabilities taken over relating to the S-EPC business pursuant to the scheme of arrangement (refer note 4).

(ii) Foreign currency translation reserve

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

(iii) Effective portion of cash flow hedge

The Company has designated its hedging instruments obtained after 1 April 2016 as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the standalone statement of profit and loss. On settlement of the hedging instruments, the balance is re-cycled to the standalone statement of profit and loss.

(iv) Retained earnings

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

**(v) Analysis of accumulated Other comprehensive income, net of tax
Remeasurement of Defined Benefit Liability**

Particulars	31 March 2019	31 March 2018
Opening balance	(6.26)	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	-	(4.66)
(Loss) / Gain on remeasurement of defined benefit liability	(3.41)	(1.60)
Closing balance	(9.67)	(6.26)



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(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
23 Long-term provisions		
Provision for employee benefits		
Gratuity (refer note 45)	61.86	54.67
	61.86	54.67
24 Current borrowings		
<i>Unsecured</i>		
Buyers credit (refer note (a) and (b) below)	-	665.24
<i>Unsecured</i>		
Buyers credit (refer note (k) below)	496.16	-
Working capital loan from banks (refer note (d), (e), (f) and (h) below)	6,250.00	-
Working capital loan from others (refer note (c) and (g) below)	2,000.00	-
Commercial papers (refer note (i) and (j) below)	3,000.00	-
	11,746.16	665.24

Details of the security and repayment terms :

- (a) Pursuant to the Scheme of Arrangement, the Business of the Company was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from 1 April 2017. As at 31 March 2019, pending split of existing banking facilities, the above borrowings are within the combined limits sanctioned to the company and SWPL.
- (b) Buyers credit facility from RBI. and IDFC Bank and it is secured by hypothecation of book debts and stock, ranking pari passu, carrying an interest ranging from Euribor plus 60 basis points to Euribor plus 135 basis points (in case of buyers' credit in Euros) and Libor plus 26 basis points to Libor plus 165 basis points (in case of buyers' credit in USD).
- (c) Unsecured working capital loan from HDFC Limited having carrying amount as at 31 March 2019 of Rs 1,000.00 million (31 March 2018: Nil) carries a variable interest rate of CPLR plus 660 basis points. For the year the interest rate was 11.75% p.a. to 12.50% p.a.. The loan has been repaid in April 2019.
- (d) Unsecured working capital loan from ICICI bank having carrying amount as at 31 March 2019 of Rs 2,000.00 million (31 March 2018: Nil) carries a variable interest rate of MCLR (1 year) plus 60 basis points. For the year the interest rate was 9.00% p.a.. The loan is repayable in August 2019.
- (e) Unsecured working capital loan from HSBC bank having carrying amount as at 31 March 2019 of Rs 2,500.00 million (31 March 2018: Nil) carries a variable interest rate of MCLR plus mutually agreed basis points. For the year the interest rate was 9.5% p.a.. The loan has been repaid in May 2019.
- (f) Unsecured working capital loan from First Rand Bank having carrying amount as at 31 March 2019 of Rs 250.00 million (31 March 2018: Nil) carries a variable interest rate mutually agreed on each draw down date. For the year the interest ranges between 9.80% p.a. to 10.10% p.a.. The loan has been repaid in May 2019.
- (g) Unsecured working capital loan from L & T Finance Ltd having carrying amount as at 31 March 2019 of Rs 1,000.00 million (31 March 2018: Nil) carries a fixed interest of 9.95% p.a. to 10.00% p.a.. The loan is repayable in June 2019.
- (h) Unsecured working capital loan from Deutsche Bank having carrying amount as at 31 March 2019 of Rs 1,500.00 million (31 March 2018: Nil) carries a fixed interest of 11.00% p.a.. The loan is repayable in September 2019.
- (i) Unsecured commercial paper from Indian Bank having carrying amount as at 31 March 2019 of Rs 2500.00 million (31 March 2018: Nil) carries a fixed interest of 9.55% p.a.. The loan is repayable in June 2019.
- (j) Unsecured commercial paper from ICICI having carrying amount as at 31 March 2019 of Rs 500.00 million (31 March 2018: Nil) carries a fixed interest of 10.00% p.a.. The loan has been repaid in May 2019.
- (k) Unsecured Buyers credit facility from HDFC bank carrying an interest of 5.18% p.a. (in case of buyers' credit in USD) and repayable within a period of 150 days.



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(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
25 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	19.28	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,197.32	25,994.94
Acceptances *	1,043.00	3,024.31
	26,259.60	29,019.25

*Acceptances are repayable within a period ranging between 90 to 180 days from the date of acceptance.

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 with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	31 March 2019	31 March 2018
The principal amount remaining unpaid to any supplier as at the end of each accounting year/period	19.28	-
Interest due thereon	0.43	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	0.43	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

26 Derivatives

Foreign currency forward exchange contract liabilities	-	104.21
	-	104.21

27 Other financial liabilities

To related parties

Payable on transfer of liabilities#	13.56	-
Other payables*	19.21	-

To parties other than related parties

Interest accrued and due :		
- to micro enterprises and small enterprises (refer note 25)	0.43	-
- to others	-	11.29
Interest accrued and not due		
- to others	1.79	-
- to banks	2.07	1.30
- to micro enterprises and small enterprises	-	-
Employee benefits payable	162.93	175.09
Employee expense payable	3.88	-
	203.87	187.68

*Payable to fellow subsidiary on account of transfer of branch w.e.f 1 January 2019
*Payable towards acquisition of shares in Sterling and Wilson Solar LLC



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

	31 March 2019	31 March 2018
28 Other current liabilities		
To related parties		
Advances from customers	292.97	155.51
To parties other than related parties		
Statutory dues payable :		
- Tax deducted at source payable	20.18	0.22
- Provident fund payable	10.54	8.10
- Profession tax payable	0.11	0.07
- Employees State Insurance payable	1.00	0.04
- Value added tax payable	91.34	40.74
Advances from customers	1,792.11	5,790.83
	2,208.25	5,995.51
29 Short-term provisions		
Provision for employee benefits		
Gratuity (refer note 45)	1.71	1.25
Compensated absences (refer note 45)	130.15	88.92
Other provisions		
Provision for liquidated damages	395.57	-
	527.43	90.17
Provision for liquidated damages:		
Liquidated damages are contractual obligations affecting the contract revenue in case of the works contracts with customers arising as a result of penalties from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.		
Provision for:	Liquidated damages	
As at 1 April 2018	-	-
Add: during the year	395.57	-
As at 31 March 2019	395.57	-
As at 9 March 2017	-	-
Add: during the period	-	-
As at 31 March 2018	-	-
30 Current tax liabilities (net)		
Provision for current tax (net of advance tax 31 March 2019: Rs 1,718.63 million and 31 March 2018: Rs 766.75 million)	354.55	0.68
	354.55	0.68



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

(Currency : Indian rupees in million)

	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
31 Revenue from operations		
Sale of services		
Income from works contracts	79,295.11	54,669.97
Revenue from operation and maintenance services	809.45	354.50
Sale of products		
Sale of traded goods	1,997.95	6,234.13
Other operating income		
Sale of scrap	1.28	0.10
Miscellaneous income	-	1.05
	82,103.79	61,259.75
32 Other income		
Interest income under the effective interest method on:		
- deposits with banks	5.53	0.15
- loan to subsidiaries and fellow subsidiaries	1,173.46	235.15
- loan to employees	0.90	0.51
- deferred payment terms	4.95	4.16
- receivable from fellow subsidiary	221.10	-
Insurance claim received	-	1.56
Mark-to-market gains on derivative instruments (net)	39.53	-
Write back of provision for inventory obsolescence	4.40	-
Gain on forward cover premium	68.03	-
Liabilities no longer required written back	-	9.30
Supplier balances written back	11.04	-
Profit on sale of property, plant and equipments (net)	-	0.43
Other miscellaneous income	25.73	0.74
	1,554.67	252.00
33 Cost of construction materials, stores and spare parts		
Inventory of materials at the beginning of the year/period	161.51	-
Add: Inventory of materials acquired pursuant to scheme of arrangement (refer note 4)	-	6.22
Add: Purchase during the year/period	60,086.87	45,641.53
Less : Inventory of materials at the end of the year/period	108.89	161.51
	60,139.49	45,486.24
34 Purchase of traded goods		
Cost of traded goods purchased during the year/period	1,815.72	6,035.22
	1,815.72	6,035.22



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for the year ended 31 March 2019

(Currency : Indian rupees in million)

	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
35 Change in inventory of stock-in-trade		
Inventory of stock-in-trade at the beginning of the year/period	24.05	-
Inventory of stock-in-trade acquired pursuant to scheme of arrangement (refer note 4)	-	143.02
Inventory of stock-in-trade at the end of the year/period	11.38	24.05
Decrease in inventory	12.67	118.97
36 Direct project costs		
Communication expenses	11.45	8.31
Stores and spare parts consumed	172.87	46.27
Commission expenses	2.80	112.68
Legal and professional fees	59.56	88.33
Printing and stationery expenses	7.50	2.52
Insurance costs	81.62	29.26
Repairs and maintenance - others	23.61	4.32
Selling and marketing expenses	0.95	0.88
Traveling and conveyance expenses	105.35	36.02
Rent (refer note 43)	150.75	45.36
Rates and taxes	89.41	6.58
Electricity, power and fuel	42.83	24.98
Donation	0.06	0.04
Loans and advances written off	-	0.17
Bank charges	478.15	490.87
Security Charges	121.90	85.26
Land development charges	-	179.28
Forward cover cancellation charges	-	27.54
Miscellaneous expenses	333.00	142.07
	1,681.81	1,330.74
Employee benefits expense		
Salaries, wages and bonus	295.64	183.28
Contribution to provident fund and other funds (refer note 45)	17.16	21.91
Staff welfare expenses	63.69	32.87
	376.49	238.06
Sub-contractor expenses	13,581.12	4,256.29
	15,639.42	5,825.09
37 Employee benefits expense		
Salaries, wages and bonus	874.26	663.81
Contribution to provident fund and other funds (refer note 45)	58.66	46.88
Gratuity (refer note 45)	11.45	23.13
Compensated absences (refer note 45)	44.90	45.26
Staff welfare expenses	47.45	45.08
	1,036.72	824.16



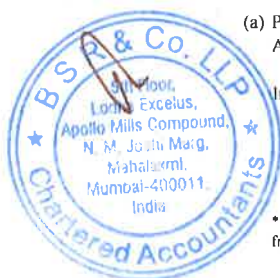
Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency : Indian rupees in million)

	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
38 Finance costs		
Interest expense		
- on secured loans	10.47	23.32
- on unsecured loans	465.32	-
- on dues of micro enterprises and small enterprises	0.43	-
- on bill discounting	-	63.17
- on income tax and indirect taxes	51.66	11.29
- on others	13.27	0.04
- on retention payable	-	6.22
Other borrowing costs	20.62	2.12
	561.77	106.16
39 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	28.89	21.31
Amortisation of intangible assets	2.90	2.68
	31.79	23.99
40 Other expenses		
Communication expenses	22.23	26.68
Stores and spare parts consumed	0.79	11.40
Commission expenses	-	2.14
Legal and professional fees	206.99	177.06
Printing and stationery expenses	6.30	9.44
Insurance costs	30.50	15.96
Repairs and maintenance - others	38.77	22.29
Selling and marketing expenses	10.19	16.98
Traveling and conveyance expenses	253.77	178.54
Rent (refer note 43)	71.56	69.15
Rates and taxes	14.71	29.28
Electricity, power and fuel	8.29	11.23
Payment to auditors (refer note (a) below)	6.74	3.40
Foreign exchange loss (net)	203.65	267.87
Donation	0.77	10.16
Management support fees	102.18	60.00
Bank charges	117.01	23.01
Security Charges	4.59	13.92
Corporate social responsibility expenses (refer note 47)	13.50	1.70
Loans and advances written off	-	2.37
Bad debts written off	43.28	18.83
Provision for bad and doubtful debts	200.00	13.50
Land development charges	-	1.26
Provision for inventory obsolescence	-	4.40
Provision for mark-to-market losses on derivative instruments (net)	-	57.60
Provision for impairment loss on loans and investment in subsidiary	1.49	-
Miscellaneous expenses	22.63	20.40
	1,379.94	1,068.57
(a) Payment to auditors		
As auditor		
Statutory audit	4.05	2.95
In other capacity		
Tax audit	0.25	0.20
Certification services	2.44	0.03
Other services*	8.76	0.23
	15.50	3.40

* This relates to the payment made to the auditors on account of proposed initial public offering of equity shares of face value of Re 1 each. The expenses are recoverable from selling shareholders in the ratio of their existing shareholding percentage.



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41 Income taxes

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

Particulars	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
Current tax expense :		
Current year	1,256.13	767.43
Changes in estimate related to prior years	28.22	-
	<u>1,284.35</u>	<u>767.43</u>
Deferred tax (credit) :		
Origination and reversal of temporary differences	(204.90)	(63.91)
	<u>(204.90)</u>	<u>(63.91)</u>
Tax expenses for the year/period	<u>1,079.45</u>	<u>703.52</u>

b) Income tax recognised in other comprehensive income

Particulars	Before tax	31 March 2019 Tax (expense) benefit	Net of tax
Items that will not be reclassified to Statement of profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(5.24)	1.83	(3.41)
Items that will be reclassified to Statement of profit or loss			
Exchange differences in translating financial statements of foreign operations	81.77	-	81.77

Particulars	Before tax	31 March 2018 Tax (expense) benefit	Net of tax
Items that will not be reclassified to Statement of profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(2.47)	0.86	(1.61)
Items that will be reclassified to Statement of profit or loss			
Exchange differences in translating financial statements of foreign operations	1.27	-	1.27
Effective portion of gain on hedging instruments in cash flow hedges reclassified to profit or loss	33.12	-	33.12

c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
Profit before tax	3,040.93	2,023.35
Tax using the Company's domestic tax rate 34.944% (31 March 2018: 34.608%)	1,062.62	700.24
Tax effect of:		
Non-deductible expenses	20.05	4.17
Change in tax rates	-	(0.89)
Items on which deferred tax not created	(31.45)	-
Tax relating to previous period	28.22	-
Effective tax rate	<u>1,079.45</u>	<u>703.52</u>



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41 Income taxes (Continued)

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

Movement in deferred tax balances for the year ended 31 March 2019

Particulars	Balance as on 1 April 2018	Acquired Pursuant to Scheme of Arrangement	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(3.44)	-	1.88	-	(1.56)
Provision for bad and doubtful debts	7.16	-	69.89	-	77.05
Employee benefits	50.11	-	46.78	1.83	98.72
Provision for mark to market losses on derivative instruments	35.54	-	(50.23)	-	(14.69)
Fair valuation of financial assets	2.17	-	(2.17)	-	-
Fair valuation of financial liabilities	(2.49)	-	2.49	-	-
Amortisation of expenses on merger	0.51	-	(0.12)	-	0.39
Provision for anticipated loss and liquidated damages	-	-	138.26	-	138.26
Other adjustments	1.56	-	(1.86)	-	(0.30)
Net deferred tax asset	91.12	-	204.90	1.83	297.87

Movement in deferred tax balances for the period from 9 March 2017 to 31 March 2018

Particulars	Balance as on 9 March 2017	Acquired Pursuant to Scheme of Arrangement	Recognised in profit or loss during the period	Recognised in OCI during the period	Balance as at 31 March 2018
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	-	(4.37)	0.94	-	(3.44)
Provision for bad and doubtful debts	-	2.40	4.76	-	7.16
Employee benefits	-	28.32	20.93	0.86	50.11
Provision for mark to market losses on derivative instruments	-	-	35.54	-	35.54
Fair valuation of financial assets	-	-	2.17	-	2.17
Fair valuation of financial liabilities	-	-	(2.49)	-	(2.49)
Amortisation of expenses on merger	-	-	0.51	-	0.51
Other adjustments	-	-	1.54	-	1.56
Net deferred tax asset	-	26.35	63.91	0.86	91.12



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(Currency: Indian rupees in million)

42 Earnings per share

Particulars		For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
Basic earnings per share			
Numerator:			
Profit after tax attributable to equity shareholders	A	1,961.48	1,319.83
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year/period		16,036,000	-
Add: Issued during the year/period		-	16,039,588
Add: Issued during the year/period pursuant to scheme of arrangement (refer note 4)		-	-
Equity shares cancelled during the year/period		-	(3,588)
Effect of share split (refer note 1 below)		144,324,000	-
Number of equity shares outstanding at the end of the year/period		160,360,000	16,036,000
Effect of share split (refer note 1 below)		-	144,324,000
Revised number of equity shares outstanding at the end of the year/period		160,360,000	160,360,000
Weighted average number of equity shares outstanding during the year/period (based on date of issue of shares)	B	160,360,000	150,854,318
Basic and diluted earnings per share (Rs)	A / B	12.23	8.75
Face value per share		1.00	1.00

Notes:

- During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's equity shares in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs. 10 per share to Re 1 per share. This stock split became effective on 23 January, 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.
- Weighted average number of shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during year/period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

43 Operating lease

The Company has taken office premises on cancellable and non-cancellable operating leases and has taken vehicles on cancellable operating leases. The future minimum lease payments in respect of office premises and vehicles is as follows:

Sr No	Lease obligations	31 March 2019	31 March 2018
	Lease payments recognised in the standalone statement of profit and loss		
	- Cancellable	201.16	110.81
	- Non-cancellable	21.15	3.70
	Future minimum lease payments under non-cancellable operating leases		
I	Due not later than one year	20.16	1.51
II	Due later than one year but not later than five years	19.17	0.13
III	Later than five years	-	-
	Minimum lease payment	39.33	1.51



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44 Contingent liabilities and commitments

	31 March 2019	31 March 2018
Capital commitments		
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.10	0.10
	0.10	0.10
Other commitments		
a) The Company has issued letters of undertakings to provide need based financial support to its wholly owned subsidiary Sterling and Wilson Saudi Arabia Limited.		
b) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Company's results of operations or financial condition.		
c) The Hon'ble Supreme Court of India ("SC") by its order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.		

45 Employee Benefits

Defined contribution plan:

Contribution to provident fund and other funds aggregating to Rs 75.82 million (31 March 2018: 68.79 million) is recognised as an expense and included in 'Employee benefits expenses'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of Rs 2 million.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily gross salary for each day of accumulated leave on death or on resignation or upon retirement:-

Change in the present value of the defined benefit obligation

	31 March 2019	31 March 2018
Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year/period	45.61	-
Acquired pursuant to Scheme of Arrangement (refer note 4)	-	32.81
Benefits paid	(2.38)	(3.10)
Current service cost	7.88	6.09
Past Service Cost- Vested Benefits	-	4.37
Net Interest cost	3.57	2.36
Liability transferred in / acquisitions	9.48	0.61
Liability transferred out	(5.84)	-
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.38	(4.62)
- experience adjustments	4.86	7.09
Balance at the end of the year/period	63.57	45.61
Reconciliation of net (asset) / liability recognised		
Provision for gratuity recognised as per actuarial valuation report	63.57	45.61
Add: Additional provision retained for employees transferred within the Group	-	10.31
Liability recognised in the balance sheet	63.57	55.92



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45 Employee Benefits (Continued)

	For the year ended 31 March 2019	For the period beginning 9 March 2017 to 31 March 2018
II Amount recognised in the standalone statement of profit and loss under employee benefits expense		
Current service cost	7.88	10.46
Net interest cost	3.57	2.36
	11.45	12.82
Reconciliation of expenses recognised in the standalone statement of profit and loss		
Gratuity expenses recognised as per actuarial valuation report	11.45	12.82
Add: Additional provision retained for employees transferred within the Group	-	10.31
Expenses recognised in the standalone statement of profit and loss	11.45	23.13
III Remeasurement recognised in other comprehensive income		
Actuarial losses on obligation for the year/period	5.24	2.47
	5.24	2.47
IV Maturity profile of defined benefit obligation		
Within next 12 months	1.71	1.25
Between 1 and 5 years	8.63	16.63
Above 5 years	268.03	194.63
V Actuarial assumptions:		
Discount rate	7.79%	7.83%
Salary escalation	7.00%	7.00%
Employee turnover	Service < 5 : 14% Service >= 5 : 2%	Service < 5 : 14% Service >= 5 : 2%
Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Weighted average duration of the projected benefit obligation	17 years	17 years
VI Sensitivity Analysis		
The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year/period, while holding all other assumptions constant		
	Defined Benefit Plan	
	31 March 2019	31 March 2018
Defined Benefit Obligation - Discount rate + 100 basis points	(8.56)	(6.17)
Defined Benefit Obligation - Discount rate - 100 basis points	10.60	7.64
Defined Benefit Obligation - Salary escalation rate + 100 basis points	7.42	5.42
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(6.74)	(5.10)
Defined Benefit Obligation - Employee turnover + 100 basis points	1.71	1.12
Defined Benefit Obligation - Employee turnover - 100 basis points	(2.09)	(1.36)
The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting year/period has been applied.		

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

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

Compensated absences

Compensated absences for employee benefits of Rs 44.90 million (31 March: Rs 45.26 million) expected to be paid in exchange for the services is recognised as an expense during the year/period.



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46 Disclosure pursuant to section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Details of investments made by the Company

(i) Investments in equity shares

Name of the entity	As at 1 April 2018	Acquired pursuant to scheme of arrangement (refer note 4)	Investment during the year	Redeemed during the year	As at 31 March 2019
Sterling and Wilson (Thailand) Limited	0.02	-	-	-	0.02
Sterling and Wilson Saudi Arabia Limited	17.79	-	-	-	17.79
Sterling & Wilson - Waaree Private Limited	0.05	-	-	-	0.05
Sterling and Wilson International Solar FZCO	17.47	-	-	-	17.47
Esterlina Solar Engineers Private Limited	-	-	0.10	-	0.10
Sterling and Wilson Solar LLC	-	-	19.21	-	19.21

Name of the entity	As at 9 March 2017	Acquired pursuant to scheme of arrangement (refer note 4)	Investment during the period	Redeemed during the period	As at 31 March 2018
Sterling and Wilson (Thailand) Limited	-	0.02	-	-	0.02
Sterling and Wilson Saudi Arabia Limited	-	17.79	-	-	17.79
Sterling & Wilson - Waaree Private Limited	-	0.05	-	-	0.05
Sterling and Wilson International Solar FZCO	-	-	17.47	-	17.47

(ii) Investments in government securities (unquoted)

Particulars	As at 1 April 2018	Acquired pursuant to scheme of arrangement (refer note 4)	Investment during the year	Redemption during the year	As at 31 March 2019
Treasury bills	1.59	-	0.10	-	1.69

Particulars	As at 9 March 2017	Acquired pursuant to scheme of arrangement (refer note 4)	Investment during the period	Redemption during the period	As at 31 March 2018
Treasury bills	-	3.30	-	1.71	1.59



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46 Disclosure pursuant to section 186 of the Companies Act, 2013 (Continued)

B. Details of loans given (net) by the Company are as follows:

Name of the entity	As at 1 April 2018	Converted to loan	Loan given during the year	Loan repaid during the year	Foreign exchange/ adjustment during the year	As at 31 March 2019
Sterling and Wilson Private Limited (refer note 1 below)	-	3,278.13	17,600.00	(8,342.63)	-	12,535.50
Sterling and Wilson International Solar FZCO (refer note 2 below)	3,008.99	-	-	-	217.90	3,226.89
Sterling & Wilson - Waaree Private Limited (refer note 3 below)	-	-	362.65	(362.65)	-	-
Sterling and Wilson (Thailand) Limited (refer note 4 below)	1.19	-	-	-	0.08	1.27
Sterling and Wilson Powergen Private Limited (refer note 5 below)	-	-	20.00	(20.00)	-	-
Esterlina Solar Engineers Private Limited (refer note 6)	-	-	21.00	(0.40)	-	20.60

Name of the entity	As at 9 April 2017	Acquired pursuant to scheme of arrangement (refer note 4)	Loan given during the period	Loan repaid during the period	Foreign exchange during the period	As at 31 March 2018
Sterling and Wilson International Solar FZCO (refer note 2 below)	-	2,100.29	1,282.61	(372.52)	(1.39)	3,008.99
Sterling and Wilson (Thailand) Ltd. (refer note 4 below)	-	0.66	0.53	-	-	1.19

Note 1: Sterling and Wilson Private Limited

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on
Rate of Interest	9.90% to 13.50%

Note 2: Sterling and Wilson International Solar FZCO

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	9.50% p.a.

Note 3: Sterling and Wilson- Waaree Private Limited

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	12.00% p.a.

Note 4: Sterling and Wilson (Thailand) Ltd.

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	7.50% p.a.

Note 5: Sterling and Wilson Powergen Private Limited

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	10.50% p.a.

Note 6: Esterlina Solar Engineers Private Limited

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	12.00% p.a.



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47 Corporate social responsibility

The Company is in the process of constituting a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014. During the current year, SWPL has carried out CSR activities on behalf of the Company.

The funds are utilised during the period on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards various activities.

The details set below are for the amount spent by the Company.

Particulars		31 March 2019		
A	Gross amount required to be spent by the Company during the year		42.08	
B	Amount spent during the year ended 31 March 2019	In cash	Yet to be paid in cash	Total
	i) Contribution towards Restoration of School in Chilwadi	2.57	-	2.57
	ii) Installation of Water purification plant	1.65	-	1.65
	iii) Installation of Solar power plant	4.64	-	4.64
	iv) Contribution towards ensuring environmental sustainability	2.00	-	2.00
	v) Contribution of nursery school at Khandwa	0.42	-	0.42
	vi) Contribution towards development of physically disabled students	0.36	-	0.36
	vii) Contribution towards scholarship of students	0.30	-	0.30
	viii) Other donations	1.56	-	1.56
		13.50	-	13.50
C	Related party transactions in relation to Corporate Social Responsibility			-
D	Amount spent during the period ended 31 March 2018	In cash	Yet to be	Total
	i) Contribution towards Restoration of School in Chilwadi	1.70	-	1.70
		1.70	-	1.70
E	Provision movement during the year			
	Addition during the year			-
	Utilised during the year			-
	Closing year			-

Particulars		31 March 2018		
A	Gross amount required to be spent by the Company during the period		-	
B	Amount spent during the period ended 31 March 2018	In cash	Yet to be paid in cash	Total
	i) Installation of Solar panel at Hospital in Mumbai	1.70	-	1.70
		1.70	-	1.70
C	Related party transactions in relation to Corporate Social Responsibility			-
D	Provision movement during the period			
	Addition during the period			-
	Utilised during the period			-
	Closing provision			-



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48 Disclosures under the Indian Accounting Standard 11 - 'Construction contracts'

Particulars	For the period beginning 9 March 2017 to 31 March 2018
a) Contract revenue	54,587.56
b) Disclosure for contracts in progress:	
(i) Aggregate amount of costs incurred	52,656.13
(ii) Recognised profits (less recognised losses)	10,062.45
(iii) Advances received	5,946.35
c) Gross amount due from customers for contract work	1,923.61
d) Gross amount due to customers for contract work	-
e) Retention due from customers (included under trade receivables, refer note no. 14)	-



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49 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) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 51.

C) Reconciliation of contract assets and liabilities

Particulars	For the year ended 31 March 2019
Contract assets*	
Unbilled receivables	
Contract assets at the beginning of the year	1,923.61
Add: Addition during the year	75,169.77
Less: Revenue recognised during the year	73,600.49
Contract assets as at end of the year	3,492.89
Contract liabilities**	
Advance from customers	
Contract liabilities at the beginning of the year	5,946.35
Add: Addition during the year	1,833.36
Less: Applied during the year	5,694.63
Contract liabilities as at end of the year	2,085.08

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

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

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the year ended 31 March 2019
Income from works contracts	79,757.25
<i>Adjustment on account of:</i>	
Deferment of revenue pertaining to free operation and maintenance period	(3.57)
Provision for liquidated damages	(458.57)
Total	79,295.11
Revenue from operation and maintenance services	793.93
<i>Adjustment on account of:</i>	
Recognition of revenue towards free operation and maintenance period	15.52
Total	809.45
Sale of traded goods	1,997.95
<i>Adjustment on account of:</i>	
Adjustment during the year	-
Total	1,997.95



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

E) 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.

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 year/period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

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

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

F) Practical expedients:

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.



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures

A. Related parties and their relationship

Category of related parties	
1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Subsidiaries, direct and indirect holding	<p>Sterling and Wilson International Solar FZCO</p> <p>Sterling & Wilson - Waaree Private Limited</p> <p>Sterling and Wilson (Thailand) Limited</p> <p>Sterling and Wilson Saudi Arabia Limited</p> <p>Sterling and Wilson Middle East Solar Energy L.L.C., Dubai</p> <p>Sterling and Wilson Engineering (Pty) Limited</p> <p>Sterling and Wilson Singapore Pte Limited</p> <p>Sterling and Wilson Kazakhstan LLP</p> <p>Sterling & Wilson Brasil Servicos Ltda</p> <p>Sterling Wilson - SPCPL - Chint Moroccan Venture (w.e.f. 3 October 2017)</p> <p>Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)</p> <p>Renovable Energia Contracting S.L.</p> <p>Sterling and Wilson Solar Solutions Inc</p> <p>GCO Electrical Pty Ltd.</p> <p>Sterling Wilson Solar Solutions LLC (w.e.f. 17 October 2018)</p> <p>Sterling and Wilson International LLP (w.e.f. 27 June 2018)</p> <p>Sterling and Wilson Solar LLC (w.e.f. 1 January 2019)</p>
3) Fellow subsidiaries	<p>Abhipreet Trading Pvt Ltd</p> <p>Acreage Farm Pvt Ltd</p> <p>Afcons Construction Mideast LLC</p> <p>Afcons Corrosion Protection Pvt Ltd</p> <p>Afcons Gulf International Project Services FZE</p> <p>Afcons Gunanusa Joint Venture</p> <p>Afcons Infra projects Kazakhstan LLP</p> <p>Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL</p> <p>Afcons Infrastructure Ltd</p> <p>Afcons Mauritius Infrastructure Ltd</p> <p>Afcons Offshore and Marine Services Pvt Ltd</p> <p>Afcons Overseas Project Gabon SARL</p> <p>Afcons Overseas Singapore Pte Ltd</p> <p>Afcons Saudi Construction LLC</p> <p>Afcons Shareholding (Education Assistance) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (General assistance) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (Health promotion) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (Hobbies and Craft Training) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (Holiday Assistance) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (Medical Benefit) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (Personnel Development) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding (Training and Development) Trust nos. 1, 2 and 3*</p> <p>Afcons Shareholding Employees Welfare Trust nos. 1, 2, 3 and 4*</p> <p>Alaya Properties Pvt Ltd</p> <p>Aquadiagnostics Water Research & Technology Centre Ltd</p> <p>Aqualgnis Technologies Pvt Ltd (w.e.f. 13 June 2018)</p> <p>Archaic Properties Pvt Ltd</p> <p>Arena Stud Farm Pvt Ltd</p> <p>Arina Solar Private Limited</p> <p>Armada Madura EPC Ltd</p> <p>Arme Investment Company Ltd</p>



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

Category of related parties	
8) Entities over which Holding Company exercise significant influence (Continued)	
	Dream Chalet Pvt. Ltd.
	Euro P2P Direct (Thailand) Co Ltd.
	Forbes Aquatech Ltd.
	Forbes Bumi Armada Ltd.
	Forbes Concept Hospitality Services Pvt. Ltd.
	Forbes G4S Solutions Private Limited
	G. S. Enterprises (Partnership Firm)
	Grand View Estates Pvt. Ltd.
	Heart Beat Properties Pvt. Ltd.
	HPCL Shapoorji Energy Ltd.
	Image Realty LLP
	Infinite Water Solutions Private Limited
	Insight Properties Pvt. Ltd.
	Iron Afcons Joint venture
	Jess Realty Pvt. Ltd.
	Joyous Housing Ltd.
	Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)
	JV Hochtief - Nahdat AL Emaar-Shapoorji
	Karapan Armada Madura Pte. Ltd.
	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture
	Minean SP Construction Corporation
	Mirth Property Developers Pvt. Ltd.
	Nandadevi Infrastructure Private Limited
	Natural Oil Ventures Co Ltd.
	Newtech Planners & Consultancy Services Pvt. Ltd.
	P. T. Gokak Indonesia
	P. T. C. S. a. s. di Barzanti Massimo
	Redstone Films Pvt. Ltd.
	S. D. Corporation Pvt. Ltd.
	S. D. New Samata Nagar Development Pvt. Ltd.
	S. D. Recreational Services Pvt. Ltd.
	S. D. Service Management Pvt. Ltd.
	S. D. SVP Nagar Redevelopment Pvt. Ltd.
	S. D. Town Development Pvt. Ltd.
	S. D. Imperial Property Maintenance Pvt. Ltd.
	Saipem Afcons Joint Venture
	Satori Property Developers Pvt. Ltd.
	SD Palm Lands Redevelopment Pvt. Ltd.
	SD Powai Redevelopment Pvt. Ltd.
	SDC Mines Pvt. Ltd.
	SDC Township Pvt. Ltd.
	Seaward Realty Pvt. Ltd.
	Shapoorji Pallonji and OEG Services Private Limited
	Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.
	Shapoorji Pallonji Bumi Armada Offshore Ltd.
	Shapoorji Pallonji Finance Pvt. Ltd.
	Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture
	Solar Capital De Aar 3 (RF) Proprietary Limited
	SP Armada Oil Exploration Pvt. Ltd.
	SP Imperial Star Pvt. Ltd.
	SP Trading (Partnership Firm)



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

A. Related parties and their relationship (Continued)

Category of related parties	
8) Entities over which Holding Company exercise significant influence (Continued)	Space Square Developers Pvt. Ltd.
	Sterling Motors (Partnership Firm)
	Strabag Afcons Joint Venture
	Sunny Recreational Property Developers Pvt. Ltd.
	Turner Films Pvt Ltd
	West Coast Liquid Terminal Pvt. Ltd (W s.f. 09/05/2018)
	Zhanakorgan Energy LLP



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

B Transactions and balances with related parties

Related party disclosures for the year ended 31 March 2019

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts	489.69	4,359.57	-	4,849.27
II	Sale of traded goods	-	1,966.43	-	1,966.43
III	Purchase of services	-	7,674.16	-	7,674.16
IV	Purchases of construction material	-	29,091.68	-	29,091.68
V	Advance received from customers	3.76	289.21	-	292.96
VI	Management support fees	102.18	-	-	102.18
VII	Interest income	-	1,394.56	-	1,394.56
VIII	Remuneration paid	-	-	21.74	21.74
IX	Investment in Subsidiary	-	19.21	-	19.21
X	Interest expense	0.25	-	-	0.25
XI	Short term borrowings received	1,700.00	-	-	1,700.00
XII	Short term borrowings repaid	1,700.00	-	-	1,700.00
XIII	Loan given	-	18,003.65	-	18,003.65
XIV	Loan repaid	-	8,725.67	-	8,725.67
XV	Interest receivable	-	1,505.19	-	1,505.19
XVI	Trade Receivables	442.98	3,161.39	-	3,604.36
XVII	Trade payable	110.36	19,443.05	-	19,553.41
XVIII	Recoverable expenses	-	120.62	-	120.62
XIX	Other receivables	-	0.15	-	0.15
XX	Other Payables	-	32.77	-	32.77
XXI	Gross amount due from customer	70.41	0.48	-	70.89
XXII	Loan receivable	-	15,784.27	-	15,784.27

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	489.69	-	-	489.69
	Shapoorji Pallonji Energy Egypt S A E	-	3,378.41	-	3,378.41
	Afcons Infrastructure Limited	-	34.84	-	34.84
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	563.17	-	563.17
	Shapoorji Pallonji Mideast LLC	-	4.26	-	4.26
	Sterling and Wilson Powergen Private Limited	-	31.15	-	31.15
	Sterling and Wilson Private Limited	-	189.42	-	189.42
	Esterlina Solar Engineers Private Limited	-	78.18	-	78.18
	Transform Sun Energy Private Limited	-	80.15	-	80.15
II	Sale of traded goods				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	1,699.95	-	1,699.95
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	266.48	-	266.48



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

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

Sr. No	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
III	Purchases of services				
	Sterling and Wilson Middle East Electro Mechanical L L C	-	7,648.24	-	7,648.24
	Forvol International Services Limited	-	25.92	-	25.92
IV	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	5.82	-	5.82
	Sterling and Wilson Powergen FZE	-	1.00	-	1.00
	Sterling Generators Private Limited	-	74.30	-	74.30
	Sterling and Wilson International Solar FZCO	-	29,010.55	-	29,010.55
V	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	3.76	-	-	3.76
	Esterlina Solar Engineers Private Limited	-	7.00	-	7.00
	Shapoorji Pallonji Energy Egypt S A E	-	282.21	-	282.21
VI	Management support fees				
	Shapoorji Pallonji and Company Private Limited	102.18	-	-	102.18
VII	Interest income				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	221.10	-	221.10
	Sterling and Wilson Powergen Private Limited	-	1.42	-	1.42
	Sterling and Wilson Private Limited	-	842.87	-	842.87
	Sterling & Wilson - Waaree Private Limited	-	10.13	-	10.13
	Esterlina Solar Engineers Private Limited	-	0.62	-	0.62
	Sterling and Wilson (Thailand) Limited	-	0.10	-	0.10
	Sterling and Wilson International Solar FZCO	-	318.32	-	318.32
VIII	Remuneration paid				
	Mr. Bahadur Dastoor, CFO	-	-	21.14	21.14
	Mr. K. Kannan, Manager	-	-	0.16	0.16
	Mr. Bikesh Ogra	-	-	0.44	0.44
IX	Investment in Subsidiary				
	Sterling and Wilson Solar LLC	-	19.21	-	19.21
X	Interest expense				
	Shapoorji Pallonji and Company Private Limited	0.25	-	-	0.25
XI	Short term borrowings received				
	Shapoorji Pallonji and Company Private Limited	1,700.00	-	-	1,700.00
XII	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	1,700.00	-	-	1,700.00
XIII	Loan given				
	Sterling and Wilson Powergen Private Limited	-	20.00	-	20.00
	Sterling and Wilson Private Limited	-	17,600.00	-	17,600.00
	Sterling & Wilson - Waaree Private Limited	-	362.65	-	362.65
	Esterlina Solar Engineers Private Limited	-	21.00	-	21.00
XIV	Loan repaid				
	Sterling and Wilson Private Limited	-	8,342.63	-	8,342.63
	Sterling & Wilson - Waaree Private Limited	-	362.65	-	362.65



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

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

Sr. No	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
XIV	Loan repaid (continued)				
	Esterlina Solar Engineers Private Limited		0.40		0.40
	Sterling and Wilson Powergen Private Limited		20.00		20.00
XV	Interest receivable				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited		198.99		198.99
	Sterling and Wilson Private Limited		842.87		842.87
	Sterling and Wilson Powergen Private Limited		1.42		1.42
	Esterlina Solar Engineers Private Limited		0.62		0.62
	Sterling & Wilson - Waaree Private Limited		10.13		10.13
	Sterling and Wilson (Thailand) Limited		0.20		0.20
	Sterling and Wilson International Solar FZCO		450.96		450.96
XVI	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	442.98			442.98
	Shapoorji Pallonji Energy Egypt S A E		1,368.28		1,368.28
	Shapoorji Pallonji Midcast LLC		4.23		4.23
	Sterling and Wilson Private Limited		215.31		215.31
	Shapoorji Pallonji Infrastructure Capital Co Private Limited		794.16		794.16
	Sterling and Wilson Powergen Private Limited		83.29		83.29
	Esterlina Solar Engineers Private Limited		92.25		92.25
	Sterling Wilson - SPCPL - Chint Moroccan Venture		603.86		603.86
XVII	Trade payable				
	Shapoorji Pallonji and Company Private Limited	110.36			110.36
	Forvol International Services Limited		4.17		4.17
	Shapoorji Pallonji Infrastructure Capital Co Private Limited		243.13		243.13
	Sterling Generators Private Limited		1.49		1.49
	Sterling and Wilson Powogen FZE		1.09		1.09
	Sterling and Wilson Powergen Private Limited		1.98		1.98
	Sterling and Wilson Middle East Electro Mechanical L L C		4,141.95		4,141.95
	Sterling and Wilson International Solar FZCO		15,049.25		15,049.25
XVIII	Recoverable expenses				
	Shapoorji Pallonji and Company Private Limited		25.50		25.50
	Mr. Khurshed Y Daruvala		12.75		12.75
	Esterlina Solar Engineers Private Limited		0.45		0.45
	Sterling and Wilson International Solar FZCO		80.48		80.48
	Sterling and Wilson Powergen FZE		1.23		1.23
	Sterling and Wilson Solar LLC		0.21		0.21



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

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

B Transactions and balances with related parties (Continued)

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

Sr. No	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
XIX	Other receivables				
	Sterling and Wilson Powergen FZE	-	0.15	-	0.15
XX	Other payables				
	Sterling and Wilson Private Limited	-	13.56	-	13.56
	Sterling and Wilson Solar LLC	-	19.21	-	19.21
XXI	Gross amount due from customer				
	Shapoorji Pallonji and Company Private Limited	70.41	-	-	70.41
	Sterling and Wilson Private Limited	-	0.48	-	0.48
XXII	Loan receivable				
	Sterling and Wilson Private Limited	-	12,535.50	-	12,535.50
	Estorlina Solar Engineers Private Limited	-	20.60	-	20.60
	Sterling and Wilson (Thailand) Limited	-	1.27	-	1.27
	Sterling and Wilson International Solar FZCO	-	3,226.89	-	3,226.89

*The Company has issued letters of undertakings to provide need based financial support to its wholly owned subsidiary Sterling and Wilson Saudi Arabia Limited.

Related party disclosures for the period beginning 9 March 2017 to 31 March 2018

Sr. No	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts	15.31	3,070.92	-	3,086.23
II	Sale of traded goods	-	6,234.13	-	6,234.13
III	Advance received from customers	115.95	577.14	-	693.10
IV	Management support fees	60.00	-	-	60.00
V	Purchases of construction material	-	22,409.88	-	22,409.88
VI	Receiving of Services	-	1,696.57	-	1,696.57
VII	Advance given to suppliers and contractors	-	6,423.50	-	6,423.50
VIII	Loan given	-	1,283.13	-	1,283.13
IX	Loan repaid	-	372.52	-	372.52
X	Interest income	-	235.15	-	235.15
XI	Loan receivable	-	3,010.18	-	3,010.18
XII	Interest receivable	-	132.65	-	132.65
XIII	Advance from customer	-	144.65	-	144.65
XIV	Trade receivables	2.38	7,555.07	-	7,557.45
XV	Recoverable expenses	-	45.29	-	45.29
XVI	Other receivables	-	3,242.17	-	3,242.17
XVII	Gross amount due from customer	15.31	94.48	-	109.79
XVIII	Gross amount due to customer	-	10.86	-	10.86
XIX	Trade payable	-	7,495.28	-	7,495.28
XX	Advance to suppliers	-	4,370.67	-	4,370.67
XXI	Equity shares issued	105.47	0.04	54.89	160.40
XXII	Equity shares cancelled	-	0.04	-	0.04



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

48.2 Transactions and balances with related parties (Continued)

Sr. No	Nature of transaction	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives
I	Income from works contracts			
	Shapoorji Pallonji and Company Private Limited	15.31	-	-
	Afcons Infrastructure Limited	-	160.12	-
	Shapoorji Pallonji Infra Capital Co Private Limited	-	2,700.03	-
	Suryoday Energy Private Limited	-	25.18	-
	SP Photovoltaic Private Limited	-	49.47	-
	Transform Solar Energy Private Limited	-	133.07	-
	Transform Sun Energy Private Limited	-	3.05	-
II	Sale of traded goods	-	-	-
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	6,234.13	-
III	Advance received from customers			
	Shapoorji Pallonji and Company Private Limited	115.95	-	-
	Shapoorji Pallonji Infra Capital Co Private Limited	-	577.14	-
IV	Management support fees			
	Shapoorji Pallonji and Company Private Limited	60.00	-	-
V	Purchases of construction material			
	Sterling and Wilson International Solar FZCO	-	21,786.17	-
	Sterling and Wilson Powergen Private Limited	-	2.92	-
	Sterling Viking Power Private Limited	-	0.01	-
	Sterling Generators Private Limited	-	620.78	-
VI	Receiving of Services			
	Sterling and Wilson Middle East Solar Energy LLC	-	1,689.40	-
	Forvol International Services Limited	-	7.17	-
VII	Advance given to suppliers and contractors			
	Sterling and Wilson International Solar FZCO	-	6,423.50	-
VIII	Loan given			
	Sterling and Wilson International Solar FZCO	-	1,282.61	-
	Sterling and Wilson (Thailand) Limited	-	0.53	-
IX	Loan repaid			
	Sterling and Wilson International Solar FZCO	-	372.52	-
X	Interest income			
	Sterling and Wilson International Solar FZCO	-	235.07	-
	Sterling and Wilson (Thailand) Limited	-	0.08	-
XI	Loan receivable			
	Sterling and Wilson International Solar FZCO	-	3,008.99	-
	Sterling and Wilson (Thailand) Limited	-	1.19	-
XII	Interest receivable			
	Sterling and Wilson International Solar FZCO	-	132.53	-
	Sterling and Wilson (Thailand) Limited	-	0.12	-
XIII	Advance from customer			
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	144.65	-



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Notes to the standalone financial statements (Continued)
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(Currency: Indian rupees in million)

50 Related party disclosures (Continued)

48.2 Transactions and balances with related parties (Continued)

Sr. No	Nature of transaction	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives
XIV	Trade Receivables			
	Shapoorji Pallonji and Company Private Limited	2.38	-	-
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	5,812.01	-
	Transform Solar Energy Private Limited	-	4.79	-
	Afcons Infrastructure Limited	-	169.88	-
	Shapoorji Pallonji Infra Capital Company Private Limited	-	1,549.66	-
	Sterling and Wilson Engineering (Pty) Ltd	-	0.70	-
	Transform Sun Energy Private Limited	-	18.03	-
XV	Recoverable expenses	-	-	-
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	38.29	-
	Sterling & Wilson - Waarec Private Limited	-	7.00	-
XVI	Other receivables	-	-	-
	Sterling and Wilson Private Limited	-	3,242.17	-
XVII	Gross amount due from customer	-	-	-
	Shapoorji Pallonji and Company Private Limited	15.31	-	-
	Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	57.56	-
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	36.92	-
XVIII	Gross amount due to customer	-	-	-
	Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	10.86	-
XIX	Trade payable	-	-	-
	Sterling and Wilson International Solar FZCO	-	6,476.34	-
	Sterling and Wilson Middle East Solar Energy LLC	-	981.53	-
	Sterling Generators Private Limited	-	32.95	-
	Sterling and Wilson Powergen Private Limited	-	2.10	-
	Forvol International Services Limited	-	2.36	-
XX	Advance to suppliers	-	-	-
	Sterling and Wilson International Solar FZCO	-	3,662.80	-
	Sterling and Wilson Middle East Solar Energy LLC	-	707.87	-
XXI	Equity shares issued	-	-	-
	Sterling and Wilson Private Limited	-	0.04	-
	Shapoorji Pallonji and Company Private Limited	105.47	-	-
	Mr. Khurshed Daruvala	-	-	53.45
	Mr. Pallonji S. Mistry	-	-	1.44
	Mrs. Zarine Y. Daruvala	-	-	0.00
	Mrs. Kainaz K. Daruvala	-	-	0.00
	Mrs. Pervin Zarir Madan	-	-	0.00
XXII	Equity shares cancelled	-	-	-
	Sterling and Wilson Private Limited	-	0.04	-



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Notes to the standalone financial statements (Continued)
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51 Segment reporting

A. Basis for segmentation

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

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

B. Business Segment

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

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

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

Information about reportable segments

31 March 2019

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	81,293.06	809.45	1.28	82,103.79
Total revenue	81,293.06	809.45	1.28	82,103.79
Segment Results	2,642.14	230.15	1.28	2,873.57
Unallocated expenses				
Interest expense			561.77	561.77
Depreciation			31.79	31.79
Employee benefits and other expenses			444.70	444.70
Total unallocated expenses	-	-	1,038.26	1,038.26
Unallocated income				
Interest income			1,179.89	1,179.89
Other income			25.73	25.73
Total unallocated income	-	-	1,205.62	1,205.62
Profit before tax				3,040.93
Tax expense/ (credit)			1,079.45	1,079.45
Profit after tax			1,079.45	1,961.48
Other information				
Segment assets	22,794.53	489.72	22,467.64	45,751.89
Segment liabilities	28,652.29	87.97	12,621.47	41,361.72
Capital Expenditure			52.45	52.45
Depreciation and amortisation			31.79	31.79



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Notes to the standalone financial statements (Continued)
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(Currency: Indian rupees in million)

51 Segment reporting (Continued)

B. Business Segment (continued)

Information about reportable segments (Continued)

31 March 2018

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	60,904.09	354.50	1.16	61,259.75
Total revenue	60,904.09	354.50	1.16	61,259.75
Segment Results	2,098.67	106.27	1.16	2,206.10
Unallocated expenses				
Interest expense			106.16	106.16
Depreciation			23.99	23.99
Employee benefits and other expenses			289.15	289.15
Total unallocated expenses			419.30	419.30
Unallocated income				
Interest income			235.81	235.81
Other income			0.74	0.74
Total unallocated income			236.55	236.55
Profit before tax				2,023.35
Tax expense/ (credit)			703.52	703.52
Profit after tax			703.52	1,319.83
Other information				
Segment assets	31,067.33	225.17	7,175.24	38,467.74
Segment liabilities	35,017.25	52.56	1,047.60	36,117.40
Capital Expenditure			48.05	48.05
Depreciation and amortisation			23.99	23.99

C. Geographical information

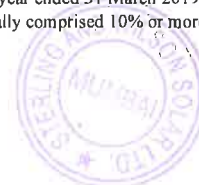
The geographic information analyses the Company's revenues and non-current assets by the company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical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

a) Revenue from external customers

Particulars	31 March 2019			31 March 2018		
	Solar EPC business	Operation and maintenance	Unallocated	Solar EPC business	Operation and maintenance service	Unallocated
India	24,130.89	724.00	1.28	27,727.44	354.50	1.16
South east Asia	7,705.34	-	-	4.05	-	-
Middle East and North Africa	40,383.89	85.45	-	32,988.87	-	-
Rest of Africa	6,121.32	-	-	103.12	-	-
United states of america and Latin America	2,951.62	-	-	80.61	-	-
	81,293.06	809.45	1.28	60,904.09	354.50	1.16

Business in India, the Company's country of domicile, represented approximately 30.27% during the year ended 31 March 2019 (31 March 2018: 45.84%) of its net revenues.

The Company's business in UAE and Egypt represented 30.86% and 17.79% of its net revenues during the year ended 31 March 2019 (31 March 2018: UAE and Morocco represented 43.01% and 10.03% respectively). No other country individually comprised 10% or more of the Company's consolidated net revenues during these periods.



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

51 Segment reporting (Continued)

C. Geographical information (Continued)

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

Particulars	31 March 2019	31 March 2018
India	114.63	101.90
South east Asia	8.23	4.29
Rest of Africa	1.52	1.38
Middle East and North Africa	4.94	1.58
United states of america and Latin America	-	9.14
	129.32	118.29

Information about major customers

Revenue from one customer of the Company is Rs 25,341.60 million (31 March 2018: one customer represent approximately Rs 32,428.49 million) which accounts for more than 10% of the Company's total revenue.



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
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52 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 2019	FVTPL	Carrying amount FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Fair value Level 3 - Significant unobservable inputs	Total
Non-current financial assets								
Loans	-	-	11.72	11.72	-	11.72	-	11.72
Current financial assets								
Investment in government securities	-	-	1.69	1.69	-	-	-	-
Cash and cash equivalents	-	-	3,098.79	3,098.79	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	48.94	48.94	-	-	-	-
Loans	-	-	15,817.09	15,817.09	-	-	-	-
Derivatives	39.53	-	-	39.53	-	39.53	-	39.53
Trade receivables	-	-	17,254.27	17,254.27	-	-	-	-
Other financial assets	-	-	2,328.70	2,328.70	-	-	-	-
	39.53	-	38,561.20	38,600.73	-	51.25	-	51.25
Financial liabilities								
Short term borrowings	-	-	11,746.16	11,746.16	-	-	-	-
Trade payables	-	-	26,259.60	26,259.60	-	-	-	-
Other current financial liabilities	-	-	203.87	203.87	-	-	-	-
	-	-	38,209.63	38,209.63	-	-	-	-



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

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

(a) Accounting classification and fair values (Continued)

31 March 2018	FVTPL	Carrying amount FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Fair value Level 3 - Significant unobservable inputs	Total
Financial assets								
Investment in government securities	-	-	1.59	1.59	-	-	-	-
Cash and cash equivalents	-	-	393.89	393.89	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	3.59	3.59	-	-	-	-
Loans	-	-	3,048.39	3,048.39	-	-	-	-
Trade receivables	-	-	22,063.61	22,063.61	-	-	-	-
Other financial assets	-	-	5,343.72	5,343.72	-	-	-	-
	-	-	30,854.79	30,854.79	-	-	-	-
Financial liabilities								
Short term borrowings	-	-	665.24	665.24	-	-	-	-
Trade payables	-	-	29,019.23	29,019.23	-	-	-	-
Derivatives	104.21	-	-	104.21	-	104.21	-	104.21
Other current financial liabilities	-	-	187.68	187.68	-	-	-	-
	104.21	-	29,872.15	29,976.36	-	104.21	-	104.21



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

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

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

Transfers between Levels 1 and 2

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

Level 3 fair values

There are no items in Level 3 fair values



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

52 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 Audit Committee oversees how 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. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

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

(c) Financial risk management (Continued)

i. Credit risk

Credit risk is the risk of financial loss to the 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 and investment in debt securities. 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 receivable and investment.

Total trade receivable as on 31 March 2019 is Rs 17,254.27 million (31 March 2018: Rs 22,063.61 million)

One largest customer has a total concentration of 14.41% (31 March 2018: Two largest customers have a total concentration of 56.63%) 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 movement in the allowance for impairment in respect of trade and other receivables during the year/period was as follows:

Particulars	Amount
Balance as at 1 April 2018	20.50
Add: Impairment losses recognised during the year	200.00
Balance as at 31 March 2019	220.50
Balance as at 9 March 2017	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	7.00
Add: Impairment losses recognised during the period	13.50
Balance as at 31 March 2018	20.50

Cash and bank balances

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 3,147.73 million and 397.48 million as at 31 March 2019 and 31 March 2018 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.

Other bank balances

Other bank balances are held with bank with good credit rating.

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The Credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at 31 March 2019 and 31 March 2018. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Loans, investments in group companies

The Company has given unsecured loans to its subsidiaries as at 31 March 2019 and 31 March 2018. The Company has reviewed the carrying amounts of loans to determine whether there is any indication that those loans have suffered an impairment loss. As such indication exists, the Company has recognised impairment loss for the loan given to one of its subsidiaries.

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



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

52 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.

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

As at 31 March 2019, the Company had buyers credit of Rs 496.16 million (31 March 2018: Rs 665.24 million), unsecured borrowings from banks and others of Rs 11,250.00 million (31 March 2018: Rs Nil), cash and cash equivalents of Rs 3,098.79 million (31 March 2018: Rs 393.89 million) and other bank balances of Rs 48.94 million (31 March 2018: 3.59 million).

Exposure to liquidity risk

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

31 March 2019	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Secured loans	-	10.70	10.70	-	-	-
Unsecured loans	11,746.16	11,973.26	11,973.26	-	-	-
Trade payables	26,259.60	26,259.60	26,259.60	-	-	-
Interest accrued and due	0.43	0.43	0.43	-	-	-
Interest accrued and not due	3.86	3.86	3.86	-	-	-
Other current financial liabilities	199.58	199.58	199.58	-	-	-
	38,209.63	38,447.44	38,447.44	-	-	-

31 March 2018	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	104.21	5,629.66	5,629.66	-	-	-
Inflow	-	(5,525.45)	(5,525.45)	-	-	-
Non-derivative financial liabilities						
Borrowings	665.24	674.52	674.52	-	-	-
Trade payables	29,019.25	29,019.25	29,019.25	-	-	-
Interest accrued and due	11.29	11.29	11.29	-	-	-
Interest accrued and not due	1.30	1.30	1.30	-	-	-
Other current financial liabilities	175.09	175.09	175.09	-	-	-
	29,976.38	29,985.65	29,985.65	-	-	-

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



Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Limited)

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

(Currency : Indian rupees in million)

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

(c) Financial risk management (Continued)

iii Market risk

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

(a) Currency Risk

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 are as below:

Amounts in INR	USD	GBP	EUR	Peso	ARS	Others *
Financial assets						
Trade receivables	12,818.54	-	-	-	-	-
Loan given to subsidiaries	3,226.89	-	-	-	-	-
Interest accrued on loans to subsidiaries	450.96	-	-	-	-	-
Cash and Cash Equivalents	131.37	-	-	-	18.66	-
Bank balances other than cash and cash equivalents	0.06	-	-	-	-	-
Recoverable expenses	80.69	-	-	-	-	-
Unbilled receivables	2,368.54	-	-	-	-	-
Other receivables	0.15	-	-	-	-	-
Exposure to foreign currency assets	19,077.21	-	-	-	18.66	-
Forward exchange contract	1,408.69	-	-	-	-	-
Net exposure to foreign currency assets	17,668.52	-	-	-	-	-
Financial liabilities						
Buyers credit	-	-	-	-	-	-
Trade payables and other payable	19,364.81	-	47.40	-	-	72.90
Exposure to foreign currency liabilities	19,364.81	-	47.40	-	-	72.90
Forward exchange contract	506.85	-	-	-	-	-
Net exposure to foreign currency liabilities	18,857.96	-	47.40	-	-	72.90
Net Exposure	(1,189.43)	-	(47.40)	-	18.66	(72.90)

*Others include CHF, AED, JOD, NAD



Sterling and Wilson Solar Limited

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for the year ended 31 March 2019

(Currency : Indian rupees in million)

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

(c) Financial risk management (Continued)

(a) Currency Risk (Continued)

The currency profile of financial assets and financial liabilities as at 31 March 2018 are as below:

Amounts in INR million	USD	GBP	EUR	Peso	ARS	Others *
Financial assets						
Trade receivables	7,472.46	-	-	20.26	-	-
Loan given to subsidiaries	3,010.18	-	-	-	-	-
Interest accrued on loans to subsidiaries	132.65	-	-	-	-	-
Cash and Cash Equivalents	323.09	-	-	-	-	51.40
Bank balances other than cash and cash equivalents	-	-	-	2.87	-	-
Security deposits	-	-	-	0.79	-	1.78
Unbilled receivables	42.55	-	-	-	-	12.04
Exposure to foreign currency assets	10,980.92	-	-	23.92	-	65.22
Financial liabilities						
Buyers credit	665.24	-	-	-	-	-
Interest accrued but not due	1.30	-	-	-	-	-
Trade payables and other payable	15,410.43	143.84	0.33	57.32	-	0.03
Exposure to foreign currency liabilities	16,076.97	143.84	0.33	57.32	-	0.03
Forward exchange contract	665.24	-	-	-	-	-
Net exposure to foreign currency liabilities	15,411.73	143.84	0.33	57.32	-	0.03
Net Exposure	(4,430.81)	(143.84)	(0.33)	(33.40)	-	65.19

a. The forward contracts booked also includes the future purchase transaction exposure.

b. Hedged foreign currency exposure

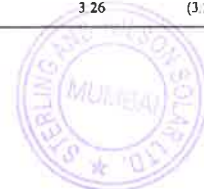
		31 March 2019 Foreign currency (in million)	Indian Rupees (in million)	31 March 2018 Foreign currency (in million)	Indian Rupees (in million)
Foreign exchange forward contracts (To hedge Buyers credit)	USD	7.31	506.85	10.26	665.24
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	USD	-	-	74.55	4,832.55
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	EUR	4.71	366.24	-	-
Foreign exchange forward contracts (To hedge receivables)	USD	20.32	1,408.69	-	-
		32.34	2,281.78	84.81	5,497.79

*others include CHF, AUD.

Sensitivity analysis

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

	31 March 2019		31 March 2018	
	Profit or loss		Profit or loss	
Effect in INR million	Strengthening	Weakening	Strengthening	Weakening
USD	(59.47)	59.47	(221.54)	221.54
EUR	(2.37)	2.37	(0.02)	0.02
Peso	-	-	(1.67)	1.67
ARS	0.93	(0.93)	-	-
Others	(3.64)	3.64	3.26	(3.26)



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

(c) Financial risk management (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.

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 23 of these financial statements.

Particulars	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	15,879.02	3,017.79
Financial liabilities	(6,246.16)	-
	<u>9,632.86</u>	<u>3,017.79</u>
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(5,500.00)	(665.24)
	<u>(5,500.00)</u>	<u>(665.25)</u>

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

INR	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2019		
Variable-rate instruments	(55.00)	55.00
Cash flow sensitivity (net)	<u>(55.00)</u>	<u>55.00</u>

INR	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2018		
Variable-rate instruments	(6.65)	6.65
Cash flow sensitivity (net)	<u>(6.65)</u>	<u>6.65</u>

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



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(Currency : Indian rupees in million)

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

(c) Financial risk management (Continued)

(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. Charge for the year on goodwill amortisation has been deducted while calculating total equity of the company since it represents a pure non-cash expense.

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

Particulars	31 March 2019	31 March 2018
Current Borrowings	11,746.16	665.24
Gross debt	11,746.16	665.24
Less Cash and cash equivalents	3,098.79	393.89
Adjusted net debt	8,647.37	271.35
Total equity	4,390.17	2,350.33
Adjusted net debt to adjusted equity ratio	1.97	0.12



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Notes to the standalone financial statements (Continued)
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(Currency : Indian rupees in million)

53 Hedge accounting

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

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

Particulars	31 March 2019	31 March 2018
Fair Value (loss) recognised in hedge reserve	-	-
Gain reclassified from hedge reserve	-	33.12
Fair value loss (net) recognised in 'Foreign exchange loss (net)' in the statement of profit and loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship	-	-



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for the year ended 31 March 2019

(Currency: Indian rupees in million)

54 Transfer Pricing

The Company's international transactions with related parties are at arm's length as per the Independent accountants report for the period ended 31 March 2018. Management believes that the Company's international transactions with related parties post 31 March 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision for taxation.

- 55** The Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company ("customer") to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer ("developer"). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018 NCLT actions were initiated against the customer group and the Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Company, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Company that they would make the payment if the customer failed to pay. As on date the customer owes the Company INR 924.54 million. In addition, an amount of INR 641.04 million under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by Company, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer's bank refused to make the payment to the Company's bank citing prevention against doing the same due to the NCLT order, and the Company had to return the amount back to its bank.

The Company has sought legal opinion regarding the amount due from the developer as per their assurance letter and from the customer's bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are fully recoverable. The amount of INR 924.54 million and INR 641.04 million is shown under the head Trade Receivables and Other Financial Assets, respectively.

Basis the aforementioned legal opinion and the management assessment, inspite of being confident of full recovery, considering the expected credit loss requirement of Ind AS 109 "Financial Instruments", the management has recognised the provision to the extent of Rs 160 million for the year ended and as at 31 March 2019, based on management's best estimate of collection of the aforementioned receivables.

- 56** On 27 March 2019, The Board of Directors of the Company has proposed to Institute the Scheme for Employee Stock Option Plan ('ESOP') subject to approval of Shareholders. Accordingly, no provision has been created in the books towards the liability of ESOP as at 31 March 2019.
- 57** The Board of Directors at their meeting held on 27 March 2019 have proposed the "Scheme of Arrangement" ('the Scheme') for merger of the Sterling & Wilson - Warree Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals of the Shareholders.
- 58** During the year ended 31 March 2019, a subsidiary of the Company has paid to non-executive directors of the Company remuneration in excess of the limit laid down under Section 197 of the Act by Rs 6.35 millions. The excess remuneration paid has been approved by the shareholders of the Company in the Extraordinary General Meeting held on 10 June 2019.
- 59** During the year ended 31 March 2019, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs. 10 per share to Re.1 per share. This stock split became effective on 23 January, 2019. Unless otherwise indicated, per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.



Sterling and Wilson Solar Limited
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Notes to the standalone financial statements (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees in million)

60 Other matters

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

As per our report of even date attached.

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


Aniruddha Godbole
Partner
Membership No: 105149

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
CIN: U74999MH2017PLC292281


Khurshed Daruvala
Chairman
DIN: 00216905


Pallon Mistry
Director
DIN: 05229734


K. Kannan
Manager


Bahadur Dastoor
Chief Financial Officer
Membership No: 48936


Jagannadha Rao Ch. V.
Company Secretary
Membership No: F2808

Mumbai
Date: 11 June 2019

Mumbai
Date: 11 June 2019