

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

Standalone Ind AS financial statements
together with the
Independent Auditors' Report
for the period beginning from 9 March 2017
to 31 March 2018

Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Standalone Ind AS financial statements together with Independent Auditors' Report

for the period beginning from 9 March 2017 to 31 March 2018

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B S R & Co. LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' Report

To the Members of Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of Sterling and Wilson Solar Private Limited ('the Company'), which comprise the standalone balance sheet as at 31 March 2018, 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 period beginning from 9 March 2017 to 31 March 2018 ("the period"), and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements"), in which are incorporated the Returns for the period ended on that date audited by the branch auditors of the Company's branches at Philippines and Zambia.

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including 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) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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 Private Limited

(formerly known as Rashmika Energy Private Limited)

Auditors' Responsibility (*Continued*)

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

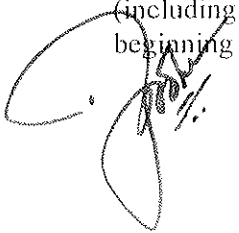
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the period beginning from 9 March 2017 to 31 March 2018.



Independent Auditors' Report (*Continued*)

Sterling and Wilson Solar Private Limited

(formerly known as *Rashmika Energy Private Limited*)

Other matters

We did not audit the financial statements of the two branches (in Zambia and Philippines) included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of Rs 1,560.76 lakhs as at 31 March 2018 and total revenues of Rs 284.96 lakhs for the period beginning from 9 March 2017 to 31 March 2018. The 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 amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

The standalone Ind AS financial statements include two branches namely Philippines and Zambia which are located outside India, and whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other 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 India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it related to the balances and affairs of such branches located outside India is based on the report of other 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 "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 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 the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;



Independent Auditors' Report (*Continued*)

Sterling and Wilson Solar Private Limited

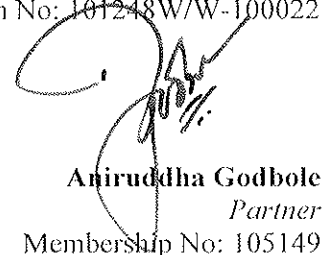
(formerly known as Rashmika Energy Private Limited)

Report on Other Legal and Regulatory Requirements (*Continued*)

- (d) the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- (f) on the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (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"; and
- (h) 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:
 - a. the Company does not have any pending litigations which would impact its financial position;
 - b. the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts – refer note 24 to the standalone Ind AS financial statements. The Company did not have any material foreseeable losses on long-term contracts;
 - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - d. the disclosure requirement as envisaged in Notification G.S.R 308 (e) dated March 30, 2017 is not applicable to the Company - Refer Note 53 to the standalone Ind AS financial statements.

Mumbai
11 August 2018

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



Aniruddha Godbole
Partner
Membership No: 105149

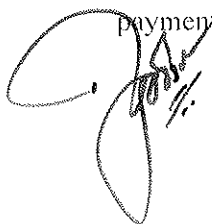
Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the period beginning from 9 March 2017 to 31 March 2018 ("period"), 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 said programme, certain fixed assets were physically verified by the management and no material discrepancies were noticed upon such verification. The discrepancies have been properly dealt with in the books of account.
 - (c) According to the information and explanations given to us and on the basis of our examination of the 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, spare parts and construction materials, except goods in transit, has been physically verified by the management during the period. 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 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 companies, 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 procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to 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 two body corporates and interest thereon are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded.



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Annexure A to the Independent Auditors' Report - 31 March 2018 **(Continued)**

- (c) According to the information and explanations given to us and based on the audit procedures 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 the two body corporates listed in the register required to be maintained under Section 189 of the Act.
- (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 provisions of Section 185 and 186 of the Act, with respect to the loans granted to two body corporates and investments made by the Company. The Company has not provided any guarantee or security during the period to the parties covered under Sections 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 and 76 or any other relevant provisions of the Act and the rules framed thereunder. 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 the 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, Sales tax, Value added tax, Service tax, Goods and Service tax, duty of Customs and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of duty of Excise and Cess.
- 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, Sales tax, Value added tax, Service tax, Goods and Service tax, duty of Customs and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, Service tax, Goods and Service tax, duty of Customs, which have not been deposited with the appropriate authorities on account of any dispute.

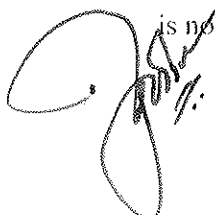


Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Annexure A to the Independent Auditors' Report - 31 March 2018 **(Continued)**

- (viii) According to the information and explanations given to us, the Company has not defaulted during the period in repayment of dues to banks. The Company does not have any loans or borrowings from government and any financial institution or outstanding dues to debenture holders during the period.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (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 fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a public company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in Nidhi Rules, 2014. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute audit committee under Section 177 of the Act and hence, to this extent, the provision of clause 3 (xiii) of the Order is not applicable to the Company.
- (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 period. 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 them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.



Sterling and Wilson Solar Private Limited

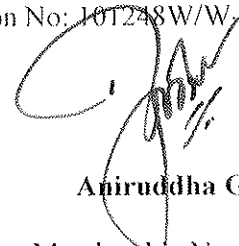
(formerly known as Rashmika Energy Private Limited)

Annexure A to the Independent Auditors' Report - 31 March 2018 ***(Continued)***

- (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.

Mumbai
11 August 2018

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 Private Limited

(formerly known as Rashmika Energy Private Limited)

Annexure B to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sterling and Wilson Solar Private Limited *(formerly known as Rashmika Energy Private Limited)* ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period beginning from 9 March 2017 to 31 March 2018 ("the period").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Annexure B to the Independent Auditors' Report - 31 March 2018 ***(Continued)***

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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



ICAI.

Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Annexure B to the Independent Auditors' Report - 31 March 2018 ***(Continued)***

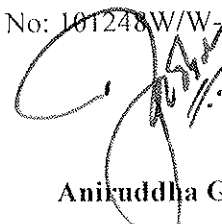
Other matters

We did not audit the internal financial controls over financial reporting of two branches (in Philippines and Zambia) of the Company. The internal financial controls over financial reporting 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 controls over reporting 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.

Mumbai
11 August 2018

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



Anikuddha Godbole
Partner
Membership No: 105149

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

Standalone balance sheet
as at 31 March 2018

(Currency : Indian rupees in lakhs)

	Note	31 March 2018
Assets		
1 Non-current assets		
(a) Property, plant and equipment	5	942.96
(b) Capital work-in-progress	5	8.13
(c) Other intangible assets	6	103.60
(d) Financial assets		
(i) Investments	7	353.32
(e) Deferred tax assets (net)	8	911.22
(f) Non-current tax assets (net)	9	102.11
(g) Other non-current assets	10	26.07
Total non-current assets		<u>2,447.41</u>
2 Current assets		
(a) Inventories	11	1,855.57
(b) Financial assets		
(i) Investments	12	15.87
(ii) Trade receivables	13	2,20,636.05
(iii) Cash and cash equivalents	14	3,938.88
(iv) Bank balances other than cash and cash equivalents	15	35.94
(v) Loans	16	30,483.94
(vi) Other financial assets	17	53,437.26
(c) Other current assets	18	71,826.30
Total current assets		<u>3,82,229.81</u>
Total assets		<u><u>3,84,677.22</u></u>
Equity and liabilities		
Equity		
(a) Equity share capital	19	1,603.60
(b) Other equity	20	
- Capital reserve on merger		(18,173.70)
- Foreign currency translation reserve		12.65
- Retained earnings		40,123.28
- Others (including items of other comprehensive income)		(62.61)
Total equity		<u>23,503.22</u>



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

Standalone balance sheet (Continued)
as at 31 March 2018

(Currency : Indian rupees in lakhs)

	Note	31 March 2018
Liabilities		
1 Non-current liabilities		
(a) Provisions	21	546.72
Total non-current liabilities		<u>546.72</u>
2 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	22	6,652.38
(ii) Trade payables	23	2,90,192.34
(iii) Derivatives	24	1,042.11
(iv) Other financial liabilities	25	1,876.78
(b) Other current liabilities	26	59,955.19
(c) Provisions	27	901.64
(d) Income tax liabilities (net)	28	6.84
Total current liabilities		<u>3,60,627.28</u>
Total liabilities		<u>3,61,174.00</u>
Total equity and liabilities		<u>3,84,677.22</u>

Significant accounting policies


Notes to the standalone financial statements

The attached notes 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

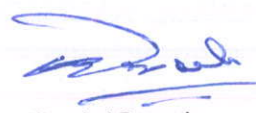
Firm's Registration No: 101248W/W-100022


Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
11 August 2018

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Private Limited
(formerly known as Rashmika Energy Private Limited)
CIN: U74999MH2017PTC292281


Khurshed Daruvala
Director
DIN: 00216905


Bahadur Dastoor
Chief Financial Officer
Membership No: 48936
Mumbai
11 August 2018


Pallon Mistry
Director
DIN: 05229734


Jagannadha Rao
Company Secretary
Membership No: F2808

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

Standalone statement of profit and loss
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

For the
period beginning
9 March 2017 to
31 March 2018

	Note	
Income		
Revenue from operations	29	6,12,597.44
Other income	30	2,519.94
Total income		<u>6,15,117.38</u>
Expenses		
Cost of construction materials, stores and spare parts	31	4,54,862.30
Purchase of traded goods	32	60,352.19
Changes in inventories of stock-in-trade	33	1,189.77
Direct project costs	34	58,250.70
Employee benefits expense	35	8,241.61
Finance costs	36	1,061.44
Depreciation and amortisation expense	37	239.98
Other expenses	38	10,686.11
Total expenses		<u>5,94,884.10</u>
Profit before income tax		<u>20,233.28</u>
Tax expense:	49	
Current tax		7,674.32
Deferred tax (credit)		(639.11)
		<u>7,035.21</u>
Profit for the period		<u>13,198.07</u>
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
(i) Remeasurements of defined benefit liability		(24.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss		8.62
Items that will be reclassified subsequently to profit or loss		
(i) Exchange differences in translating financial statements of foreign operations		12.65
(i) Effective portion of gain/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss		331.23
Other comprehensive income for the period, net of income tax		<u>327.84</u>
Total comprehensive income for the period		<u>13,525.91</u>
Earnings per equity share (nominal value of Rs 10 each, fully paid-up)		
Basic and diluted earnings per share (Rs)	46	87.49
Significant accounting policies	3	
Notes to the standalone financial statements	1 - 55	

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



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Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Standalone statement of profit and loss (Continued)

for the period beginning 9 March 2017 to 31 March 2018


(Currency Indian rupees in lakhs)

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


Mumbai

11 August 2018

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

CIN:U74999MH2017PTC292281



Khurshed Daruvala
Director
DIN:00216905



Bahadur Dastoor
Chief Financial Officer
Membership No. 48936

Mumbai

11 August 2018



Pallon Mistry
Director
DIN:05229734



Jagannadha Rao
Company Secretary
Membership No. F2808

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

Standalone statement of cash flow

for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

A) Cash flows from operating activities

Profit before tax	20,233.28
Adjustments for:	
Depreciation and amortisation expense	239.98
Liabilities no longer required written back	(92.98)
Bad debts written off	188.28
Provision for bad and doubtful debts	135.00
Loans and advances written off	25.36
Provision for mark-to-market losses on derivative instruments (net)	576.00
Profit on sale of property, plant and equipments (net)	(4.26)
Finance costs	1,061.44
Interest income	(2,358.12)
Provision for inventory obsolescence	44.00
Unrealised foreign exchange loss (net)	1,343.17
Operating profit before working capital changes	21,391.15
Working capital adjustments	
(Increase) in inventories	(407.19)
(Increase) in trade receivables	(150,249.82)
(Increase) in loans and advances	(131.53)
Decrease in restricted cash (refer note 2 below)	10.31
(Increase) in other financial assets	(40,862.14)
(Increase) in other current and non-current assets	(67,117.06)
Increase in trade payable, other current liabilities and provisions	279,834.38
Net change in working capital	21,076.95
Cash flows generated from operating activities	42,468.10
Income tax (paid) (net)	(7,722.83)
Effects of exchange differences on translation of assets and liabilities	(12.65)
Net cash flows generated from operating activities	(A) 34,732.62

B) Cash flows from investing activities

Investment in equity shares of a subsidiary	(174.66)
Proceeds from redemption of treasury bills (net)	17.15
(Purchase) of property, plant and equipment and intangible assets	(480.51)
Proceeds from sale of property, plant and equipment	29.76
(Purchase) of fixed deposits, net	(7.25)
Loan given to subsidiaries	(12,831.30)
Loan repaid by subsidiaries	3,725.17
Interest received	4,629.79
Net cash flows (used in) investing activities	(B) (5,091.85)

C) Cash flows from financing activities

Proceeds from issue of equity shares	0.36
Repayment of secured loans (net)	(24,847.11)
Finance costs paid	(873.35)
Net cash flows (used in) financing activities	(C) (25,720.10)

Cash and cash equivalents of branches acquired during the period pursuant to scheme of arrangement (refer note 4) (D) 18.21

Net increase in cash and cash equivalents (A + B + C + D) 3,938.88

Cash and cash equivalents at the end of the period 3,938.88



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

Standalone statement of cash flow (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

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 28.69 lakhs 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).

31 March 2018

4 Components of cash and cash equivalents

Balance with banks	3,933.48
- in current accounts	5.40
Cash on hand	
	<u>3,938.88</u>

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

Reconciliation of liabilities arising from financing activities

Particulars	As at 9 March 2017	Changes considered in the standalone statement of cashflows	Non-cash changes on account of acquisition (including foreign exchange adjustment)	As at 31 March 2018
Short-term borrowings	-	(24,847.11)	31,499.49	6,652.38

- 6 The above standalone statement of cash flows included Rs 16.98 lakhs towards corporate social responsibility.

The attached notes 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

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Private Limited
(formerly known as Rashmika Energy Private Limited)
CIN:U74999MH2017PTC292281


Khurshed Daruvala
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Director
DIN:05229734


Bahadur Dastoor
Chief Financial Officer
Membership No: 48936


Jagannadha Rao
Company Secretary
Membership No: F2808

Mumbai
11 August 2018

Mumbai
11 August 2018

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

Standalone statement of changes in equity
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

A. Equity Share capital

	Amount
Balance as at 9 March 2017	-
Issued during the period	0.36
Add: Shares issued pursuant to Scheme of Arrangement (refer note 4)	1,603.60
Less: Shares cancelled pursuant to Scheme of Arrangement (refer note 4)	(0.36)
Balance as at 31 March 2018	1,603.60

B. Other equity

	Reserves and surplus	Sub-total	Other comprehensive income	Sub-total	Total
	Capital reserve on merger (refer note 4)	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	Other items of other comprehensive income
Balance as at 9 March 2017	-	-	-	-	-
Adjustments:					
Acquired Pursuant to Scheme of Arrangement (refer note 4)	(18,173.70)	26,925.21	-	(331.23)	(46.57)
Total comprehensive income for the period	-	13,198.07	-	-	-
Profit for the period	-	-	-	-	-
Items of OCI for the period, net of tax:	-	-	-	-	-
Remeasurement of the net defined benefit liability	-	-	-	-	(16.04)
Exchange differences in translating financial statements of foreign operations	-	-	12.65	-	12.65
Effective portion of gain/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	-	-	-	331.23	-
Total comprehensive income for the period	-	13,198.07	12.65	331.23	(16.04)
Balance as at 31 March 2018	(18,173.70)	40,123.28	12.65	(49.96)	21,899.62



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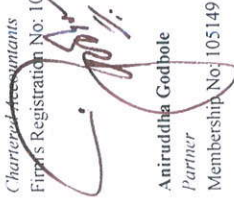
Sterling and Wilson Solar Private Limited
(formerly known as Rashmika Energy Private Limited)

Standalone statement of changes in equity
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

The attached notes 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: 107248W/W-100022


Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
11 August 2018

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Private Limited
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Mumbai
11 August 2018

Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

1 Background

Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited) ("the Company") was incorporated as a Private Limited Company on 9 March 2017 under Companies Act, 2013. The Company is one of India's leading 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 300 projects. The principal activity of the Group 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.

During the current period, the Company has 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 Private 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 August 2018.

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 lakhs, 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 2019 are as follows:

(i) Evaluation of percentage of completion

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



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

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

d Use of estimates and judgments (Continued)

(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 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 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.

(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.



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

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

d Use of estimates and judgments (Continued)

(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 period during which the change has occurred.

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

- Note 50 – financial instruments.

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 36 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 Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

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) including goodwill and fair value adjustments arising on acquisition, 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.

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.

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;



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment (Continued)

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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).

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.



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

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.

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.



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3 Significant accounting policies (Continued)

3.4 Fair Value (Continued)

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.

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 under :

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

Goodwill is not amortised and is tested for impairment annually.

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 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.

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

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).



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3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the standalone statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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.

All remeasurement gains and losses arising from defined benefit plans are recognised in the standalone statement of other comprehensive income in the 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 period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the 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 period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the 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.



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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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from works contracts

Revenue is measured at the fair value of the consideration received or receivable. This inter alia involves discounting of the consideration due to present value if payment extends beyond normal credit terms. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

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

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

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

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

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in the standalone statement of profit and loss. Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Company.

Revenue from sale of goods

Revenue is recognised when significant risks and rewards of ownership of the goods sold are transferred to the customer. Revenue represents the invoice value of goods provided to third parties net of discounts and sales taxes/value added taxes.

Operation and maintenance income:

Revenue from operation and maintenance services is recognised as and when the relevant services are rendered.



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3 Significant accounting policies (Continued)

3.11 Revenue recognition (Continued)

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.

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 rate.

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.



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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 substantively 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 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.

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 incurred.

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.



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3 Significant accounting policies (Continued)

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 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 management.

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 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 Common control transactions

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (v) The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.22 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115-Revenue from Contracts with Customers

Ind AS 21-The effect of changes in Foreign Exchange rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company is currently evaluating the effect of this standard on its standalone financial statements.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its standalone financial statements.



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(Currency: Indian rupees in lakhs)

4. Scheme of Arrangement – Solar-EPC Business

- 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 May 1, 2018. The Appointed Date for the Scheme is 1 April 2017. The impact of merger has been given in the current financial year with effect from the Appointed date.

In accordance with the provisions of the aforesaid Scheme:

- The approved share swap ratio is 1 equity share of the face value of 10 each fully paid-up of the Company for every 1 equity share of the face value of 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 March 31, 2018.
- 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.
- 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.
- 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	S-EPC business of SWPL
Non-current assets	
Property, plant and equipment	751.96
Other intangible assets	87.93
Financial assets	
(i) Investments	178.66
Deferred tax assets (net)	263.49
Non-current tax assets (net)	46.76
Total non-current assets	1,328.80



Sterling and Wilson Solar Private Limited

formerly known as Rashmika Energy Private Limited

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

4. Scheme of Arrangement – Solar-EPC Business (Continued)

Particulars	S-EPC business of SWPL
Current assets	
Inventories	1,492.38
Financial assets	
(i) Investments	33.02
(ii) Trade receivables	70,666.06
(iii) Cash and cash equivalents	18.21
(iv) Bank balances other than cash and cash equivalents	39.00
(v) Loans	21,285.49
(vi) Other financial assets	14,867.42
Other current assets	4,735.31
Total current assets	113,136.89
Total assets	114,465.69
Equity and liabilities	
Equity	
Other equity	26,547.41
Total equity	26,547.41
Non-current liabilities	
Provisions	318.57
Total non-current liabilities	318.57
Current liabilities	
(i) Borrowings	31,512.55
(ii) Trade payables	41,582.29
(iii) Derivatives	1,944.88
(iv) Other financial liabilities	587.04
Other current liabilities	27,994.14
Provisions	548.91
Total current liabilities	104,169.81
Total liabilities	104,488.38
Total equity and liabilities	131,035.79
Net assets taken over	(16,570.10)
Consideration paid-Issue of equity shares	1,603.60
Capital Reserve on merger	(18,173.70)



Sterling and Wilson Solar Private Limited

formerly known as Rashmika Energy Private Limited

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

4. Scheme of Arrangement – Solar-EPC Business (Continued)

- 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.



Sterling and Wilson Solar Private Limited
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Notes to the standalone financial statements (Continued)
as at 31 March 2018

(Currency : Indian rupees in lakhs)

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

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress	Total (A+B)
Gross carrying amount :								
Balance as at 9 March 2017	-	-	-	-	-	-	-	-
Add: Acquisitions pursuant to scheme of arrangement (refer note 4)	-	725.60	2.52	51.04	192.06	971.22	-	971.22
Add: Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
Add: Additions during the period	19.68	306.92	9.61	4.18	89.48	429.87	8.13	438.00
Less: Assets retired during the period	-	-	-	-	-	-	-	-
Less: Disposals during the period	-	22.71	-	13.40	2.61	38.72	-	38.72
Balance as at 31 March 2018	19.68	1,009.81	12.13	41.82	278.93	1,362.37	8.13	1,370.50
Accumulated depreciation and amortisation :								
As at 9 March 2017	-	-	-	-	-	-	-	-
Add: Acquisitions pursuant to scheme of arrangement (refer note 4)	-	133.26	0.40	11.51	74.09	219.26	-	219.26
Add: Exchange differences on translation of foreign operations	-	0.07	0.06	0.04	0.06	0.23	-	0.23
Add: Depreciation for the period	-	141.41	1.94	5.41	64.38	213.14	-	213.14
Less: Assets retired during the period	-	-	-	-	-	-	-	-
Less: Disposals during the period	-	6.91	-	3.94	2.37	13.22	-	13.22
Balance as at 31 March 2018	-	267.83	2.40	13.02	136.16	419.41	-	419.41
Carrying amounts (net)								
At 9 March 2017	-	-	-	-	-	-	-	-
At 31 March 2018	19.68	741.98	9.73	28.80	142.77	942.96	8.13	951.09

Notes:

- Nil amount of borrowing cost is capitalised during the current period.
- Nil amount of impairment loss is recognised during the current period.
- Adjustments includes the exchange fluctuation of Rs Nil on gross block and Rs 0.23 lakhs on accumulated depreciation / amortisation due to translation of property, plant and equipment of all foreign branches at closing exchange rate.
- As at 31 March 2018, all movable fixed assets with carrying amount of Rs 923.28 lakhs are subject to first charge to secured bank loans obtained by a fellow subsidiary of the Company.



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

6 Intangible assets

Particulars	Computer software	Total
Balance as at 9 March 2017	-	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	114.48	114.48
Add: Additions during the period	42.51	42.51
Less: Disposals during the period	-	-
Balance as at 31 March 2018	156.99	156.99
Accumulated amortisation and impairment losses:		
Balance as at 9 March 2017	-	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	26.55	26.55
Add: Depreciation for the period	26.84	26.84
Less: Disposals during the period	-	-
Balance as at 31 March 2018	53.39	53.39
Carrying amounts (net)		
At 9 March 2017	-	-
At 31 March 2018	103.60	103.60

Notes:

- Nil amount of borrowing cost and exchange fluctuation is capitalised during the current period.
- Nil amount of impairment loss is recognised during the current period



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency: Indian rupees in lakhs)

31 March 2018

7 Non-current investments

Investments in equity instruments

(a) Unquoted, in subsidiaries (at cost)

Sterling and Wilson (Thailand) Limited	0.23
500 shares of 100 baht each, 25 baht paid-up	
Sterling and Wilson Saudi Arabia Limited	177.94
9,500 shares of Saudi Riyals 100 each, fully paid-up	
Sterling & Wilson - Waaree Private Limited	0.49
49 shares of Rs 1,000 each, fully paid-up	
Sterling and Wilson International Solar FZCO	174.66
1,000 shares of AED 1,000 each, fully paid-up	
	<u>353.32</u>

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

Aggregate book value of unquoted non-current investments	353.32
Aggregate amount of impairment in value of non-current investments	-
Aggregate carrying amount of non-current investments	353.32

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 2018 is as follows:

	31 March 2018
i) Assets	87,634.60
ii) Liabilities	90,108.45
iii) Income	91,420.37
iv) Expenses	93,772.74
v) Net (loss) for the period	(2,352.37)
vi) Other comprehensive income for the period	(116.30)

(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 Nil.

(v) The details of partners in the above partnership firm are as under:

Name of Partners	Profit sharing ratio	Loss sharing ratio	Capital as at 31 March 2018 *
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	92%	92%	-
Shapoorji Pallonji and Company Private Limited	5%	5%	-
Astronergy Solar India Private Limited	3%	3%	-

* Refer note 41 for capital commitment towards partner's capital contribution.



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

8 Deferred tax assets (net)

Deferred tax assets

Employee benefits	492.51
Remasurements benefit of the defined benefit plans through OCI	8.62
Provision for bad and doubtful debts	71.64
Provision for mark to market losses on derivative instruments	355.42
Fair value of financial assets	21.74
Amortisation of expenses on merger	5.14
Others	15.38

970.45

Deferred tax liabilities

Excess of depreciation as per Income tax Act, 1961 over book depreciation	34.37
Fair valuation of financial liabilities	24.86

59.23

Deferred tax assets, net

911.22

Deferred tax assets recognised, net

911.22

9 Non-current tax assets (net)

Advance tax (net of provision for tax Rs Nil)	102.11
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102.11

10 Other non-current assets

(Unsecured, considered good)

To parties other than related parties

Prepayments	26.07
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26.07



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

11 Inventories

(valued at lower of cost and net realisable value unless otherwise stated)

Construction materials, stores and spare parts (includes inventory in transit Rs 20.11 lakhs and net of Rs 44.00 lakhs provided towards inventory obsolescence)	1,615.11
Stock-in-trade	240.46
	<u>1,855.57</u>

Carrying amount of inventories (included above) pledged as securities for borrowings	1,615.11
The write-down of inventories to net realisable value during the period	44.00

12 Current investments

Investment in government securities (Measured at fair value through profit and loss)

Treasury bills	15.87
Total	<u>15.87</u>

The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:

Aggregate book value of unquoted current investments	15.87
Aggregate amount of impairment in value of current investments	-

13. Trade receivables

(Unsecured)

Trade Receivables	220,636.05
- Considered good	205.00
- Doubtful	
	<u>220,841.05</u>
Loss allowance	
- Doubtful	205.00
	<u>205.00</u>
Net trade receivables	<u>220,636.05</u>

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

Total trade receivables from related parties	75,574.47
Loss allowances	-
	<u>75,574.47</u>

* 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 50.

As at 31 March 2018, trade receivables includes retention of Rs Nil lakhs relating to construction contracts in progress.

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

Shapoorji Pallonji and Company Private Limited	23.82
Afcons Infrastructure Limited	1,698.75
Shapoorji Pallonji Infrastructure Capital Company Private Limited	15,496.62
Sterling and Wilson Engineering (Pty) Ltd.	7.01
	<u>17,226.20</u>



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

14 Cash and cash equivalents

Balances with Bank	
- in current accounts	3,933.48
Cash on hand	5.40
	<u>3,938.88</u>

15 Bank balances other than cash and cash equivalents

Balances with banks	
- in current accounts*	28.69
- in deposit accounts ** (with original maturity more than 3 months but less than 12 months)	7.25
	<u>35.94</u>

* Current account balances with banks include Rs 28.69 lakhs 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.)

16 Loans

(Unsecured, considered good)

To related parties

Loan given to subsidiaries (refer note 54)	30,101.75
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To parties other than related parties

Security deposits	329.18
Loan to employees	53.01

30,483.94

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

Loan given to subsidiaries

Sterling and Wilson International Solar FZCO	30,089.90
Sterling and Wilson (Thailand) Limited	11.85

30,101.75



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

17 Other financial assets

(Unsecured, considered good)

To related parties

Unbilled receivables

1,097.91

Interest accrued on loan to subsidiaries (refer note 54)

1,326.50

Recoverable expenses

452.94

Other receivables

32,421.74

To parties other than related parties

Unbilled receivables

18,138.17

53,437.26

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

Unbilled receivables

Shapoorji Pallonji and Company Private Limited

153.09

Shapoorji Pallonji Infrastructure Capital Company Private Limited

575.59

Interest accrued on loan to subsidiaries

Sterling and Wilson International Solar FZCO

1,325.32

Sterling and Wilson (Thailand) Ltd.

1.18

Recoverable expenses

Sterling & Wilson - Waree Private Limited

69.99

Other receivables

Sterling and Wilson Private Limited

32,421.74

18 Other current assets

(Unsecured, considered good)

To related parties

Advances for supply of goods

43,706.71

To parties other than related parties

Advances for supply of goods

27,155.00

Advance for projects

335.55

Other recoverables

8.53

Balance with government and excise authorities

235.02

Prepayments

385.49

71,826.30

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

Advances for supply of goods

Sterling and Wilson International Solar FZCO

36,627.98

Sterling and Wilson Middle East Solar Energy L.L.C.

7,078.73

43,706.71



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

19 Equity share capital

Authorised

18,000,000 Equity shares of Rs 10 each 1,800.00

Issued, subscribed and fully paid up:

16,036,000 Equity shares of Rs 10 each, fully paid-up 1,603.60

1,603.60

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

	31 March 2018	
	Number	Amount
Equity shares		
Balance as at beginning of the period	-	-
Add: Issued during the period	3,558	0.36
Add: Issued during the period pursuant to scheme of arrangement (refer note 4)	16,036,000	1,603.60
Less: Cancelled pursuant to scheme of arrangement (refer note 4)	3,558	0.36
Balance as at the end of the period	16,036,000	1,603.60

(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 subject to payment of dividend to preference shareholders. 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 2018	
	Number	Amount
Equity shares		
Shapoorji Pallonji and Company Private Limited, the holding company	10,546,667	1,054.67

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

	31 March 2018	
	Number	% holding
Equity shares		
Shapoorji Pallonji and Company Private Limited, the holding company	10,546,667	65.77%
Khurshed Daruvala, Director	5,345,293	33.33%

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

During the period, 16,036,000 shares were issued without payment being received in cash pursuant to the scheme of arrangement (refer note 4).



Sterling and Wilson Solar Private Limited
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Notes to the standalone financial statements (Continued)

as at 31 March 2018

(Currency : Indian rupees in lakhs)

20 Other equity

Particulars	Note	31 March 2018
Capital reserve on merger	(i)	(18,173.70)
Foreign currency translation reserve	(ii)	12.65
Effective portion of cash flow hedge	(iii)	-
Remeasurements of defined benefit liability	(iv)	(62.61)
		<u>(18,223.66)</u>

Particulars	31 March 2018
Capital reserve on merger	
Balance as at the beginning of the period	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	(18,173.70)
Balance at end of the period	<u>(18,173.70)</u>
Foreign currency translation reserve	
Balance as at the beginning of the period	-
Add : Acquired pursuant to scheme of arrangement (refer note 4)	-
Add: Exchange difference on translation of foreign operations arisen during the period	12.65
Balance as at end of the period	<u>12.65</u>
Effective portion of cash flow hedge	
Balance as at the beginning of the period	-
Add : Acquired pursuant to scheme of arrangement (refer note 4)	(331.23)
Less: Effective portion of gain/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	331.23
Balance as at end of the period	<u>-</u>
Remeasurements of defined benefit liability	
Balance as at the beginning of the period	-
Add : Acquired pursuant to scheme of arrangement (refer note 4)	(46.57)
Add: Other comprehensive income arising from re-measurement of defined benefit	(16.04)
Balance as at end of the period	<u>(62.61)</u>
Total	<u><u>(18,223.66)</u></u>

Notes:

- (i) **Capital reserve on merger**
The Company's capital reserve on merger 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) **Remeasurements of defined benefit liability**
Remeasurements of defined benefit plans comprises actuarial gains and losses on gratuity and other defined benefit plan.



Sterling and Wilson Solar Private Limited
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Notes to the standalone financial statements (Continued)
as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

21 Long-term provisions

Provision for employee benefits
Gratuity (refer note 42)

546.72

546.72

22 Current borrowings

Secured loans

- Buyers credit (refer note (a) and (b) below)

6,652.38

6,652.38

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 2018, pending split of existing banking facilities, the above borrowings are within the limits sanctioned to the combined business of SWPL.
- (b) Buyers credit facility 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) and repayable within a period of 180 days.

23 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 47)

259,949.27

Total outstanding dues of creditors other than micro enterprises and small enterprises

30,243.07

Acceptances *

290,192.34

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



Sterling and Wilson Solar Private Limited
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Notes to the standalone financial statements (Continued)
as at 31 March 2018

(Currency : Indian rupees in lakhs)

31 March 2018

24 Derivatives

Foreign currency forward exchange contract liabilities

1,042.11

1,042.11

25 Other financial liabilities

To parties other than related parties

Interest accrued and due :

- to others

112.85

Interest accrued and not due

- to banks

13.02

Employee benefits payable

1,622.15

Employee expenses payable

128.76

1,876.78

26 Other current liabilities

To parties other than related parties

Advances from customers (refer note 39)

57,908.31

Statutory dues payable :

- Tax deducted at source payable

2.22

- Provident fund payable

80.99

- Profession tax payable

0.74

- Employees State Insurance payable

0.42

- Value added tax payable

407.37

To related parties

Advances from customers (refer note 39)

1,555.14

59,955.19

27 Short-term provisions

Provision for employee benefits

Gratuity (refer note 42)

12.48

Compensated absences

889.16

901.64

28 Income tax liabilities (net)

Provision for current tax (net of advance tax of Rs 7,667.48 lakhs)

6.84

6.84



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

Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

For the period
beginning
9 March 2017 to
31 March 2018

29 Revenue from operations

Sale of services	
Income from works contracts	546,699.66
Revenue from operation and maintenance services	3,545.04
Sale of products	
Sale of traded goods	62,341.27
Other operating income	
Sale of scrap	0.98
Miscellaneous income	10.49
	<u>612,597.44</u>

30 Other income

Interest income under the effective interest method on:	
- deposits with banks	1.50
- loan to subsidiaries	2,351.48
- loan to employees	5.14
- deferred payment terms	41.56
Insurance claim received	15.60
Liabilities no longer required written back	92.98
Other miscellaneous income	7.42
Profit on sale of property, plant and equipments (net)	4.26
	<u>2,519.94</u>

31 Cost of construction materials, stores and spare parts

Inventory of materials at the beginning of the period	-
Add: Inventory of materials acquired pursuant to scheme of arrangement (refer note 4)	62.15
Add: Purchase during the period	456,415.26
Less : Inventory of materials at the end of the period	1,615.11
	<u>454,862.30</u>

32 Purchase of traded goods

Cost of traded goods purchased during the period	60,352.19
	<u>60,352.19</u>



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

Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

For the period
beginning
9 March 2017 to
31 March 2018

33 Change in inventory of stock-in-trade

Inventory of stock-in-trade at the beginning of the period	-
Inventory of stock-in-trade acquired pursuant to scheme of arrangement (refer note 4)	1,430.23
Inventory of stock-in-trade at the end of the period	240.46
Decrease in inventory	<u>1,189.77</u>

34 Direct project costs

Communication expenses	83.13
Stores and spare parts consumed	462.73
Commission expenses	1,126.79
Legal and professional fees	883.30
Printing and stationery expenses	25.19
Insurance costs	292.59
Repairs and maintenance - others	895.71
Selling and marketing expenses	8.81
Traveling and conveyance expenses	360.20
Rent (refer note 40)	453.56
Rates and taxes	65.78
Electricity, power and fuel	249.79
Donation	0.38
Loans and advances written off	1.70
Bank charges	4,908.74
Land development charges	1,792.80
Forward cover cancellation charges	275.35
Miscellaneous expenses	<u>1,420.68</u>
	13,307.23

Employee benefits expense

Salaries, wages and bonus	1,832.81
Contribution to provident fund and other funds	219.14
Staff welfare expenses	<u>328.67</u>
	2,380.62

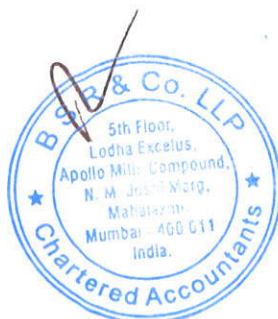
Sub-contractor expenses

42,562.85

58,250.70

35 Employee benefits expense

Salaries, wages and bonus	6,638.11
Contribution to provident fund and other funds	468.79
Gratuity (refer note 42)	231.34
Compensated absences	452.62
Staff welfare expenses	450.75
	<u>8,241.61</u>



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

Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

For the period
beginning
9 March 2017 to
31 March 2018

36 Finance costs

Interest expense	
- on secured loans	233.16
- on bill discounting	631.69
- on income tax	112.85
- on others	0.37
- on retention payable	62.22
Other borrowing costs	21.15
	<u>1,061.44</u>

37 Depreciation and amortisation expense

Depreciation of property, plant and equipment	213.14
Amortisation of intangible assets	26.84
	<u>239.98</u>

38 Other expenses

Communication expenses	266.76
Stores and spare parts consumed	113.98
Commission expenses	21.38
Legal and professional fees	1,770.55
Printing and stationery expenses	94.42
Insurance costs	159.56
Repairs and maintenance - others	362.17
Selling and marketing expenses	169.84
Traveling and conveyance expenses	1,785.42
Rent (refer note 40)	691.49
Rates and taxes	292.82
Electricity, power and fuel	112.34
Payment to auditors (refer note (a) below)	34.01
Foreign exchange loss (net)	2,678.73
Donation	101.60
Management support fees	600.00
Bank charges	230.13
Corporate social responsibility expenses (refer note 44)	16.98
Loans and advances written off	23.66
Bad debts written off	188.28
Provision for bad and doubtful debts	135.00
Land development charges	12.58
Provision for inventory obsolescence	44.00
Provision for mark-to-market losses on derivative instruments (net)	576.00
Miscellaneous expenses	204.41
	<u>10,686.11</u>



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

For the period
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31 March 2018

(a) Payment to auditors

As auditor

Statutory audit

29.50

In other capacity

Tax audit

2.00

Other services

2.26

Certification services

0.25

34.01



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

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

Particulars	2018
a) Contract revenue	545,875.57
b) Disclosure for contracts in progress	
(i) Aggregate amount of costs incurred	526,561.30
(ii) Recognised profits (less recognised losses)	100,624.53
(iii) Advances received	59,463.45
c) Gross amount due from customers for contract work	19,236.08
d) Gross amount due to customers for contract work	-
e) Retention due from customers (included under trade receivables, refer note no. 13)	-

40 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	2018
	Lease payments recognised in the standalone statement of profit and loss	
	- Cancellable	1,108.04
	- Non-cancellable	37.01
	Future minimum lease payments under non-cancellable operating leases	
I	Due not later than one year	15.08
II	Due later than one year but not later than five years	1.26
III	Later than five years	-
	Minimum lease payment	15.08

41 Contingent liabilities and commitments

Contingent liabilities	31 March 2018
(a) Claims against the Company not acknowledged as debts	-
Capital commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs Nil)	-
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.95
	<u>0.95</u>
Other commitments	
The Company has issued letters of undertakings to provide need based financial support to its following wholly owned subsidiaries:	
a) Sterling and Wilson International Solar FZCO and its subsidiaries;	
b) Sterling Wilson - SPCPL - Chint Moroccan Venture; and	
c) Sterling and Wilson (Thailand) Limited.	
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.	



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

42 Employee Benefits

Defined contribution plan:

Contribution to provident fund and other funds aggregating to Rs 687.93 lakhs 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 20 lakhs.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily basic 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

	Gratuity
I Reconciliation of the present value of defined benefit obligation	2018
Balance at the beginning of the period	-
Acquired pursuant to Scheme of Arrangement	328.13
Benefits paid	(30.98)
Current service cost	60.87
Past Service Cost- Vested Benefits	43.73
Interest cost	23.63
Liability transferred in / acquisitions	6.05
Actuarial (gains) losses recognised in other comprehensive income	-
- changes in demographic assumptions	-
- changes in financial assumptions	(46.19)
- experience adjustments	70.85
Balance at the end of the period	456.09
Reconciliation of net (asset) / liability recognised	
Provision for gratuity recognised as per actuarial valuation report	456.09
Add: Additional provision retained for employees transferred within the Group	103.11
Liability recognised in the balance sheet	559.20
II Amount recognised in the standalone statement of profit and loss under employee benefits expense	
Current service cost	104.60
Net interest cost	23.63
	128.23
Reconciliation of expenses recognised in the standalone statement of profit and loss	
Gratuity expenses recognised as per actuarial valuation report	128.23
Add: Additional provision retained for employees transferred within the Group	103.11
Expenses recognised in the standalone statement of profit and loss	231.34
III Remeasurement recognised in other comprehensive income	
Actuarial gains / losses on obligation for the period	24.66
	24.66
IV Maturity profile of defined benefit obligation	
Within next 12 months	12.48
Between 1 and 5 years	166.28
Above 5 years	1,946.29
V Actuarial assumptions:	
Discount rate	7.83%
Salary escalation	7.00%
Employee turnover	Service < 5 : 14%
	Service >= 5 : 2%
Mortality tables	Indian assured lives mortality (2006-08)
Weighted average duration of the projected benefit obligation	17 years



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

42 Employee Benefits (Continued)

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

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 period, while holding all other assumptions constant.	
	Defined Benefit Plan
	2018
Defined Benefit Obligation - Discount rate + 100 basis points	(61.74)
Defined Benefit Obligation - Discount rate - 100 basis points	76.43
Defined Benefit Obligation - Salary escalation rate + 100 basis points	54.20
Defined Benefit Obligation - Salary escalation rate - 100 basis points	(51.04)
Defined Benefit Obligation - Employee turnover + 100 basis points	11.16
Defined Benefit Obligation - Employee turnover - 100 basis points	(13.63)
The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.	

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 452.62 lakhs expected to be paid in exchange for the services recognised as an expense during the period.

43 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 as on 31 March 2018

Investments in equity shares

Name of the entity	As at 9 March 2017	Acquired pursuant to scheme of arrangement (refer note 4)	Investment during the period	As at 31 March 2018
Sterling and Wilson (Thailand) Limited	-	0.23	-	0.23
Sterling and Wilson Saudi Arabia Limited	-	177.94	-	177.94
Sterling & Wilson - Waaree Private Limited	-	0.49	-	0.49
Sterling and Wilson International Solar FZCO	-	-	174.66	174.66

Investments in government securities (unquoted)

Particulars	As at 9 March 2017	Acquired pursuant to scheme of arrangement (refer note 4)	Redemption during the period	As at 31 March 2018
Treasury bills	-	33.02	(17.15)	15.87

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

Name of the entity	As at 9 March 2017	Acquired pursuant to scheme of arrangement (refer note 4)	Loan given during the period	Repaid during the period (including foreign exchange adjustment)	As at 31 March 2018
Sterling and Wilson International Solar FZCO (refer note 1 below)	-	21,002.87	12,826.05	(3,739.02)	30,089.90
Sterling and Wilson (Thailand) Ltd. (refer note 2 below)	-	6.60	5.25	-	11.85



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

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

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

Note 1: 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 2: 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.

44 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 period, 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 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	16.98	-	16.98
	16.98	-	16.98
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			-

45 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. In accordance with Ind AS 108 "Operating Segments", the Company has determined its business segments as "Solar". The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for Solar EPC and Solar Roof top. As the Company's business activity falls within a single business segment viz. 'Solar', the financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

B. 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 2018
India	280,899.12
Outside India	331,698.32
	612,597.44



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

45 Segment reporting (Continued)

B. Geographical information (Continued)

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

Particulars	31 March 2018
India	1,019.02
Outside India	163.85
	<u>1,182.87</u>

c) Information about major customers

Revenue from two customers of the Company is Rs 324,284.89 lakhs which is more than 10% of the Company's total revenue.

46 Earnings per share

Particulars		For the period beginning 9 March 2017 to 31 March 2018
Basic earnings per share		
Numerator:		
Profit after tax attributable to equity shareholders	A	13,198.07
Denominator:		
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the period		-
Equity shares issued during the period		16,039,588
Equity shares cancelled during the period		(3,588)
Number of equity shares outstanding at the end of the period		16,036,000
Weighted average number of equity shares outstanding during the period (based on date of issue of shares)	B	15,085,412
Basic and diluted earnings per share (Rs)	A / B	87.49
Face value per share		10.00

47 Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available 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 given below.

Particulars	2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year	
- Principal	Nil
- Interest	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil
MSMED	
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	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 MSMED Act, 2006	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures

48.1 Related parties and their relationship

Category of related parties	
1) Holding company	Shapoorji Pallonji and Company Private Limited
2) Subsidiaries, direct and indirect holding	Sterling and Wilson International Solar FZCO Sterling and Wilson (Thailand) Limited Sterling and Wilson Middle East Electromechanical Solar Energy L.L.C., Dubai Sterling and Wilson Singapore Pte Limited Sterling and Wilson Engineering (Pty) Limited Sterling and Wilson Kazakhstan LLP Sterling & Wilson - Waaree Private Limited Sterling and Wilson Saudi Arabia Limited Sterling Wilson - SPCPL - Chint Moroccan Venture (w.e.f. 3 October 2017)
3) Fellow subsidiaries	Abhipreet Trading Pvt. Ltd. Acreage Farm Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Infra projects Kazakhstan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Offshore and Marine Services Pvt. Ltd. Afcons Overseas Construction LLC Afcons Overseas Project Gabon SARL (w.e.f. 27 October 2015) Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC (w.e.f. 6 September 2015) Alaya Properties Pvt. Ltd. Aquadiagnostics Water Research & Technology Centre Ltd. Aquamall Water Solutions Ltd. Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Armada Madura EPC Ltd (w.e.f. 14 May 2015) Arina Solar Private Limited (w.e.f. 15/02/2017) Arme Investment Company Ltd (w.e.f. 28/06/2016) Aurinko Energy Private Limited (w.e.f. 23/01/2017) Balgad Power Company Pvt. Ltd. (w.e.f. 1 December 2015) Belva Farms Pvt. Ltd. Bengal Shapoorji Infrastructure Development Pvt. Ltd. Blue Riband Properties Pvt. Ltd. Bracewall Builders Pvt. Ltd. (w.e.f. 31 March 2016) Callidora Farms Pvt. Ltd. Campbell Properties and Hospitality Services Ltd. Chinsha Property Pvt. Ltd. Cyrus Engineers Pvt. Ltd. Dahej Standby Jetty Project Undertaking Delna Finance & Investments Pvt. Ltd. Delphi Properties Pvt. Ltd. Devine Realty & Construction Pvt. Ltd. Dhan Gaming Solution (India) Pvt. Ltd. Dharamtar Infrastructure Pvt. Ltd. (up to 25/03/2017)



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures (Continued)

48.1 Related parties and their relationship (Continued)

Category of related parties

2) Fellow subsidiaries (Continued)

EFL Mauritius Ltd.
Empower Builder Pvt. Ltd.
ESPI Holdings Mauritius Ltd.
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. (w.e.f. 02/08/2016)
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 Container Lines Pte Ltd.
Forbes Edumetry Ltd.
Forbes Enviro Solutions Ltd.
Forbes Facility Services Pvt. Ltd.
Forbes International AG
Forbes Lux FZCO
Forbes Lux International AG
Forbes Technosys Ltd.
Forbesline Shipping Services LLC
Forvol International Service Ltd.
Gallops Developers Pvt. Ltd.
Global Bulk Minerals FZE ("GBM") (w.e.f.04 September 2016)
Global Energy S.L. Ltd. (w.e.f. 11 February 2016)
Global Energy Ventures Mauritius.
Global Resource and Logistics Pte. Ltd.
Gokak Power & Energy Ltd.
Gokak Textiles Ltd.
Gossip Properties Pvt. Ltd.
GRL Mozambique S A
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) (w.e.f. 02 March 2016)
Khvafar Investments Pvt. Ltd.
Khvafar Property Developers Pvt. Ltd.
Leader Shipyard Pvt. Ltd.
LIAG Trading and Investments Ltd.
Lucrative Properties Pvt. Ltd.
Lux (Deutschland) GmbH
Lux /SK/s.r.o.
Lux Aqua Czech s.r.o. (w.e.f. 06 May 2016)
Lux Aqua Hungaria Kft (w.e.f. 27 November 2015)
Lux Aqua Paraguay SA (w.e.f. 01 December 2016)
Lux CZ s.r.o.
Lux del Paraguay S.A.
Lux Hungária Kereskedelmi Kft.
Lux Norge AS
Lux Oesterreich GmbH



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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures (Continued)

48.1 Related parties and their relationship (Continued)

Category of related parties

2) Fellow subsidiaries (Continued)

Lux Osterreich Professional GmbH, Austria (w.e.f. 30 December 2016)
Lux Professional GmbH, Germany (w.e.f. 22 December 2016)
Lux Professional International GmbH
Lux Schweiz AG
Lux Service GmbH
Lux Waterline GmbH (w.e.f. 24 June 2016)
Lux Interantional AG
Lux Italia srl
Maggie Finance Pvt. Ltd.
Make Home Realty & Construction Pvt. Ltd.
Malabar Trustee Co. Ltd.
Manjri Developers Pvt. Ltd.
Manjri Horse Breeders Farm Pvt. Ltd.
Manor Stud Farm Pvt. Ltd.
Mazsons Builders & Developers Pvt. Ltd.
Meriland Estates Pvt. Ltd.
Mileage Properties Pvt. Ltd.
Musamdham Rock LLC (w.e.f. 14 December 2016)
Neil Properties Pvt. Ltd.
Next Gen Publishing Ltd.
Nuevo Consultancy Services Ltd.
Nursery Projects and Agri Development Pvt. Ltd.
Nutan Bidyut (Bangladesh) Ltd.
Palchin Real Estates Pvt. Ltd.
Phenomenon Developers Pvt. Ltd.
PNP Maritime Services Pvt. Ltd.
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.
S C Motors Pvt. Ltd.
S P Global Operations Ltd.
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.
Sarat SP Algeria
Shachin Real Estate Pvt. Ltd.
Shapoorji AECOS Construction Pvt. Ltd.
Shapoorji Data Processing Pvt. Ltd.
Shapoorji Holding Limited (w.e.f. 01 April 2016)
Shapoorji Hotels Pvt. 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 Defence and Marine Engineering Pvt. Ltd.
Shapoorji Pallonji Infrastructure Capital Co Private Limited
Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
Shapoorji Pallonji Energy Company INC
Shapoorji Pallonji Finance Pvt. Ltd.
Shapoorji Pallonji Forbes Shipping Ltd.
Shapoorji Pallonji General Trading For Construction Company WLL



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Notes to the standalone financial statements (Continued)

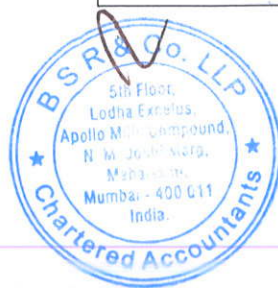
for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures (Continued)

48.1 Related parties and their relationship (Continued)

Category of related parties	
2) Fellow subsidiaries (Continued)	<p>Shapoorji Pallonji Ghana Ltd. Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd. Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd. Shapoorji Pallonji International, Dafza. UAE Shapoorji Pallonji International, Fujairah. UAE Shapoorji Pallonji Investment Advisors Pvt. Ltd. Shapoorji Pallonji Kazakhstan LLC Shapoorji Pallonji Lanka Pvt. Ltd. Shapoorji Pallonji Libya JSC. Libya Shapoorji Pallonji Malta Ltd Shapoorji Pallonji Mid East LLC Shapoorji Pallonji Nigeria 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 Qatar WLL Shapoorji Pallonji Renewables Pvt. Ltd. Shapoorji Pallonji Roads Pvt. Ltd. Shapoorji Pallonji Rural Solutions Pvt Ltd. Shapoorji Pallonji Solar Holdings Pvt Ltd Shapoorji Pallonji Solar PV Pvt. Ltd. Shapoorji Pallonji Transportation Projects Pvt. Ltd. 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 Imperial Star Pvt. Ltd.(w.e.f. 22 August 2016) (up to 25 March 2017) SP Infocity Developers Pvt. Ltd. SP International Property Developer LLC SP International, Cayman Island SP Jammu Udhampur Highway Pvt. Ltd. SP Nano Products Pvt. Ltd. SP Oil Exploration Pvt. Ltd. SP Photovoltaic Pvt. Ltd. SP Port Maintenance Pvt. Ltd.(w.e.f.22 August 2016) (up to 25 March 2017) SP Ports Pvt. Ltd. SP Properties Holding Ltd. SP Solren Pvt. Ltd. SP Trading (Partnership Firm) SPCL Holdings Pte Ltd. Steppe Developers Pvt. Ltd. Sterling and Wilson Private Limited Sterling & Wilson Australia Pty Ltd Sterling & Wilson Nigeria Ltd. Sterling & Wilson Power Solutions LLC (w.e.f. 5 April 2015) Sterling & Wilson Powergen LLC (w.e.f. 5 April 2015) Sterling and Wilson Powergen Private Limited</p>



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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures (Continued)

48.1 Related parties and their relationship (Continued)

Category of related parties	
2) Fellow subsidiaries (Continued)	<p>Sterling and Wilson Co-Gen Solutions Private Limited</p> <p>Sterling and Wilson Powergen FZE</p> <p>Sterling Generators Private Limited</p> <p>Sterling and Wilson Security Systems Private Limited</p> <p>Sun Energy One Pvt. Ltd. (w.e.f. 02 August 2016)</p> <p>Sunny View Estates Pvt. Ltd.</p> <p>Sunrays Power One (Pvt.) Ltd. (w.e.f. 02 August 2016)</p> <p>Sunrise Energy Pvt. Ltd. (w.e.f. 02 August 2016)</p> <p>Sunshine Energy Kenya Ltd. (w.e.f. 13 June 2016)</p> <p>Surya Power One Pvt. Ltd. (w.e.f. 02 August 2016)</p> <p>Suryoday Energy Pvt. Ltd. (w.e.f. 19 July 2015)</p> <p>TN Solar Power Energy Pvt. Ltd.</p> <p>Transform Sun Energy Pvt. Ltd. (w.e.f. 30 June 2015)</p> <p>Transtonneltroy Afcons Joint Venture</p> <p>United Motors (India) Pvt. Ltd.</p> <p>Universal Mine Developers and Service Providers Pvt. Ltd.</p> <p>Universal Projects & Resources (Netherlands) B.V. (w.e.f. 14 March 2016)</p> <p>Volkart Fleming Shipping & Services Ltd.</p> <p>West Coast Liquid Terminal Pvt. Ltd. (w.e.f. 26 May 2016)</p>
3) Joint ventures of fellow subsidiary	<p>Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium</p> <p>STC Power SRL (w.e.f. 21 April 2016)</p> <p>Co.Stell SRL (w.e.f. 21 April 2016)</p> <p>P.T.C. S.a.s. di Barzanti Massimo (w.e.f. 21 November 2017)</p> <p>Sterling and Wilson Cogen Solutions LLC (w.e.f. 25 November 2015)</p>
4) Key Management Personnel	<p>Mrs. Zarine Y Daruvala, Director</p> <p>Mr. Khurshed Y Daruvala, Director</p> <p>Mr. Pallon Shapoor Mistry, Director</p>
5) Relatives of Key Management Personnel	<p>Mrs. Kainaz K. Daruvala</p> <p>Mrs. Parvin Zarine Madan</p>
6) Entities over which key managerial person or their relatives exercise control	<p>Delsys Infotech Private Limited,</p> <p>Transtel Systems Private Limited</p> <p>M/S. Fahudco</p> <p>Sterling Viking Power Private Limited</p> <p>Iris Energy Private Limited</p> <p>Daric Consultancy FZC</p> <p>Sterling and Wilson Energy Systems Private Limited</p>
7) Entities over which Holding Company exercise significant influence	<p>Afcons Pauling Joint Venture</p> <p>Afcons (Mideast) Constructions & Investments Pvt. Ltd.</p> <p>AFCONS Sener LNG Construction Projects Pvt. Ltd.</p> <p>Afcons-Sibmost Joint Venture (w.e.f. 03 August 2016)</p> <p>Afcons-Vijeta -PES Joint Venture (w.e.f. 27 May 2016)</p> <p>AMC Cookware PTE Ltd</p> <p>Aqualgnis Technologies Pvt. Ltd.</p> <p>Armada 98/2 Pte. Ltd. (w.e.f. 15 March 2017)</p> <p>Armada C7 Pte Ltd (Singapore)</p> <p>Armada D1 Pte Ltd (Singapore)</p> <p>Armada Madura EPC Ltd (w.e.f. 14 May 2015)</p> <p>Awesome Properties Pvt. Ltd.</p> <p>Behold Space Developers Pvt. Ltd.</p> <p>Bengal Shapoorji Housing Development Pvt. Ltd.</p> <p>Bharat Renewable Energy P Ltd.</p> <p>Bigsearch Properties Pvt. Ltd.</p> <p>Blessing Properties Pvt. Ltd.</p> <p>Blue Stone Middle East Ltd</p>



Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures (Continued)

48.1 Related parties and their relationship (Continued)

Category of related parties	
7) Entities over which Holding Company exercise significant influence	BNV Gujarat Rail Private Ltd. (w.e.f. 19 December 2016) Coventry Properties Pvt. Ltd. Cyrus Chemicals Pvt. Ltd. Dream Chalet Pvt. Ltd.
8) Entities over which Holding Company exercise significant influence (Continued)	Forbes Aquatech Ltd. Forbes Concept Hospitality Services Pvt. Ltd. Forbes Bumi Armada Ltd. Forbes Bumi Armada Offshore Ltd. Forbes G4S Solutions Private Limited Grand View Estates Pvt. Ltd. Heart Beat Properties Pvt. Ltd. G. S. Enterprises (Partnership Firm) HPCL Shapoorji Energy Ltd. Image Realty LLP Infinite Water Solutions Private Limited Insight Properties Pvt. Ltd. Irecon Afcons Joint venture Jess Realty Pvt. Ltd. (w.e.f. June 26, 2015) Joyous Housing Ltd. Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.) (w.e.f. 15 October 2015) Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture Meridian Enterprise (Joint venture) Minean SP Construction Corporation Mirth Property Developers Pvt. Ltd. Natural Oil Ventures Co Ltd. Newtech Planners & Consultancy Services Pvt. Ltd. w.e.f. 28 April 2015) P T Gokak Indonesia P.T.C. S.a.s. di Barzanti Massimo (w.e.f. 21 November 2016) Redstone Films Pvt Ltd Rock Spaces Pvt.Ltd. S D Suburban Development Pvt. Ltd. (w.e.f. 31 March 2016) 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 Sandor Proteomics Pvt. Ltd. (upto 15 December 2015) SD Palm Lands Redevelopment Pvt. Ltd. SD Powai Redevelopment Pvt. Ltd. SDC Infrastructure Pvt. Ltd. SDC Mines Pvt Ltd SDC Township Pvt. Ltd. Satori Property Developers Pvt. Ltd. Seaward Realty Pvt. Ltd. Shapoorji Pallonji and OEG Services Private Limited Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd. (w.e.f. 19 July 2016) Solar Capital De Aar 3 (RF) Proprietary Limited SP Armada Offshore Pvt. Ltd. SP Armada Oil Exploration Pvt. Ltd. SP Trading (Partnership Firm) (upto 30 September 2015) SP Imperial Star Pvt. Ltd. (w.e.f. 26 July 2017) Space Square Developers Pvt. Ltd. Sterling Motors (Partnership Firm) Sunny Recreational Property Developers Pvt. Ltd. Strabag Afcons Joint Venture Turner Films Pvt Ltd Zhanakorgan Energy LLP



Sterling and Wilson Solar Private Limited
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Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 Related party disclosures (Continued)

48.2 Transactions and balances with related parties

Sr. No	Nature of transaction	Holding Company	Subsidiaries and Fellow subsidiaries	Key management personnel and their relatives	Total
I	Income from works contracts	153.09	30,709.21	-	30,862.30
II	Sale of traded goods	-	62,341.27	-	62,341.27
III	Advance received from customers	1,159.54	5,771.41	-	6,930.95
IV	Management support fees	600.00	-	-	600.00
V	Purchases of construction material	-	224,098.82	-	224,098.82
VI	Receiving of Services	-	16,965.74	-	16,965.74
VII	Advance given to suppliers and contractors	-	64,235.03	-	64,235.03
VIII	Loan given	-	12,831.30	-	12,831.30
IX	Loan repaid	-	3,725.17	-	3,725.17
X	Interest income	-	2,351.48	-	2,351.48
XI	Loan receivable	-	30,101.75	-	30,101.75
XII	Interest receivable	-	1,326.50	-	1,326.50
XIII	Advance from customer	-	1,446.53	-	1,446.53
XIV	Trade receivables	23.82	75,550.65	-	75,574.47
XV	Recoverable expenses	-	452.94	-	452.94
XVI	Other receivables	-	32,421.74	-	32,421.74
XVII	Gross amount due from customer	153.09	944.82	-	1,097.91
XVIII	Gross amount due to customer	-	108.61	-	108.61
XIX	Trade payable	-	74,952.77	-	74,952.77
XX	Advance to suppliers	-	43,706.70	-	43,706.70
XXI	Equity shares issued	1,054.67	0.36	548.94	1,603.96
XXII	Equity shares cancelled	-	0.36	-	0.36



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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

48 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	153.09	-	-
	Afcons Infrastructure Limited	-	1,601.21	-
	Shapoorji Pallonji Infra Capital Co Private Limited	-	27,000.32	-
	Suryoday Energy Private Limited	-	251.80	-
	SP Photovoltaic Private Limited	-	494.68	-
	Transform Solar Energy Private Limited	-	1,330.67	-
	Transform Sun Energy Private Limited	-	30.53	-
II	Sale of traded goods			
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	62,341.27	-
III	Advance received from customers			
	Shapoorji Pallonji and Company Private Limited	1,159.54	-	-
	Shapoorji Pallonji Infra Capital Co Private Limited	-	5,771.41	-
IV	Management support fees			
	Shapoorji Pallonji and Company Private Limited	600.00	-	-
V	Purchases of construction material			
	Sterling and Wilson International Solar FZCO	-	217,861.67	-
	Sterling and Wilson Powergen Private Limited	-	29.24	-
	Sterling Viking Power Private Limited	-	0.14	-
	Sterling Generators Private Limited	-	6,207.77	-
VI	Receiving of Services			
	Sterling and Wilson Middle East Solar Energy LLC	-	16,894.02	-
	Forvol International Services Limited	-	71.72	-
VII	Advance given to suppliers and contractors			
	Sterling and Wilson International Solar FZCO	-	64,235.03	-
VIII	Loan given			
	Sterling and Wilson International Solar FZCO	-	12,826.05	-
	Sterling and Wilson (Thailand) Limited	-	5.25	-
IX	Loan repaid			
	Sterling and Wilson International Solar FZCO	-	3,725.17	-
X	Interest income			
	Sterling and Wilson International Solar FZCO	-	2,350.67	-
	Sterling and Wilson (Thailand) Limited	-	0.81	-
XI	Loan receivable			
	Sterling and Wilson International Solar FZCO	-	30,089.90	-
	Sterling and Wilson (Thailand) Limited	-	11.85	-
XII	Interest receivable			
	Sterling and Wilson International Solar FZCO	-	1,325.32	-
	Sterling and Wilson (Thailand) Limited	-	1.18	-
XIII	Advance from customer			
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	1,446.53	-



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Notes to the standalone financial statements (Continued)

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(Currency: Indian rupees in lakhs)

48 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	23.82	-	-
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	58,120.11	-
	Transform Solar Energy Private Limited	-	47.86	-
	Afcons Infrastructure Limited	-	1,698.75	-
	Shapoorji Pallonji Infra Capital Company Private Limited	-	15,496.62	-
	Sterling and Wilson Engineering (Pty) Ltd.	-	7.01	-
	Transform Sun Energy Private Limited	-	180.29	-
XV	Recoverable expenses			
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	382.95	-
	Sterling & Wilson - Waaree Private Limited	-	69.99	-
XVI	Other receivables			
	Sterling and Wilson Private Limited	-	32,421.74	-
XVII	Gross amount due from customer			
	Shapoorji Pallonji and Company Private Limited	153.09	-	-
	Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	575.59	-
	Sterling Wilson - SPCPL - Chint Moroccan Venture	-	369.23	-
XVIII	Gross amount due to customer			
	Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	108.61	-
XIX	Trade payable			
	Sterling and Wilson International Solar FZCO	-	64,763.40	-
	Sterling and Wilson Middle East Solar Energy LLC	-	9,815.30	-
	Sterling Generators Private Limited	-	329.53	-
	Sterling and Wilson Powergen Private Limited	-	20.96	-
	Forvol International Services Limited	-	23.58	-
XX	Advance to suppliers			
	Sterling and Wilson International Solar FZCO	-	36,627.98	-
	Sterling and Wilson Middle East Solar Energy LLC	-	7,078.72	-
XXI	Equity shares issued			
	Sterling and Wilson Private Limited	-	0.36	-
	Shapoorji Pallonji and Company Private Limited	1,054.67	-	-
	Mr. Khurshed Daruvala	-	-	534.53
	Mr. Pallonji S. Mistry	-	-	14.40
	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	-	0.36	-

Notes :

- 1 Refer note 4 for movable fixed assets subject to first charge to secured bank loans obtained by Sterling and Wilson Private Limited, a fellow subsidiary of the Company.



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Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian Rupees in lakhs)

49 Income taxes

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

Particulars	31 March 2018
Current tax expense :	
Current year	7,674.32
Changes in estimate related to prior years	-
	7,674.32
Deferred tax :	
Origination and reversal of temporary differences	(639.11)
	(639.11)
Tax expenses	7,035.21

b) Income tax recognised in other comprehensive income

Particulars	Period ended 31 March 2018	Net of tax
	Before tax	Tax (expense) benefit
Items that will not be reclassified to profit or loss		
Remeasurement gain / (losses) on post employment defined benefit plan	(24.66)	8.62
Items that will be reclassified to profit or loss		
Exchange differences in translating financial statements of foreign operations	12.65	-
Effective portion of gain/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	331.23	-
		331.23



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Notes to the standalone financial statements (Continued)
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(Currency: Indian Rupees in lakhs)

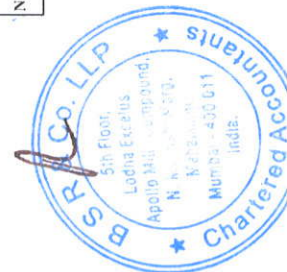
49 Income taxes (Continued)

c) Reconciliation of effective tax rate

Particulars	Period ended 31 March 2018
Profit before tax	20,233.28
Tax using the Company's domestic tax rate (current year 34.608%)	7,002.33
Tax effect of:	
Non-deductible expenses	41.64
Change in tax rates	(8.76)
Effective tax rate	7,035.21

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

Particulars	Balance as at 9 March 2017	Acquired pursuant to scheme of arrangement (refer note 4)	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	-	(43.72)	9.35	-	(34.37)
Provision for bad and doubtful debts	-	24.01	47.63	-	71.64
Employee benefits	-	283.20	209.31	8.62	501.13
Provision for mark to market losses on derivative instruments	-	-	355.42	-	355.42
Fair valuation of financial assets	-	-	21.74	-	21.74
Fair valuation of financial liabilities	-	-	(24.86)	-	(24.86)
Amortisation of expenses on merger	-	-	5.14	-	5.14
Other adjustments	-	-	15.38	-	15.38
Net deferred tax asset	-	263.49	639.11	8.62	911.22



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Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

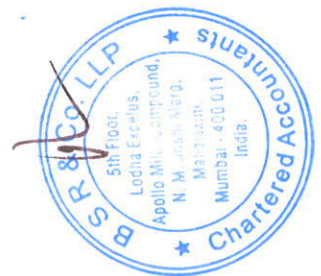
(Currency : Indian rupees in lakhs)

50 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 2017	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								
Investments in subsidiaries	-	-	353.32	353.32	-	-	-	-
Investment in government securities	15.87	-	-	15.87	15.87	-	-	15.87
Cash and cash equivalents	-	-	3,938.88	3,938.88	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	35.94	35.94	-	-	-	-
Loans	-	-	30,483.94	30,483.94	-	-	-	-
Trade receivables	-	-	220,636.05	220,636.05	-	-	-	-
Other receivables	-	-	32,874.68	32,874.68	-	-	-	-
Interest accrued on deposits	-	-	1,326.50	1,326.50	-	-	-	-
Unbilled revenue	-	-	19,236.08	19,236.08	-	-	-	-
	15.87	-	308,885.39	308,901.26	15.87	-	-	15.87
Financial liabilities								
Short term borrowings	-	-	6,652.38	6,652.38	-	-	-	-
Trade payables	-	-	290,192.34	290,192.34	-	-	-	-
Derivatives	1,042.11	-	-	1,042.11	-	1,042.11	-	1,042.11
Other current financial liabilities	-	-	1,876.78	1,876.78	-	-	-	-
	1,042.11	-	298,721.50	299,763.61	-	1,042.11	-	1,042.11



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Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

50 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 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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50 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 Board of directors 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 Board of directors are 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)

for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

50 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 2018 is Rs 220,636.05 lakhs .

Two largest customer has total exposure in receivables 56.63%.

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 period was as follows:

Particulars	Amount
Balance as at 9 March 2017	-
Add: Acquired pursuant to scheme of arrangement (refer note 4)	70.00
Add: Impairment losses recognised during the period	135.00
Balance as at 31 March 2018	205.00

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 3,974.82 lakhs. 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 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 2018. The Company does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries.

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



Sterling and Wilson Solar Private Limited

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Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

50 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 2018, the Company had buyers credit of Rs 6,652.38 lakhs including cash and cash equivalents of Rs 3,938.88 lakhs and other bank balances of Rs 35.94 lakhs.

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:

			Contractual cash flows			
31 March 2018	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	1,042.11	1,042.11	1,042.11	-	-	-
Inflow	-	-	-	-	-	-
Non-derivative financial liabilities						
Buyers credit	6,652.38	6,745.15	6,745.15	-	-	-
Trade payables	290,192.34	290,192.34	290,192.34	-	-	-
Interest accrued and due	112.85	112.85	112.85	-	-	-
Interest accrued but not due on borrowings	13.02	13.02	13.02	-	-	-
Other current financial liabilities	1,750.91	1,750.91	1,750.91	-	-	-

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.



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Notes to the standalone financial statements (Continued)
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(Currency - Indian rupees in lakhs)

50 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 2018 are as below:

Amounts in INR	USD	GBP	EUR	31 March 2018 Peso	ZWK	BDT	ARS	Others *
Financial assets								
Trade receivables	74,724.59	-	-	202.59	-	-	-	-
Loan given to subsidiaries	30,101.75	-	-	-	-	-	-	-
Interest accrued on loans to subsidiaries	1,326.50	-	-	-	-	-	-	-
Cash and Cash Equivalents	3,230.85	-	-	-	4.64	67.66	26.97	513.98
Bank balances other than cash and cash equivalents	-	-	-	28.69	-	-	-	-
Security deposits	-	-	-	7.86	2.93	10.91	-	17.83
Unbilled receivables	425.46	-	-	-	281.65	40.52	114.85	120.35
Exposure to foreign currency assets	109,809.15	-	-	239.14	289.22	119.09	141.82	652.16
Financial liabilities								
Buyers credit	6,652.38	-	-	-	-	-	-	-
Interest accrued but not due	13.02	-	-	-	-	-	-	-
Trade payables and other payable	154,104.30	1,438.41	3.30	573.19	9.52	31.60	256.19	-
Other financial liabilities	-	-	-	-	-	-	-	106.68
Exposure to foreign currency liabilities	160,769.70	1,438.41	3.30	573.19	9.52	31.60	256.19	106.68
Forward exchange contract	6,652.38	-	-	-	-	-	-	-
Net exposure to foreign currency liabilities	154,117.32	1,438.41	3.30	573.19	9.52	31.60	256.19	106.68
Net Exposure	(44,308.17)	(1,438.41)	(3.30)	(334.05)	279.70	87.49	(114.37)	545.48

* Others includes Namibian Dollar and Egyptian Pound

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

b. Hedged foreign currency exposure

		31 March 2018 Foreign currency (in lakhs)	Indian Rupees (in lakhs)
Foreign exchange forward contracts (To hedge Buyers credit)	USD	102.62	6,652.38
Foreign exchange forward contracts (To hedge highly probable future transactions - payables)	USD	745.50	48,325.55
		848.12	54,977.93

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.

Effect in INR lakhs	31 March 2018 Profit or loss	Strengthening	Weakening
USD		(2,215.41)	2,215.41
GBP		(71.92)	71.92
EUR		(0.16)	0.16
Peso		(16.70)	16.70
ZWK		13.99	(13.99)
BDT		4.37	(4.37)
ARS		(5.72)	5.72
Others		27.27	(27.27)



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

Notes to the standalone financial statements (Continued)

for the period beginning 9 March 2017 to 31 March 2018

(Currency : Indian rupees in lakhs)

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

(c) Financial risk management (Continued)

iii Market risk (Continued)

(b) Interest rate risk

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

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 22 of these financial statements.

Particulars	31 March 2018
Fixed rate instruments	
Financial assets	7.25
Financial liabilities	-
	<u>7.25</u>
Variable rate instruments	
Financial assets	30,170.63
Financial liabilities	(6,652.38)
	<u>23,518.25</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		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2018				
Variable-rate instruments	235.18	(235.18)	153.00	(153.00)
Cash flow sensitivity (net)	<u>235.18</u>	<u>(235.18)</u>	<u>153.00</u>	<u>(153.00)</u>

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

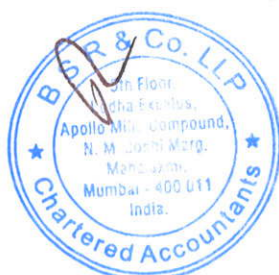
(d) Capital Management

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 at 31 March 2018 was as follows:

Particulars	31 March 2018
Current Borrowings	6,652.38
Gross debt	<u>6,652.38</u>
Less: Cash and cash equivalents	<u>3,938.88</u>
Adjusted net debt	<u>2,713.50</u>
Total equity	<u>23,503.22</u>
Adjusted net debt to adjusted equity ratio	<u>0.12</u>



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

Notes to the standalone financial statements (Continued)
for the period beginning 9 March 2017 to 31 March 2018

(Currency: Indian rupees in lakhs)

51 Transfer Pricing

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

52 Prior period comparatives

The Company was incorporated on 9 March 2017. As these are the first financial statements of the Company, prior period comparatives are not applicable.

53 Disclosure of Specified Bank Notes

The Company was incorporated on 9 March 2017 which is after the period 8 November 2017 to 30 December 2017, hence the disclosure requirement as envisaged in Notification G.S.R. 308 (E) dated 30 March 2017 is not applicable to the Company.

54 Subsequent event

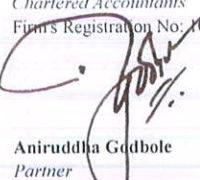
Pursuant to a resolution dated 16 July 2018, the shareholders of the Company expressed their intent to convert loan given to Sterling and Wilson International Solar FZCO, a subsidiary of the Company, along with interest accrued thereon into equity. Accordingly, the loan given to subsidiary and interest accrued thereon to the extent of Rs 31,238.20 lakhs as at 31 March 2018 will be converted into equivalent amount of equity shares subsequent to the period end subject to approval from statutory and regulatory approvals in India and the United Arab Emirates.

55 Other matters

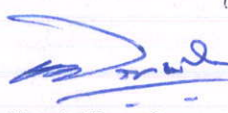
Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the period.

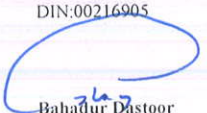
As per our report of even date attached.

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


Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
11 August 2018



Khurshed Daruvala
Director
DIN:00216905


Bahadur Dastoor
Chief Financial Officer
Membership No: 48936

Mumbai
11 August 2018

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Private Limited
(formerly known as Rashmika Energy Private Limited)
CIN:U74999MH2017PTC292281


Pallon Mistry
Director
DIN:05229734


Jagannadha Rao
Company Secretary
Membership No: F2808