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 & Wilson – Waaree Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling & Wilson – Waaree Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019 and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

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

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

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

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India Chartered Accountants

Independent Auditors' Report *(Continued)*

Sterling & Wilson – Waaree Private Limited

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India
Chartered Accountants

Independent Auditors' Report *(Continued)*

Sterling & Wilson – Waaree Private Limited

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act;

   e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

   f) 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".

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

Independent Auditors' Report *(Continued)*

Sterling & Wilson – Waaree Private Limited

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

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations which would impact its financial position;

ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

i. according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration; and
ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
11 June 2019

Sterling & Wilson – Waaree Private Limited

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

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year in line with its policy of verifying them annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and according to information and explanations given to us, no discrepancies were noticed upon such verification during the year.

(c) According to the information and explanation 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 Company does not hold any inventory of construction materials, stores and spare parts throughout the year. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has granted unsecured loans to two companies 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 body corporates, limited liability partnership, firms 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 the unsecured loans granted by the Company to two companies 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 companies and the interest thereon are repayable on demand. The borrowers have been regular in payment of principle and interest as demanded.

(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 two companies covered 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 the provisions of Section 185 and 186 of the Act, with respect to the loans granted to two companies. The Company has not made any investment or provided any guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Sections 185 and 186 of the Act in respect of making investment or providing guarantees and securities is not applicable to the Company.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

Sterling & Wilson – Waaree Private Limited

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

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of Provident fund, Employees' state insurance, Profession tax and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and service tax, Income tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable to the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues of Goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company does not have any loans or borrowings from government or outstanding dues to any financial institutions or banks or dues to debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the management.

B S R & Co. 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India. Chartered Accountants

Sterling & Wilson – Waaree Private Limited

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

(xi) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not paid/provided for managerial remuneration during the year. 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 and the Nidhi Rules, 2014 are not applicable to it. 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 financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. 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 year. Accordingly, paragraph 3 (xiv) of the order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
11 June 2019

Sterling & Wilson – Waaree Private Limited

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

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

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

Opinion

We have audited the internal financial controls with reference to the financial statements of Sterling & Wilson – Waaree Private Limited as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

B S R & Co. LLP
Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

Sterling & Wilson – Waaree Private Limited

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

Auditors' Responsibility *(continued)*

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

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

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
11 June 2019

Sterling & Wilson - Waaree Private Limited

Balance sheet
as at 31 March 2019

(Currency . Indian rupees in million)

Particulars	*Note*	31 March 2019	31 March 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	4	**0.22**	-
(b) Deferred tax assets	5	**0.01**	5.03
(c) Other non-current assets	6	**17.41**	51.34
Total non-current assets		**17.64**	56.37
Current assets			
(a) Financial assets			
(i) Trade receivables	7	**102.74**	573.27
(ii) Cash and cash equivalents	8	**9.49**	12.37
(iii) Loans	9	**366.22**	-
(iv) Other financial assets	10	**16.96**	-
(b) Other current assets	11	**0.06**	-
Total current assets		**495.47**	585.64
Total assets		**513.11**	642.01
Equity and Liabilities			
Equity			
(a) Equity share capital	12	**0.05**	0.05
(b) Other equity	13	**359.06**	138.35
Total equity		**359.11**	138.40
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**25.23**	294.93
(ii) Other financial liabilities	15	**9.12**	8.31
(b) Other current liabilities	16	**20.20**	103.16
(c) Provisions	17	-	14.50
(d) Current tax liabilities (net)	18	**99.45**	82.71
Total current liabilities		**154.00**	503.61
Total equity and liabilities		**513.11**	642.01
Significant accounting policies	3		
Notes to the financial statements	1-39		

The attached notes are an integral part of these 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
Date: 11 June 2019

For and on behalf of Board of Directors
Sterling & Wilson - Waaree Private Limited
CIN: U93000MH2016PTC288571

Khurshed Daruvala
Director
DIN:00216905

Zarine Y Daruvala
Director
DIN:00190585

Mumbai
Date: 11 June 2019

Sterling & Wilson - Waaree Private Limited

Statement of profit and loss

for the year ended 31 March 2019

(Currency : Indian rupees in million)

Particulars	***Note***	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Income			
Revenue from operations	*19*	**425.67**	563.85
Other income	*20*	**91.04**	7.89
Total income		**516.71**	571.74
Expenses			
Cost of construction materials, stores and spare parts	*21*	**27.98**	311.41
Direct project costs	*22*	**153.32**	21.13
Other expenses	*24*	**0.45**	14.70
Total expenses		**181.75**	347.24
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**334.96**	224.50
Finance costs	*23*	**17.51**	8.32
Depreciation expense	*4*	**0.05**	-
Profit before tax		**317.40**	216.18
Tax expenses:	*33*		
(i) Current tax		**91.67**	82.71
(ii) Deferred tax charge / (credit)		**5.02**	(5.03)
		96.69	77.68
Profit for the year		**220.71**	138.50
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**220.71**	138.50
Earnings per equity share (nominal value of Rs. 1,000 each, fully paid-up)			
Basic and diluted earnings per share (Rs.) - Class A equity shares	*30*	**4,504,248**	2,826,511
Basic and diluted earnings per share (Rs.) - Class B equity shares	*30*	**220,708,152**	138,499,052
Significant accounting policies	*3*		
Notes to the financial statements	*1-39*		

The attached notes are an integral part of these 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
Date: 11 June 2019

For and on behalf of Board of Directors
Sterling & Wilson - Waaree Private Limited
CIN: U93000MH2016PTC288571

Khurshed Daruvala
Director
DIN:00216905

Zarine Y Daruvala
Director
DIN:00190585

Mumbai
Date: 11 June 2019

Sterling & Wilson - Waaree Private Limited

Statement of changes in equity
for the year ended 31 March 2019

(Currency : Indian rupees in million)

A. Equity share capital

	Note	**Balance as at 1 April 2018**	**Changes in Equity share capital during the year**	**Balance as at 31 March 2019**
Equity share capital	*12*	**0.05**	-	**0.05**

	Note	Balance as at 1 April 2017	Changes in Equity share capital during the year	Balance as at 31 March 2018
Equity share capital	*12*	0.05	-	0.05

B. Other equity

	Retained Earnings
Balance as at 1 April 2017	(0.15)
Profit for the year	138.50
Total comprehensive income for the year	138.50
Balance as at 31 March 2018	138.35
Balance as at 1 April 2018	**138.35**
Profit for the year	**220.71**
Total comprehensive income for the year	**220.71**
Balance as at 31 March 2019	**359.06**

The attached notes are an integral part of these 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
Date: 11 June 2019

For and on behalf of Board of Directors
Sterling & Wilson - Waaree Private Limited
CIN: U93000MH2016PTC288571

Khurshed Daruvala
Director
DIN:00216905

Zarine Y Daruvala
Director
DIN:00190585

Mumbai
Date: 11 June 2019

Sterling & Wilson - Waaree Private Limited

Statement of cash flows

for the year ended 31 March 2019

(Currency : Indian rupees in million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Cash flows from operating activities**		
	Profit before tax	**317.40**	216.18
	Adjustments:		
	Depreciation expense	**0.05**	-
	Provision for onerous contract	-	14.50
	Reversal of provision for onerous contract	**(14.50)**	-
	Interest income	**(18.85)**	-
	Finance cost	**17.51**	8.32
	Unrealised foreign exchange gain	**(8.98)**	(8.88)
	Operating profit before working capital changes	**292.63**	230.12
	Changes in working capital:		
	Decrease/ (increase) in trade receivables	**480.15**	(563.85)
	Decrease / (Increase) in other current assets and non current assets	**33.88**	(51.34)
	(Decrease)/ increase in trade payables	**(270.07)**	398.09
	(Decrease) in other financial liabilities	**(8.31)**	-
	(Decrease) in other current liabilities	**(82.96)**	-
	Net change in working capital	**152.69**	(217.10)
	Cash generated from operations	**445.32**	13.02
	Income taxes paid	**(82.31)**	-
	Net cash flows generated from operating activities	**363.01**	13.02
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	**(0.27)**	-
	Loan given to fellow subsidiaries	**(397.72)**	-
	Loan repaid by fellow subsidiaries	**31.50**	-
	Interest received on loan given to fellow subsidiaries	**1.88**	-
	Net cash flows (used in) investment activities	**(364.61)**	-
C	**Cash flows from financing activities**		
	Interest paid	**(1.01)**	-
	Loan taken from holding company	**362.65**	-
	Loan repaid to holding company	**(362.65)**	-
	Net cash flows (used in) financing activities	**(1.01)**	-
	Net movement in currency translation (D)	**(0.27)**	(0.65)
	Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	**(2.88)**	12.37
	Cash and cash equivalents at the beginning of the year	**12.37**	-
	Cash and cash equivalents at the end of the year	**9.49**	12.37

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

Sterling & Wilson - Waaree Private Limited

Statement of cash flows *(Continued)*

for the year ended 31 March 2019

(Currency : Indian rupees in million)

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

2 **Components of cash and cash equivalents:**

Particulars	**31 March 2019**	31 March 2018
Balances with banks		
- On current accounts	**9.02**	11.84
Cash on hand	**0.47**	0.53
Total cash and cash equivalents	**9.49**	12.37

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

Particulars	**31 March 2019**	31 March 2018
Short term borrowings		
At the opening of the year	-	-
Loan taken during the year	**362.65**	-
Loan repaid during the year	**(362.65)**	-
At the closing of the year	-	-

The attached notes are an integral part of these 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
Date: 11 June 2019

For and on behalf of Board of Directors
Sterling & Wilson - Waaree Private Limited
CIN: U93000MH2016PTC288571

Khurshed Daruvala
Director
DIN:00216905

Zarine Y Daruvala
Director
DIN:00190585

Mumbai
Date: 11 June 2019

1. Background

Sterling & Wilson - Waaree Private Limited ("the Company") is a Private Limited Company domiciled in India with its registered office situated at 9th Floor, Universal Majestic, P.L.Lokhande Marg, Chembur (West) Mumbai - 400043. The Company has been incorporated on 16 December 2016 under the provisions of the Companies Act, 2013. The Company has been incorporated to design, engineer, supply, erect, commission, maintain, repair solar power plants, accessories, components, spare parts thereof and provide renewable energy solutions, both in India and abroad.

The Company is a wholly owned subsidiary of Sterling and Wilson Solar Limited *(formerly known as Sterling and Wilson Solar Private Limited)* with effect from 1 April 2017.

2. Basis of preparation of the financial statements

(a) *Statement of compliance*

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

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

(b) *Functional and presentation currency*

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

(c) *Basis of measurement*

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

(d) *Use of estimates and judgements*

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.
Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 are as follows:

(i) *Evaluation of percentage of completion*

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

(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 fair values*

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011, India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

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

(d) Use of estimates and judgements (Continued)

(v) Measurement of fair values (Continued)

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:-
- Note 34 – financial instruments.

(vi) Impairment losses on trade receivables

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

3. Significant accounting policies

3.1 Current/ non-current classification

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

Assets

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

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

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

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast 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.

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

3.2 Financial instruments

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

(a) Recognition and initial measurement

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

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

3. Significant accounting policies *(Continued)*

3.2 Financial instruments (Continued)

(a) Recognition and initial measurement (Continued)

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 year 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;

– 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).

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

3. Significant accounting policies *(Continued)*

3.2 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

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

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

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

(ii) Financial assets at amortised cost:

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

(iii) Debt investments at FVOCI:

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

(iv) Equity investments at FVOCI:

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

(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 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.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

3. Significant accounting policies *(Continued)*

3.3 Fair Value

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

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

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

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

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

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

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

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

3.4 Provisions and Contingencies

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

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

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

Onerous contracts

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

3.5 Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018.

Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

3. Significant accounting policies *(Continued)*

3.5 *Revenue recognition (Continued)*

Revenue from works contract

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

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

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

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

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

3.6 *Recognition of interest income*

Interest income 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, 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.

3.7 *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

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 statement of profit and loss as and when incurred.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the useful life prescribed by Schedule II of the Act. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). 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	15 years

3.8 *Advances from customers, progress payments and retention*

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

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

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

3.9 *Inventories*

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

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

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

3. Significant accounting policies *(Continued)*

3.10 *Impairment*

Impairment of non-derivative financial assets

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

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
(i) Trade receivables, unbilled receivables and lease receivables; and
(ii) Financial assets measured at amortised cost (other than trade receivables, unbilled 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 defaults 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 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.

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.

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).

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 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.

3.11 *Income tax*

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

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.

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.

3. Significant accounting policies *(Continued)*

3.11 Income tax (Continued)

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.

3.12 Statement of cash flows

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

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

3.13 Earnings per share

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

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

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

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and lLoss for the years ended 31 March 2019 and 31 March 2018. The Company measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings and income tax liability to the extent it is considered to be an adjustment to the interest rate.

3.15 Share capital

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

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

3.16 Foreign currency transactions

- Initial Recognition

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

- Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

3. Significant accounting policies *(Continued)*

3.17 Events after reporting date

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

3.18 Standards issued but not yet effective

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company has short term leases and leases of low value assets. Hence, the right of use asset and corresponding lease liability is Nil and it has no impact on retained earnings.

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

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular prepayable financial assets

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in the statement of profit and loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

- Amendments to Ind AS 28, Investments in Associates and Joint Ventures: When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.

B S R & Co. LLP
5th Floor,
Lodha Excelus,
Apollo Mills Compound,
N. M. Joshi Marg,
Mahalaxmi,
Mumbai-400011.
India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

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

(Currency : Indian rupees in million)

4. Property, plant and equipment*

Particulars	Plant and equipment	Total
Gross carrying amount :		
Balance as at 1 April 2018	-	-
Add: Additions during the year	0.27	0.27
Balance as at 31 March 2019	0.27	0.27
Accumulated depreciation:		
Balance as at 1 April 2018	-	-
Depreciation for the year	0.05	0.05
Balance as at 31 March 2019	0.05	0.05
Carrying amounts (net)		
as at 31 March 2019	0.22	0.22

***There were no Property, plant and equipment as at 31 March 2018.**

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

	Particulars	31 March 2019	31 March 2018
5.	**Deferred tax assets**		
	Deferred tax assets		
	Amortisation of preliminary expenses	**0.01**	0.01
	Excess of depreciation as per books over Income tax Act, 1961*	-	-
	Provision for onerous contract	-	5.02
		0.01	5.03
	*** Amount less than Rs 0.01 million**		
6.	**Other non-current assets** *(Unsecured, considered good)*		
	To parties other than related parties		
	Balance with Government authorities	**17.41**	51.34
		17.41	51.34
7.	**Trade receivables** *(Unsecured)*		
	Trade Receivable		
	- considered good	**102.74**	573.27
	- Significant increase in credit risk	-	-
	- Credit impaired	-	-
		102.74	573.27
	Loss allowance *	-	-
		-	-
		102.74	573.27

* 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 receivbles are disclosed in Note 34.

As at 31 March 2019, trade receivables includes retention of Rs Nil (31 March 2018 : Rs Nil) relating to construction contracts in progress.

8.	**Cash and cash equivalents**		
	Balances with Bank		
	- in current accounts	**9.02**	11.84
	Cash on hand	**0.47**	0.53
		9.49	12.37
9.	**Loans** *(Unsecured, considered good)*		
	To related parties		
	Loans given to fellow subsidiaries	**366.22**	-
		366.22	-
	Dues from firms or private companies in which any director is a partner or a director or member		
	Sterling and Wilson Powergen Private Limited	**110.00**	-
	Sterling and Wilson Private Limited	**256.22**	-
		366.22	-

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

Particulars	31 March 2019	31 March 2018
10. Other financial assets		
(Unsecured, considered good)		
To related parties		
Interest accrued on loans to fellow subsidaries	16.96	-
	16.96	-
Dues from firms or private companies in which any director is a partner or a director or member		
Sterling and Wilson Powergen Private Limited	8.43	-
Sterling and Wilson Private Limited	8.53	-
	16.96	-
11. Other current assets		
(Unsecured, considered good)		
Prepayments	0.06	-
	0.06	-
12. Equity share capital		
Authorised		
50 (31 March 2018 : 50) equity shares of Rs 1,000 each - Class A shares	0.05	0.05
50 (31 March 2018 : 50) equity shares of Rs 1,000 each - Class B shares	0.05	0.05
	0.10	0.10
Issued, subscribed and paid-up:		
49 (31 March 2018 : 49) equity shares of Rs 1,000 each , fully paid-up - Class A shares	0.05	0.05
1 (31 March 2018 : 1) equity share of Rs 1,000 each , fully paid-up - Class B shares*	0.00	0.00
	0.05	0.05

***Amount less than Rs 0.01 million**

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

Particulars	31 March 2019		31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Class A equity shares				
Equity shares at the beginning of the year	49	0.05	49	0.05
Add: Equity shares issued during the year	-	-	-	-
Equity shares at the end of the year	49	0.05	49	0.05
Class B equity shares				
Equity shares at the beginning of the year*	1	0.00	1	0.00
Add: Equity shares issued during the year	-	-	-	-
Equity shares at the end of the year*	1	0.00	1	0.00

***Amount less than Rs 0.01 million**

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

The Company has two classes of equity shares i.e. Class A and Class B. Class A shares have voting rights and are dividend bearing. The face value of Class A shares is Rs 1,000 per share. Class B shares do not have voting rights and are non-dividend bearing. The face value of Class B shares is Rs 1,000 per share.

The equity shares of Class A are entitled to receive dividend as declared from time to time. The voting rights of a Class A 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 both classes 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.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

12. Equity share capital *(Continued)*

c) Shares held by holding company

Name of the shareholder	31 March 2019 Number of equity shares held	31 March 2019 Amount	31 March 2018 Number of equity shares held	31 March 2018 Amount
Class A equity shares				
Equity shares of Rs 1,000 each fully paid-up held by				
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited), the Holding Company	**49**	**0.05**	49	0.05

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

Name of the shareholder	31 March 2019 Number of equity shares held	31 March 2019 Percentage holding	31 March 2018 Number of equity shares held	31 March 2018 Percentage holding
Class A equity shares				
Equity shares of Rs 1,000 each fully paid-up held by				
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited), the Holding Company	**49**	**100%**	49	100%
Class B equity shares				
Equity shares of Rs 1,000 each fully paid up held by				
Waaree Energies Limited	**1**	**100%**	1	100%

Particulars	**31 March 2019**	31 March 2018
13 Other equity		
Retained earnings		
At the beginning of the year	**138.35**	(0.15)
Add: Profit during the year	**220.71**	138.50
At the end of the year	**359.06**	138.35

Note:

(i) Retained earnings

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

14 Trade payables

- Total outstanding dues of micro enterprises and small enterprises (refer note 31)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**25.23**	294.93
	25.23	294.93

15 Other financial liabilities

To related parties		
Interest accrued and not due	**9.12**	-
To parties other than related parties		
Interest accrued and due	-	8.31
	9.12	8.31

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

(Currency : Indian rupees in million)

Particulars	31 March 2019	31 March 2018
16 Other current liabilities		
To parties other than related parties		
Advances from customers	**19.22**	101.24
Statutory liabilities*	**0.98**	1.92
	20.20	103.16

*Includes GST payable and tax deducted at source.

17 Provisions		
Provision for onerous contract	-	14.50
	-	14.50

Provision for onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract with customers are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract (operation and maintenance of solar power plant) 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.

Provision for:				
	As at 1 April 2018	**Additions during the year**	**Reversed during the year**	**As at 31 March 2019**
Onerous contracts	**14.50**	-	**(14.50)**	-
	As at 1 April 2017	**Additions during the year**	Reversed during the year	As at 31 March 2018
Onerous contracts	-	14.50	-	14.50

	31 March 2019	31 March 2018
18 Current tax liabilities (net)		
Provision for current tax (net of advance tax of Rs 93.61 million [31 March 2018: Rs Nil])	**99.45**	82.71
	99.45	82.71

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
19	**Revenue from operations**		
	Sale of services		
	Income from works contract	425.67	563.85
		425.67	563.85
20	**Other income**		
	Foreign exchange gain (net)	69.48	7.89
	Interest income	18.85	-
	Miscellaneous income	2.71	-
		91.04	7.89
21	**Cost of construction materials, stores and spare parts**		
	Inventory of materials at the beginning of the year	-	-
	Purchase made during the year	27.98	311.41
	Less : Inventory of materials at the end of the year	-	-
		27.98	311.41
22	**Direct project costs**		
	Communication expenses	0.36	0.03
	Commission expenses	-	0.10
	Legal and professional fees	0.77	1.27
	Printing and stationery expenses	0.24	0.20
	Rent (Refer note 25.1)	6.64	-
	Repairs and maintenance - others	1.46	0.30
	Traveling and conveyance expenses	1.28	3.54
	Electricity, power and fuel	0.43	0.22
	Bank charges	2.14	1.12
	Insurance costs	9.74	-
	Miscellaneous expenses	6.68	0.64
		29.74	7.42
	Employee benefits expense		
	Salaries, wages and bonus	3.99	1.97
	Staff welfare expenses	2.99	3.09
		6.98	5.06
	Sub-contractor expenses	116.60	8.65
		153.32	21.13

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India Chartered Accountants

Sterling and Wilson-Waaree Pvt. Ltd. Mumbai

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
23	**Finance costs**		
	Interest on unsecured loan	**10.13**	-
	Interest on income tax	**7.38**	8.32
		17.51	8.32
24	**Other expenses**		
	Payment to auditors (refer note (a) below)	**0.45**	0.20
	Provision for onerous contract (Refer note 16)	-	14.50
		0.45	14.70
(a)	**Payment to auditors (excluding taxes)**		
	As auditor		
	Statutory audit	**0.20**	0.20
	In other capacity		
	Tax audit	**0.17**	-
	Other services	**0.08**	-
		0.45	0.20

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

25 Contingent liabilities and commitments

Contingent liabilities	31 March 2019	31 March 2018
Claims against the Company not acknowledged as debts	Nil	Nil
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

25.1 Operating lease

The Company has taken equipments on cancellable operating leases basis. Lease payments recognised in the statement of profit and loss is Rs 6.64 million.

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

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

Name of the entity	As at 1 April 2018	Loan given during the year	Loan repaid during the year	As at 31 March 2019
Sterling and Wilson Powergen Private Limited (refer note 1 below)	-	110.00	-	110.00
Sterling and Wilson Private Limited (refer note 2 below)	-	287.72	31.50	256.22

Note 1: Sterling and Wilson Powergen Private Limited

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

Note 2: Sterling and Wilson Private Limited

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

***There were no loans given / outstanding for the year ended 31 March 2018.**

27 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.

Particulars	31 March 2019
A. Gross amount required to be spent by the Company during the year	4.32
B. Amount spent during the year ended 31 March 2019	Nil
C. Related party transactions in relation to Corporate Social Responsibility	Nil
D. Provision movement during the year	Nil

Particulars	31 March 2018
A. Gross amount required to be spent by the Company during the period	Nil
B. Amount spent for the year ended 31 March 2018	Nil
C. Related party transactions in relation to Corporate Social Responsibility	Nil
D. Provision movement during the year	Nil

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

(Currency : Indian rupees in million)

28 Related party disclosures

28.1 Related parties and their relationship

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

Name of the related party	Nature of relationship
Shapoorji Pallonji and Company Private Limited	Ultimate Holding Company
Sterling and Wilson Solar Limited *(formerly known as Sterling and Wilson Solar Private Limited)*	Holding Company
Sterling and Wilson Private Limited	Fellow subsidiary
Mrs. Zarine Yazdi Daruvala (Director)	Key management personnel
Mr. Khurshed Yazdi Daruvala (Director)	Key management personnel
Sterling and Wilson Powergen Private Limited	Fellow subsidiary

28.2 Transactions and balances with related parties

Related party	Nature of transactions and balances	31 March 2019	31 March 2018
Transactions during the year			
Sterling and Wilson Powergen Private Limited	Loan given	110.00	-
Sterling and Wilson Private Limited	Loan given	287.72	-
Sterling and Wilson Private Limited	Loan repaid	31.50	
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Loan taken	362.65	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Loan repaid	362.65	-
Sterling and Wilson Powergen Private Limited	Interest income	9.37	-
Sterling and Wilson Private Limited	Interest income	9.48	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Interest expense	10.13	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Other expenses	-	7.00
As at Balance			
Sterling and Wilson Powergen Private Limited	Loan receivable	110.00	-
Sterling and Wilson Private Limited	Loan receivable	256.22	-
Sterling and Wilson Powergen Private Limited	Interest receivable	8.43	-
Sterling and Wilson Private Limited	Interest receivable	8.53	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Interest payable	9.12	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Trade payables	-	7.00

29 Disclosure under Indian Accounting Standard 11 - Construction contracts'

Particulars	31 March 2018
a) Contract revenue	563.85
b) Disclosure for contracts in progress:	
(i) Aggregate amount of costs incurred	332.55
(ii) Recognised profits (less recognised losses)	231.30
(iii) Advances received	101.24
c) Gross amount due from customers for contract work	-
d) Gross amount due to customers for contract work	-
e) Retention due from customers (included under trade receivables, refer note no. 7)	-

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

30 Earnings per share

Particulars		31 March 2019	31 March 2018
Profit after tax attributable to equity shareholders	A	220.71	138.50
Calculation of weighted average number of equity shares (Class A)			
Number of equity shares at the beginning of the year		49.00	49.00
Equity shares issued during the year		-	-
Number of equity shares outstanding at the end of the year		49.00	49.00
Calculation of weighted average number of equity shares (Class B)			
Number of equity shares at the beginning of the year		1.00	1.00
Equity shares issued during the year		-	-
Number of equity shares outstanding at the end of the year		1.00	1.00
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)			
Class A equity shares	B	49.00	49.00
Class B equity shares	C	1.00	1.00
Basic and diluted earnings per share (Rs)			
Class A equity shares	A / B	4,504,248	2,826,511
Class B equity shares	A / C	220,708,152	138,499,052
Face value per share (Rs)		1,000	1,000

31 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 the management, there are outstanding dues of Rs Nil to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in following disclosure:

	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the year	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

32 Segment reporting

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

The company has revenue from only one customer.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

33 Income taxes

a) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense :		
Current year charge	91.67	82.71
	91.67	82.71
Deferred tax :		
Origination and reversal of temporary differences - charge / (credit)	5.02	(5.03)
	5.02	(5.03)
Tax expenses	96.69	77.68

b) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Percentage	Amount	Percentage	Amount
Profit before tax		317.40		216.18
Tax using the Company's domestic tax rate	29.12%	92.43	34.61%	74.81
Tax effect of:				
Non-deductible expenses	1.34%	4.26	1.33%	2.87
Effective tax rate	30.46%	96.69	35.93%	77.68

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

33 Income taxes *(Continued)*

c) The major components of deferred tax assets arising on account of timing differences are as follows:

Particulars	Balance as at 1 April 2017	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2018	Balance as at 1 April 2018	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019
Amortisation of preliminary expenses	-	0.01	-	0.01	0.01	0.00*	-	0.01
Provision for onerous contract	-	5.02	-	5.02	5.02	(5.02)	-	-
Excess of depreciation as per books over Income tax Act, 1961	-	-	-	-	-	0.00*	-	0.00*
Deferred tax asset	-	5.03	-	5.03	5.03	(5.02)	-	0.01

*Amount less than Rs 0.01 million

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

34 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 dose 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.

	Carrying amount			Fair value			
31 March 2019	FVTPL	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable	Total
Financial assets							
Trade receivables	-	102.74	102.74	-	-	-	-
Cash and cash equivalents	-	9.49	9.49	-	-	-	-
Loans		366.22	366.22	-	-	-	-
Other financial assets	-	16.96	16.96	-	-	-	-
	-	495.41	495.41	-	-	-	-
Financial liabilities							
Trade payables	-	25.23	25.23	-	-	-	-
Other financial liabilities	-	9.12	9.12	-	-	-	-
	-	34.35	34.35	-	-	-	-

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011, India Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

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

(a) Accounting classification and fair values *(Continued)*

31 March 2018	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets							
Trade receivables	-	573.27	573.27	-	-	-	-
Cash and cash equivalents	-	12.37	12.37	-	-	-	-
	-	585.64	585.64	-	-	-	-
Financial liabilities							
Trade payables	-	294.93	294.93	-	-	-	-
Other financial liabilities	-	8.31	8.31	-	-	-	-
	-	303.24	303.24	-	-	-	-

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs
The Company does not have any financial assets or financial liabilities which are measured at fair value.

Transfers between Levels 1 and 2
There have been no transfers between Level 1 and Level 2 during the year.

Level 3 fair values
There are no items in Level 3 fair values.

(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

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

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

(c) Financial risk management *(Continued)*

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

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

i. Credit risk

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

Trade and other receivables

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

Total trade receivable as on 31 March 2019 is Rs 102.74 million (31 March 2018 is Rs 573.27 million).

The Company has outstanding from a single customer.

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.

Cash and cash equivalents

The Company held cash and cash equivalents of Rs 9.49 million as at 31 March 2019 (31 March 2018: Rs 12.37 million). The cash and cash equivalents are held with banks with good credit ratings.

Loans to group companies

The Company has given unsecured loans to its fellow subsidiaries as at 31 March 2019. The Company has reviewed the carrying amounts of loans to determine whether there is any indication that those loans have suffered an impairment loss.

ii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD.
MUMBAI

(Currency : Indian rupees in million)

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

(c) Financial risk management *(Continued)*

ii *Liquidity risk (Continued)*

Exposure to liquidity risk

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

	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
31 March 2019						
Non-derivative financial liabilities						
Trade payables	25.23	25.23	25.23	-	-	-
Other financial liabilities	9.12	9.12	9.12	-	-	-
	34.35	34.35	34.35	-	-	-
31 March 2018						
Non-derivative financial liabilities						
Trade payables	294.93	294.93	294.93	-	-	-
Other financial liabilities	8.31	8.31	8.31	-	-	-
	303.24	303.24	303.24	-	-	-

iii Market risk

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

Currency Risk

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

Exposure to currency risk

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

Amounts in INR million	31 March 2019		31 March 2018	
	USD	XOF*	USD	XOF*
Financial assets				
Cash and Cash Equivalents	3.24	3.30	6.62	5.44
Trade receivables	102.74	-	573.27	-
Exposure to foreign currency assets	105.98	3.30	579.89	5.44
Financial liabilities				
Trade payables and other payable	-	18.99	237.81	4.98
Exposure to foreign currency liabilities	-	18.99	237.81	4.98
Net Exposure	105.98	(15.69)	342.08	0.46

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

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

(c) Financial risk management *(Continued)*

iii Market risk *(Continued)*

Sensitivity analysis

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

	31 March 2019		31 March 2018	
	Profit or loss		Profit or loss	
Effect in INR million	Strengthening	Weakening	Strengthening	Weakening
USD	5.30	(5.30)	17.10	(17.10)
XOF *	(0.78)	0.78	0.02	(0.02)

* XOF represents West African CFA Franc.

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 loans given and borrowings.

The Company has no borrowings from banks and financial institutions.

Exposure to interest rate risk

Since the Company does not have any financial assets or financial liabilities bearing floating interest rates, a change in interest rates at the reporting date would not have any significant impact on the financial statements of the Company.

35 Capital Management

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

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

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

Particulars	31 March 2019	31 March 2018
Gross debt	-	-
Less : Cash and cash equivalents	9.49	12.37
Adjusted net debt	**(9.49)**	(12.37)
Total equity	**359.11**	138.40
Adjusted net debt to adjusted equity ratio	**(0.03)**	(0.09)

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

Sterling and Wilson-Waaree Pvt. Ltd.
Mumbai

(Currency : Indian rupees in million)

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

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

B) Reconciliation of contract assets and liabilities

Particulars	31 March 2019
Contract assets*	
Unbilled receivables	
Contract assets at the beginning of the year	-
Add: Addition during the year	324.43
Less: Revenue recognised during the year	(324.43)
Contract assets as at end of the year	-
Contract liabilities**	
Advances from customers	
Contract liabilities at the beginning of the reporting year	101.24
Add: addition during the year	19.22
Less: applied during the year	(101.24)
Contract liabilities as at end of the reporting year	19.22

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

**The contract liability primarily relates to the billing in advance towards EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

C) Reconciliation of revenue as per Ind AS 115

	For the year ended 31 March 2019
Income from works contracts	444.89
Adjustment on account of:	-
Deferrement of revenue pertaining to operation and maintainence period	(19.22)
Total	425.67

D) Performance obligation

The Company undertakes Engineering, Procurement and Construction business. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

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

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

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

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

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.
There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2019.

E) Practical expedient for significant financing component:

There are no on going EPC contracts and hence the Company has not disclosed information about remaining performance obligations as required by Para 120 of Ind AS 115.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011, India
Chartered Accountants

STERLING AND WILSON-WAAREE PVT. LTD. MUMBAI

(Currency : Indian rupees in million)

37 The Board of Directors at their meeting held on 27 March 2019 have proposed the "Scheme of Arrangement" ('the Scheme') for merger of the Company with Sterling and Wilson Solar Limited, holding company, subject to obtaining necessary approvals of the Shareholders and National Company Law Tribunal ('NCLT') Mumbai.

38 Transfer Pricing

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

39 Other matters

Information with regard to other matters, specified in of the Part II of Schedule III to the Act is either nil or not applicable to the Company for the year ended 31 March 2019.

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 June 2019

For and on behalf of Board of Directors
Sterling & Wilson - Waaree Private Limited
CIN: U93000MH2016PTC288571

Khurshed Daruvala
Director
DIN:00216905

Zarine Y Daruvala
Director
DIN:00190585

Mumbai
11 June 2019