

**Sterling Wilson – SPCPL – Chint Moroccan
Venture**

Financial Statements
together with the
Independent Auditors' Report
for the year ended 31 March 2018

Sterling Wilson – SPCPL – Chint Moroccan Venture

Financial statements together with the Independent Auditors' Report *for the year ended 31 March 2018*

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B S R & Co. LLP

Chartered Accountants

Independent Auditors' Report

To the Partners of

Sterling Wilson – SPCPL – Chint Moroccan Venture

5th Floor, Lodha Excelus,
Apollo Mills Compound
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India

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Report on the financial statements

We have audited the accompanying financial statements of Sterling Wilson – SPCPL – Chint Moroccan Venture ('the Partnership Firm'), which comprise the Balance sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Return for the year ended on that date audited by the branch auditors of the Partnership Firm's branch at Morocco.

Management's Responsibility for the financial statements

The Partnership Firm's designated partners are responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Partnership Firm in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') and the provisions of the Partnership Act, 1932 ('the Act'), to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Partnership Firm 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 is responsible for assessing the Partnership Firm'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 Partnership Firm or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

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

We conducted our audit in accordance with the standards on auditing issued by ICAI. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Partnership Firm's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership Firm's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

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

Independent Auditors' Report (Continued)

Sterling Wilson – SPCPL – Chint Moroccan Venture

Auditors' Responsibility (Continued)

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

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

Opinion

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 Act and the Rules 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 Partnership Firm as at 31 March 2018 and its loss and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one branch included in the financial statements of the Partnership firm whose financial statements reflect total assets of Rs 1,467,798,195 as at 31 March 2018 and total revenues of Rs 1,529,460,495 for the year ended on that date, as considered in the financial statements. This branch has been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

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

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 August 2018

Sterling Wilson-SPCPL-Chint Moroccan Venture

Balance sheet

as at 31 March 2018

(Currency : Indian Rupees)

	Note	31 March 2018	31 March 2017
CAPITAL AND LIABILITIES			
Capital Accounts			
Partners' Capital Account	3	(206,045,337)	(677,480)
		<u>(206,045,337)</u>	<u>(677,480)</u>
Current liabilities			
Trade payables	4	-	-
- Outstanding dues of Micro Enterprises and Small Enterprises		7,779,080,696	22,020,489
- Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,082,464,565	38,396,149
Other current liabilities	5	165,599,993	42,526
Short-term provisions	6	<u>9,027,145,254</u>	<u>60,459,164</u>
		<u>9,027,145,254</u>	<u>60,459,164</u>
TOTAL		<u>8,821,099,917</u>	<u>59,781,684</u>
ASSETS			
Non-current assets			
Fixed assets	7	29,570,218	2,303,088
- Tangible fixed assets (Property, plant and equipment)		2,508,907	-
- Capital work-in-progress		-	-
Deferred tax asset (net)	8	1,929,595	1,263,306
Long-term loans and advances	9	<u>34,008,720</u>	<u>3,566,394</u>
		<u>34,008,720</u>	<u>3,566,394</u>
Current assets			
Inventories	10	-	20,522,081
Trade receivables	11	1,144,257,595	-
Cash and bank balances	12	500,779,818	18,808,144
Short-term loans and advances	13	409,722,211	16,885,065
Other current assets	14	<u>6,732,331,573</u>	<u>-</u>
		<u>8,787,091,197</u>	<u>56,215,290</u>
TOTAL		<u>8,821,099,917</u>	<u>59,781,684</u>
Significant accounting policies			
Notes to the financial statements			

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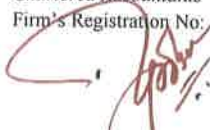
The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

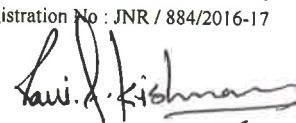


Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
11 August 2018

For and on behalf of the Partners of
Sterling Wilson-SPCPL-Chint Moroccan Venture
Firm Registration No : JNR / 884/2016-17



Ravi Ananthakrishnan
Authorised signatory for managing Partner
(Sterling and Wilson Solar Private Limited)

Mumbai
11 August 2018

Sterling Wilson-SPCPL-Chint Moroccan Venture

Statement of profit and loss

for the year ended 31 March 2018

(Currency : Indian Rupees)

	Note	31 March 2018	For the period from 28 November 2016 to 31 March 2017
Income			
Revenue from operations	15	8,982,404,156	-
Other income	16	73,269,572	135,940
Total income		9,055,673,728	135,940
Expenses			
Cost of construction materials, stores and spare parts	17	6,653,519,673	-
Changes in inventories of work-in-progress	18	13,518,011	(13,518,011)
Direct project costs	19	2,558,049,561	13,518,011
Finance costs	20	2,650	-
Depreciation expenses	7	2,065,289	411,517
Other expenses	21	33,886,401	358,800
Total expenses		9,261,041,585	770,317
(Loss) before tax for the year / period		(205,367,857)	(634,377)
Less: Tax expense			
- Current tax		-	43,103
- Deferred tax		-	-
			43,103
(Loss) for the year / period		(205,367,857)	(677,480)

Significant accounting policies

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Notes to the financial statements

3 - 30

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: F01248W/W-100022

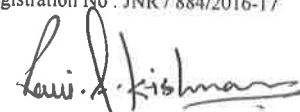
Aniruddha Godbole
Partner

Membership No: 105149

Mumbai

11 August 2018

For and on behalf of the Partners of
Sterling Wilson-SPCPL-Chint Moroccan Venture
Firm Registration No : JNR / 884/2016-17



Ravi Ananthakrishnan
Authorised signatory for managing Partner
(Sterling and Wilson Solar Private Limited)

Mumbai

11 August 2018

Sterling Wilson-SPCPL-Chint Moroccan Venture

Cash flow statement

for the year ended 31 March 2018

(Currency : Indian Rupees)

Particulars	31 March 2018	For the period from 28 November 2016 to 31 March 2017
Cash Flow from Operating Activities		
(Loss) before Tax	(205,367,857)	(634,377)
Adjustment for:		
Depreciation expenses	2,065,289	411,517
Interest Expenses	2,650	-
Provision for liquidated damages	-	-
Provision for foreseeable losses	16,299,993	-
Unrealised exchange gain	(56,633,787)	-
Operating profit before working capital changes	(243,633,712)	(222,860)
Changes in working capital		
Decrease / (increase) in inventories	20,522,081	(20,522,081)
(Increase) in trade receivable	(1,090,097,697)	-
(Increase) in loans and advances	(393,503,435)	(18,148,371)
(Increase) in other current assets	(6,732,331,573)	-
Increase in trade payables	7,757,060,207	22,020,489
Increase in current liabilities and provisions	1,193,368,416	38,396,149
Cash generated from operating activities	511,384,287	21,523,326
Taxes Paid (Net)	(42,526)	-
Effects of exchange differences on translation of assets and liabilities	(2,759,121)	-
Net cash flows generated from operating activities	508,582,640	21,523,326
Cash flow from investing activities		
Purchase of fixed assets	(29,082,205)	(2,714,605)
Net cash flows (used in) investing activities	(29,082,205)	(2,714,605)
Cash flow from financing activities		
Finance costs paid	(2,650)	-
Net cash flows (used in) financing activities	(2,650)	-
Net movement in currency translation	2,473,889	(577)
Net increase in cash and cash equivalents	481,971,674	18,808,144
Cash and cash equivalents - opening balance	18,808,144	-
Cash and cash equivalents - closing balance (refer note 10)	500,779,818	18,808,144

Notes:

- The above cashflow have been prepared under the "Indirect Method" as set out in Accounting Standard (AS) 3.
- Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).



Sterling Wilson-SPCPL-Chint Moroccan Venture

Cash flow statement (Continued)

for the year ended 31 March 2018

(Currency : Indian Rupees)

	31 March 2018	For the period from 28 November 2016 to 31 March 2017
Components of cash and cash equivalents		
Cash on hand		
Balances with banks	994,620	246,895
- in current accounts	499,785,198	18,561,249
	<u>500,779,818</u>	<u>18,808,144</u>

The accompanying notes 1 to 30 form an integral part of the Financial Statements.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

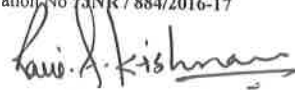
Partner

Membership No: 105149

Mumbai

11 August 2018

For and on behalf of the Partners of
Sterling Wilson-SPCPL-Chint Moroccan Venture
Firm Registration No: GNR / 884/2016-17



Ravi Ananthakrishnan

Authorised signatory for managing Partner
(Sterling and Wilson Solar Private Limited)

Mumbai

11 August 2018

Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements

for the year ended 31 Marhc 2018

(Currency: Indian rupees)

1 Background

Sterling and Wilson-SPCPL-Chint Moroccan Venture and its branch office in Morocco (hereinafter referred to as "the Partnership Firm") was formed on 28 November 2016 between Sterling and Wilson Private Limited (Partner 1), Shapoorji Pallonji and Company Private Limited (Partner 2) and Astronergy Solar India Private Limited (Partner 3).

The Partnership Firm is a joint operation for carrying the business of turnkey execution of 65 MW (AC) at Laayoune, 55 MW (AC) at Quarzazate, and 15 MW (AC) at Boujdour totalling to 135 MW (AC) EPC solar project in Morocco including supply, erection, installation, testing, commissioning and other things which are incidental, ancillary or conducive to the aforesaid objects.

Pursuant to a scheme of arrangement between Sterling and Wilson Private Limited ('SWPL') and Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited) ('SWSPL') approved by Honourable High court of Mumbai on 28 March 2018, the share of SWPL in partnership firm has been transferred to SWSPL with effect from 1 April 2017.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the accounting standards issued by The Institute of Chartered Accountants of India (ICAI). The accounting policies have been consistently applied by the Partnership firm. The financial statements are presented in Indian Rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current-non-current classification

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Partnership Firm's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the Partnership Firm's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Partnership Firm does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

2.3 Operating Cycle

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

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Partnership Firm has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities.



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.4 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as non-refundable duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

As regards rates of Depreciation, the same is taken as set out in below table:

Assets	Rate of depreciation
Computers	25%
Plant and Machinery	10%
Furniture and fixtures	10%

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

Advance paid /expenditure incurred on acquisition /construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under long-term loans and advances as advances on capital account and capital work-in-progress respectively. Capital work-in-progress includes cost of fixed assets that are not ready to use at balance sheet date.

2.5 Impairment of assets

The Partnership Firm assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Partnership Firm estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Inventories and project work-in-progress

Direct expenses like materials used for the projects, site labour cost, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, bank guarantee charges, design and technical assistance, and direct project overheads are taken as the cost of the project work-in-progress.

Material at central stores comprises wiring, cabling and air-conditioning material, 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.

2.7 Revenue recognition

Revenue from works contracts

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

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

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Partnership Firm, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are identified.

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

In addition, if it is expected that the contract will make a loss, the estimated loss is provided for in the books of account. Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Partnership Firm.

Income from works contracts exclude sales tax, value added tax and works contract tax on accrual basis and service tax on payment / accrual basis when the services are completed.



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2.8 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.

2.9 Income taxes

Income-tax expense comprises current tax and deferred tax charge or credit.

Current tax

Provision for current tax is based on the results for the year, in accordance with the provisions of the Income-tax Act, 1961 and applicable income-tax laws in Morocco.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset will be realized. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

2.10 Borrowing costs

Borrowing costs attributable to the borrowings made towards working capital requirement are recognized as an expense in the period in which they are incurred.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

2.11 Employee benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of exgratia are recognised in the period in which the employee rendered the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period.

(b) Post employment benefits

Defined contribution plans:

The Partnership Firm makes specified monthly contributions towards Social Security Contributions in compliance with the domestic laws of the country in which the foreign branch operates. The Partnership Firm's contribution paid / payable under these schemes are recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

2.12 Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the period.

Monetary assets and liabilities in foreign currency, which are outstanding as at the period-end and not covered by forward contracts, are translated at the period-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

The Partnership Firm treats its foreign branch transactions as integral foreign operations and accounting for the same is in compliance with the revised Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

Revenue items other than depreciation costs are translated into the reporting currency at average exchange rates during the period. Foreign currency denominated current assets and current liabilities at balance sheet date are translated at exchange rates prevailing on the date of the balance sheet. Fixed assets are translated at exchange rates on the date of transaction and depreciation on fixed assets is translated at the exchange rates used for translation of the underlying fixed assets. Net exchange difference resulting from translation of items in the financial statements of the foreign branch office is recognised in the Statement of profit and loss.



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2.12 Operating lease

Lease rentals in respect of assets acquired on operating leases are recognised in the Statement of profit and loss on a straight line basis over the lease term.

2.13 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other income in the financial statements.

2.14 Provisions and contingencies

A provision is recognised when:

- a) the Partnership Firm has a present obligation as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : Indian Rupees)

31 March 2018 31 March 2017

3. Partners' Capital Account

Partners' share of (Loss) in partnership firm

Sterling and Wilson Private Limited

Opening balance for the year / period

Add: Share of (Loss)

Less: transferred to Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)

Closing Balance as at the end of the year / period

(623,282)

(623,282)

(623,282)

(623,282)

Sterling and Wilson Solar Private Limited

(formerly known as Rashmika Energy Private Limited)

Opening balance for the year / period

Add: Share of (Loss)

Add: acquired from Sterling and Wilson Private Limited

Closing Balance as at the end of the year / period

(188,938,428)

(623,282)

(189,561,710)

-

-

-

-

Shapoorji Pallonji and Company Private Limited

Opening balance for the year / period

Add: Share of (Loss)

Closing Balance as at the end of the year / period

(33,874)

(10,268,393)

(10,302,267)

-

(33,874)

(33,874)

Astronergy Solar India Private Limited

Opening balance for the year / period

Add: Share of (Loss)

Closing Balance as at the end of the year / period

(20,324)

(6,161,036)

(6,181,360)

-

(20,324)

(20,324)

Total

(206,045,337)

(677,480)

(677,480)

4. Trade payables

- Total outstanding dues of micro enterprises and small enterprises (refer note 25)

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

7,779,080,696

22,020,489

7,779,080,696

22,020,489

5. Other current liabilities

Advance from customers

Employee benefits payable

Statutory dues payable :

- Tax deducted at source

- Social security contribution

1,062,498,195

36,498,952

8,852,079

464,305

1,446,740

924,627

9,667,551

508,265

1,082,464,565

38,396,149



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : Indian Rupees)

31 March 2018 31 March 2017

6. Short-term provisions

Other provisions :

Provision for tax [net of advance tax : Rs Nil; 31 March 2017: Rs Nil]

Provision for Liquidated damages

Provision for foreseeable losses

		42,526
149,300,000		-
16,299,993		-
165,599,993		42,526

Provision for liquidated damages or price discounts

Liquidated damages or Price discounts are contractual obligations affecting the contract revenue in case of the construction contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.

Provision foreseeable loss:

In case of construction contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss (foreseeable loss) is recognised as an expense immediately in the statement of profit and loss.

Provision for:	As at 1 April 2018	Additions / (Utilisation)	As at 31 March 2018
Liquidated damages or price discounts	-	149,300,000	149,300,000
Foreseeable loss	-	16,299,993	16,299,993

Previous year numbers are in italics

8. Deferred tax assets, net

Deferred tax assets

Provision for Liquidated damages

Provision for foreseeable losses

Carried forward business losses

Unabsorbed depreciation

		-
5,085,598		-
11,739,121		-
931,484		-
17,756,204		-

Deferred tax liability

Excess of depreciation as per Income tax Act, 1961 over book depreciation

1,122,973		-
1,122,973		-

Deferred tax assets, net

16,633,231		-
-		-

Deferred tax assets recognised, net

As per the Accounting Standard 22, "Accounting for taxes on income", the Partnership firm would have net deferred tax assets of Rs 63,214,831 for the year ended 31 March 2018 [FY 2017: Net deferred tax assets of Rs. Nil]. However, in view of carried forward business losses and unabsorbed depreciation, the net deferred tax assets of Rs 63,214,831 are not recognized, as the same is not considered to be virtually certain of realisation based on current orders in hand.

9. Long-term loans and advances

(Unsecured, considered good)

To parties other than related parties

Deposits

1,929,595	1,263,306
1,929,595	1,263,306



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : Indian Rupees)

31 March 2018 31 March 2017

10. Inventories

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

Construction materials, stores and spare parts
Project work-in-progress

7,004,070
13,518,011

20,522,081

11. Trade receivables

(Unsecured)

Receivable outstanding for a period exceeding six months from the date they become due for payment
- considered good

[A]

Other receivables
- considered good

[B] 1,144,257,595

[A+B] 1,144,257,595

12. Cash and bank balances

Cash and cash equivalents

Cash on hand
Balances with banks
- in current accounts

994,620 246,895

499,785,198 18,561,249

500,779,818 18,808,144

13. Short-term loans and advances

(Unsecured, considered good)

To parties other than related parties

Advances for supply of goods
Balance with government authorities
Prepaid expenses

21,433,021 245,462

388,281,108 2,329,265

8,082 14,310,338

409,722,211 16,885,065

14. Other current assets

(Unsecured, considered good)

Unbilled receivables

6,732,331,573

6,732,331,573



Notes to the financial statements (Continued)
as at 31 March 2018

7. Fixed assets

Assets description	Gross Block					Accumulated depreciation / amortisation			Net block	
	As at 28 November 2016	As at Additions during the period	Exchange differences on translation of foreign operations	Deductions during the period	As at 31 Mar 2017	As at 28 November 2016	Charge for the period	Exchange differences on translation of foreign	Deductions during the period	As at 31 March 2017
Tangible assets (Property, plant and equipment)										
Computers	-	1,103,146	-	-	1,103,146	-	330,944	-	-	772,202
Furniture and fixtures	-	1,611,459	-	-	1,611,459	-	80,573	-	-	1,530,886
Total	-	2,714,605	-	-	2,714,605	-	411,517	-	-	2,303,088

a) Nil amount of borrowing cost is capitalised during the current and comparative periods

b) Nil amount of impairment loss is recognised during the current and comparative periods

e) Exchange differences on translation of foreign operations includes the exchange fluctuation of Rs 2,335,499 (31 March 2019: Rs 2,335,499) due to translation of tangible fixed assets and capital work in progress of foreign branch at closing exchange rate.



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency : Indian Rupees)

	31 March 2018	For the period from 28 November 2016 to 31 March 2017
15. Revenue from operations		
Income from works contracts	8,982,404,156	-
	<u>8,982,404,156</u>	<u>-</u>
16. Other income		
Foreign exchange gain (net)	69,619,260	135,940
Export incentive	3,650,312	-
	<u>73,269,572</u>	<u>135,940</u>
17. Cost of construction materials, stores and spare parts		
Construction materials, stores and spare parts		
Inventory of materials at the beginning of the period	7,004,070	-
Purchase of material during the period	6,646,515,603	7,004,070
Inventory of materials at the end of the period	-	7,004,070
	<u>6,653,519,673</u>	<u>-</u>
18. Change in inventory of project work-in-progress		
Opening Inventory	13,518,011	-
Closing Inventory	-	13,518,011
	<u>13,518,011</u>	<u>(13,518,011)</u>
19. Direct project costs		
Communication expenses	2,010	35,166
Stores and spare parts consumed	6,583,065	34,911
Commission expenses	-	511,130
Legal and professional fees	19,869,895	1,324,428
Printing and stationery expenses	2,677,181	245,276
Repairs and maintenance - others	-	54,619
Selling and marketing expenses	277,784	-
Traveling and conveyance expenses	7,852,470	1,882,535
Rent (refer note 27)	9,505,207	1,660,162
Rates and taxes	4,874,165	-
Electricity, power and fuel	11,583,951	13,128
Donation	-	97,050
Provision for foreseeable losses	16,299,993	-
Bank charges	24,741,032	826,949
Miscellaneous expenses	366,883	92,165
Employee benefits expense	<u>104,633,636</u>	<u>6,777,519</u>
Salaries, wages and bonus	114,244,169	5,155,040
Contribution to provident fund and other funds	-	698,688
Staff welfare expenses	<u>52,507</u>	<u>10,402</u>
	<u>114,296,676</u>	<u>5,864,130</u>
Sub-contractor expenses	<u>2,339,119,249</u>	<u>876,362</u>
	<u>2,558,049,561</u>	<u>13,518,011</u>



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency : Indian Rupees)

	31 March 2018	For the period from 28 November 2016 to 31 March 2017
20. Finance costs		
Interest expense		
- on others	2,650	-
	2,650	-
21. Other expenses		
Communication expenses	3,089,837	-
Legal and professional fees	3,196,548	258,800
Repairs and maintenance - others	551,502	-
Selling and marketing expenses	121,645	-
Rent (refer note 27)	9,893,506	-
Rates and taxes	33,132	-
Payment to auditors (refer note below)	100,000	100,000
Donation	119,626	-
Bank charges	7,059,467	-
Miscellaneous expenses	9,721,138	-
	33,886,401	358,800
Payment to Auditors'		
As auditor		
- statutory audit	100,000	100,000
In other capacity	-	-
- tax audit	-	-
Reimbursement of Expenses		
	100,000	100,000



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian rupees)

22. Disclosures under the Accounting Standard 7 - 'Construction contracts'

Particulars	31 March 2018	31 March 2017
a) Contract revenue	8,982,404,156	-
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	9,225,087,244	20,522,081
(ii) Recognized profits (less recognised losses)	(242,683,088)	-
(iii) Advances received	1,062,498,195	-
c) Gross amount due from customers for contract work	6,732,331,573	-
d) Gross amount due to customers	-	-
e) Retention due from customers	-	-

23. Contingent liabilities and commitments

Contingent liabilities	31 March 2018	31 March 2017
Claims against the Partnership firm 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

In addition, the Partnership firm is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Partners' of the firm has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Partners' does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Partnership firm's results of operations or financial condition.

24. Related party disclosures

A Related parties and their relationship

In accordance with the requirements of AS -18 "Related Party Disclosures", following are the details of the transactions during the period with the related parties of the partnership firm

Name of the related party	Nature of relationship
Shapoorji Pallonji and Company Private Limited	Partner
Sterling and Wilson Private Limited (upto 31 March 2017)	Partner
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited) (w.e.f 1 April 2017)	Partner
Astronergy Solar India Private Limited	Partner
Sterling and Wilson International FZE	Entities over which Partner exercise control

B Transactions and balances with related parties

Related party	Nature of transaction	31 March 2018	For the period from 28 November 2016 to 31 March 2017
Sterling and Wilson Private Limited	Bank Charges	-	550,773
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	Purchase of material	6,234,127,000	-
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	Trade payables	5,848,934,102	-
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	Reimbursement of expenses	291,411,696	15,241,335
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	Paid towards expenses	268,358,309	-
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	Payable for expenses	38,294,722	15,241,335
Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited)	Share in loss of partnership firm	188,938,428	-
Sterling and Wilson Private Limited	Share in loss of partnership firm	-	623,282
Shapoorji Pallonji and Company Private Limited	Share in loss of partnership firm	10,268,393	33,874
Astronergy Solar India Private Limited	Share in loss of partnership firm	6,161,036	20,324



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian rupees)

25. 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 2018	31 March 2017
Principal amount remaining unpaid to any supplier as at the period	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Partnership firm 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 period	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period	Nil	Nil

26. Segment reporting

The Partnership firm is engaged in solar and renewable energy solutions which is the primary business segment. The Partnership firm has only one reportable business segment, which is solar and renewable energy solutions and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard 17 on Operating Segments.

Geographical segment information

The secondary segment of the partnership firm is based on revenue generated from the geographical locations, that is within India (Domestic) and outside India (Offshore). The partnership firm's business is mainly in the offshore market and Domestic turnover being Nil [31 March 2017: Nil] of the total turnover of the partnership firm, hence separate geographical segment information has not been given in the financial statements.

27. Operating lease

The partnership firm has taken office premises on cancellable and non-cancellable operating leases. The future minimum lease payments in respect of office premises as on 31 March 2018 is as follows:

Lease obligations	31 March 2018	31 March 2017
Lease payments recognised in the Statement of profit and loss		
- Cancellable	19,398,713	1,660,162
- Non-cancellable	-	-
Future minimum lease payments under non-cancellable operating leases		
Due not later than one year	-	7,376,614
Due later than one year but not later than five years	-	-
Later than five years	-	-
Minimum lease payment	-	9,036,777



Sterling Wilson-SPCPL-Chint Moroccan Venture

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency : Indian rupees)

28. Unhedged foreign currency exposure

The unhedged foreign currency exposure as at 31 March 2018 is given below:

Particulars	31 March 2018		31 March 2017	
	In Foreign currency	In Indian Rupees	In Foreign currency	In Indian Rupees
Payables				
Euro				
US Dollars	121,429	9,710,774	-	-
	140,427	9,102,898	-	-
Trade receivables and unbilled revenue				
US Dollars	121,509,174	7,876,589,168	-	-
Bank Balance				
US Dollars				
Moroccan Dirhams	6,804,706	441,101,457	2,130,889	13,602,103
	-	-	776,894	4,959,146
Cash on hand				
Moroccan Dirhams	141,528	994,620	38,678	246,895

29. Earnings and expenditure in foreign currency

Particulars	31 March 2018	For the period from 28 November 2016 to 31 March 2017
(a) Earnings in foreign currency (on accrual basis)		
- Income from work contracts	8,982,404,156	-
(b) Expenditure in foreign currency (on accrual basis)		
- Traveling expenses		-
- Legal and Professional fees	7,852,470	-
- Project expenditure	19,869,895	-
- Other expenditure	2,530,327,196	13,518,011
- Purchase of fixed assets	33,886,402	-
	29,082,205	2,714,605
(c) Value of imports calculated on CIF basis		
- Construction materials	412,388,603	7,004,070

30. Prior period comparatives

Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to current period's classification. The Partnership firm was incorporated on 28 November 2016 and consequently the balances of current year are not comparable to the previous year.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 August 2018

For and on behalf of Partnership Firm

Sterling Wilson-SPCPL-Chint Moroccan Venture

Firm Registration No: JNR / 884/2016-17

Ravi Ananthkrishnan

Authorised signatory for managing Partner
(Sterling and Wilson Solar Private Limited)

Mumbai

11 August 2018