

# B S R & Co. LLP

Chartered Accountants

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Mumbai - 400 011  
India

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## Independent Auditors' Report

### To the Partners of Sterling Wilson – SPCPL – Chint Moroccan Venture

#### Report on audit of the Financial Statements

#### Opinion

We have audited the financial statements of Sterling Wilson – SPCPL – Chint Moroccan Venture ('the Partnership Firm'), which comprise the balance sheet as at 31 March 2019, and the profit and loss account and the cash flow statement for the year on that date, and a summary of the significant accounting policies and other explanatory information, in which are included the Return for the year ended on that date audited by the branch auditors' of the Partnership Firm's branch at Morocco.

In our opinion and based on the consideration of reports of the branch auditors' on the financial statements of the branch referred to in the Other Matters paragraph below, the accompanying financial statements give a true and fair view of the financial position of the Partnership Firm as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI').

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the audit of the Financial Statements* section of our report. We are independent of the Partnership Firm in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Partnership firm's designated partners 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 Accounting Standards issued by the ICAI and the provisions of the Partnership Act, 1932 ('the Act'), to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control 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, the Partnership Firm's designated partners are 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 the Partnership Firm's designated partners either intends to liquidate the Partnership Firm or to cease operations, or has no realistic alternative but to do so.

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

### Sterling Wilson – SPCPL – Chint Moroccan Venture

#### Responsibilities of Partnership firm's designated partners for the Financial Statements (Continued)

The Partnership Firm's designated partners are also responsible for overseeing the Partnership Firm's financial reporting process.

#### Auditors' 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.

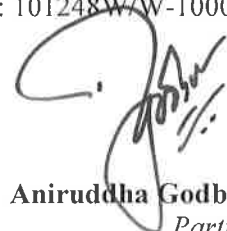
#### Other Matters

1. We did not audit the financial statements of one branch namely Morocco, included in the financial statements of the Partnership Firm, whose financial statements reflect total assets of Rs 804.46 million as at 31 March 2019 and total revenues of Rs 772.76 million for the year ended 31 March 2019, as considered in the financial statements. The financial statements of the branch has been audited by branch auditors whose report has been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of the branch is based solely on the audit report of the branch auditors.
2. The financial statements include one branch, namely Morocco, which is located outside India, and whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by branch auditors under generally accepted auditing standards applicable in that country. The Partnership Firm's management has converted the financial statements of this branch located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Partnership Firm's management. Our opinion in so far as it relates to the balances and affairs of this branch located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Partnership Firm and audited by us.

Our opinion on the financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors.

For B S R & Co. LLP  
Chartered Accountants

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



Aniruddha Godbole  
Partner

Membership No: 105149

# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Balance sheet

as at 31 March 2019

(Currency : Indian Rupees in million)

Particulars	Note	31 March 2019	31 March 2018
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital Accounts</b>			
Partners' Capital Account	3	1.24	(206.04)
		<u>1.24</u>	<u>(206.04)</u>
<b>Current liabilities</b>			
Trade payables	4	-	-
- Outstanding dues of Micro Enterprises and Small Enterprises		-	-
- Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,386.97	7,779.08
Other current liabilities	5	4.53	1,082.47
Short-term provisions	6	110.01	165.60
		<u>1,501.51</u>	<u>9,027.15</u>
<b>TOTAL</b>		<u><b>1,502.75</b></u>	<u><b>8,821.11</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	13.59	29.58
Capital work-in-progress	7	-	2.51
Deferred tax asset (net)	8	-	-
Long-term loans and advances	9	-	1.93
		<u>13.59</u>	<u>34.02</u>
<b>Current assets</b>			
Trade receivables	10	633.63	1,144.26
Cash and cash equivalents	11	133.07	500.78
Short-term loans and advances	12	722.46	409.72
Other current assets	13	-	6,732.33
		<u>1,489.16</u>	<u>8,787.09</u>
<b>TOTAL</b>		<u><b>1,502.75</b></u>	<u><b>8,821.11</b></u>
<b>Significant accounting policies</b>	2		

Notes to the financial statements

3 - 28

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 the Partners of

**Sterling Wilson-SPCPL-Chint Moroccan Venture**

Firm's Registration No: JNR / 884/2016-17

Bahadur Dastoor

Managing Partner

Mumbai

Date: 11 June 2019

# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Profit and loss account

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	14	2,152.49	8,982.40
Other income	15	492.86	73.27
<b>Total income</b>		<b>2,645.35</b>	<b>9,055.67</b>
<b>Expenses</b>			
Cost of construction materials, stores and spare parts	16	677.42	6,653.52
Changes in inventories of work-in-progress	17	-	13.52
Direct project costs	18	1,700.55	2,558.05
Other expenses	20	9.27	33.88
<b>Total expenses</b>		<b>2,387.24</b>	<b>9,258.97</b>
<b>Earnings / (loss) before interest, depreciation and tax (EBIDTA)</b>		<b>258.11</b>	<b>(203.30)</b>
Finance costs*	19	5.69	0.00
Depreciation expenses	7	3.70	2.06
<b>Profit / (loss) before tax</b>		<b>248.72</b>	<b>(205.36)</b>
<b>Tax expense</b>			
(i) Current tax		41.44	-
(ii) Deferred tax		-	-
		<b>41.44</b>	<b>-</b>
<b>Profit / (loss) for the year</b>		<b>207.28</b>	<b>(205.36)</b>

\*Amount less than Rs 0.01 million

## Significant accounting policies

2

## Notes to the financial statements

3 - 28

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 the Partners of

**Sterling Wilson-SPCPL-Chint Moroccan Venture**

Firm Registration No : JNR / 884/2016-17



Bahadur Dastoor

Managing Partner

Mumbai

Date: 11 June 2019

# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Cash flow statement

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	248.72	(205.36)
Adjustment for:		
Depreciation expenses	3.70	2.06
Finance cost*	5.69	0.00
(Write back) / provision for foreseeable losses	(16.30)	16.30
Unrealised foreign exchange (gain) / loss (net)	(131.66)	(56.63)
Loss on sale of tangible asset	6.19	-
Capital work in progress written off	2.58	-
<b>Operating profit / (loss) before working capital changes</b>	<b>118.92</b>	<b>(243.63)</b>
<b>Changes in working capital</b>		
Decrease in inventories	-	20.52
Decrease / (Increase) in trade receivable	595.70	(1,090.10)
(Increase) in loans and advances	(310.81)	(393.50)
Decrease / (Increase) in other current assets	6,732.33	(6,732.33)
(Decrease) / Increase in trade payables	(6,392.57)	7,757.06
(Decrease) / Increase in current liabilities and provisions	(1,161.95)	1,193.37
<b>Net cash flows (used in) / generated from operating activities</b>	<b>(418.38)</b>	<b>511.38</b>
Income tax paid	-	(0.04)
Effects of exchange differences on translation of assets and liabilities	(1.27)	(2.76)
<b>Net cash flows (used in) / generated from operating activities (A)</b>	<b>(419.65)</b>	<b>508.58</b>
<b>Cash flows from investing activities</b>		
Proceeds from Sale of / (purchase) of property, plant and equipment	7.30	(29.08)
<b>Net cash flows generated from / (used in) investing activities (B)</b>	<b>7.30</b>	<b>(29.08)</b>
<b>Cash flows from financing activities</b>		
Finance costs paid*	(1.94)	0.00
<b>Net cash flows (used in) financing activities (C)</b>	<b>(1.94)</b>	<b>0.00</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(414.29)</b>	<b>479.51</b>
<b>Cash and cash equivalents - opening balance</b>	<b>500.78</b>	<b>18.81</b>
Net movement in currency translation	46.58	2.46
<b>Cash and cash equivalents - closing balance (Refer note 11)</b>	<b>133.07</b>	<b>500.78</b>

\*Amount less than Rs 0.01 million

Notes:

a) The above cash flow statement have been prepared under the "Indirect Method" as set out in Accounting Standard (AS) 3.

b) 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).



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## Sterling Wilson-SPCPL-Chint Moroccan Venture

### Cash flow statement (*Continued*)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

Components of cash and cash equivalents	31 March 2019	31 March 2018
Cash on hand	0.92	0.99
Balances with banks		
- in current accounts	132.15	499.79
	<u>133.07</u>	<u>500.78</u>


The attached notes are an integral part of these 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

Date: 11 June 2019

For and on behalf of the Partners of

**Sterling Wilson-SPCPL-Chint Moroccan Venture**

Firm Registration No : JNR / 884/2016-17

  
**Bahadur Dastoor**

*Managing Partner*

Mumbai

Date: 11 June 2019

# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

### 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.

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

### 2 Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The accompanying 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, including 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 in millions to the nearest two decimal places, unless otherwise stated.

#### 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

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

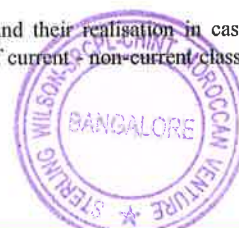
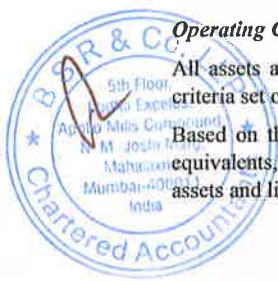
Current liabilities include current portion of non-current financial liabilities.

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 Partnership Firm's normal operating cycle and other criteria set out above.

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.



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

### 2 Significant accounting policies (Continued)

#### 2.4 Property, plant and equipment

Tangible 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.

##### Depreciation

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 property, plant and equipment 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 tangible 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 Profit and loss account. 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.



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

## 2 Significant accounting policies (Continued)

### 2.7 Revenue recognition (Continued)

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 year 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 GST on accrual basis when the services are completed.

### 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 realised. 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 recognised as an expense in the year 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.



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

### 2 Significant accounting policies (Continued)

#### 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 recognised as an expense during the year.

##### (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 Profit and loss account during the year 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 recognised in the Profit and loss account of the year.

All 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 Profit and loss account. 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 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 are translated at exchange rates on the date of transaction and depreciation on tangible assets is translated at the exchange rates used for translation of the underlying tangible assets. Net exchange difference resulting from translation of items in the financial statements of the foreign branch office is recognised in the Profit and loss account.

#### 2.13 Operating lease

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

#### 2.14 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.

#### 2.15 Provisions and contingencies

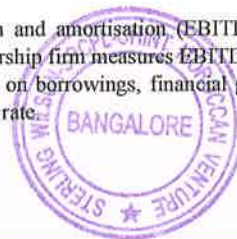
A provision is recognised when:

- 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.

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

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



# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

Particulars	31 March 2019	31 March 2018
<b>3. Partners' Capital Account</b>		
Partners' share of profit / (loss) in partnership firm		
<b>Sterling and Wilson Private Limited</b>		
Opening balance	-	(0.62)
Add: Share of profit / (loss) for the year	-	-
Less: Transferred to Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	-	(0.62)
<b>Closing Balance</b>	-	-
<b>Sterling and Wilson Solar Limited</b> (formerly known as Sterling and Wilson Solar Private Limited)		
Opening balance	(189.56)	-
Add: Share of profit / (loss) for the year	190.70	(188.94)
Add: Acquired from Sterling and Wilson Private Limited	-	(0.62)
<b>Closing Balance</b>	1.14	(189.56)
<b>Shapoorji Pallonji and Company Private Limited</b>		
Opening balance	(10.30)	(0.03)
Add: Share of profit / (loss) for the year	10.36	(10.27)
<b>Closing Balance</b>	0.06	(10.30)
<b>Astronergy Solar India Private Limited</b>		
Opening balance	(6.18)	(0.02)
Add: Share of profit / (loss) for the year	6.22	(6.16)
<b>Closing Balance</b>	0.04	(6.18)
	<b>1.24</b>	<b>(206.04)</b>

### Note:

Profit / (loss) for the year has not been distributed to the respective partners capital account pending resolution as per the terms of the partnership deed.

## 4. Trade payables

- Total outstanding dues of micro enterprises and small enterprises (refer note 24)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,386.97	7,779.08
	<b>1,386.97</b>	<b>7,779.08</b>

## 5. Other current liabilities

Advance from customers	-	1,062.50
Employee benefits payable	2.44	8.85
Statutory dues payable :	-	-
- Tax deducted at source	1.14	1.45
- Social security contribution	0.95	9.67
	<b>4.53</b>	<b>1,082.47</b>



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

Particulars	31 March 2019	31 March 2018
<b>6. Short-term provisions</b>		
<b>Other provisions :</b>		
Provision for tax [net of advance tax : Rs Nil; 31 March 2018: Rs Nil]	45.19	-
Provision for Liquidated damages	64.82	149.30
Provision for foreseeable losses	-	16.30
	<b>110.01</b>	<b>165.60</b>

### Provision for liquidated damages

Liquidated damages are contractual obligations affecting the contract revenue in case of the works 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.

Particulars	Liquidated damages	Foreseeable loss
As at 1 April 2018	149.30	16.30
Utilisation / Reversal during the period	(84.48)	(16.30)
As at 31 March 2019	64.82	-

Particulars	Liquidated damages	Foreseeable loss
As at 1 April 2017	-	-
Additions during the year	149.30	16.30
As at 31 March 2018	149.30	16.30



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## Sterling Wilson-SPCPL-Chint Moroccan Venture

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

(Currency : Indian Rupees in million)

#### 7. Property, plant and equipment

Assets description	As at 1 April 2018	Additions during the year	Gross Block Exchange differences on translation of foreign operations	Deductions during the year	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Accumulated depreciation Exchange differences on translation of foreign operations	Deductions during the year	As at 31 March 2019	Net block As at 31 March 2019
Leasehold improvements	1.10	-	0.03	-	1.13	0.26	0.34	0.00	-	0.60	0.53
Plant and Machinery	8.40	-	0.24	-	8.64	0.08	0.88	(0.01)	-	0.95	7.69
Computers	2.67	-	(0.09)	-	2.58	0.81	1.05	(0.17)	-	1.69	0.89
Furniture and fixtures	19.46	-	0.57	14.85	5.18	0.90	1.43	(0.27)	1.36	0.70	4.48
<b>Total (A)</b>	<b>31.63</b>	<b>-</b>	<b>0.75</b>	<b>14.85</b>	<b>17.53</b>	<b>2.05</b>	<b>3.70</b>	<b>(0.45)</b>	<b>1.36</b>	<b>3.94</b>	<b>13.59</b>
Capital work-in-progress	2.51	-	0.07	2.58	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>2.51</b>	<b>-</b>	<b>0.07</b>	<b>2.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>34.14</b>	<b>-</b>	<b>0.82</b>	<b>17.43</b>	<b>17.53</b>	<b>2.05</b>	<b>3.70</b>	<b>(0.45)</b>	<b>1.36</b>	<b>3.94</b>	<b>13.59</b>

Assets description	As at 1 April 2017	Additions during the year	Gross Block Exchange differences on translation of foreign operations	Deductions during the year	As at 31 Mar 2018	As at 1 April 2017	Charge for the year	Accumulated depreciation Exchange differences on translation of foreign operations	Deductions during the year	As at 31 March 2018	Net block As at 31 March 2018
Leasehold improvements	-	1.05	0.05	-	1.10	-	0.25	0.01	-	0.26	0.84
Plant and Machinery	-	8.04	0.36	-	8.40	-	0.08	0.00	-	0.08	8.32
Computers	1.10	1.25	0.32	-	2.67	0.33	0.58	(0.10)	-	0.81	1.86
Furniture and fixtures	1.61	16.34	1.51	-	19.46	0.08	1.15	(0.33)	-	0.90	18.56
<b>Total (A)</b>	<b>2.71</b>	<b>26.68</b>	<b>2.24</b>	<b>-</b>	<b>31.63</b>	<b>0.41</b>	<b>2.06</b>	<b>(1.42)</b>	<b>-</b>	<b>2.05</b>	<b>29.58</b>
Capital work in progress (B)	-	2.40	0.11	-	2.51	-	-	-	-	-	2.51
<b>Total (A+B)</b>	<b>2.71</b>	<b>29.08</b>	<b>2.35</b>	<b>-</b>	<b>34.14</b>	<b>0.41</b>	<b>2.06</b>	<b>(1.42)</b>	<b>-</b>	<b>2.05</b>	<b>32.09</b>

a) Nil amount of borrowing cost is capitalised during the year ended 31 March 2019 (31 March 2018: Rs Nil).

b) Nil amount of impairment loss is recognised during the year ended 31 March 2019 (31 March 2018: Rs Nil).

c) Exchange differences on translation of foreign operations includes the exchange fluctuation of Rs 0.82 million (31 March 2018: Rs 2.35 million) on gross block and Rs (0.45) million (31 March 2018: Rs (1.42) million) on accumulated depreciation due to translation of tangible 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 2019

(Currency : Indian Rupees in million)

Particulars	31 March 2019	31 March 2018
<b>8. Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Provision for Liquidated damages	22.65	46.58
Provision for foreseeable losses	-	5.09
Carried forward business losses	-	11.74
Unabsorbed depreciation	-	0.93
Excess of book depreciation over depreciation as per Income tax Act, 1961	0.29	-
	<b>22.94</b>	<b>64.34</b>
<b>Deferred tax liability</b>		
Excess of depreciation as per Income tax Act, 1961 over book depreciation	-	1.12
	<b>-</b>	<b>1.12</b>
<b>Deferred tax assets, net</b>	<b>22.94</b>	<b>63.22</b>
<b>Deferred tax assets recognised, net</b>	<b>-</b>	<b>-</b>

As per the Accounting Standard 22, "Accounting for taxes on income", the Partnership firm would have net deferred tax assets of Rs 22.94 million for the year ended 31 March 2019 [31 March 2018: Rs. 63.22 million]. However, in view of carried forward business losses and unabsorbed depreciation, the net deferred tax assets of Rs 22.94 million and Rs 63.22 million for the years ended 31 March 2019 and 31 March 2018 respectively are not recognised, 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	-	1.93
	<b>-</b>	<b>1.93</b>

## 10. Trade receivables (Unsecured)

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

- considered good	-	-
	<b>-</b>	<b>-</b>

Other receivables

- Considered good	633.63	1,144.26
	<b>633.63</b>	<b>1,144.26</b>

## 11. Cash and cash equivalents

Cash on hand	0.92	0.99
Balances with banks		
- in current accounts	132.15	499.79
	<b>133.07</b>	<b>500.78</b>



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

Particulars	31 March 2019	31 March 2018
<b>12. Short-term loans and advances</b> (Unsecured, considered good)		
Security deposits	1.99	-
Advances for supply of goods	15.55	21.43
Balance with government authorities	693.60	388.28
Prepaid expenses	0.01	0.01
Other recoverables*	11.31	-
	<b>722.46</b>	<b>409.72</b>
<i>* Includes insurance claim receivables</i>		
<b>13. Other current assets</b> (Unsecured, considered good)		
Unbilled receivables	-	6,732.33
	<b>-</b>	<b>6,732.33</b>



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

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

(Currency : Indian Rupees in million)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>14. Revenue from operations</b>		
Income from works contracts	2,152.49	8,982.40
	<u>2,152.49</u>	<u>8,982.40</u>
<b>15. Other income</b>		
Foreign exchange gain (net)	476.56	69.62
Write back of provision for foreseeable losses	16.30	-
Export incentive	-	3.65
	<u>492.86</u>	<u>73.27</u>
<b>16. Cost of construction materials, stores and spare parts</b>		
Construction materials, stores and spare parts		
Inventory of materials at the beginning of the period	-	7.00
Add: Purchase of material during the period	677.42	6,646.52
Inventory of materials at the end of the period	-	-
	<u>677.42</u>	<u>6,653.52</u>
<b>17. Change in inventory of project work-in-progress</b>		
Opening Inventory	-	13.52
Closing Inventory	-	-
	<u>-</u>	<u>13.52</u>
<b>18. Direct project costs</b>		
Communication*	0.82	0.00
Stores and spare parts consumed	6.07	6.58
Consultancy fees	31.95	19.87
Printing and stationery	0.52	2.68
Repairs	0.03	-
Selling and marketing	-	0.28
Travelling	0.22	7.85
Rental (refer note 26)	16.65	9.51
Rates & Tax	0.72	4.87
Electricity	12.52	11.58
Provision for foreseeable losses (Refer note 6)	-	16.30
Bank charges	31.47	24.74
Other expenses	0.76	0.37
	<u>101.73</u>	<u>104.63</u>
<b>Employee benefits expense</b>		
Salaries, wages and bonus	78.07	114.24
Contribution to provident fund and other funds	0.31	-
Staff welfare expenses	4.36	0.05
	<u>82.74</u>	<u>114.29</u>
<b>Sub-contractor expenses</b>	1,516.08	2,339.13
	<u>1,700.55</u>	<u>2,558.05</u>

\*Amount less than Rs 0.01 million



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

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

(Currency : Indian Rupees in million)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>19. Finance costs</b>		
Interest expense		
- on late payment of tax	5.69	-
- on others*	-	0.00
	<u>5.69</u>	<u>-</u>
*Amount less than Rs 0.01 million		
<b>20. Other expenses</b>		
Communication expenses	-	3.09
Legal and professional fees	-	3.20
Repairs and maintenance - others	-	0.55
Selling and marketing expenses	-	0.12
Rent (refer note 26)	-	9.89
Rates and taxes	-	0.03
Loss on sale of tangible assets	6.19	-
Capital work in progress written off	2.58	-
Payment to auditors (refer note below)	0.50	0.10
Foreign exchange loss (net)	-	0.00
Donation	-	0.12
Bank charges	-	7.06
Miscellaneous expenses	-	9.72
	<u>9.27</u>	<u>33.88</u>
<b>Payment to auditors (excluding taxes)</b>		
As auditor		
- statutory audit	0.25	0.10
In other capacity		
- tax audit	0.17	-
Reimbursement of Expenses	0.08	-
	<u>0.50</u>	<u>0.10</u>



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

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

(Currency : Indian Rupees in million)

### 21. Disclosures under the Accounting Standard 7 - 'Construction contracts'

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Contract revenue	2,152.49	8,982.40
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	-	9,225.09
(ii) Recognized profits (less recognised losses)	-	(242.68)
c) Advances received	-	1,062.50
d) Gross amount due from customers for contract work	-	6,732.33
e) Gross amount due to customers	-	-
f) Retention due from customers	-	-

### 22. Contingent liabilities and commitments

	31 March 2019	31 March 2018
<b>Contingent liabilities</b>		
Claims against the Partnership firm not acknowledged as debts	1.72	Nil
<b>Commitments</b>		
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.

### 23. 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 Solar Limited (formerly known as Sterling and Wilson Solar Private Limited (SWSPL))	Partner
Astronergy Solar India Private Limited	Partner
Sterling and Wilson Power Solutions LLC	Entities over which Partner exercise control
Sterling and Wilson Middle East Electro Mechanical L.L.C	Entities over which Partner exercise control

#### B Transactions and balances with related parties

Related party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Purchase of material	266.48	6,234.13
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Reimbursement of expenses	-	291.41
Sterling and Wilson Power Solutions LLC	Purchase of material	0.26	-
Sterling and Wilson Middle East Electromechanical LLC	Purchase of material	2.89	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Paid towards expenses	-	268.36



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

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

(Currency : Indian Rupees in million)

### 23. Related party disclosures (Continued)

#### B Transactions and balances with related parties (Continued)

Related party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Share in profit/ (loss) for the year	190.70	(188.94)
Shapoorji Pallonji and Company Private Limited	Share in profit/ (loss) for the year	10.36	(10.27)
Astronergy Solar India Private Limited	Share in profit/ (loss) for the year	6.22	(6.16)
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Trade payables	603.86	5,887.23
Sterling and Wilson Middle East Electromechanical LLC	Advance to Vendors	1.18	-
Sterling and Wilson Power Solutions LLC	Trade payables	0.26	-
Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)	Share in capital account of partnership firm	1.14	(189.56)
Shapoorji Pallonji and Company Private Limited	Share in capital account of partnership firm	0.06	(10.30)
Astronergy Solar India Private Limited	Share in capital account of partnership firm	0.04	(6.18)

### 24. 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 end of accounting period / year	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 / year	Nil	Nil

### 25. 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 'Segment Reporting'.

#### 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 2018: Nil] of the total turnover of the partnership firm, hence separate geographical segment information has not been given in the financial statements.

### 26. 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 2019 are as follows:

Lease obligations	Year ended 31 March 2019	Year ended 31 March 2018
Lease payments recognised in the statement of profit and loss		
- Cancellable	16.65	19.40
- Non-cancellable	-	-
Future minimum lease payments under non-cancellable operating leases		
Due not later than one year	-	-
Due later than one year but not later than five years	-	-
Later than five years	-	-
Minimum lease payment	-	-



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# Sterling Wilson-SPCPL-Chint Moroccan Venture

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in million)

### 27. Unhedged foreign currency exposure

The unhedged foreign currency exposure as at 31 March 2019 is given below:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	In Foreign currency	In Indian Rupees	In Foreign currency	In Indian Rupees
<b>Payables</b>				
Euro	0.27	21.26	0.12	9.71
AED	0.04	0.69	-	-
US Dollars	0.18	12.27	0.14	9.10
<b>Trade receivables and unbilled revenue</b>				
US Dollars	9.14	633.63	121.51	7,876.59
<b>Cash and cash equivalents</b>				
US Dollars	0.07	4.95	6.94	442.09

### 28. Earnings and expenditure in foreign currency

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>(a) Earnings in foreign currency (on accrual basis)</b>		
- Income from work contracts	2,152.49	8,982.40
<b>(b) Expenditure in foreign currency (on accrual basis)</b>		
- Traveling expenses	0.22	7.85
- Legal and Professional fees	4.40	19.87
- Project expenditure	1,677.25	2,530.33
- Other expenditure	6.19	33.88
- Purchase of fixed assets	-	29.08
<b>(c) Value of imports calculated on CIF basis</b>		
- Construction materials	313.55	412.39

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

Date: 11 June 2019

For and on behalf of Partnership Firm

**Sterling Wilson-SPCPL-Chint Moroccan Venture**

Firm Registration No : JNR / 884/2016-17

**Bahadur Dastoor**

Managing Partner

Mumbai

Date: 11 June 2019