Sterling and Wilson International Solar FZCO
Dubai Airport Free Zone, Dubai

Financial Statements
31 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STERLING AND WILSON INTERNATIONAL SOLAR FZCO

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Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Sterling and Wilson International Solar FZCO, Dubai Airport Free Zone, Dubai ("the Company"), which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in shareholder's funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out in pages 3 to 25.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STERLING AND WILSON INTERNATIONAL SOLAR FZCO (Continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Regulatory Requirements

In our opinion, all the necessary books of accounts and other records have been maintained in accordance with the provisions of the implementing regulations issued there under by the Dubai Airport Free Zone pursuant to Implementing Regulations No.1 of 2000, Pursuant Law No.2 of 1996 and its Amendment No. 2 of 2000 of H.H. Shaikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and the UAE Federal Law No. 2 of 2015 regarding Commercial Companies and its amendments and decisions made and issued there under by the Dubai Airport Free Zone Authority. We have obtained all information and explanations which are necessary for the purpose of the audit and to the best of our knowledge and belief no violation of the above applicable laws came to our attention which would materially affect the Company's financial position.

Moore Stephens

Moore Stephens

Dubai
10 June 2019

Statement of comprehensive income

(stated in Indian Rupees in millions)

	Note	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)
Income			
Sale of goods	5	**30,349**	22,231
Direct costs	6	**(23,923)**	(22,622)
Gross profit/(loss)		**6,426**	(391)
Other income	7	**688**	--
		7,114	(391)
Expenses			
General and administration	8	**253**	106
Selling		**2**	--
Finance charges	9	**641**	259
		896	365
Profit/(loss) for the year/period		**6,218**	(756)
Other comprehensive loss:			
Item that will not be reclassified subsequently to profit or loss			
Exchange difference on translation to presentation currency		**(218)**	(6)
Other comprehensive loss for the year/period		**(218)**	(6)
Total comprehensive income/(loss) for the year/period		**6,000**	(762)

The attached notes 1 to 25 form part of these financial statements.

Statement of financial position

(stated in Indian Rupees in millions)

	Note	2019	2018 (Restated)
Assets			
Non-current assets			
Investments in subsidiaries	10	**74**	22
Total non-current assets		**74**	22
Current assets			
Inventories	4.3 h)	--	131
Accounts and other receivables	11	**26,346**	17,615
Bank balances	12	**1,034**	13
Total current assets		**27,380**	17,759
Total assets		**27,454**	17,781
Shareholder's funds and liabilities			
Shareholder's funds			
Share capital	13	**18**	18
Shareholder's current account	14	**3,657**	3,124
Foreign currency translation reserve	4.3 l)	**(224)**	(6)
Retained earnings/(accumulated losses)		**3,603**	(2,615)
Total shareholder's equity		**7,054**	521
Shareholder's loan	15	**20**	16
Total shareholder's funds		**7,074**	537
Liabilities			
Non-current liabilities			
Employees' terminal benefits	17	**15**	1
Total non-current liabilities		**15**	1
Current liabilities			
Term loans	18	**8,540**	--
Bank borrowings	19	**1,991**	1,176
Accounts and other payables	20	**9,834**	16,067
Total current liabilities		**20,365**	17,243
Total liabilities		**20,380**	17,244
Total shareholder's funds and liabilities		**27,454**	17,781

The attached notes 1 to 25 form part of these financial statements.

Managing Director
10 June 2019

Statement of changes in shareholder's funds

(stated in Indian Rupees in millions)

Year ended 31 March 2019	Share capital	Shareholder's current account	Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Subtotal	Shareholder's loan	Total
Balance at 1 April 2018 (as restated)	**18**	**3,124**	**(6)**	**(2,615)**	**521**	**16**	**537**
Profit for the year	--	--	--	6,218	6,218	--	6,218
Other comprehensive loss for the year	--	--	(218)	--	(218)	--	(218)
Total comprehensive income for the year	--	--	(218)	6,218	6,000	--	6,000
Movement during the year	--	533	--	--	533	4	537
Balance at 31 March 2019	**18**	**3,657**	**(224)**	**3,603**	**7,054**	**20**	**7,074**

From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)	Share capital	Shareholder's current account	Foreign currency translation reserve	Accumulated losses	Subtotal	Shareholder's loan	Total
Loss for the period (as restated – Note 24)	--	--	--	(756)	(756)	--	(756)
Other comprehensive loss for the period	--	--	(6)	--	(6)	--	(6)
Total comprehensive loss for the period (as restated)	--	--	(6)	(756)	(762)	--	(762)
Share capital introduced	18	--	--	--	18	--	18
Adjustment on acquisition of business under common control (Note 16)	--	--	--	(1,859)	(1,859)	2,459	600
Transfer to shareholder's current account (Note 14)	--	3,124	--	--	3,124	(3,124)	--
Movement during the period	--	--	--	--	--	681	681
Balance at 31 March 2018 (as restated)	18	3,124	(6)	(2,615)	521	16	537

The attached notes 1 to 25 form part of these financial statements.

Statement of cash flows

(stated in Indian Rupees in millions)

	Note	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)
Cash flows from operating activities			
Profit/(loss) for the year/period		**6,218**	(756)
Adjustments for:			
Interest expense – shareholder	9	**321**	237
Provision for employees' terminal benefits	17	**14**	1
Cash flows from/(used in) operations before working capital changes		**6,553**	(518)
Decrease/(increase) in inventories		**131**	(131)
(Increase) in accounts and other receivables		**(8,731)**	(17,037)
(Decrease)/increase in accounts and other payables		**(6,281)**	16,067
(Increase) in margin money deposits	12	**(139)**	--
Net cash used in operating activities		**(8,467)**	(1,619)
Cash flows from investing activities			
Acquisition of subsidiary during the year		**(4)**	--
Movement in escrow account relating to acquisition of a subsidiary	12	**(64)**	--
Net cash used in investing activities		**(68)**	--
Cash flows from financing activities			
Net movement in term loans		**8,540**	--
Net movement in bank borrowings		**815**	1,176
Net movement in shareholder's loan		--	444
Share capital introduced		--	18
Net cash from financing activities		**9,355**	1,638
Net movement in currency translation		**(2)**	(6)
Increase in cash and cash equivalents during the year/period		**818**	13
Cash and cash equivalents at the beginning of the year/period		**13**	--
Cash and cash equivalents at the end of the year/period	12	**831**	13
Non-cash transactions:			
Transfer of shareholder's loan		--	2,459
Transfer of accumulated losses		--	(1,859)
Transfer of subsidiaries		--	(22)
		--	578

The attached notes 1 to 25 form part of these financial statements.

Notes to the financial statements

(stated in Indian Rupees in millions)

1. Legal status and principal activities

Sterling and Wilson International Solar FZCO ("the Company") was incorporated on 7 December 2017 in Dubai Airport Fee Zone with limited liability pursuant to the Implementing Regulations No. 1 of 2000, Pursuant Law No. 2 of 1996 and its Amendment No. 2 of 2000 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and the UAE Federal Law No. 2 of 2015 regarding Commercial Companies and its amendments and decisions made and issued there under by the Dubai Airport Free Zone Authority. The principal place of business of the Company is at Park Place Tower, Office No 1803-1804, Sheikh Zayed Road, Dubai, UAE.

The principal activity of the Company includes solar energy systems and components trading.

Previously, the Company was wholly owned by Sterling and Wilson Private Limited, a private limited company incorporated in India. During the previous period, the control and ownership interest in the Company has been transferred from Sterling and Wilson Private Limited to Sterling and Wilson Solar Limited (formerly Sterling and Wilson Solar Private Limited or Rashmika Energy Private Limited) (the "Parent Company"), a limited company incorporated in India (Note 2).

2. Demerger and transfer of business

Sterling and Wilson Private Limited, India (erstwhile shareholder of the Company) was engaged in the business of mechanical, electrical and plumbing (MEP) services and solar EPC power plants (S-EPC) business. To enable the S-EPC division and MEP business to capitalize on growth opportunities in an independent manner, it was proposed by the shareholders to demerge the S-EPC division into a separate company.

Accordingly, during the previous period but effective from 1 April 2017, Sterling and Wilson Private Limited, India ("Demerged Company") has demerged its S-EPC Division into Sterling and Wilson Solar Limited (formerly Sterling and Wilson Solar Private Limited or Rashmika Energy Private Limited) (current shareholder of the Company) ("Resulting Company") pursuant to an order dated 28 March 2018 from the National Company Law Tribunal (NCLT) Mumbai, India and in accordance with the Scheme of Arrangement ("arrangement") between the Demerged Company and the Resulting Company.

Both the Demerged Company and the Resulting Company are under common ownership and control.

Under the arrangement, the Demerged Company shall vest/transfer into the Resulting Company the S-EPC Division including but not limited to its assets, liabilities, pre-qualifications, letters of intent, tenders, technical experience, contracts, interests/investments in subsidiaries, partnership firm in India, overseas subsidiaries, foreign branches and other assets and liabilities as described in the arrangement.

The Company, which is into S-EPC business was part of this restructuring arrangement and as a result, the following restructuring was effected at the Company level:

a) SWIFZE has transferred its following subsidiaries into the Company effective from 1 April 2017:

- Sterling and Wilson Middle East Solar Energy L.L.C, UAE (formerly Sterling and Wilson Powergen L.L.C)
- Sterling and Wilson Engineering (Pty). Ltd., South Africa
- Sterling and Wilson Singapore Pte Ltd., Singapore
- Sterling and Wilson Kazakhstan LLP, Kazakhstan

Although the Company was incorporated only on 7 December 2017, the effective date of transfer of the above subsidiaries was from 1 April 2017. However, the legal formalities for change in shareholding is still under process for one of the subsidiaries as of the reporting date.

b) A subsidiary of the Demerged Company, Sterling and Wilson International FZE ("SWIFZE"), registered in UAE, has transferred into the Company the following newly incorporated subsidiaries in the previous period with effect from 1 April 2017:

- Renovable Energia Contracting S.L., Spain
- Sterling and Wilson Solar Solutions Inc., USA

2. Demerger and transfer of business (Continued)

c) In addition to the above, SWIFZE and another subsidiary of the Demerged Company, Sterling and Wilson Middle East Electromechanical L.L.C ("SWMELLC") including its subsidiaries, have transferred their accumulated losses as of 1 April 2017 to the Company and one of its subsidiaries, Sterling and Wilson Middle East Solar Energy L.L.C ("SWMESELLC"). Further, the shareholder's loan as of 1 April 2017 in the books of SWIFZE was also transferred to the Company. The transfer of accumulated losses and the shareholder's loan was effected based on a resolution passed by the Board of SWIFZE pursuant to a provision in the arrangement whereby it was necessary for the amount of the transfers to be approved by the board of the Demerged Company from their view of the appropriateness of the transfer. Subsequently, the shareholder of the Company expressed its intent to convert the shareholder's loan to equity.

The restructuring arrangement as discussed in a), b) and c) above was also ratified by the business transfer agreements and resolutions passed by the Board of SWIFZE and the Company.

Further, all contracts/agreements with customer/suppliers, and legal titles to the assets and liabilities are still in the name of SWIFZE or SWMELLC as of the reporting date. The Company or SWMESELLC shall at any time after the conditions stipulated in the arrangement have been fulfilled, perform all such formalities to transfer the legal titles of such contracts/agreements, assets and liabilities in favor of the Company and SWMESELLC.

3. Adoption of new and revised International Financial Reporting Standards

3.1 New standard and interpretation adopted by the Company during the year

The Company has adopted the following applicable new standard and interpretation as of 1 April 2018:

- IFRS 15, 'Revenue from Contracts with Customers' issued in May 2014 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

  - Identify the contract with the customer
  - Identify the performance obligations in the contract
  - Determine the transaction price
  - Allocate the transaction price to the performance obligations in the contract
  - Recognise revenue when (or as) the entity satisfies a performance obligation

  The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

  The Company has applied IFRS 15 using the cumulative effect method i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of accumulated losses as at 1 April 2018. Therefore, the comparative information has not been restated and continues to be reported in accordance with the previous accounting policy. The effect of applying this standard, except for changes in the presentation of certain liability balances as explained in Note 4.3 c), did not have any material impact on the accumulated losses as at 1 April 2018 and on the results and financial position as at and for the year ended 31 March 2019 as a result of the changes in accounting policies as detailed in Note 4.3 a).

- IFRIC 22, 'Foreign Currency Transactions and Advance Consideration' issued in December 2016 addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

The management believes the adoption of the above standard and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

3. Adoption of new and revised International Financial Reporting Standards (Continued)

3.2 Standard and amendments to existing standard that are not yet effective and have not been adopted early by the Company

The following standard and amendments to existing standard that are applicable to the Company have been published and are mandatory for accounting periods of the Company beginning after 1 April 2018, but which have not been adopted early by the Company:

a) IFRS 16, 'Leases' is effective for annual periods beginning on or after 1 January 2019.The scope of IFRS 16 includes leases of all assets, with certain exceptions. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting is substantially unchanged from accounting under IAS 17. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective transition approach. The standard's transition provisions permit certain reliefs.

b) Amendments to IAS 19, 'Employee Benefits' clarify the accounting for defined benefit plan amendments, curtailments and settlements. The amendments are effective for annual periods commencing on or after 1 January 2019.

The management believes the adoption of the above standard and amendments to existing standard, except for IFRS 16, is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

4. Basis of preparation and significant accounting policies and estimates

4.1 Basis of preparation

These financial statements represent the separate financial statements of the Company in which the investment in subsidiaries are accounted for using the cost method of accounting as explained in the respective accounting policy notes set out below. As required by International Financial Reporting Standards, the Company has prepared consolidated financial statements in which the financial statements of the subsidiaries are included on a line by line basis. These financial statements are supplementary to the consolidated financial statements and are not intended to replace or substitute such statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are presented in Indian Rupees in millions (INR) and the Company's functional currency is United States Dollar (USD).

4.2 Basis of measurement

These financial statements have been prepared on the historical cost basis. The principal accounting policies that have been applied by the Company in these financial statements are set out below.

4.3 Significant accounting policies

a) Revenue recognition

<u>Policy applicable from 1 April 2018</u>

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sales of goods
Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. The normal credit terms are 60 days upon delivery.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Significant accounting policies (Continued)

a) Revenue recognition (Continued)

Policy applicable from 1 April 2018 (Continued)

In determining the transaction price for its revenue from contracts with customers, the Company considers the effects of variable consideration and existence of significant financing component.

(1) *Variable consideration*
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the inception of the contract and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. As of the reporting date, no variable consideration has been identified.

(2) *Significant financing component*

Advances from customers
The Company generally receives short-term advances from its customers. For short-term advances received from customers, the Company used the practical expedient. As such, the Company will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Company expects, at contract inception, that the period between the time the customer pays for the good or service and when the Company transfers that promised good or service to customer will be one year or less.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Policy applicable before 1 April 2018

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment, excluding discounts.

Sale of goods
Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, normally on delivery to the customer.

b) Direct costs

Direct costs comprise costs that relates directly to the specific contract, costs that are attributable to the contracting activity in general and which can be allocated to contracts and other costs as are specifically chargeable to the customer under the terms of contracts.

c) Contract balances

The timing of revenue recognition, billings and collections may result in contract assets, trade accounts receivable and contract liabilities.

Contract liabilities
The contract liabilities primarily relate to the advance consideration received from customers prior to meeting the revenue recognition criteria or when the amount of consideration received from customers exceed the amount of revenue recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

d) Investments in subsidiaries

Investments in subsidiaries are carried at cost, less any impairment provisions.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Significant accounting policies (Continued)

e) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

f) Financial instruments – recognition, classification, measurement, derecognition and offsetting

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

(i) Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVPL), transaction costs that are directly attributable to its acquisition or issue.

All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or loss (FVPL).

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the assets, or both.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Significant accounting policies (Continued)

f) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

The Company's financial assets are classified and subsequently measured at amortised cost includes accounts and other receivables and bank and cash balances.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

The Company's financial liabilities which include term loans, bank borrowings and accounts and other payables are classified and measured at amortised cost.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Significant accounting policies (Continued)

f) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(iii) Derecognition

Financial assets
A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

(iii) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) Impairment of financial assets

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

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable; and
- Financial assets measured at amortised cost (other than trade accounts receivable).

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Significant accounting policies (Continued)

g) Impairment of financial assets (Continued)

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of comprehensive income.

h) Inventories

Inventories are stated at lower of cost or net realisable value, after making due allowance for any obsolete or slow moving items. Cost is determined on weighted average cost basis and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

i) Employees' terminal benefits

Provision is made for employees' terminal benefits which is a defined benefit plan on the basis prescribed under UAE Labour Laws and is based on employees' salaries and number of years of service using actuarial techniques.

The cost of providing benefits is determined based on actuarial valuation by an independent actuary, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and remeasure each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are set with reference to high quality corporate bonds. Remeasurement, comprising actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost are recognised immediately. All other costs related to the defined benefit plan are recognised in the profit or loss statement within salaries and employee related costs.

The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

j) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.

k) Loans and borrowings

After initial recognition at fair value net of directly attributable transaction costs, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

l) Foreign currencies

Functional and presentation currency
The Company's functional currency is United States Dollar (USD) and the financial statements are presented in Indian Rupees (INR).

Transactions and balances
Transactions in currencies other than USD are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising in these cases are dealt within the statement of comprehensive income.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.3 Significant accounting policies (Continued)

l) Foreign currencies (Continued)

Translation of financial statements
The financial statements of the Company are translated into the presentation currency as follows:

(a) assets and liabilities in the statement of financial position are translated at the closing rate prevailing on the reporting date;

(b) income and expenses in the statement of comprehensive income are translated at average exchange rates; and

(c) all resulting exchange differences from translation of financial statements are recognised as other comprehensive income and are reflected as a separate component of equity in a foreign currency translation reserve.

m) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank balances and short-term deposits less margin money deposits under lien and restricted escrow bank account.

n) Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

4.4 Significant accounting judgement, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions and judgements concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

IFRS 15, Revenue from contracts with customers

The application of revenue recognition policy in accordance with IFRS 15 has required management to make the following judgments:

Satisfaction of performance obligation

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine appropriate method of recognising revenue. The Company has assessed that based on the contract, revenue is recognised at the point in time when control is transferred to the customer, normally upon delivery of the goods.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting judgement, estimates and assumptions (Continued)

IFRS 15, Revenue from contracts with customers (Continued)

Determination of transaction prices

The Company is required to determine the transaction prices in respect of each of its contracts with customers. In making such judgment, the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

Determining whether financing component in contracts is significant

The Company is required to apply judgment in determining whether a financing component within a contract is significant. In making such judgment, the Company considers all relevant facts and circumstances, including:

a. The difference, if any, between the amount of promised consideration and the cash selling price of goods/services; and

b. The combined effect of both of the following:

    i. the expected length of time between when the Company will recognise the revenue from the sale of goods/services and when the customer pays; and

    ii. the prevailing interest rates in the relevant market.

Impairment of inventories

Inventories are held at the lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made on their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Compay uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Trade accounts receivable, amounts due from related parties and loan to a related party

The Company reviews its trade accounts receivable, due from and loan to related parties to assess impairment at regular intervals. In determining whether impairment losses should be reported in the statement of comprehensive income, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience and forward-looking estimates, is evidence of a reduction in the recoverability of the cash flows.

Escrow deposit and other bank balances and deposits

Impairment on escrow deposit and other bank balances and deposits has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its escrow deposit and other bank balances and deposits have low credit risk based on the external credit ratings of the counterparties. While escrow deposit and other bank balances and deposits are also subject to impairment, the identified impairment loss is considered immaterial.

4. Basis of preparation and significant accounting policies and estimates (Continued)

4.4 Significant accounting judgement, estimates and assumptions (Continued)

Estimates for accounting of employees' terminal benefits

The carrying value of the employees' terminal benefits is based on actuarial valuations. The actuarial valuations by an independent actuary using a project unit credit method are sensitive to assumptions concerning discount rates, salary increase rates, and other actuarial assumptions used. Changes in these assumptions may have an effect on the carrying amount of employees' terminal benefit obligation.

The discount rates used for determining the present value of the obligation under defined benefit plan are set with reference to high quality corporate bonds.

Other key assumptions relevant to the post employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are provided in Note 17.

Impairment of investments in subsidiaries

Management assesses whether there are any indicators of possible impairment of investments in subsidiaries at each reporting date based on events or circumstances that indicate the carrying value of investment may not be recoverable. Such indicators include changes in the Company's business plans, and carrying amount of investment is higher than the carrying amount of the subsidiaries' assets, or a dividend exceeds the total comprehensive income of the subsidiaries.

Impairment exists when the carrying value of investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

5. Revenue from contract with customers

The following sets out the disaggregation of the Company's revenue from contracts with customers:

a) *Geographical locations*

	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)
Middle East	**15,596**	22,231
Africa	**10,106**	--
Asia	**4,647**	--
	30,349	22,231

b) *Customer relationship*

	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)
Related party customers (Note 21)	**30,349**	22,231
	30,349	22,231

6. Direct costs

	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)
Material purchases	**23,566**	22,622
Letter of credit charges	**42**	--
Salaries and employee related costs	**109**	--
Others	**206**	--
	23,923	22,622

7. Other income

	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018
Interest income from related parties (Note 21)	**664**	--
Interest on bank deposit	**1**	--
Gain on foreign currency exchange	**23**	--
	688	--

8. General and administration expenses

	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018
Salaries and employee related costs	**184**	79
Legal and professional fees	**39**	22
Rent and license fees	**13**	4
Insurance	**1**	--
Others	**16**	1
	253	106

9. Finance charges

	Year ended 31 March 2019	From the date of incorporation on 7 December 2017 to 31 March 2018
Interest expense – shareholder (Note 21)	**321**	237
Interest expense – term loans and bank borrowings	**191**	11
Letters of credit and guarantee charges	**13**	11
Bank charges	**116**	--
	641	259

10. Investments in subsidiaries

The following summarises information of the Company's investments in subsidiaries:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest held by the Company		Carrying value	
		2019	2018	**2019**	2018
Subsidiaries newly acquired during the year:					
Sterling and Wilson International LLP (formerly A&S Company LLP)	Kazakhstan	**100%**	--	**4**	--
GCO Electrical Pty. Ltd.	Australia	**76%**	--	**48**	--
Subsidiaries acquired under common control during the previous period:					
Sterling and Wilson Middle East Solar Energy L.L.C (formerly Sterling and Wilson Powergen L.L.C.)	UAE	**49%**	49%	**19**	19
Sterling and Wilson Singapore Pte. Ltd.	Singapore	**100%**	100%	**3**	3
Sterling and Wilson Engineering (Pty) Ltd.	South Africa	**60%**	70%	**--**	--
Subsidiaries incorporated during the previous period:					
Sterling and Wilson Solar Solutions Inc.	USA	**100%**	100%	**--**	--
Renovable Energia Contracting, S.L.	Spain	**99%**	99%	**--**	--
				74	22

The following subsidiaries are held through the Company's subsidiaries in Singapore and USA:

Name of subsidiary	Held through	Place of incorporation and operation	Proportion of ownership interest held by the subsidiaries	
			2019	2018
Sterling and Wilson Solar Solutions LLC	Sterling and Wilson Solar Solutions Inc., USA	USA	**100%**	--
Sterling and Wilson Kazakhstan LLP	Sterling and Wilson Singapore Pte. Ltd.	Kazakhstan	**100%**	100%

Sterling and Wilson Solar Solutions LLC is a newly incorporated subsidiary of Sterling and Wilson Solar Solutions Inc., USA.

The ownership interests of the subsidiaries acquired under common control during the previous period were transferred to the Company by virtue of restructuring arrangement discussed in Note 2 a) and b).

There has been no significant commercial activity for the subsidiaries registered in Singapore, Spain and Kazakhstan as of the reporting date.

Although the shareholding in Sterling and Wilson Middle East Solar Energy L.L.C is only 49%, the Company controls and has the power to direct the relevant activities of the subsidiary, and thereby can significantly affect the returns of the subsidiary.

The principal activities of the subsidiaries include solar energy systems and components trading, rental and installation. The subsidiaries are also engaged in design, engineering, procurement, fabrication, construction, installation, commissioning, testing and handing over of solar generating facilities and other related activities.

10. Investments in subsidiaries (Continued)

Acquisition of subsidiary in Australia

Effective 31 December 2018, the Company acquired 76% ownership interest in GCo Electrical Pty Ltd., Australia for a purchase consideration of INR 64 million. The purchase consideration payable by the Company was transferred to an escrow account as per the share purchase and shareholders agreement ("the agreement") (Notes 12 and 20). The purchase consideration shall be payable from the Escrow account on the respective date as follows:

a) Upfront consideration representing 25% of the purchase consideration (INR 16 million) less the closing loss (loss for the period from 30 June 2018 to 6 December 2018) is payable on 6 December 2018. Since the amount of closing loss exceeded the 25% of the purchase consideration, no amount was paid on 6 December 2018.

b) Conditional consideration representing 75% of the purchase consideration payable in 2 tranches as follows:

   i) First tranche consideration representing 25% of the purchase consideration shall be adjusted for subsidiary's loss for the period from 6 December 2018 to 6 June 2019, other losses due to the occurrence of any event of default as defined in the agreement, receivables at 30 June 2018 not collected as of 6 June 2019 and loss incurred by GCo Electrical Pty Ltd. from payment of a claim made by liquidators of a customer. The first tranche shall be payable on 6 June 2019.

   ii) Second tranche consideration representing 50% of the purchase consideration shall be adjusted for certain carry forward deductions not fully able to be deducted from the first tranche consideration, other losses due to the occurrence of any event of default as defined in the agreement and loss incurred by GCo Electrical Pty Ltd. from payment of a claim made by liquidators of a customer. The second tranche shall be payable on 6 December 2019.

   Further, as per the agreement, if in the 3 financial years following 6 December 2018, the subsidiary is able to set off its assessable profit against its carried forward tax losses which have accrued prior to 6 December 2018, the Company shall pay to the sellers an amount equal to 76% of the tax benefit which accrues to GCo Electrical Pty Ltd due to the set off of the accrued losses.

   In the opinion of the management, the estimated effects of the adjustments to the first and second tranche purchase consideration and the estimated amount of tax benefits payable are not material as at the reporting date.

Acquisition of subsidiary in Kazakhstan

During the current year, the Group acquired 100% ownership interest in Sterling and Wilson International LLP (formerly A&S Company LLP) in Kazakhstan for a total consideration of USD 60,000 (equivalent to INR 4 million).

11. Accounts and other receivables

	2019	2018 (Restated)
Trade accounts receivable – related party	**15,566**	5,759
Due from related parties (funding)	**1,410**	523
Loan to a related party	**9,258**	9,343
Advance to suppliers	**67**	1,986
Deposits and prepayments	**41**	4
Other receivables	**4**	--
	26,346	17,615

a) Trade accounts receivable is subject to a charge for facilities granted to the Company (Note 18).

b) The Company's assessment of expected credit losses on due from related parties – trading and funding, loan to a related party, advances and deposits is reported and disclosed in Note 22.1 c)).

c) Effective 1 April 2018, the loan to a related party carries interest rate at 7% per annum (31 March 2018: Nil). The loan is unsecured and is repayable on demand.

d) Trade accounts receivable and amounts due from related parties are considered collectible based on historic experience. It is not the practice of the Company to obtain collateral over receivables.

12. Bank balances

	2019	2018
Bank current accounts	**512**	13
Escrow account relating to acquisition of a subsidiary	**64**	--
Margin money deposits	**139**	--
Short-term deposit	**319**	--
Bank and cash balances	**1,034**	13
Less: Escrow account relating to acquisition of a subsidiary	**(64)**	--
Less: Margin money deposits under lien	**(139)**	--
Cash and cash equivalents in the statement of cash flows	**831**	13

Short-term deposit is placed with a commercial bank and attracts interest of 2.05% per annum.

Margin money deposits are subject to a charge for the facilities granted to the Company (Note 18).

Escrow account represents the purchase consideration payable by the Company on acquisition of a subsidiary in Australia as per the conditions prescribed in the share purchase and shareholders agreement (Note 10).

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

	1 April 2018	Financing cash flows	31 March 2019
Bank borrowings	1,176	**815**	**1,991**
Term loans	--	**8,540**	**8,540**
	1,176	**9,355**	**10,531**

	7 December 2017	Financing cash flows	31 March 2018
Bank borrowings	--	1,176	1,176
	--	1,176	1,176

13. Share capital

	2019	2018
Authorised, issued and fully paid		
(1 share of AED 1,000,000 each)	**18**	18
	18	18

14. Shareholder's current account

This represents amount credited to shareholder's current account pursuant to a resolution of the shareholder of the Company to convert its loan into equity with retrospective effect from 31 March 2018. This balance carries interest at 9.5% per annum (2018: Nil). As at the reporting date, the legal formalities to convert this balance into equity is still pending.

15. Shareholder's loan

Shareholder's loan is unsecured, carries interest at 9.5% per annum (2018: 9.5% per annum), without defined repayment arrangement and is repayable only at the option of the Company.

16. Acquisition of business under common control in the previous period

In the previous period, the Company has acquired the accumulated losses and shareholder's loan as of 1 April 2017 from SWIFZE (Note 2 c)). Subsequently, the shareholder of the Company expressed its intent to convert the shareholder's loan to equity.

The liabilities and accumulated losses acquired by the Company from SWIFZE were as follows:

Shareholder's loan	(2,459)
Accumulated losses	1,859

The consideration for the above transfer has been adjusted against the relevant related party balances.

17. Employees' terminal benefits

The provision for end of service benefits for employees is made in accordance with the requirements of the labour laws of the UAE. This is an unfunded defined benefit plan. The employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment.

Movement in the employees' terminal benefit obligation is as follows:

	2019	2018
Balance at the beginning of the year/period	1	--
Current service costs and interest	14	1
Balance at the end of the year/period	15	1

The maturity profile of employees' terminal benefit obligation is as follows:

	2019	2018
Amounts payable after 12 months	15	1
	15	1

Certain employees of the Company are under the visas of a related party. However, the employees' terminal benefits are accounted and reported in the books of the Company. The formal transfer of the employees' visa from its related party to Company is still under process.

The following are the principal actuarial assumptions at the reporting date:

	2019	2018
Discount rate	3.10%	3.10%
Salary escalation	5.00%	5.00%
Employee turnover rate	1.00%	1.00%

The sensitivities of the overall employee terminal benefits liability to changes in the weighted principal assumptions are:

	2019	2018
Discount rate + 100 basis points	(2)	(0.14)
Discount rate - 100 basis points	3	0.16
Salary escalation rate + 100 basis points	3	0.16
Salary escalation rate - 100 basis points	(2)	(0.15)
Employee turnover + 100 basis points	(1)	(0.03)
Employee turnover - 100 basis points	1	0.03

18. Term loans

	2019	2018
Loan 1	1,386	--
Loan 2	2,771	--
Loan 3	2,309	--
Loan 4	687	--
Loan 5	1,387	--
Amounts due within a year disclosed as current	8,540	--

Loan 1: The loan is from a commercial bank and is denominated in United States Dollar (USD). The loan carries an interest rate of 2% + 3-month Libor per annum and bullet repayment is due on 20 December 2019. The loan is secured by lien over margin money deposit amounting to 10% of the loan facility availed (Note 12).

Loan 2: The loan is from a commercial bank and is denominated in United States Dollar (USD). The loan carries an interest rate of 3% + 1-month Libor per annum and repayable within 180 days from the draw down date and the last repayment is on 15 July 2019. The loan is secured by a charge over trade accounts receivable and is backed by an assurance from the shareholder that the Company will honor its covenants (Note 11).

Loan 3: The loan is from a commercial bank and is denominated in United States Dollar (USD). The loan carries an interest rate of 125BPS + 3-month Libor per annum. The repayment terms are 40% of the loan due on 12 September 2019 and balance on 12 October 2019. The loan is secured by irrevocable stand-by letter of credit issued in favor of the bank.

18. Term loans (Continued)

Loan 4: The loan is from a commercial bank and is denominated in United States Dollar (USD). The loan carries an interest rate of 3-month Libor + 200BPS per annum. The loan is secured by stand-by letter of credit of USD 10 million issued by a commercial bank on 14 January 2019 and valid up to 6 January 2020. The loan is repayable on a bullet payment due on or before the expiry date of the stand-by letter of credit.

Loan 5: The loan is from a commercial bank and is denominated in United States Dollar (USD). The loan carries an interest rate of 2.75% per annum over LIBOR and is repayable on bullet payment after 6 months from the date of disbursement which is 23 July 2019. The loan is secured by stand-by letter of credit of USD 20 million in favour of the bank.

19. Bank borrowings

Bank borrowings represent trust receipts availed from a commercial bank by a related party on behalf of the Company. These carry interest at 1-month London Interbank Offered Rate (LIBOR) plus 225 BPS, and are secured by corporate guarantee of a related party.

20. Accounts and other payables

	2019	2018
Trade accounts payable	**9,576**	11,416
Due to related parties	**81**	19
Retentions payable	**6**	--
Liability arising from acquisition of a subsidiary (Note 10)	**48**	--
Accrued expenses and other payables	**123**	4,632
	9,834	16,067

21. Related party transactions

The Company has entered into both funding and other transactions with related parties during the year/period. Related parties represent shareholder and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management. The significant transactions during the year/period are as follows:

	Relationship	**Year-ended 31 March 2019**	From the date of incorporation on 7 December 2017 to 31 March 2018 (Restated)
Sale of goods (Note 5)	Shareholder	**29,928**	22,231
	Subsidiary	**421**	--
		30,349	22,231
Interest income (Note 7)	Other related party	**663**	--
	Subsidiary	**1**	--
		664	--
Other direct costs	Subsidiary	**113**	--
Interest expense (Note 9)	Shareholder	**321**	237
LC charges (under other direct costs)	Other related party	**72**	--
Share in rent expense	Other related party	**1**	--
Management support services	Ultimate Parent Company	**1**	--

The amounts due from/to related parties and subsidiary do not attract interest and are receivable/payable on demand, except for certain due from related parties which earned interest of INR 1 million (Note 7).

Key management compensation	**Year ended 31 March 2019**	From the date of incorporation on 7 December 2017 to 31 March 2018
Salaries and other allowances	**46**	--
	46	--

22. Financial risk and capital management

22.1 Financial risk factors

The Company's financial instruments consist mainly of loan to related party, amounts due from related parties, accounts and other receivables, bank balances, retentions payable, accounts and other payables, term loans and bank borrowings. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the year ended 31 March 2019. The identified key risks are:

a) Currency risk

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Company does not hedge foreign currency exposures.

The table below indicates the Company's foreign currency exposure, as a result of its monetary assets and liabilities.

	2019	2018
	INR	INR
Australian Dollar (AUD)	**67**	--
Euro (EUR)	**(776)**	--

The following tables demonstrate the sensitivity to a reasonably possible change in the following foreign currencies, with all other variables held constant. The impact on the Company's profit/(loss) is due to changes in the fair value of monetary assets and liabilities.

	2019	2018
Change in currency rate in 5% (+/-)	Effect on profit (+/-)	Effect on loss (+/-)
Currency		
AUD	**3**	--
EUR	**(39)**	--

b) Interest rate risk

The Company's interest rate risk arises from bank borrowings and term loans. The interest rate risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings.

A change of 100 basis points in interest rates at the reporting date (assuming that all other variable remain constant) would have increased/(decreased) loss as follows:

	2019	2018
Change in interest rate (+/-)	Effect on profit (+/-)	Effect on loss (+/-)
1%	**105**	11

c) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally of bank balances, loan to related parties, trade accounts receivable and amounts due from related parties.

Bank balances and deposits
The Company's bank accounts are placed with high credit quality financial institutions.

22. Financial risk and capital management (Continued)

22.1 Financial risk factors (Continued)

c) Credit risk (Continued)

Trade accounts receivable, loan to related parties and due from related parties
The credit risk on trade accounts receivable, amounts due from related parties and loan to related parties are subjected to credit evaluations. The Company mostly generates revenue from its shareholder and related party. Outstanding amounts of trade accounts receivable, due from related parties and loan to related parties are regularly monitored and allowance will be made for expected credit losses.

The Company is exposed to a concentration of credit risk. At the reporting date, 100% of the trade accounts receivable is due from 2 customers (31 March 2018: 100% is due from a single customer) and 90% of the amounts due from related parties (funding) is due from 3 parties (31 March 2018: 100% is due from 4 parties).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Impairment of financial assets
The Company's trade accounts receivable, due from related parties (funding) and loan to related parties are subject to the expected credit loss model. As at the reporting date, Company's financial assets are expected to be recoverable and no expected credit loss is recognised.

While bank balances and short-term deposits are also subject to impairment, the identified impairment loss is considered immaterial.

d) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

The table below summarises the maturities of the Company's undiscounted financial liabilities based on contractual payment dates:

2019	On demand	0 to 3 months	3 to 12 months	Total
Accounts and other payables	**81**	**122**	**9,631**	**9,834**
Term loans	**--**	**2,904**	**5,885**	**8,789**
Bank borrowings	**--**	**463**	**1,587**	**2,050**
Total	**81**	**3,489**	**17,103**	**20,673**

2018	On demand	0 to 3 months	3 to 12 months	Total
Accounts and other payables	19	4,632	11,416	16,067
Bank borrowings	--	1,176	--	1,176
Total	19	5,808	11,416	17,243

22.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder by pricing products commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholder's funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholder's funds, the Company may adjust the amount of dividends paid to shareholder, return funds to shareholder, issue new shares, or sell assets to reduce its exposure to debt. Capital comprises share capital, shareholder's current account, foreign currency translation reserve and retained earnings/(accumulated losses) and is measured at INR 7,054 million as at 31 March 2019 (2018: INR 521 million).

23. Commitments as a lessee under operating lease

The Company had future aggregate minimum lease payments under non-cancellable operating lease commitments on Company's office premises as follows:

	2019	2018
Not later than one year from reporting date	**7**	7
1 – 5 years post reporting date	**3**	10
	10	17

24. Prior period adjustments

In the previous period, the Company has not recorded sales and inventories of INR 373 and INR 131 respectively, although the related costs of sales have been incurred and reported in the prior period financial statements.

To correct the misstatement, the comparative information has been restated and the impact of the restatement is summarised below:

	As previously reported	Effect of restatement	After restatement
Statement of comprehensive income			
For the year ended 31 March 2018			
Sale of goods	21,858	373	22,231
Direct costs (material purchases)	(22,753)	131	(22,622)
Net impact on statement of comprehensive income	(1,260)	504	(756)

	As previously Reported	Effect of restatement	After restatement
Statement of financial position			
At 31 March 2018			
Inventories	--	131	131
Accounts and other receivables	17,242	373	17,615
Shareholder's funds			
Accumulated losses	(3,119)	504	(2,615)

25. Comparative figures

Pursuant to the restructuring arrangement as disclosed in Note 2 a), b) and c), the comparative figures includes investment in certain subsidiaries, accumulated losses and shareholder's loan which are transferred to the Company effective 1 April 2017. In addition, the statement of comprehensive income for the previous period also includes the revenue, costs and other expenses from 1 April 2017 relating to the contracts/agreements which were transferred pursuant to the aforesaid agreement. Further, certain of the prior period amounts have been reclassified to conform to the presentation in the current year.