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

Financial Statements
31 March 2019

Managing Director's Report

The Director has pleasure in submitting the report and accounts of Sterling and Wilson Middle East Solar Energy L.L.C., Dubai (formerly Sterling and Wilson Powergen L.L.C.) ("the Company") for the year ended 31 March 2019.

LEGAL STATUS

The Company is a limited liability company incorporated in the Emirate of Dubai under Federal Law No. (2) of 2015 and its subsequent amendments.

The principal activity of the Company is solar energy systems installation, components trading and rental.

The principal place of business of the Company is at Park Place Tower, Office No 1803-1804, Sheikh Zayed Road, Dubai, UAE.

OPERATING RESULTS

During the year under review, the Company achieved a turnover of INR 8,831 million and a profit of INR 2,153 million against a turnover of INR 2,351 million and a profit of INR 536 million in the previous year.

SHAREHOLDING PATTERN

The shareholding pattern at the end of the year under review is as follows:

Name of shareholders	Shareholding %
Mr. Ahmed Mohammed Jassim AlJassim	51%
M/s. Sterling and Wilson International Solar FZCO	49%
	100%

AUDITORS

Moore Stephens, the auditors of the Company, have indicated their willingness to continue in office.

Managing Director
10 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STERLING AND WILSON MIDDLE EAST SOLAR ENERGY L.L.C., DUBAI

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling and Wilson Middle East Solar Energy L.L.C., 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 shareholders' funds and statement of cash flows for the year ended 31 March 2019 and notes to the financial statements, including a summary of significant accounting policies, set out on pages 8 to 26.

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 its financial performance and its cash flows for the year ended 31 March 2019 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.

Other Information

Management is responsible for the other information. The other information comprises the information in the Managing Director's report but does not include the financial statements and our auditor's report therein. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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.

Continued...

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STERLING AND WILSON MIDDLE EAST SOLAR ENERGY L.L.C, DUBAI (Continued)

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

- 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, the financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 2015 and the Articles of Association of the Company. 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 UAE Commercial Companies Law of 2015 and the Articles of Association of the Company came to our attention which would materially affect the Company's financial position.

In our opinion, the Company has maintained proper books of account and the accompanying financial statements are in agreement therewith. The financial information contained in the Managing Director's report conforms to the financial statements.

For Moore Stephens

Farad K. Lakdawala

Signed by:
Farad K. Lakdawala
Registration No. 341

Dubai
10 June 2019

Statement of comprehensive income

(stated in Indian Rupees in millions)

	Note	2019	2018
Income			
Revenue from contracts with customers	5	**8,831**	2,351
Direct costs	6	**(6,259)**	(1,775)
Gross profit		**2,572**	576
Other income	7	**17**	8
		2,589	584
Expenses			
General and administration	8	**303**	47
Selling and distribution		**1**	1
Finance charges	9	**132**	--
		436	48
Profit for the year		**2,153**	536
Other comprehensive (loss)			
Item that will not be reclassified to profit or loss:			
Exchange difference on translation to presentation currency		**(53)**	(4)
Other comprehensive (loss) for the year		**(53)**	(4)
Total comprehensive income for the year		**2,100**	532

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
Assets			
Non-current assets			
Property and equipment	10	**90**	70
Capital work-in-progress	11	**--**	25
Total non-current assets		**90**	95
Current assets			
Contract assets	12	**1,083**	--
Gross amount due from customers for contract work	13	**--**	1,105
Accounts and other receivables	14	**4,094**	948
Bank and cash balances	15	**10**	--
Total current assets		**5,187**	2,053
Total assets		**5,277**	2,148
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital	16	**5**	5
Legal reserve	17	**3**	3
Shareholder's current account	18	**(3)**	(3)
Foreign currency translation reserve	4.3 i)	**(56)**	(3)
Retained earnings/(accumulated losses)		**1,574**	(579)
Total shareholders' funds		**1,523**	(577)
Liabilities			
Non-current liabilities			
Employees' terminal benefits – non-current	20	**9**	--
Retentions payable – non-current	21	**--**	26
Total non-current liabilities		**9**	26
Current liabilities			
Employees' terminal benefits – current	20	**3**	--
Retentions payable – current	21	**374**	--
Accounts and other payables	22	**3,368**	2,699
Total current liabilities		**3,745**	2,699
Total liabilities		**3,754**	2,725
Total shareholders' funds and liabilities		**5,277**	2,148

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

Director
10 June 2019

Statement of changes in shareholders' funds

(stated in Indian Rupees in millions)

	Share capital	Legal reserve	Shareholder's current account	Foreign currency translation reserve	Retained earnings/ (accumulated loss)	Total
Balance at 1 April 2018	**5**	**3**	**(3)**	**(3)**	**(579)**	**(577)**
Profit for the year	--	--	--	--	**2,153**	**2,153**
Other comprehensive (loss) for the year	--	--	--	**(53)**	--	**(53)**
Total comprehensive income for the year	--	--	--	**(53)**	**2,153**	**2,100**
Balance at 31 March 2019	**5**	**3**	**(3)**	**(56)**	**1,574**	**1,523**

	Share capital	Legal reserve	Shareholder's current account	Foreign currency translation reserve	(Accumulated loss)/ Retained earnings	Total
Balance at 1 April 2017	5	3	(3)	1	--	6
Profit for the year	--	--	--	--	536	536
Other comprehensive (loss) for the year	--	--	--	(4)	--	(4)
Total comprehensive income for the year	--	--	--	(4)	536	532
Arising on transfer of business (Note 19)	--	--	--	--	(1,115)	(1,115)
Balance at 31 March 2018	5	3	(3)	(3)	(579)	(577)

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

Statement of cash flows

(stated in Indian Rupees in millions)

	Note	2019	2018
Cash flows from operating activities			
Profit for the year		**2,153**	536
Adjustments for:			
Depreciation	10	**35**	6
Provision for employees' terminal benefits	20	**17**	--
Cash flows from operations before working capital changes		**2,205**	542
(Increase) in contract assets	12	**(1,083)**	--
Decrease/(increase) in gross amount due from customers for contract works	13	**1,105**	(1,105)
(Increase) in accounts and other receivables		**(3,146)**	(942)
Increase in accounts and other payables		**773**	903
Increase in retentions payable		**348**	26
Employees' terminal benefits paid	20	**(5)**	--
Net cash from/(used in) operating activities		**197**	(576)
Cash flows from investing activities			
Purchase of property and equipment	10	**(20)**	(76)
Additions to capital work-in-progress	11	**--**	(25)
Net cash (used in) investing activities		**(20)**	(101)
Cash flows from financing activities			
Net movement in loan from related party	15	**(105)**	681
Net cash (used in)/from financing activities		**(105)**	681
Net movement in currency translation		**(62)**	(4)
Increase in cash and cash equivalents during the year		**10**	--
Cash and cash equivalents at the beginning of the year		**--**	--
Cash and cash equivalents at the end of the year	15	**10**	--
Non-cash transactions:			
Transfer of capital work-in-progress to property and equipment	11	**27**	--
Employees' terminal benefits liability transferred from related party	20	**1**	--
Transfer of property and equipment from related party	10	**(2)**	--
Transfer of accumulated loss from a related party	19	**--**	1,115
		26	1,115

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 Middle East Solar Energy L.L.C., Dubai ("the Company") is a limited liability company incorporated in the Emirate of Dubai under the Federal Law No. (2) of 2015 and its subsequent amendments.

The principal activities of the Company are solar energy systems installation, components trading and rental.

The principal place of business of the Company is at Park Place Tower, Office No 1803-1804, Sheikh Zayed Road, Dubai, UAE.

The Company is managed and controlled by Sterling and Wilson International Solar FZCO ("the Parent Company"). The Ultimate Parent Company is Sterling and Wilson Solar Limited (formerly Sterling and Wilson Solar Private Limited or Rashmika Energy Private Limited), Mumbai India.

In the previous year, the controlling interest in the Company was acquired by Sterling and Wilson International FZE ("SWIFZE"). Also, in the same period, as part of the restructuring arrangement at the Ultimate Parent Company's level (Note 2), SWIFZE transferred its controlling interest in the Company to Sterling and Wilson International Solar FZCO ("SWISFZCO") with effect from 1 April 2017. Also, in the previous year, the Company's name has been changed to Sterling and Wilson Middlle East Solar Energy L.L.C. from Sterling and Wilson Powergen L.L.C.

2. Demerger and transfer of business

Sterling and Wilson Private Limited, India (erstwhile shareholder of the Parent 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 year 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 Parent 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 Parent Company, which is into S-EPC business was part of this restructuring arrangement and as a result, the following restructuring was effected at the Parent Company level:

a) SWIFZE has transferred its ownership of the Company into the Parent Company effective from 1 April 2017.

   Although the Parent Company was incorporated only on 7 December 2017, the effective date of transfer of the Company was from 1 April 2017.

b) Sterling and Wilson Middle East Electromechanical L.L.C ("SWMELLC"), a subsidiary of SWIFZE, has transferred its accumulated losses as of 1 April 2017 to the Company. The transfer of accumulated losses was effected based on a resolution passed by the Board of the Parent Company and the Company 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.

The restructuring arrangement as discussed above was also ratified by the business transfer agreements and resolutions passed by the Board of SWIFZE, SWMELLC, the Parent Company and the Company.

2. Demerger and transfer of business (Continued)

Further, all contracts/agreements with customer/suppliers, and legal titles to the assets and liabilities are still in the name of SWMELLC as of the reporting date. The Company 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.

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:

a) 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 retained earnings 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 asset and liability balances as explained in Note 4.3 b), 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).

b) 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.

3.2 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:

- 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.

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 (Continued)

- 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

The 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 (INR) and the Company's functional currency is United States Dollars (USD). All amounts have been rounded off in millions, unless otherwise stated.

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 to all periods presented in these financial statements are set out below.

4.3 Significant accounting policies

a) Revenue recognition

Policy applicable from 1 April 2018

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.

Revenue from contracts
Revenue from contracts is recognised over time based on the input method. Under the input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue, including estimated fees or profits, are recorded proportionally as costs are incurred. The related costs are recognised in profit or loss when they are incurred. The payment is generally due within 60 days from the invoice date.

Revenue from consultancy and operation and maintenance services
Revenue from consultancy and operation and maintenance services is recognised over time when the relevant services are rendered. For fixed-price contracts, revenue recognised is based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer simultaneously receives and consumes the benefits provided by the Company. The payment is generally due within 90 days.

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.

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)

(2) Significant financing component

Advances from customers
When advances received are received before the transfer of goods/service to the customer, the customer may be providing the Company with financing. If so, and the financing is significant, the Company accrues interest expense over the financing period. Consequently, the revenue recognised will exceed the cash received. As of reporting date, the Company considers the financing component in its contracts not significant.

Policy applicable before 1 April 2018

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

Revenue from contracts
Revenue from contracts is recognised by reference to the stage of completion of the contract at year end, measured by reference to the percentage of the costs incurred to the total estimated costs for each contract. No profit is taken until a contract has progressed to the point where the ultimate realisable profit can be reasonably determined. Provision is made in full for the amount of anticipated losses on uncompleted contracts in the year such losses are first projected. Income from claims is recognised in the period claims are resolved.

b) Contract balances

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

Contract assets
The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned on work completed as receipt of consideration is conditional on completion of work done and acceptance by the customer, at which point the contract assets are reclassified to trade accounts receivables.

The contract assets are transferred to trade accounts receivable when the rights become unconditional (i.e. only the passage of time is required before payment of the consideration is due), which usually occurs when the Company issues an invoice to the customer.

In the previous reporting period, contract assets are classified and presented in the financial statements as "Gross amount due from customers for contract work".

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.

c) Property and equipment

Property and equipment are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

4.3 Significant accounting policies (Continued)

c) Property and equipment (Continued)

The residual values and useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on assets so as to write off the cost of assets over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

Leasehold improvements	3 years
Furniture and fixtures	3 to 5 years
Motor vehicles	3 to 5 years
Office and other equipment	3 to 5 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

d) 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.

e) 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

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (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.

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

4.3 Significant accounting policies (Continued)

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

(ii) Classification and subsequent measurement

Financial assets: Classification
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.

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 as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

4.3 Significant accounting policies (Continued)

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

(ii) Classification and subsequent measurement (Continued)

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 includes retentions payable and accounts and other payables which are all classified and measured at amortised cost.

(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.

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

4.3 Significant accounting policies (Continued)

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

(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.

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

In case of trade accounts receivable and contract assets, 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 default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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

g) Employees' terminal benefits

Provision is made for employees' terminal benefits which is a defined benefit plan on the basis prescribed under UAE Labour Law 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 costs 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.

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

4.3 Significant accounting policies (Continued)

g) Employees' terminal benefits (Continued)

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.

h) 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.

i) Foreign currencies

Functional and presentation currency
The financial statements are presented in Indian Rupees in millions (INR), which is the Company's presentation currency. The functional currency of the Company is US Dollars (USD).

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.

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.

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.

j) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank and cash balances.

k) 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.

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

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 judgments 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. For the Company's revenue from contracts with customers, the satisfaction of performance obligation are determined as follows:

- *Revenue from contracts* – revenue is recognised over time as the Company creates/enhances an asset the customer controls
- *Revenue from consultancy and operation and maintenance services* – revenue is recognised over time as the customer receives and consumes the benefits provided by the Company's performance of service.

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 assess 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.

Allocation of transaction price to performance obligation in contracts with customers

The Company has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Company considers that the use of input method which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Company estimates the cost to complete the project in order to determine the amount of revenue to be recognised. The estimates include the job work charges, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

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

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

4.4 Significant accounting judgement, estimates and assumptions (Continued)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company 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, contract assets and due from related parties

The Company reviews its trade accounts receivable, contract assets and due from 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.

Bank balances

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

Impairment of property and equipment

A decline in the value of property and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will worse than expected

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 projected 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 20.

Useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Estimated cost on uncompleted contracts

Revenue from contracts is measured by reference to the ratio of costs incurred to the estimated total costs for each contract applied to the estimated contract revenue and reduced by the proportion of revenue previously recognised. This requires the Company to use judgment in the estimation of the total costs expected to complete each contract

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

4.4 Significant accounting judgement, estimates and assumptions (Continued)

Profit on uncompleted contracts

Profit for uncompleted contracts is only recognised when the contract reaches a point where the ultimate profit can be estimated with reasonable certainty. This requires the Company's management to determine the level at which reasonable estimates can be reached.

5. Revenue from contracts with customers

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

a) Type of goods or services

	2019	2018
Revenue from contracts	**8,338**	2,351
Revenue from consultancy services	**466**	--
Revenue from operation and maintenance services	**27**	--
	8,831	2,351

Geographical locations

	2019	2018
Middle East	**7,962**	1,657
Africa	**480**	694
Asia	**389**	--
	8,831	2,351

Customer relationship

	2019	2018
Related party customers (Note 23)	**8,428**	1,657
Third party customers	**403**	694
	8,831	2,351

6. Direct costs

	2019	2018
Contract costs	**4,892**	1,288
Salaries and employee related costs	**512**	282
Materials consumed	**445**	21
Consultancy charges	**96**	72
Depreciation expense (Note 10)	**22**	1
Others	**292**	111
	6,259	1,775

7. Other income

	2019	2018
Sale of scrap	**12**	2
Imputed interest income on retentions payable	**--**	6
Others	**5**	--
	17	8

8. General and administration expenses

	2019	2018
Salaries and employee related costs	**207**	11
Communication	**21**	6
Legal and professional fees	**20**	1
Depreciation expense (Note 10)	**13**	5
Rent and license fees	**12**	17
Traveling and conveyance	**9**	5
Printing and stationery	**1**	--
Others	**20**	2
	303	47

9. Finance charges

	2019	2018
Interest expenses – related party (Note 23)	132	--
	132	--

10. Property and equipment

31 March 2019	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office and other equipment	Total
Cost					
At 1 April 2018	--	--	--	76	76
Additions during the year	6	--	1	13	20
Transfer from capital work-in-progress (Note 11)	27	--	--	--	27
Transfer from related party	--	2	--	1	3
Translation adjustment	--	--	--	5	5
At 31 March 2019	33	2	1	95	131
Accumulated depreciation					
At 1 April 2018	--	--	--	6	6
Charge for the year	11	1	--	23	35
Relating to transfer from related party	--	1	--	--	1
Translation adjustment	--	(1)	--	--	(1)
At 31 March 2019	11	1	--	29	41
Net book value					
At 31 March 2019	22	1	1	66	90

31 March 2018	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office and other equipment	Total
Cost					
At 1 April 2017	--	--	--	--	--
Additions during the year	--	--	--	76	76
At 31 March 2018	--	--	--	76	76
Accumulated depreciation					
At 1 April 2017	--	--	--	--	--
Charge for the year	--	--	--	6	6
At 31 March 2018	--	--	--	6	6
Net book value					
At 31 March 2018	--	--	--	70	70

The depreciation charge is allocated as follows:

	2019	2018
Direct costs (Note 6)	22	1
General and administration expenses (Note 8)	13	5
	35	6

Leasehold improvements relate to enhancements of the Company's office premises under lease. These assets are depreciated over their useful lives since the management anticipates that the lease will continue to be renewed for the foreseeable future.

11. Capital work-in-progress

Capital work-in-progress represents expenditure incurred on leasehold improvements for a new office premises. Upon completion, the expenditure was allocated to property and equipment.

	2019	2018
Balance at the beginning of the year	25	--
Additions during the year	--	25
Transfer to property and equipment (Note 10)	(27)	--
Translation adjustment	2	--
Balance at the end of the year	--	25

12. Contract assets

Contract assets represent unbilled receivables on revenue recognised during the year, which upon invoicing will be transferred to trade accounts receivable.

	2019	2018
Contract assets	1,083	--
	1,083	--

Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance by the customer, the amounts recognised as contract assets are reclassified to accounts receivable.

The balance as of 31 March 2019 represents the unbilled receivables of the Company from its Solar EPC project in the UAE. Contract assets are due from related parties.

13. Gross amount due from customers for contract work

	2019	2018
Contract costs to date plus attributable profit less foreseeable losses	--	2,353
Less: Progress billings	--	(1,248)
	--	1,105
Included in the statement of financial position as under:		
Gross amount due from customers for contract work	--	1,105
	--	1,105

14. Accounts and other receivables

	2019	2018
Trade accounts receivable		
- Related parties	3,326	565
- Third party	652	--
Due from related parties (funding)	--	8
Advances to suppliers	88	355
Deposits and prepayments	20	20
Others	8	--
	4,094	948

a) The Company's trade accounts receivable, due from related parties, contract assets and deposits are subject to the expected credit loss model. The expected credit loss is considered immaterial (Note 24.1 b).

b) 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 receivable.

15. Bank and cash balances

	2019	2018
Cash on hand	1	--
Bank current accounts	9	--
	10	--

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

	1 April 2018	Non-cash Transactions	Financing cash flows	31 March 2019
Loan from related party	1,796	--	(105)	1,691
	1,796	--	(105)	1,691

	1 April 2017	Non-cash Transactions	Financing cash flows	31 March 2018
Loan from related party	--	1,115	681	1,796
	--	1,115	681	1,796

16. Share capital

	2019	2018
Authorised, issued and paid up capital (300 shares of AED 1,000 each)	5	5
	5	5

17. Legal reserve

As required by the Federal Law No. (2) of 2015 relating to commercial companies, 10% of the profit for the year is to be transferred to a legal reserve. Since the balance in legal reserve is 50% of the share capital, the minimum prescribed by the aforesaid Law, the shareholders have resolved to suspend further transfers. The reserve is not available for distribution unless stipulated by the Law.

18. Shareholder's current account

The shareholder's current account balance is unsecured, interest free and there is no defined repayment arrangement.

19. Transfer of business under common control in the previous year

In the previous year, in accordance with the arrangement detailed in Note 2, the Company's related party SWMELLC has transferred its accumulated losses as of 1 April 2017 to the Company amounting to INR 1,115 million. The consideration for the above transfer has been adjusted against the relevant party balance.

20. 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	--	--
Current service costs and interest	17	--
Liability transferred from related party (Note 23)	1	--
Payments during the year	(5)	--
Translation adjustment	(1)	--
Balance at the end of the year	12	--

20. Employees' terminal benefits (Continued)

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

	2019	2018
Amounts payable within 12 months	**3**	--
Amounts payable after 12 months	**9**	--
	12	--

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% to 5%**	1% to 5%

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

	2019	2018
Discount rate + 100 basis points	**(1)**	--
Discount rate - 100 basis points	**2**	--
Salary escalation rate + 100 basis points	**1**	--
Salary escalation rate - 100 basis points	**(1)**	--

21. Retentions payable

	2019	2018
Balance at the beginning of the year	**26**	--
Additions during the year	**340**	31
Imputed interest income on retentions payable	**--**	(6)
Unwinding of imputed interest	**6**	--
Translation adjustment	**2**	1
Balance at the end of the year	**374**	26
Amounts repayable within one year	**(374)**	--
Non-current portion	**--**	26

22. Accounts and other payables

	2019	2018
Accounts payable	**1,250**	187
Due to related parties	**391**	382
Loan from related party	**1,691**	1,796
Contract liabilities	**16**	--
Accrued expenses and other payables	**20**	334
	3,368	2,699

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

The increase in contract liabilities during the year is due to advances received from customers against new contracts obtained by the Company.

23. Related party transactions

The Company entered into both funding and other transactions with related parties during the year. Related parties represent shareholders 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 related party transactions during the year are as follows:

	Relationship	**2019**	2018
Revenue from contracts (Note 5)	Ultimate Holding Company	**832**	--
	Ultimate Parent Company	**7,596**	1,657
		8,428	1,657
Interest expense (Note 9)	Other related party	**132**	--
Transfer of property and equipment from related party (Note 10)	Other related party	**2**	--
Employees' terminal benefits liability transferred from related party (Note 20)	Other related party	**1**	--

The amounts due to related parties do not attract interest and are payable on demand, except for loan from related party which incurred interest of INR 132 million (Note 9).

In the previous year, SWME LLC has transferred its accumulated losses to the Company as of 1 April 2017 (Note 19).

There are no key management remuneration during the years ended 31 March 2019 and 31 March 2018.

24. Financial risk and capital management

24.1 Financial risk factors

The Company's financial instruments consist mainly of accounts and other receivables, bank balances, retentions payable and accounts and other payables. 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 years ended 31 March 2019 and 31 March 2018. 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. These separate financial statements are presented in Indian Rupees (INR). Management believes that there is minimal risk of significant losses due to exchange rate fluctuations, as majority of the transactions are in USD or in currencies which are fixed to USD.

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally of bank balances, trade accounts receivable, due from related parties, contract assets and gross amount due from customers for contract work.

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

Trade accounts receivable, contract assets and gross amount due from customers for contract work
The credit risk on trade receivables, contract assets and gross amount due from customers for contract work are subjected to credit evaluations. The Company mostly generates revenue from the shareholder of its Parent Company and related parties. Outstanding amounts of trade accounts receivable, contract assets and gross amount due from customers for contract work are regularly monitored and allowance will be made for expected credit losses.

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

b) Credit risk (Continued)

The Company is exposed to a concentration of credit risk. At the reporting date, 84% of the trade accounts receivable is due from a single customer (31 March 2018: 100% is due from a single customer).

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, contract assets and gross amount due from customers for contract work are subject to the expected credit loss model. At the reporting date, the Company's financial assets are expected to be recoverable and no expected credit loss is recognised.

While bank balances are also subject to impairment, the identified impairment loss is considered immaterial.

c) 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.

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	*>1 year*	Total
Accounts and other payables	**2,081**	**21**	**1,250**	--	**3,352**
Retentions payable	--	--	**374**	--	**374**
Total	**2,081**	**21**	**1,624**	--	**3,726**

2018	On demand	0 to 3 months	3 to 12 months	*>1 year*	Total
Accounts and other payables	2,178	333	186	--	2,699
Retentions payable	--	--	--	31	31
Total	2,178	333	186	31	2,730

24.2 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 shareholders by pricing products and services 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 shareholders' 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 shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 31 March 2018. Capital comprises share capital, legal reserve, shareholder's current account and retained earnings/(accumulated losses) and is measured at INR 1,523 million (31 March 2018: deficiency of assets of INR 577 million).

25. Commitments as a lessee under operating lease

The Company had future aggregate minimum lease payments under non-cancellable operating lease commitments on certain offices and other business-related premises as follows:

	2019	2018
Not later than one year from reporting date	**12**	9
1 – 5 years post reporting date	**4**	13
	16	22

24. Financial risk and capital management (Continued)

24.1 Financial risk factors (Continued)

b) Credit risk (Continued)

The Company is exposed to a concentration of credit risk. At the reporting date, 84% of the trade accounts receivable is due from a single customer (31 March 2018: 100% is due from a single customer).

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Impairment of financial assets
The Company's trade accounts receivable, contract assets and gross amount due from customers for contract work are subject to the expected credit loss model. At the reporting date, the Company's financial assets are expected to be recoverable and no expected credit loss is recognised.

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24.2 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 shareholders by pricing products and services 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 shareholders' 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 shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 31 March 2018. Capital comprises share capital, legal reserve, shareholder's current account and retained earnings/(accumulated losses) and is measured at INR 1,523 million (31 March 2018: deficiency of assets of INR 577 million).

25. Commitments as a lessee under operating lease

The Company had future aggregate minimum lease payments under non-cancellable operating lease commitments on certain offices and other business-related premises as follows:

	2019	2018
Not later than one year from reporting date	**12**	9
1 – 5 years post reporting date	**4**	13
	16	22