

To the Board of Directors and Shareholders  
Sterling and Wilson Solar Solutions, Inc.  
7025 N. Scottsdale Road, Suite 160, Scottsdale, AZ 85253

## **Report on the Financial Statements**

We have audited the accompanying balance sheets of Sterling and Wilson Solar Solutions, Inc. as of March 31, 2020 and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

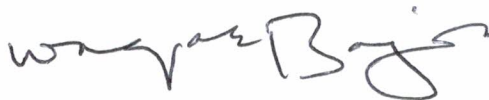
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

### **Opinion**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Sterling and Wilson Solar Solutions, Inc. as of March 31, 2020 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'Waqar Bajwa', with a stylized flourish at the end.

Waqar A. Bajwa, CPA

Bajwa CPA & Associates, LLC

May 1, 2020

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Consolidated balance sheet

as at 31 March 2020

(Currency : USD)

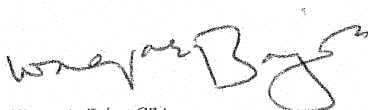
|   | Note | 31 March 2020          | 31 March 2019         |
|---|------|------------------------|-----------------------|
| <b>Assets</b>   |      |                        |                       |
| <b>Non-current assets</b>                                 |      |                        |                       |
| Property, plant and equipment                             | 5    | 246,725.79             | 150,549.11            |
| Right-of-use assets                                       | 59   | 174,997.88             |                       |
| Other non-current assets                                  | 11   | 572,550.00             | 572,550.00            |
| <b>Total non-current assets</b>                           |      | <b>994,272.87</b>      | <b>723,099.11</b>     |
| <b>Current assets</b>                                     |      |                        |                       |
| Financial assets  | 14   | 274,596.46             | 1,414,558.45          |
| (ii) Trade receivables                                    | 15   | 1,275,819.03           | 179,386.66            |
| (iii) Cash and cash equivalents                           | 17   | 82,588.28              |                       |
| (v) Loans   | 21   | 1,684,262.66           | 1,245,390.99          |
| Other current assets                                      |      | 3,317,266.43           | 2,839,336.10          |
| <b>Total current assets</b>                               |      | <b>4,311,539.30</b>    | <b>3,562,435.21</b>   |
| <b>Total assets</b>                                       |      |                        |                       |
| <b>Equity and liabilities</b>                             |      |                        |                       |
| <b>Equity</b>   |      |                        |                       |
| Equity share capital                                      | 22   | 100.00                 | 100.00                |
| Retained earnings   |      | (10,379,594.56)        | (5,927,390.34)        |
| <b>Total equity attributable to owners of the Company</b> |      | <b>(10,379,494.56)</b> | <b>(5,927,290.34)</b> |
| <b>Non-controlling interests</b>                          |      | <b>(10,379,494.56)</b> | <b>(5,927,290.34)</b> |
| <b>Total equity</b>                                       |      |                        |                       |

|  | Note | 31 March 2020        | 31 March 2019       |
|--|------|----------------------|---------------------|
| <b>Liabilities</b>   |      |                      |                     |
| <b>Non-current liabilities</b>   |      |                      |                     |
| Financial liabilities  | 25   | 41,768.61            | -                   |
| (ii) Lease liabilities   |      | 41,768.61            | -                   |
| <b>Total non-current liabilities</b>   |      |                      |                     |
| <b>Current liabilities</b>   |      |                      |                     |
| Financial liabilities  | 28   | 137,645.29           | -                   |
| (ii) Lease liabilities   | 29   | 4,083,282.13         | 791,592.61          |
| (iii) Trade payables   |      |                      |                     |
| Total outstanding dues of micro enterprises and small enterprises                      |      |                      |                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      |                      |                     |
| (v) Other financial liabilities  | 31   | 138,268.41           | 330,080.62          |
| Other current liabilities  | 32   | 9,817,884.73         | 8,148,824.23        |
| Provisions   | 33   | 472,184.69           | 219,228.09          |
| <b>Total current liabilities</b>   |      | <b>14,649,265.25</b> | <b>9,489,725.55</b> |
| <b>Total equity and liabilities</b>  |      | <b>4,311,539.30</b>  | <b>3,562,435.21</b> |

For and on behalf of the Board of Directors of

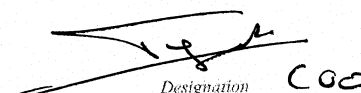
Sterling & Wilson Solar Solutions, Inc. & LLC

Chartered Accountants  
Firm's Registration No

  
Waqar A. Bajwa CPA  
Partner

Membership No: 26648

Bajwa CPA & Associates LLC  
Date: 5/20/2020

  
Designation Coo

Ray LeTourneur  
Date: 5/20/2020

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Consolidated statement of profit and loss

for the year ended 31 March 2020


(Currency : USD)

| Particulars   | Note | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|------|-------------------------------------|-------------------------------------|
| <b>Income</b>   |      |                                     |                                     |
| Revenue from operations   | 35   | 27,093,580.82                       | 8,542,481.08                        |
| Other income  | 36   |                                     |                                     |
| <b>Total income</b>   |      | <u>27,093,580.82</u>                | <u>8,542,481.08</u>                 |
| <b>Expenses</b>   |      |                                     |                                     |
| Cost of construction materials, stores and spare parts                                    | 37   | 10,416,149.57                       | 3,138,217.00                        |
| Changes in inventories of stock-in-trade  | 38   |                                     |                                     |
| Direct project costs  | 39   | 16,341,241.26                       | 5,262,742.01                        |
| Employee benefits expense   | 40   | 3,305,649.46                        | 3,162,668.78                        |
| Other expenses  | 43   | 1,253,008.07                        | 1,526,666.50                        |
| <b>Total expenses</b>   |      | <u>31,316,048.36</u>                | <u>13,090,294.29</u>                |
| <b>Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA)</b> |      | <u>(4,222,467.54)</u>               | <u>(4,547,813.21)</u>               |
| Finance costs   | 41   | 14,244.05                           |                                     |
| Depreciation and amortisation expense   | 42   | 206,007.48                          | 58,574.81                           |
| <b>Consolidated profit before income tax</b>  |      | <u>(4,442,719.07)</u>               | <u>(4,606,388.02)</u>               |
| <b>Tax expense:</b>   |      |                                     |                                     |
| Current tax   | 44   | 1,425.00                            | 1,200.00                            |
| Current tax relating to earlier period  |      | 8,060.16                            |                                     |
| Deferred tax (credit)   |      |                                     |                                     |
|   |      | <u>9,485.16</u>                     | <u>1,200.00</u>                     |
| <b>Consolidated profit for the year/period after income tax</b>                           |      | <u>(4,452,204.23)</u>               | <u>(4,607,588.02)</u>               |
| <b>Total comprehensive income for the year</b>  |      | <u>(4,452,204.23)</u>               | <u>(4,607,588.02)</u>               |

For and on behalf of the Board of Directors of

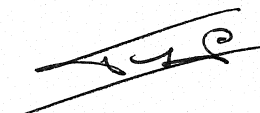
Sterling & Wilson Solar Solutions, Inc. & LLC

Chartered Accountants  
Firm's Registration No



Waqar A. Bajwa CPA  
Partner  
Membership No: 26648

Bajwa CPA & Associates LLC  
Date: 5/20/2020



Designation  
Co.

Ray LeTourneur  
Date: 5/20/2020

## Sterling & Wilson Solar Solutions, Inc. & LLC

### Consolidated statement of changes in equity

for the year ended 31 March 2020

(Currency : USD)

#### A. Equity share capital

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Balance at the beginning of the year                                    | 100.00        | 100.00        |
| Add: Issued during the year/period                                      |               |               |
| Add: Shares issued pursuant to Scheme of Arrangement (Refer note 4)     |               |               |
| Less: Shares cancelled Pursuant to Scheme of Arrangement (Refer note 4) |               |               |
| Balance at the end of the year/period                                   | <u>100.00</u> | <u>100.00</u> |

#### B. Other equity

|  | Attributable to the Owners of the Company |                 |               |                                     |                                      |   | Attributable to non-controlling interests of the Company | Total          |
|--|---|-----------------|---------------|-------------------------------------|--------------------------------------|---|--|----------------|
|  | Reserves and Surplus                      |                 |               | Items of other comprehensive income |                                      | Total attributable to owners of the Company |  |                |
|  | Capital reserve on Demerger               | Capital Reserve | Legal Reserve | Retained earnings                   | Effective portion of cash flow hedge | Foreign currency translation reserve        |  |                |
| Balance as at 1 April 2019   |   |                 |               | (5,927,390.33)                      |                                      |   | (5,927,390.33)   | (5,927,390.33) |
| Adjustments:   |   |                 |               |                                     |                                      |   |  |                |
| Total comprehensive income for the year  |   |                 |               |                                     |                                      |   |  |                |
| Profit for the year  |   |                 |               | (4,452,204.23)                      |                                      |   |  | -              |
| Items of OCI for the year, net of tax:   |   |                 |               |                                     |                                      |   |  |                |
| Remeasurement of the defined benefit liability                                 |   |                 |               |                                     |                                      |   |  | -              |
| Exchange differences in translating financial statements of foreign operations |   |                 |               |                                     |                                      |   |  | -              |
| Total comprehensive income   | -   | -               | -             | (4,452,204.23)                      | -                                    | -   | -  | -              |
| Transactions with owners, recorded directly in equity                          |   |                 |               |                                     |                                      |   |  |                |
| Arising on acquisition of subsidiaries during the year (refer note 6)          |   |                 |               |                                     |                                      |   |  | -              |
| Transfer to non controlling interests  |   |                 |               |                                     |                                      |   |  | -              |
| Balance as at 31 March 2020  | -   | -               | -             | (10,379,594.56)                     | -                                    | -   | (5,927,390.33)   | (5,927,390.33) |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Consolidated statement of changes in equity (Continued) for the year ended 31 March 2020

(Currency : USD)

### B. Other equity (Continued)

|  | Attributable to the Owners of the Company |                 |               |                                     |                                      |   | Attributable to non-controlling interests of the Company | Total          |
|--|---|-----------------|---------------|-------------------------------------|--------------------------------------|---|--|----------------|
|  | Reserves and Surplus                      |                 |               | Items of other comprehensive income |                                      | Total attributable to owners of the Company |  |                |
|  | Capital reserve on Demerger               | Capital Reserve | Legal Reserve | Retained earnings                   | Effective portion of cash flow hedge | Foreign currency translation reserve        |  |                |
| Balance as at 1 April 2018   |   |                 |               | (1,319,802.31)                      |                                      |   | (1,319,802.31)   | (1,319,802.31) |
| Adjustments:   |   |                 |               |                                     |                                      |   |  |                |
| Total comprehensive income for the year  |   |                 |               | (4,607,588.02)                      |                                      |   |  | -              |
| Profit for the year  |   |                 |               |                                     |                                      |   |  | -              |
| Items of OCI for the year, net of tax:   |   |                 |               |                                     |                                      |   |  | -              |
| Remeasurement of the defined benefit liability                                 |   |                 |               |                                     |                                      |   |  | -              |
| Exchange differences in translating financial statements of foreign operations |   |                 |               |                                     |                                      |   |  | -              |
| Total comprehensive income   | -   | -               | -             | (4,607,588.02)                      | -                                    | -   | -  | -              |
| Transactions with owners, recorded directly in equity                          |   |                 |               |                                     |                                      |   |  | -              |
| Arising on acquisition of subsidiaries during the year (refer note 6)          |   |                 |               |                                     |                                      |   |  | -              |
| Transfer to non controlling interests  |   |                 |               |                                     |                                      |   |  | -              |
| Balance as at 31 March 2019  | -   | -               | -             | (5,927,390.33)                      | -                                    | -   | (1,319,802.31)   | (1,319,802.31) |

Chartered Accountants  
Firm's Registration No

*Waqar A. Bajwa*

Waqar A. Bajwa CPA  
Partner  
Membership No: 26648

Bajwa CPA & Associates LLC  
Date: 5/20/2020

For and on behalf of the Board of Directors of  
Sterling & Wilson Solar Solutions, Inc. & LLC

*Ray LeTourneur*

Designation  
COO

Ray LeTourneur  
Date: 5/20/2020

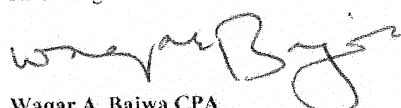
# Sterling & Wilson Solar Solutions, Inc. & LLC

## Consolidated statement of cash flow for the year ended 31 March 2020

(Currency : USD)

|   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>A) Cash flow from operating activities</b>   |                                     |                                     |
| Consolidated profit before tax  | (4,452,204.23)                      | (4,607,588.02)                      |
| Adjustments for:  |                                     |                                     |
| Depreciation and amortisation expense   | 88,031.17                           | 58,574.81                           |
| Operating profit before working capital changes   | (4,364,173.06)                      | (4,549,013.21)                      |
| <b>Working capital adjustments:</b>   |                                     |                                     |
| Decrease / (Increase) in inventories  | 1,139,961.99                        | (1,068,142.58)                      |
| (Increase) in trade receivables   | 1,586,472.22                        | 6,205,758.10                        |
| (Increase) in loans and advances  | (191,812.21)                        |                                     |
| Decrease/ (Increase) in other current financial assets*                                     | (438,871.67)                        |                                     |
| (Increase) in other current assets  | 3,544,646.12                        | 709,665.44                          |
| (Decrease)/ Increase in trade payables, other current liabilities and provisions            |                                     | (1,055,927.58)                      |
| Decrease in other non-current assets and liabilities  | 5,640,396.45                        | 4,791,353.38                        |
| <b>Net change in working capital</b>  | 1,276,223.39                        | 242,340.17                          |
| <b>Cash flows (used in) / generated from operating activities</b>                           |                                     |                                     |
| Income tax (paid) (net)   |                                     |                                     |
| Effects of exchange differences on translation of assets and liabilities                    |                                     |                                     |
| <b>Net cash flows (used in) / generated from operating activities (A)</b>                   | <u>1,276,223.39</u>                 | <u>242,340.17</u>                   |
| <b>B) Cash flow from investing activities</b>   |                                     |                                     |
| (Purchase) of property, plant and equipment, capital work-in-progress and intangible assets | (184,207.84)                        | (97,453.51)                         |
| <b>Net cash flows (used in) from investing activities (B)</b>                               | <u>(184,207.84)</u>                 | <u>(97,453.51)</u>                  |
|   |                                     |                                     |
|   | For the year ended                  | For the year ended                  |
|   | 31 March 2020                       | 31 March 2019                       |
| <b>C) Cash flow from financing activities</b>   |                                     |                                     |
| IFRS 16 Lease Liabilities   | 179,413.90                          |                                     |
| IFRS 16 Right-of-use assets   | (174,997.08)                        |                                     |
| <b>Net cash flows generated from/ (used in) financing activities (C)</b>                    | <u>4,416.82</u>                     | <u>-</u>                            |
| <b>Net movement in currency translation (D)</b>   |                                     |                                     |
| <b>Net increase in cash and cash equivalents (A+B+C+D)</b>                                  | 1,096,432.37                        | 144,886.66                          |
| <b>Cash and cash equivalents at the beginning of the year</b>                               | 179,386.66                          | 34,500.00                           |
| Cash and cash equivalents of subsidiaries acquired during the year (refer note 6 and 4)     |                                     |                                     |
| <b>Cash and cash equivalents at the end of the year</b>                                     | <u>1,275,819.03</u>                 | <u>179,386.66</u>                   |

Chartered Accountants  
Firm's Registration No



Waqar A. Bajwa CPA

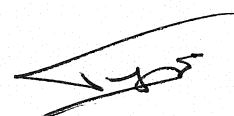
Partner

Membership No: 26648

Bajwa CPA & Associates LLC

Date: 5/20/2020

For and on behalf of the Board of Directors of  
Sterling & Wilson Solar Solutions, Inc. & LLC

 CEO  
Designation

Ray LeTourneur

Date: 5/20/2020

## Sterling & Wilson Solar Solutions, Inc. & LLC

### Notes to the consolidated financial statements *(Continued)*

as at 31 March 2020

(Currency : USD)

#### 5 Property, plant and equipment and capital work-in-progress

##### Reconciliation of carrying amount for the year ended 31 March 2020

| Particulars  | Loose ToolsLSBP   | Leasehold improvements | Plant and equipment | Furniture and fixtures | Vehicles | Computer hardware | Total (A)         | Capital work-in progress (B) | Total (A+B)       |
|--|-------------------|------------------------|---------------------|------------------------|----------|-------------------|-------------------|------------------------------|-------------------|
| <b>Gross carrying amount :</b>                                 |                   |                        |                     | 41,152.73              |          | 109,396.37        | 150,549.10        |                              |                   |
| <b>Balance as at 1 April 2019</b>                              |                   |                        |                     | 49,325.42              |          | 166,367.34        | 215,692.76        | -                            | 215,692.76        |
| Add: Acquisition of a subsidiary (refer note 6)                |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Additions during the year                                 | 143,668.23        |                        |                     |                        |          | 40,539.63         | 184,207.86        |                              | 184,207.86        |
| Less: Disposals during the year                                |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Less: Capitalised during the year                              |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Exchange differences on translation of foreign operations |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| <b>Balance as at 31 March 2020</b>                             | <b>143,668.23</b> | <b>-</b>               | <b>-</b>            | <b>49,325.42</b>       | <b>-</b> | <b>206,906.97</b> | <b>399,900.62</b> | <b>-</b>                     | <b>399,900.62</b> |
| <b>Accumulated depreciation and amortisation :</b>             |                   |                        |                     |                        |          |                   |                   |                              |                   |
| <b>Balance as at 1 April 2019</b>                              |                   |                        |                     | 8,172.69               |          | 56,970.97         | 65,143.66         | -                            | 65,143.66         |
| Add: Acquisition of a subsidiary (refer note 6)                |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Depreciation for the year                                 | 13,272            |                        |                     | 9,865.08               |          | 64,894.59         | 88,031.17         |                              | 88,031.17         |
| Less: Disposals during the year                                |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Exchange differences on translation of foreign operations |                   |                        |                     |                        |          |                   | -                 | -                            | -                 |
| <b>Balance as at 31 March 2020</b>                             | <b>13,271.50</b>  | <b>-</b>               | <b>-</b>            | <b>18,037.77</b>       | <b>-</b> | <b>121,865.56</b> | <b>153,174.83</b> | <b>-</b>                     | <b>153,174.83</b> |
| <b>Carrying amounts (net)</b>                                  |                   |                        |                     |                        |          |                   |                   |                              |                   |
| <b>At 1 April 2019</b>   | <b>-</b>          | <b>-</b>               | <b>-</b>            | <b>41,152.73</b>       | <b>-</b> | <b>109,396.37</b> | <b>150,549.10</b> | <b>-</b>                     | <b>150,549.10</b> |
| <b>At 31 March 2020</b>  | <b>130,396.73</b> | <b>-</b>               | <b>-</b>            | <b>31,287.65</b>       | <b>-</b> | <b>85,041.41</b>  | <b>246,725.79</b> | <b>-</b>                     | <b>246,725.79</b> |



## Sterling & Wilson Solar Solutions, Inc. & LLC

### Notes to the consolidated financial statements *(Continued)*

as at 31 March 2020

(Currency : USD)

#### 5 Property, plant and equipment and capital work-in-progress *(Continued)*

##### Reconciliation of carrying amount for the year ended 31 March 2019

| Particulars  | Building | Leasehold improvements | Plant and equipment | Furniture and fixtures | Vehicles | Computer hardware | Total (A)         | Capital work-in-progress (B) | Total (A+B)       |
|--|----------|------------------------|---------------------|------------------------|----------|-------------------|-------------------|------------------------------|-------------------|
| <b>Gross carrying amount :</b>                                 |          |                        |                     |                        |          | 111,670.41        | 111,670.41        |                              |                   |
| <b>Balance as at 1 April 2018</b>                              |          |                        |                     |                        |          | 118,239.25        | 118,239.25        | -                            | <b>118,239.25</b> |
| Add: Acquisition of a subsidiary (refer note 6)                |          |                        |                     | 49,325.42              | -        | 48,128.09         | 97,453.51         | -                            | <b>97,453.51</b>  |
| Add: Additions during the year                                 |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Less: Disposals during the year                                |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Less: Capitalised during the year                              |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Exchange differences on translation of foreign operations |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| <b>Balance as at 31 March 2019</b>                             | -        | -                      | -                   | <b>49,325.42</b>       | -        | <b>166,367.34</b> | <b>215,692.76</b> | -                            | <b>215,692.76</b> |
| <b>Accumulated depreciation and amortisation :</b>             |          |                        |                     |                        |          |                   |                   |                              |                   |
| <b>Balance as at 1 April 2018</b>                              |          |                        |                     |                        |          | 6,569             | 6,569             | -                            | <b>6,568.84</b>   |
| Add: Acquisition of a subsidiary (refer note 6)                |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Depreciation for the year                                 |          |                        |                     | 8,172.69               | -        | 50,402.13         | 58,574.82         | -                            | <b>58,574.82</b>  |
| Less: Disposals during the year                                |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| Add: Exchange differences on translation of foreign operations |          |                        |                     |                        |          |                   | -                 | -                            | -                 |
| <b>Balance as at 31 March 2019</b>                             | -        | -                      | -                   | <b>8,172.69</b>        | -        | <b>56,970.97</b>  | <b>65,143.66</b>  | -                            | <b>65,143.66</b>  |
| <b>Carrying amounts (net)</b>                                  |          |                        |                     |                        |          |                   |                   |                              |                   |
| <b>At 1 April 2018</b>   | -        | -                      | -                   | -                      | -        | <b>105,101.57</b> | <b>111,670.41</b> | -                            | <b>111,670.41</b> |
| <b>At 31 March 2019</b>  | -        | -                      | -                   | <b>41,152.73</b>       | -        | <b>109,396.37</b> | <b>150,549.10</b> | -                            | <b>150,549.10</b> |

## Sterling & Wilson Solar Solutions, Inc. & LLC

### Notes to the consolidated financial statements *(Continued)*

as at 31 March 2020

(Currency : USD)

#### **5 Property, plant and equipment and capital work-in-progress *(Continued)***

##### **f) Transferred to direct project cost**

**31 March 2020      31 March 2019**

|  |                  |                  |
|--|------------------|------------------|
| Depreciation of property, plant and equipment  | 88,031.17        | 58,574.82        |
| Amortisation of intangible assets  | -                | -                |
|  | <b>88,031.17</b> | <b>58,574.82</b> |
| Less: Transferred to direct project costs  | 13,271.50        | -                |
| Depreciation and amortisation expense as per the Consolidated statement of profit and loss | <b>74,759.67</b> | <b>58,574.82</b> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

as at 31 March 2020

(Currency : USD)

|  | 31 March 2020     | 31 March 2019     |
|--|-------------------|-------------------|
| <b>11 Other non-current assets</b>                                     |                   |                   |
| <i>(Unsecured, considered good)</i>                                    |                   |                   |
| <i>To parties other than related parties</i>                           |                   |                   |
| <i>MOU Investment</i>  |                   |                   |
| Tangent-Development fee \$16,550, Interconnection application \$56,000 | 72,550.00         | 72,550.00         |
| NCRE Deposit \$500,000   | 500,000.00        | 500,000.00        |
|  | <u>572,550.00</u> | <u>572,550.00</u> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements *(Continued)*

as at 31 March 2020

(Currency : USD)

31 March 2020

31 March 2019

### 14 Trade receivables

*(Unsecured)-EPC Agreement*

|       |                                | Current     | 1 - 30        | 31 - 60      | 61 - 90       | > 90         | TOTAL      |            |              |
|-------|--------------------------------|-------------|---------------|--------------|---------------|--------------|------------|------------|--------------|
|       | KS-18-0001 LSBP-JC             | -379,509.99 | -2,045,685.00 | 5,840,162.39 | -5,631,195.00 | 2,490,824.06 | 274,596.46 | 274,596.46 | 1,414,558.45 |
|       | OR-17-0000 BNRG COMMON         |             |               |              |               |              |            |            |              |
|       | OR-17-0005 BNRG - Kale Patch   | 0.00        | 0.00          | 0.00         | 0.00          | 56,704.00    | 56,704.00  |            |              |
|       | OR-17-0006 BNRG - Rafael       | 0.00        | 0.00          | 0.00         | 0.00          | 25,000.00    | 25,000.00  |            |              |
|       | OR-17-0010 BNRG - O'Neil Creek | 0.00        | 0.00          | 0.00         | 0.00          | 45,000.00    | 45,000.00  | 274,596.46 | 1,414,558.45 |
|       | Total OR-17-0000 BNRG COMMON   | 0.00        | 0.00          | 0.00         | 0.00          | 126,704.00   | 126,704.00 |            |              |
| TOTAL | Less: Loss allowances*         | -379,509.99 | -2,045,685.00 | 5,840,162.39 | -5,631,195.00 | 2,617,528.06 | 401,300.46 |            |              |
|       |                                |             |               |              |               |              |            | -          | -            |
|       |                                |             |               |              |               |              |            | 274,596.46 | 1,414,558.45 |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*) as at 31 March 2020

(Currency : USD)

|  | 31 March 2020              | 31 March 2019            |
|--|----------------------------|--------------------------|
| <b>15 Cash and cash equivalents</b>              |                            |                          |
| Balances with Bank                               |                            |                          |
| - in current accounts                            | <u>1,275,819.03</u>        | <u>179,386.66</u>        |
|  | <u><b>1,275,819.03</b></u> | <u><b>179,386.66</b></u> |
| <br><b>17 Loans</b>                              |                            |                          |
| <i>(Unsecured, considered good)</i>              |                            |                          |
| <br><i>To parties other than related parties</i> |                            |                          |
| Security deposits                                | <u>82,588.28</u>           | <u>-</u>                 |
|  | <u><b>82,588.28</b></u>    | <u><b>-</b></u>          |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

as at 31 March 2020

(Currency : USD)

|  | 31 March 2020       | 31 March 2019       |
|--|---------------------|---------------------|
| <b>21 Other current assets</b>                 |                     |                     |
| <i>(Unsecured, considered good)</i>            |                     |                     |
| <i>From parties other than related parties</i> |                     |                     |
| Unbilled receivables: BNRG \$126,704           | <b>126,704.00</b>   |                     |
| Advances for supply of goods                   |                     | 20,101.72           |
| Advance for projects                           | <b>434,769.61</b>   | 390,701.28          |
| Other recoverables*                            |                     | 834,587.99          |
| Balance with government authorities            |                     |                     |
| Prepayments                                    | <b>1,122,789</b>    |                     |
|  | <b>1,684,262.66</b> | <b>1,245,390.99</b> |

\* Includes insurance claim receivables

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

as at 31 March 2020

(Currency : USD)

### 22 Share capital

31 March 2020 31 March 2019

#### Authorised

1,000 shares of common stock, \$.01 par value

1,000.00 1,000.00

#### Issued, subscribed and fully paid up:

100 common stock shares

100.00 100.00

100.00 100.00

#### (A) Reconciliation of shares outstanding at the beginning and at the end of the year/period :

|   | 31 March 2020 |        | 31 March 2019 |        |
|---|---------------|--------|---------------|--------|
|   | Number        | Amount | Number        | Amount |
| Equity shares   |               |        |               |        |
| Balance as at beginning of the year                   | 100           | 100.00 | 100           | 100.00 |
| Balance as at the end of the year/period (Post-split) |               | 100.00 |               |        |
| Add: Issued during the year                           |               | -      |               |        |
| Balance as at the end of the year/period              | -             | 100.00 | 100           | 100.00 |

#### (B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### (C) Shares held by holding company

|  | 31 March 2020 |        | 31 March 2019 |        |
|--|---------------|--------|---------------|--------|
|  | Number        | Amount | Number        | Amount |
| Equity shares                                |               |        |               |        |
| Sterling and Wilson International Solar FZCO | 100           | 100.00 | 100           | 100.00 |

#### (D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

|               | 31 March 2020 |           | 31 March 2019 |           |
|---------------|---------------|-----------|---------------|-----------|
|               | Number        | % holding | Number        | % holding |
| Equity shares |               |           |               |           |
| SWFZCO        | 100           | 100.00%   | 100           | 100.00%   |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*) as at 31 March 2020

(Currency : USD)

|  | 31 March 2020       | 31 March 2019       |
|--|---------------------|---------------------|
| <b>25 Non-current lease liabilities</b>  |                     |                     |
| Land and Buildings   | 41,768.61           |                     |
|  | <u>41,768.61</u>    | <u>-</u>            |
| <b>28 Current lease liabilities</b>  |                     |                     |
| Land and Buildings   | 137,645.29          |                     |
|  | <u>137,645.29</u>   | <u>-</u>            |
| <b>29 Trade payables</b>   |                     |                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises   | 4,083,282.13        | 791,592.61          |
|  | <u>4,083,282.13</u> | <u>791,592.61</u>   |
| <b>31 Other financial liabilities</b>  |                     |                     |
| Employee benefits payable  | 138,268.41          | 330,080.62          |
|  | <u>138,268.41</u>   | <u>330,080.62</u>   |
| <i>*Payable to fellow subsidiary on account of transfer of branch w.e.f 1 January 2019, payable towards the reimbursement of expenses etc.</i> |                     |                     |
| <b>32 Other current liabilities</b>  |                     |                     |
| <i>To related parties</i>  |                     |                     |
| Advances from Parent   | 9,817,884.74        | 7,885,408.22        |
| <i>To parties other than related parties</i>   |                     |                     |
| Advances from customers  |                     | 263,416.01          |
|  | <u>9,817,884.74</u> | <u>8,148,824.23</u> |
| <b>33 Short-term provisions</b>  |                     |                     |
| <b>Provision for employee benefits (refer note 46)</b>   |                     |                     |
| Compensated absences   | 117,203.31          | 115,072.97          |
| <b>Other provisions</b>  |                     |                     |
| Provision for product warranty   | 240,283.18          | 76,485.84           |
| Provision for AZ office Rent   | 17,578.88           | 27,669.27           |
| Provision for Uncompleted BRNGPunch list Accruals  | 97,119.32           |                     |
|  | <u>472,184.69</u>   | <u>219,228.08</u>   |

### *Provision for product warranty:*

The warranty provision represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

### *Provision for foreseeable loss/ onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

| Particulars                                | Liquidated damages | Product warranty  | Onerous contracts/<br>Foreseeable Loss |
|--|--------------------|-------------------|--|
| <b>As at 1 April 2019</b>                  |                    | 76,485.84         |  |
| Additions during the year                  |                    | 163,797.34        |  |
| Utilisation/ Write back during the year    |                    |                   |  |
| <b>As at 31 March 2020</b>                 | <u>-</u>           | <u>240,283.18</u> |  |
| <b>As at 31 March 2018</b>                 |                    | 3,954.44          |  |
| Acquired pursuant to scheme of arrangement |                    |                   |  |
| Additions during the period                |                    | 72,531.40         |  |
| Utilisation/ Write back during the period  |                    |                   |  |
| <b>As at 31 March 2019</b>                 | <u>-</u>           | <u>76,485.84</u>  |  |



# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency : USD)

|  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| <b>35 Revenue from operations</b>                                |                                     |                                     |
| Sale of services   |                                     |                                     |
| Income from works contracts                                      | 27,093,580.82                       | 8,542,481.08                        |
|  | <u>27,093,580.82</u>                | <u>8,542,481.08</u>                 |
| <b>37 Cost of construction materials, stores and spare parts</b> |                                     |                                     |
| Add: Purchase during the year/period                             | 10,416,149.57                       | 3,138,217.00                        |
|  | <u>10,416,149.57</u>                | <u>3,138,217.00</u>                 |
| <b>39 Direct project costs</b>                                   |                                     |                                     |
| Printing and stationery expenses                                 |                                     |                                     |
| Insurance costs  | 25,800.00                           |                                     |
| Traveling and conveyance expenses                                | 404,469.06                          | 128,689.00                          |
| Bank charges   | 50,664.30                           | 65,758.00                           |
| Security Charges   | 41,655.68                           |                                     |
| Depreciation   | 13,271.50                           |                                     |
| Miscellaneous expenses   | 785,806.98                          | 265,375.84                          |
|  | <u>1,321,667.52</u>                 | <u>459,822.84</u>                   |
| <b>Employee benefits expense</b>                                 |                                     |                                     |
| Salaries, wages and bonus  | 5,072,127.23                        | 406,583.94                          |
|  | <u>5,072,127.23</u>                 | <u>406,583.94</u>                   |
| <b>Sub-contractor expenses</b>                                   | 9,947,446.51                        | 4,396,335.23                        |
|  | <u>16,341,241.26</u>                | <u>5,262,742.01</u>                 |
| <b>40 Employee benefits expense</b>                              |                                     |                                     |
| Salaries, wages and bonus  | 2,647,996.50                        | 2,616,712.82                        |
| Staff welfare expenses   | 657,652.96                          | 545,955.96                          |
|  | <u>3,305,649.46</u>                 | <u>3,162,668.78</u>                 |
| <b>41 Finance costs</b>  |                                     |                                     |
| Interest expense   |                                     |                                     |
| - on others- IFRS 16 Leases                                      | 14,244.05                           |                                     |
|  | <u>14,244.05</u>                    | <u>-</u>                            |
| <b>42 Depreciation and amortisation</b>                          |                                     |                                     |
| Depreciation on property, plant and equipment                    | 219,278.98                          | 58,574.81                           |
| Less : Transferred to direct project cost                        | (13,271.50)                         |                                     |
|  | <u>206,007.48</u>                   | <u>58,574.81</u>                    |
| Amortisation of intangible assets                                |                                     |                                     |
|  | <u>206,007.48</u>                   | <u>58,574.81</u>                    |
| <b>43 Other expenses</b>   |                                     |                                     |
| Communication expenses   | 26,575.77                           | 21,029.71                           |
| Legal and professional fees                                      | 307,582.29                          | 554,226.52                          |
| Printing and stationery expenses                                 | 49,127.85                           | 49,332.72                           |
| Insurance costs  | 271,117.43                          | 198,357.24                          |
| Selling and marketing expenses                                   | -                                   | 5,518.40                            |
| Traveling and conveyance expenses                                | 341,256.66                          | 404,242.10                          |
| Rent (refer note 44)   | 26,264.12                           | 166,292.91                          |
| Payment to auditors (refer note (a) below)                       | 27,000.00                           | 10,000.00                           |
| Foreign exchange loss (net)                                      | 162.45                              |                                     |
| Bank charges   | 1,261.68                            | 2,278.80                            |
| Miscellaneous expenses   | 202,659.82                          | 115,388.10                          |
|  | <u>1,253,008.07</u>                 | <u>1,526,666.50</u>                 |
| (a) Payment to auditors  |                                     |                                     |
| As auditor   |                                     |                                     |
| Statutory audit  | 27,000.00                           | 10,000.00                           |
|  | <u>27,000.00</u>                    | <u>10,000.00</u>                    |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

### 49 Disclosure under Ind AS 115, Revenue from Contracts with Customers

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

#### B) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Group's reportable segments is given in the note 52.

#### C) Reconciliation of contract assets and liabilities

| Particulars                                       | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>Contract assets*</b>                           |                                     |                                     |
| <b>Unbilled receivables</b>                       |                                     |                                     |
| Contract assets at the beginning of the year      |                                     |                                     |
| Add: Addition during the year                     | 126,704.00                          |                                     |
| Less: Revenue recognised during the year          |                                     |                                     |
| <b>Contract assets as at end of the year</b>      | <b>126,704.00</b>                   | <b>-</b>                            |
| <b>Contract liabilities**</b>                     |                                     |                                     |
| <b>Advance from customers</b>                     |                                     |                                     |
| Contract liabilities at the beginning of the year | 263,416.01                          |                                     |
| Add: Addition during the year                     |                                     | 263,416.01                          |
| Less: Applied during the year                     | 263,416.01                          |                                     |
| <b>Contract liabilities as at end of the year</b> | <b>-</b>                            | <b>263,416.01</b>                   |

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

\*\*The contract liabilities primarily relates to the advances from customer towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

#### D) Reconciliation of revenue as per Ind AS 115

| Particulars  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| <b>Income from works contracts</b>                                       | <b>27,093,580.82</b>                |                                     |
| <i>Adjustment on account of:</i>   |                                     |                                     |
| Liquidated damages   | -                                   |                                     |
| Reversal of provision for liquidated damages                             | -                                   |                                     |
| Deferment of revenue pertaining to free operation and maintenance period | -                                   |                                     |
| <b>Total</b>   | <b>27,093,580.82</b>                |                                     |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

### 49 Disclosure under Ind AS 115, Revenue from Contracts with Customers (Continued)

#### E) Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for Solar utility and Rooftop Project. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

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

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

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

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

The Group recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020 and 31 March 2019.

#### F) Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the year/period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 50 Disclosure under Ind AS 116, Leases

#### A) Right-of-use assets

|  | Land and Buildings | Exchange and network assets | Other equipments | Total      |
|--|--------------------|-----------------------------|------------------|------------|
| <b>Cost</b>                                    |                    |                             |                  |            |
| Balance as at 1 April 2019                     |                    | -                           | -                | -          |
| Additions                                      | 306,244.89         | -                           | -                | 306,244.89 |
| Disposals                                      | -                  | -                           | -                | -          |
| Balance at 31 March 2020                       | 306,244.89         | -                           | -                | 306,244.89 |
| <b>Accumulated depreciation and impairment</b> |                    |                             |                  |            |
| Balance as at 1 April 2019                     |                    |                             |                  | -          |
| Depreciation                                   | 131,247.81         |                             |                  | 131,247.81 |
| Impairment loss                                |                    |                             |                  | -          |
| Eliminated on disposals of assets              |                    |                             |                  | -          |
| Balance at 31 March 2020                       | 131,247.81         | -                           | -                | 131,247.81 |
| <b>Carrying amounts</b>                        |                    |                             |                  |            |
| Balance as at 1 April 2019                     | 306,244.89         | -                           | -                | -          |
| Balance at 31 March 2020                       | 174,997.08         | -                           | -                | 174,997.08 |

#### B) Breakdown of lease expenses

|                            | For the year ended<br>31 March 2020 |
|----------------------------|-------------------------------------|
| Short-term lease expense   | 24,620                              |
| Low value lease expense    | 1,644                               |
| <b>Total lease expense</b> | <b>26,264</b>                       |

### 50 Disclosure under Ind AS 116, Leases (*Continued*)

#### C) Cash outflow on leases

|                                     | For the year ended<br>31 March 2020 |
|-------------------------------------|-------------------------------------|
| Repayment of lease liabilities      | 126,830.95                          |
| Interest on lease liabilities       | 14,244.05                           |
| Short-term lease expense            | 24,619.62                           |
| Low value lease expense             | 1,644.38                            |
| <b>Total cash outflow on leases</b> | <b>167,339.00</b>                   |

#### D) Maturity analysis of lease liabilities

| 31 March 2020     | Less than<br>1 year | Between 1 and 2<br>years | 2 and 5<br>years | Over 5 years | Weighted<br>average<br>effective<br>interest rate<br>% |
|-------------------|---------------------|--------------------------|------------------|--------------|--|
| ...               |                     |                          |                  |              |  |
| Lease liabilities | 137,645.29          | 41,768.61                |                  |              | 6%   |
| ...               |                     |                          |                  |              |  |
| ...               |                     |                          |                  |              |  |
| ...               |                     |                          |                  |              |  |
|                   | 137,645.29          | 41,768.61                | -                | -            |  |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 50 Disclosure under Ind AS 116, Leases (*Continued*)

#### E) Impact of changes in accounting policies

Effective from 1 April 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

#### F) Reconciliation between operating lease commitments disclosed in March 2020 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

| Particulars  | in UDS     |
|--|------------|
| Operating lease commitments disclosed in March 2020 financials (under Ind AS 17)     | 333,300.12 |
| Less: Discounting impact   | 27,055.23  |
| Lease liabilities recognised in the statement of financial position as at April 2019 | 306,244.89 |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures

#### A. Related parties and their relationship

| Category of related parties |   |
|-----------------------------|---|
| 1) Holding company          | Shapoorji Pallonji and Company Private Limited  |
| 2) Fellow subsidiaries      | Abhipreet Trading Pvt. Ltd.<br>Acreage Farm Pvt. Ltd.<br>Afcons Construction Mideast LLC<br>Afcons Corrosion Protection Pvt. Ltd.<br>Afcons Gulf International Project Services FZE<br>Afcons Gunanusa Joint Venture<br>Afcons Infra projects Kazakhstan LLP<br>Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL<br>Afcons Infrastructure Ltd.<br>Afcons Mauritius Infrastructure Ltd.<br>Afcons Offshore and Marine Services Pvt. Ltd.<br>Afcons Overseas Project Gabon SARL<br>Afcons Overseas Singapore Pte Ltd.<br>Afcons Saudi Construction LLC<br>Afcons Shareholding (Education Assistance) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (General assistance) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (Health promotion) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (Hobbies and Craft Training) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (Holiday Assistance) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (Medical Benefit) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (Personnel Development) Trust nos. 1, 2 and 3*<br>Afcons Shareholding (Training and Development) Trust nos. 1, 2 and 3*<br>Afcons Shareholding Employees Welfare Trust nos. 1, 2, 3 and 4*<br>Alaya Properties Pvt. Ltd.<br>Aquadiagnostics Water Research & Technology Centre Ltd.<br>Aqualgnis Technologies Pvt. Ltd. (w.e.f 13 June 2018)<br>Archaic Properties Pvt. Ltd.<br>Arena Stud Farm Pvt. Ltd.<br>Arina Solar Private Limited<br>Armada Madura EPC Ltd<br>Arme Investment Company Ltd<br>Aspire Properties Holdings Ltd |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties                 |   |
|---|---|
| 2) Fellow subsidiaries ( <i>Continued</i> ) | Ativa Real Estate Developers Pvt Ltd (w.e.f 1 February 2019)<br>Atnu Solar Pvt. Ltd. (w.e.f. 21/09/2018)<br>Aurinko Energy Private Limited<br>Awesome Space Creations LLP (w.e.f. 25/06/2018)<br>Balgad Power Company Pvt. Ltd.<br>Bangalore streetlighting Pvt. Ltd. (w.e.f. 28/03/2019)<br>Belva Farms Pvt. Ltd.<br>Bengal Shapoorji Infrastructure Development Pvt. Ltd.<br>Bisho infra projects ltd<br>Blue Riband Properties Pvt. Ltd.<br>Bracewall Builders Pvt. Ltd.<br>Callidora Farms Pvt. Ltd.<br>Campbell Properties and Hospitality Services Ltd.<br>Chinsha Property Pvt. Ltd.<br>Cyrus Engineers Pvt. Ltd.<br>Dahej Standby Jetty Project Undertaking<br>Delna Finance & Investments Pvt. Ltd.<br>Delphi Properties Pvt. Ltd.<br>Devine Realty & Construction Pvt. Ltd.<br>Dhan Gaming Solution (India) Pvt. Ltd.<br>Dynamic sun energy private limited<br>EFL Mauritius Ltd.<br>Egni Generation Pvt. Ltd. (w.e.f.20/12/2018)<br>Elaine Renewable Energy Pvt. Ltd. (w.e.f.05/09/2018)<br>Eloise Energy Pvt. Ltd. (w.e.f. 03/08/2018)<br>Empower Builder Pvt. Ltd.<br>Esem Stables Pvt. Ltd. (w.e.f. 16/05/2018)<br>ESPI Farms Pvt. Ltd. (w.e.f.21/05/2018)<br>ESPI Holdings Mauritius Ltd.<br>ESPI Homestead Pvt. Ltd. (w.e.f. 17/05/2018)<br>ESPI Stables and farms Pvt. Ltd. (w.e.f. 21/05/2018)<br>Eureka Forbes Ltd.<br>Euro Forbes Financial Services Ltd.<br>Euro Forbes Ltd. Dubai<br>Fayland Estates Pvt. Ltd.<br>Filippa Farms Pvt. Ltd.<br>Fine Energy Solar Pvt. Ltd.<br>Flamboyant Developers Pvt. Ltd.<br>Flooraise Developers Pvt. Ltd.<br>Floral Finance Pvt. Ltd.<br>Floreat Investments Ltd.<br>Flotilla Finance Pvt. Ltd.<br>Forbes & Company Ltd.<br>Forbes Campbell Finance Ltd.<br>Forbes Campbell Services Ltd.<br>Forbes Edumetry Ltd.<br>Forbes Enviro Solutions Ltd.<br>Forbes Facility Services Pvt. Ltd.<br>Forbes International AG<br>Forbes Lux FZCO |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties                 |  |
|---|--|
| 2) Fellow subsidiaries ( <i>Continued</i> ) | <div>Forbes Lux International AG</div> <div>Forbes Technosys Ltd.</div> <div>Forvol International Service Ltd.</div> <div>Gallops Developers Pvt. Ltd.</div> <div>Global Bulk Minerals FZE ("GBM")</div> <div>Global Energy projects holding</div> <div>Global Energy S.L. Ltd.</div> <div>Global Energy Ventures Mauritius.</div> <div>Global Infra FZCO</div> <div>Global Resource and Logistics Pte. Ltd.</div> <div>Global solar energy holding</div> <div>Gokak Power &amp; Energy Ltd.</div> <div>Gokak Textiles Ltd.</div> <div>Gossip Properties Pvt. Ltd.</div> <div>GRL Mozambique S A</div> <div>Haul Power Pvt. Ltd. (w.e.f. 26/12/2018)</div> <div>Hazarat &amp; Co Pvt. Ltd.</div> <div>Hermes Commerce Ltd.</div> <div>High Point Properties Pvt. Ltd.</div> <div>Instant Karma Properties Pvt. Ltd.</div> <div>Jaykali Developers Pvt. Ltd.</div> <div>Kamal Power Ltd. (Tanzania)</div> <div>Kanpur River Management Pvt. Ltd. (w.e.f.16/11/2018)</div> <div>Kavinam Property Development Pvt.Ltd. (w.e.f.31/01/2019)</div> <div>Khvafar Investments Pvt. Ltd.</div> <div>Khvafar Property Developers Pvt. Ltd.</div> <div>Leader Shipyard Pvt. Ltd.</div> <div>LIAG Trading and Investments Ltd.</div> <div>Lucrative Properties Pvt. Ltd.</div> <div>Lux (Deutschland) GmbH</div> <div>Lux Aqua Czech s.r.o. (upto 30 April 2018)</div> <div>Lux Aqua Hungaria Kft (upto 30 April 2018)</div> <div>Lux Aqua Paraguay SA</div> <div>Lux del Paraguay S.A.</div> <div>Lux Hungária Kereskedelmi Kft.</div> <div>Lux Interantional AG</div> <div>Lux International Service Kft (Upto 30/09/2018)</div> <div>Lux International Services and Logistics GmbH (Formerly: Lux Service GmbH)</div> <div>Lux Italia srl</div> <div>Lux Norge A/S</div> <div>Lux Oesterreich GmbH</div> <div>Lux Professional International GmbH</div> <div>Lux Schweiz AG</div> <div>Magpie Finance Pvt. Ltd</div> <div>Make Home Realty &amp; Construction Pvt. Ltd.</div> <div>Malabar Trustee Co. Ltd</div> <div>Manjri Farmsted Pvt. Ltd. (w.e.f. 11/05/2018)</div> <div>Manjri Horse Breeders Farm Pvt. Ltd.</div> <div>Manor Stud Farm Pvt. Ltd.</div> <div>Mazsons Builders &amp; Developers Pvt. Ltd.</div> |



# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties                 |   |
|---|---|
| 2) Fellow subsidiaries ( <i>Continued</i> ) | <p>Meridian Enterprise (Joint venture)</p> <p>Meriland Estates Pvt. Ltd.</p> <p>Mileage Properties Pvt. Ltd.</p> <p>Mrunmai Properties Ltd</p> <p>Musamdham Rock LLC</p> <p>National power generation company limited</p> <p>Neil Properties Pvt. Ltd</p> <p>Next Gen Publishing Ltd.</p> <p>Nuevo Consultancy Services Ltd.</p> <p>Nursery Projects and Agri Development Pvt. Ltd.</p> <p>Nutan Bidyut (Bangladesh) Ltd.</p> <p>OSCO SP Facilities Management LLC</p> <p>Palchin Real Estates Pvt. Ltd.</p> <p>Parikar Real Estate Pvt. Ltd. (w.e.f.22/06/2018)</p> <p>Precaution Properties Pvt. Ltd.</p> <p>PT. Nusantara Global Resources.</p> <p>Radiance Solar Pvt. Ltd.</p> <p>Range Consultants Private Limited</p> <p>Relationship Properties Pvt. Ltd.</p> <p>Renaissance Commerce Pvt. Ltd.</p> <p>Ricardo Construction Pvt. Ltd.</p> <p>Rihand Floating Solar Pvt. Ltd. (w.e.f.24/12/2018)</p> <p>S C Motors Pvt. Ltd.</p> <p>S P Global Operations Ltd.</p> <p>S P International</p> <p>S P Kam Synthetics Pvt. Ltd.</p> <p>S. C. Impex Pvt. Ltd.</p> <p>Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)</p> <p>Sagar Premi Builders and Developers Pvt. Ltd.</p> <p>Samalpatti Power Co Pvt. Ltd.</p> <p>Saral SP Algeria</p> <p>Sashwat Energy Private Limited</p> <p>Shachin Real Estate Pvt. Ltd.</p> <p>Shapoorji AECOS Construction Pvt. Ltd.</p> <p>Shapoorji Data Processing Pvt. Ltd.</p> <p>Shapoorji Holding Limited</p> <p>Shapoorji Hotels Pvt. Ltd.</p> <p>Shapoorji Pallonji 98/2 Company Pte Ltd</p> <p>Shapoorji Pallonji and Co KIPL JV (Partnership Firm)</p> <p>Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)</p> <p>Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.</p> <p>Shapoorji Pallonji Construction Private Limited</p> <p>Shapoorji Pallonji Consulting Services Pvt. Ltd. (w.e.f. 04/01/2019)</p> <p>Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.</p> <p>Shapoorji Pallonji Egypt LLC.(w.e.f. 18/02/2019)</p> <p>Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.</p> <p>Shapoorji Pallonji Energy Company INC</p> <p>Shapoorji Pallonji Europe Ltd.(w.e.f. 27/08/2018)</p> <p>Shapoorji Pallonji Finance Pvt. Ltd.</p> <p>Shapoorji Pallonji Forbes Shipping Ltd.</p> <p>Shapoorji Pallonji General Contracting Company for Buildings</p> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties                 |   |
|---|---|
| 2) Fellow subsidiaries ( <i>Continued</i> ) | <p>Shapoorji Pallonji Ghana Ltd.</p> <p>Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.</p> <p>Shapoorji Pallonji Infrastructure Capital Co Private Limited</p> <p>Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.</p> <p>Shapoorji Pallonji International LLC (w.e.f.12/02/2018)</p> <p>Shapoorji Pallonji International, FZC</p> <p>Shapoorji Pallonji International, FZE</p> <p>Shapoorji Pallonji Investment Advisors Pvt. Ltd.</p> <p>Shapoorji Pallonji Kazakhstan LLC</p> <p>Shapoorji Pallonji Lanka Pvt. Ltd.</p> <p>Shapoorji Pallonji Libya Company for General Construction</p> <p>Shapoorji Pallonji Logispace &amp; Investment Advisors Pvt. Ltd. (w.e.f.01/02/2019)</p> <p>Shapoorji Pallonji Malta Ltd</p> <p>Shapoorji Pallonji Mid East LLC</p> <p>Shapoorji Pallonji Nigeria FZE (w.e.f.12/09/2018)</p> <p>Shapoorji Pallonji Nigeria Ltd.</p> <p>Shapoorji Pallonji Oil and Gas Godavari Pvt Ltd</p> <p>Shapoorji Pallonji Oil and Gas International FZE</p> <p>Shapoorji Pallonji Oil and Gas Pvt Ltd</p> <p>Shapoorji Pallonji Ports Pvt. Ltd.</p> <p>Shapoorji Pallonji Power Company Ltd</p> <p>Shapoorji Pallonji Projects Pvt. Ltd.</p> <p>Shapoorji Pallonji Properties LLC</p> <p>Shapoorji Pallonji Qatar WLL</p> <p>Shapoorji Pallonji Qatar WLL</p> <p>Shapoorji Pallonji Renewables Pvt. Ltd.</p> <p>Shapoorji Pallonji Roads Pvt. Ltd.</p> <p>Shapoorji Pallonji Rural Solutions Pvt Ltd.</p> <p>Shapoorji Pallonji Saurpower Pvt. Ltd. (w.e.f. 26/10/2018)</p> <p>Shapoorji Pallonji Solar Holdings Pvt Ltd</p> <p>Shapoorji Pallonji Solar PV Pvt. Ltd.</p> <p>Shapoorji Pallonji Suryaprakash Pvt. Ltd. (w.e.f. 09/10/2018)</p> <p>Shapoorji Pallonji Technologies FZE</p> <p>Shapoorji Pallonji Transportation Projects Pvt. Ltd.</p> <p>Shapoorji Pallonji Pandoh Takoli highways private limited</p> <p>Sharus Steels Products Pvt. Ltd.</p> <p>Simar Port Pvt. Ltd.</p> <p>Solar Edge Power and Energy Pvt. Ltd.</p> <p>SP Advanced Engineering Materials Pvt. Ltd.</p> <p>SP Agri Management Services P Ltd.</p> <p>SP Aluminium System Pvt. Ltd.</p> <p>SP Architectural Coatings Pvt. Ltd.</p> <p>SP Bio Science Pvt. Ltd.</p> <p>SP Biofuel Ventures Pvt. Ltd.</p> <p>SP Consulting Services DMCC UAE</p> <p>SP Energy (Egypt) S.A.E.</p> <p>SP Energy Venture AG</p> <p>SP Engineering Services Pte. Ltd.</p> <p>SP Fabricators Pvt. Ltd.</p> <p>SP Infocity Developers Pvt. Ltd.</p> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties                 |   |
|---|---|
| 2) Fellow subsidiaries ( <i>Continued</i> ) | <p>SP International Property Developer LLC</p> <p>SP Jammu Udampur Highway Pvt. Ltd.</p> <p>SP Lanka Properties Pvt. Ltd.</p> <p>SP Nano Products Pvt. Ltd.</p> <p>SP Oil and Gas Malaysia SDN BHD</p> <p>SP Oil Exploration Pvt. Ltd</p> <p>SP Photovoltaic Pvt. Ltd. (upto 29 March 2019)</p> <p>SP Ports Pvt. Ltd.</p> <p>SP Properties Holding Ltd.</p> <p>SP Sierra Joint Venture (Pvt) Ltd</p> <p>SP Solren Pvt. Ltd. (upto 29 March 2019)</p> <p>SP Trading (Partnership Firm)</p> <p>SPCL Holdings Pte Ltd.</p> <p>SPCPL-SMCIPL Joint Venture (w.e.f. 02/09/2018)</p> <p>SPI Nowa Energia spółka z ograniczoną odpowiedzialnością (w.e.f.14/02/2019)</p> <p>SPM 5 Investment L.L.C</p> <p>SP-NMJ Project Private Limited</p> <p>Steppe Developers Pvt. Ltd.</p> <p>Sterling &amp; Wilson Australia Pty Ltd</p> <p>Sterling &amp; Wilson Nigeria Ltd.</p> <p>Sterling &amp; Wilson Power Solutions LLC</p> <p>Sterling &amp; Wilson Powergen LLC</p> <p>Sterling and Wilson Cogen Solutions AG</p> <p>Sterling and Wilson Cogen Solutions Ltd. (formerly Sterling and Wilson Royal Power Solutions Ltd.)</p> <p>Sterling and Wilson Co-Gen Solutions Private Limited</p> <p>Sterling and Wilson HES UK Ltd. (formerly Sterling &amp; Wilson UK Holdings Ltd.)</p> <p>Sterling and Wilson International FZE</p> <p>Sterling and Wilson International solar FZO</p> <p>Sterling and Wilson International Solar LLP (w.e.f. 27/06/2018)</p> <p>Sterling and Wilson Middle East Electromechanical (Bahrain) WLL</p> <p>Sterling and Wilson Middle East Electromechanical LLC, Dubai</p> <p>Sterling and Wilson Middle East Sanitation, Electrical, Cooling &amp; Conditioning Contracting LLC, Kuwait</p> <p>Sterling and Wilson Middle East WLL</p> <p>Sterling and Wilson Power Systems Inc.</p> <p>Sterling and Wilson Powergen FZE</p> <p>Sterling and Wilson Powergen Private Limited</p> <p>Sterling and Wilson Private Limited</p> <p>Sterling and Wilson Security Systems Private Limited</p> <p>Sterling Generators Private Limited</p> <p>Sterling and Wilson Co-Gen FZCO (w.e.f 13 February 2019)</p> <p>Stonebricks Developers Pvt.Ltd. (w.e.f.11/05/2018)</p> <p>Stonebricks Property Development Pvt.Ltd. (w.e.f.04/06/2018)</p> <p>Sun Energy One Pvt. Ltd.</p> <p>Sunny View Estates Pvt. Ltd</p> <p>Sunrays Power One (Pvt.) Ltd.</p> <p>Sunrise Energy Pvt. Ltd.</p> <p>Sunshine Energy Kenya Ltd.</p> <p>Surya Power One Pvt. Ltd.</p> <p>Surya Prakash Vietnam Energy Company Limited</p> <p>Suryoday Energy Pvt. Ltd. (upto 29 March 2019)</p> <p>Suryoday One Energy Pvt. Ltd.</p> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties   |   |
|---|---|
| <b>2) Fellow subsidiaries (<i>Continued</i>)</b>  | <p>SWB Power Limited</p> <p>TN Solar Power Energy Pvt. Ltd.</p> <p>Transform Sun Energy Pvt. Ltd. (upto 29 March 2019)</p> <p>Transtonnellstroy Afcons Joint Venture</p> <p>Turner Property Developers LLP (w.e.f. 25/06/2018)</p> <p>United Motors (India) Pvt. Ltd.</p> <p>Universal Mine Developers and Service Providers Pvt. Ltd.</p> <p>Vizion Business Parks Private Limited</p> <p>Volkart Fleming Shipping &amp; Services Ltd.</p> <p>West Coast Liquid Terminal Pvt. Ltd.</p>   |
| <b>3) Joint ventures of fellow subsidiary</b>   | <p>Isolux Ingenieria S.A and Sterling &amp; Wilson Ltd. Consortium</p> <p>STC Power SRL</p> <p>Co.Stell SRL</p> <p>P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017)</p> <p>Sterling and Wilson Cogen Solutions LLC</p>  |
| <b>4) Key Management Personnel</b>  | <p>Mrs Zarine Y Daruvala, Director (upto 27 March 2019)</p> <p>Mr. Khurshed Y Daruvala, Chairman</p> <p>Mr. Pallon Shapoor Mistry, Non-Executive Director</p> <p>Mr. Bikesh Ogra, Non-Executive Director (w.e.f 27 March 2019)</p> <p>Mr. Bahadur Dastoor, CFO (w.e.f 1 April 2018)</p> <p>Mr. Jagannadha Rao, Company Secretary (w.e.f 8 May 2018)</p> <p>Mr. K. Kannan, Manager (w.e.f 27 March 2019)</p>   |
| <b>5) Relatives of Key Management Personnel</b>   | <p>Mrs Kainaz K. Daruvala</p> <p>Mrs Parvin Zarine Madan</p>  |
| <b>6) Entities over which key managerial person or their relatives exercise control</b> | <p>Delsys Infotech Private Limited,</p> <p>Transtel Systems Private Limited</p> <p>M/S. Fahudco</p> <p>Sterling Viking Power Private Limited</p> <p>Iris Energy Private Limited</p> <p>Daric Consultancy FZC</p> <p>Sterling and Wilson Energy Systems Private Limited</p>  |
| <b>7) Entities over which Holding Company exercise significant influence</b>            | <p>Afcons (Mideast) Constructions &amp; Investments Pvt. Ltd.</p> <p>Afcons Jal Joint Venture (w.e.f.20/09/2017)</p> <p>Afcons KPTL Joint Venture ( Dhaka Tongi) (w.e.f. 09/11/2016)</p> <p>Afcons Pauling Joint Venture</p> <p>AFCONS Sener LNG Construction Projects Pvt.Ltd.</p> <p>Afcons SMC Joint Venture</p> <p>Afcons Vijeta Joint Venture</p> <p>Afcons-Sibmost Joint Venture</p> <p>Afcons-Vijeta -PES Joint Venture</p> <p>Always Remember Properties Pvt. Ltd.</p> <p>AMC Cookware PTE Ltd.</p> <p>Armada 98/2 Pte. Ltd.</p> <p>Armada C7 Pte Ltd.(Singapore)</p> <p>Armada D1 Pte Ltd.(Singapore)</p> <p>Armada Madura EPC Ltd</p> <p>Awesome Properties Pvt. Ltd.</p> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties  |   |
|--|---|
| 7) Entities over which Holding Company exercise significant influence ( <i>Continued</i> ) | <p>Behold Space Developers Pvt. Ltd.</p> <p>Bengal Shapoorji Housing Development Pvt. Ltd.</p> <p>Bigsearch Properties Pvt. Ltd.</p> <p>Blue Stone Middle East Ltd</p> <p>BNV Gujarat Rail Private Ltd.</p> <p>Coventry Properties Pvt. Ltd.</p> <p>Dream Chalet Pvt. Ltd.</p> <p>Euro P2P Direct (Thailand) Co Ltd.</p> <p>Forbes Aquatech Ltd.</p> <p>Forbes Bumi Armada Ltd.</p> <p>Forbes Concept Hospitality Services Pvt. Ltd.</p> <p>Forbes G4S Solutions Private Limited</p> <p>G. S. Enterprises (Partnership Firm)</p> <p>Grand View Estates Pvt. Ltd.</p> <p>Heart Beat Properties Pvt. Ltd.</p> <p>HPCL Shapoorji Energy Ltd.</p> <p>Image Realty LLP</p> <p>Infinite Water Solutions Private Limited</p> <p>Insight Properties Pvt. Ltd.</p> <p>Ircon Afcons Joint venture</p> <p>Jess Realty Pvt. Ltd.</p> <p>Joyous Housing Ltd.</p> <p>Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)</p> <p>JV Hochtief – Nahdat AL Emaar-Shapoorji</p> <p>Karapan Armada Madura Pte. Ltd.</p> <p>Larsen &amp; Toubro Ltd. Shapoorji Pallonji &amp; Co Ltd. Joint Venture</p> <p>Minean SP Construction Corporation</p> <p>Mirth Property Developers Pvt. Ltd.</p> <p>Nandadevi Infrastructure Private Limited</p> <p>Natural Oil Ventures Co Ltd.</p> <p>Newtech Planners &amp; Consultancy Services Pvt. Ltd.</p> <p>P T Gokak Indonesia</p> <p>P.T.C. S.a.s. di Barzanti Massimo</p> <p>Redstone Films Pvt Ltd</p> <p>S. D. Corporation Pvt. Ltd.</p> <p>S. D. New Samata Nagar Development Pvt. Ltd.</p> <p>S. D. Recreational Services Pvt. Ltd.</p> <p>S. D. Service Management Pvt. Ltd.</p> <p>S. D. SVP Nagar Redevelopment Pvt. Ltd.</p> <p>S. D. Town Development Pvt. Ltd.</p> <p>S.D. Imperial Property Maintenance Pvt. Ltd.</p> <p>Saipem Afcons Joint Venture</p> <p>Satori Property Developers Pvt. Ltd.</p> <p>SD Palm Lands Redevelopment Pvt. Ltd.</p> <p>SD Powai Redevelopment Pvt. Ltd.</p> <p>SDC Mines Pvt Ltd</p> <p>SDC Township Pvt. Ltd.</p> <p>Seaward Realty Pvt. Ltd.</p> <p>Shapoorji Pallonji and OEG Services Private Limited</p> <p>Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.</p> |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 51 Related party disclosures (*Continued*)

#### A. Related parties and their relationship (*Continued*)

| Category of related parties  |  |
|--|--|
| 7) Entities over which Holding Company exercise significant influence ( <i>Continued</i> ) | Shapoorji Pallonji Bumi Armada Offshore Ltd.                             |
|  | Shapoorji Pallonji Finance Pvt. Ltd.                                     |
|  | Shapoorji Pallonji Mideast LLC- Oman Shapoorji Company LLL Joint Venture |
|  | Solar Capital De Aar 3 (RF)Proprietary Limited                           |
|  | SP Armada Oil Exploration Pvt. Ltd.                                      |
|  | SP Imperial Star Pvt. Ltd.   |
|  | SP Trading (Partnership Firm)  |
|  | Space Square Developers Pvt. Ltd.  |
|  | Sterling Motors (Partnership Firm)                                       |
|  | Strabag Afcons Joint Venture   |
|  | Sunny Recreational Property Developers Pvt. Ltd                          |
|  | Turner Films Pvt Ltd   |
|  | West Coast Liquid Terminal Pvt. Ltd. (W.e.f. 09/05/2018)                 |
|  | Zhanakorgan Energy LLP   |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 52 Related Party Transactions (*Continued*)

#### B Transactions and balances with related parties

##### *Related party disclosures for the year ended 31 March 2020*

| Sr. No. | Nature of transaction           | Holding company | Fellow subsidiaries | Key Management Personnel and their relatives | Total        |
|---------|---------------------------------|-----------------|---------------------|--|--------------|
| XII     | Loan given                      | 9,817,884.74    | -                   | -  | 9,817,884.74 |
| XXIII   | Corporate Guarantee outstanding | -               | -                   | -  | -            |

| Sr. No. | Nature of transaction                        | Holding company | Fellow subsidiaries | Key Management Personnel and their relatives | Total        |
|---------|--|-----------------|---------------------|--|--------------|
| XII     | Loan given                                   |                 |                     |  |              |
|         | Sterling and Wilson Powergen Private Limited |                 |                     |  | -            |
|         | Sterling and Wilson Private Limited          | 9,817,884.74    |                     |  | 9,817,884.74 |
| XXIII   | Corporate Guarantee outstanding              |                 |                     |  |              |
|         | Sterling and Wilson Private Limited          |                 |                     |  | -            |

#### B Transactions and balances with related parties

##### *Related party disclosures for the year ended 31 March 2019*

| Sr. No. | Nature of transaction | Holding company | Fellow subsidiaries | Key Management Personnel and their relatives | Total        |
|---------|-----------------------|-----------------|---------------------|--|--------------|
| XII     | Loan given            | 7,885,408.22    |                     |  | 7,885,408.22 |

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

##### *Related party disclosures for the period ended 31 March 2019 (Continued)*

| Sr. No. | Nature of transaction                        | Holding company | Fellow subsidiaries | Key Management Personnel and their relatives | Total        |
|---------|--|-----------------|---------------------|--|--------------|
| XII     | Loan given                                   |                 |                     |  |              |
|         | Sterling and Wilson Powergen Private Limited |                 |                     |  | -            |
|         | Sterling and Wilson Private Limited          | 7,885,408.22    |                     |  | 7,885,408.22 |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

### 53 Segment reporting

#### A. Basis for segmentation

The Group is primarily engaged in the business of complete Turnkey solution for Engineering, Procurement, Construction, Operation and maintenance of Solar Power projects. The company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Solar EPC and Solar Operation and maintenance service. Accordingly, company has determined its reportable segments under Ind AS 108 "Operating Segments" as follows:

- Engineering, Procurement and Construction (Solar EPC); and
- Operation and maintenance service

#### B. Business Segment

The Group's revenues and assets represents company's businesses viz. Solar EPC and Solar Operation and maintenance service. Accordingly, Revenue and expenses have been identified to a segment on the basis of direct relationship to operating activities of the segment. Expenditure which are not directly identifiable but has a relationship to the operating activities of the segment are allocated on a reasonable basis.

Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other common assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

#### Information about reportable segments

31 March 2020

| Particulars                          | Solar EPC business | Operation and maintenance service | Unallocated   | Total          |
|--------------------------------------|--------------------|-----------------------------------|---------------|----------------|
| <b>Revenue</b>                       |                    |                                   |               |                |
| External customers                   | 27,093,580.82      | -                                 | -             | 27,093,580.82  |
| <b>Total revenue</b>                 | 27,093,580.82      | -                                 | -             | 27,093,580.82  |
| <b>Segment Results</b>               | 336,189.99         |                                   |               | 336,189.99     |
| <b>Unallocable Expense</b>           |                    |                                   |               |                |
| Interest expense                     | -                  | -                                 | 14,244.05     |                |
| Depreciation                         | -                  | -                                 | 206,007.48    | -              |
| Employee benefits and other expenses |                    | -                                 | 4,558,657.53  | 4,558,657.53   |
| <b>Total unallocated expenses</b>    | -                  | -                                 | 4,778,909.06  | 4,558,657.53   |
| <b>Unallocable Income</b>            |                    |                                   |               |                |
| Interest income                      | -                  | -                                 | -             | -              |
| Other income                         | -                  | -                                 | -             | -              |
| <b>Total unallocated income</b>      | -                  | -                                 | -             | -              |
| Consolidated profit before tax       | 336,189.99         |                                   |               | (4,222,467.54) |
| Tax expense/ (credit)                |                    | -                                 | 9,485.16      | 9,485.16       |
| <b>Consolidated profit after tax</b> | 336,189.99         | -                                 | 9,485.16      | (4,231,952.70) |
| <b>Other information</b>             |                    |                                   |               |                |
| Segment assets                       | 2,168,290.45       |                                   | 2,143,248.85  | 4,311,539.30   |
| Segment liabilities                  | 4,372,571.77       |                                   | 10,318,462.10 | 14,691,033.86  |
| Capital Expenditure                  | -                  | -                                 |               |                |
| Depreciation and amortisation        |                    | -                                 | 206,007.48    | 206,007.48     |



# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

### 53 Segment reporting (Continued)

#### B. Business Segment (Continued)

##### Information about reportable segments (Continued)

31 March 2019

| Particulars                          | Solar EPC business | Operation and maintenance service | Unallocated | Total          |
|--------------------------------------|--------------------|-----------------------------------|-------------|----------------|
| <b>Revenue</b>                       |                    |                                   |             |                |
| External customers                   | 8,542,481.08       |                                   |             | 8,542,481.08   |
| <b>Total revenue</b>                 | 8,542,481.08       | -                                 | -           | 8,542,481.08   |
| <b>Segment Results</b>               | 141,522.07         |                                   |             | 141,522.07     |
| <b>Unallocable Expense</b>           |                    |                                   |             |                |
| Interest expense                     | -                  | -                                 |             | -              |
| Depreciation                         | 58,574.81          | -                                 |             | 58,574.81      |
| Employee benefits and other expenses | 4,689,335.28       | -                                 |             | 4,689,335.28   |
| <b>Total unallocated expenses</b>    | 4,747,910.09       | -                                 | -           | 4,747,910.09   |
| <b>Unallocable Income</b>            |                    |                                   |             |                |
| Interest income                      | -                  | -                                 |             | -              |
| Other income                         | -                  | -                                 |             | -              |
| <b>Total unallocated income</b>      | -                  | -                                 | -           | -              |
| Profit before tax                    | (4,606,388.02)     |                                   |             | (4,606,388.02) |
| Tax expense/ (credit)                | 1,200.00           |                                   | -           | 1,200.00       |
| <b>Profit after tax</b>              | (4,607,588.02)     | -                                 | -           | (4,607,588.02) |
| <b>Other information</b>             |                    |                                   |             |                |
| Segment assets                       |                    |                                   |             |                |
| Segment liabilities                  |                    |                                   |             |                |
| Capital Expenditure                  |                    |                                   |             |                |
| Depreciation and amortisation        |                    |                                   |             |                |

#### C. Geographical information

The geographic information analyses the Group's revenues and non-current assets by the Group's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

##### a) Revenue from external customers

| 31 March 2020                              | Solar EPC business | Operation and maintenance service | Unallocated |
|--|--------------------|-----------------------------------|-------------|
| <b>Particulars</b>                         |                    |                                   |             |
| India                                      |                    |                                   |             |
| South East Asia                            |                    |                                   |             |
| Middle East and North Africa               |                    |                                   |             |
| Rest of Africa                             |                    |                                   |             |
| United States of America and Latin America | 27,093,580.82      |                                   |             |
| Australia                                  |                    |                                   |             |
|  | 27,093,580.82      | -                                 | -           |
| <b>31 March 2019</b>                       |                    |                                   |             |
| <b>Particulars</b>                         |                    |                                   |             |
| India                                      |                    |                                   |             |
| South East Asia                            |                    |                                   |             |
| Middle East and North Africa               |                    |                                   |             |
| Rest of Africa                             |                    |                                   |             |
| United States of America and Latin America | 8,542,481.08       |                                   |             |
| Australia                                  |                    |                                   |             |
|  | 8,542,481.08       | -                                 | -           |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

### 52 Segment reporting (*Continued*)

#### C. Geographical information

##### a) Revenue from external customers (*Continued*)

Business in US, the country of domicile, represented approximately 100% during the year ended 31 March 2020 (31 March 2019: 100%) of its consolidated net revenues.

##### b) Non-current assets (other than financial instruments and deferred tax assets)

| Particulars                                | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| India                                      |               |               |
| South-east Asia                            |               |               |
| Middle East and North Africa               |               |               |
| Rest of Africa                             |               |               |
| United States of America and Latin America | 994,272.87    | 723,099.11    |
| Australia                                  |               |               |
| Europe                                     |               |               |
|  | 994,272.87    | 723,099.11    |

The following countries hold 10% or more of the Group's consolidated Non-current assets (other than financial instruments and deferred tax assets):

| Particulars          | 31 March 2020 | 31 March 2019 |
|----------------------|---------------|---------------|
| United Arab Emirates |               |               |
| Australia            |               |               |
| Morocco              |               |               |

##### c) Information about major customers

Revenue from one customer is USD 14.5 million as 31 March 2020 (31 March 2019: USD 8.5 million)) which is more than 54% of the total revenue (31 March 2019: 100% )

## Sterling & Wilson Solar Solutions, Inc. & LLC

### Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency : USD)

#### 41.10 Financial instruments – Fair values and risk management

##### (a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if carrying amount is a reasonable approximation of fair value.

| 31 March 2020   | FVTPL | Carrying amount |                     | Total               | Fair value                               |   |   | Total               |
|---|-------|-----------------|---------------------|---------------------|--|---|---|---------------------|
|   |       | FVTOCI          | Amortised Cost      |                     | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs |                     |
| <b>Financial assets</b>                                 |       |                 |                     |                     |  |   |   |                     |
| <b>Non-current</b>                                      |       |                 |                     |                     |  |   |   |                     |
| (i) Loans   | -     | -               | -                   | -                   | -  | -                                       | -   | -                   |
| <b>Current</b>  |       |                 |                     |                     |  |   |   |                     |
| (i) Investments   | -     | -               | -                   | -                   | -  | -                                       | -   | -                   |
| (ii) Trade receivables                                  | -     | -               | 274,596.46          | 274,596.46          |  | 274,596.46                              | -   | 274,596.46          |
| (iii) Cash and cash equivalents                         | -     | -               | 1,275,819.03        | 1,275,819.03        |  | 1,275,819.03                            | -   | 1,275,819.03        |
| (iv) Bank balances other than cash and cash equivalents | -     | -               | -                   | -                   |  | -                                       | -   | -                   |
| (v) Loans   | -     | -               | 82,588.28           | 82,588.28           |  | 82,588.28                               | -   | 82,588.28           |
| (vi) Other financial assets                             | -     | -               | -                   | -                   |  | -                                       | -   | -                   |
| (vii) Derivatives                                       | -     | -               | -                   | -                   | -  | -                                       | -   | -                   |
| <b>Total</b>  | -     | -               | <b>1,633,003.78</b> | <b>1,633,003.78</b> | -  | <b>1,633,003.77</b>                     | -   | <b>1,633,003.77</b> |
| <b>Financial liabilities</b>                            |       |                 |                     |                     |  |   |   |                     |
| <b>Non Current</b>                                      |       |                 |                     |                     |  |   |   |                     |
| (i) Borrowings  | -     | -               | -                   | -                   | -  | -                                       | -   | -                   |
| <b>Current</b>  |       |                 |                     |                     |  |   |   |                     |
| (i) Borrowings  | -     | -               | -                   | -                   | -  | -                                       | -   | -                   |
| (ii) Trade payables                                     | -     | -               | 4,220,927.42        | 4,220,927.42        | 4,220,927.42                             |   | -   | 4,220,927.42        |
| (iii) Other financial liabilities                       | -     | -               | 138,268.41          | 138,268.41          | 72,626.82                                | 65,641.59                               |   | 138,268.41          |
| <b>Total</b>  | -     | -               | <b>4,359,195.83</b> | <b>4,359,195.83</b> | <b>4,293,554.24</b>                      | <b>65,641.59</b>                        | -   | <b>4,359,195.83</b> |

## Sterling & Wilson Solar Solutions, Inc. & LLC

### Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency : USD)

#### 41.10 Financial instruments – Fair values and risk management (Continued)

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

| 31 March 2020   | Carrying amount |          |                     | Fair value          |  |   | Total               |
|---|-----------------|----------|---------------------|---------------------|--|---|---------------------|
|   | FVTPL           | FVTOCI   | Amortised Cost      | Total               | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs |                     |
| <b>Financial Assets</b>                                 |                 |          |                     |                     |  |   |                     |
| <b>Current</b>  |                 |          |                     |                     |  |   |                     |
| (i) Investments   | -               | -        | -                   | -                   | -  | -                                       | -                   |
| (ii) Trade receivables                                  | -               | -        | 1,414,558.45        | 1,414,558.45        | 1,414,558.45                             | -                                       | 1,414,558.45        |
| (iii) Cash and cash equivalents                         | -               | -        | 179,386.66          | 179,386.66          | 179,386.66                               | -                                       | 179,386.66          |
| (iv) Bank balances other than cash and cash equivalents | -               | -        | -                   | -                   | -  | -                                       | -                   |
| (v) Loans   | -               | -        | -                   | -                   | -  | -                                       | -                   |
| (vi) Other financial assets                             | -               | -        | -                   | -                   | -  | -                                       | -                   |
| <b>TOTAL</b>  | <b>-</b>        | <b>-</b> | <b>1,593,945.11</b> | <b>1,593,945.11</b> | <b>1,593,945.11</b>                      | <b>-</b>                                | <b>1,593,945.11</b> |
| <b>Financial liabilities</b>                            |                 |          |                     |                     |  |   |                     |
| <b>Non Current</b>                                      |                 |          |                     |                     |  |   |                     |
| (i) Borrowings  | -               | -        | -                   | -                   | -  | -                                       | -                   |
| <b>Current</b>  |                 |          |                     |                     |  |   |                     |
| (i) Borrowings  | -               | -        | -                   | -                   | -  | -                                       | -                   |
| (ii) Trade payables                                     | -               | -        | 791,592.61          | 791,592.61          | 791,592.61                               | -                                       | 791,592.61          |
| (iii) Other financial liabilities                       | -               | -        | 330,080.62          | 330,080.62          | 65,195.92                                | 264,884.70                              | 330,080.62          |
| (iv) Derivatives  | -               | -        | -                   | -                   | -  | -                                       | -                   |
| <b>TOTAL</b>  | <b>-</b>        | <b>-</b> | <b>1,121,673.23</b> | <b>1,121,673.23</b> | <b>856,788.53</b>                        | <b>264,884.70</b>                       | <b>1,121,673.23</b> |

## Sterling & Wilson Solar Solutions, Inc. & LLC

### Notes to the consolidated financial statements (*Continued*) for the year ended 31 March 2020

(Currency : USD)

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

##### (b) Measurement of fair values

###### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

| Type   | Valuation technique  | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|--|--|---------------------------------|---|
| Amortised cost:<br>1. Security deposits (Asset)<br>2. Borrowings | Discounted cash flow approach: The valuation model considers the present value of expected payments, discounted using a risk adjusted discount rate.   | Not applicable                  | Not applicable  |
| Forward contracts for foreign exchange contracts                 | Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency. | Not applicable                  | Not applicable  |

###### Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting year/periods.

###### Level 3 fair values

There are no items in Level 3 fair values.

##### (c) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- i) Credit risk ;
- ii) Liquidity risk ; and
- iii) Market risk

## Sterling & Wilson Solar Solutions, Inc. & LLC

### **Notes to the consolidated financial statements (*Continued*)** *for the year ended 31 March 2020*

(Currency : USD)

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

##### **(c) Financial risk management (*Continued*)**

###### **Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors of the Group.

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

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

#### (c) Financial risk management (*Continued*)

##### i. Credit risk

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

##### Trade and other receivables

Accounts receivable are carried at face value, net of allowances for estimated uncollectible balance. Customer accounts receivable balances are reviewed for collectability based upon historical factors, economic conditions, and the credit risk of SWSS customers. As a result of these reviews, SWSS determined that no reserve was required to be recorded for uncollectable accounts receivable balances at 31 March 2020.

Total trade receivable as at 31 March 2020 is 274,596 USD (31 March 2019: 1,414,558 USD).

One largest customer has a total concentration of 100% (31 March 2019: One largest customer has a total concentration of 100%) of total trade receivables.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year/ period was as follows:

| Particulars  | Amount |
|--|--------|
| Balance as at 1 April 2019                               |        |
| Add: Impairment losses recognised during the year/period |        |
| Balance as at 31 March 2020                              | -      |
| Balance as at 1 April 2018                               |        |
| Add: Impairment losses recognised during the year/period |        |
| Balance as at 31 March 2019                              | -      |

##### Cash and bank balances

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of 1,275,819 USD and 179,387 USD as at 31 March 2020 and 31 March 2019 respectively. . The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good. FDIC deposit insurance covers the depositors of a failed FDIC-insured depository institution dollar-for-dollar, principal plus any interest accrued or due to the depositor, through the date of default, up to at least \$250,000

##### Loans to fellow subsidiaries

The Group has given unsecured loans to its fellow subsidiaries for meeting its working capital requirements. The Group does not perceive any credit risk pertaining to loans provided to fellow subsidiaries.

##### Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries.

##### Security deposits given to lessors

SWSS has given security deposit \$82,588 to lessors for premises leased by the Company as at 31 March 2020. SWSS monitors the credit worthiness of such lessors where the amount of security deposit is material.

Other than the trade receivables, other receivables and unbilled revenue, the Group has no other financial assets that are past due but not impaired.

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

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

#### (c) Financial risk management (*Continued*)

##### ii *Liquidity risk*

Liquidity risk is the risk that SWSS will not be able to meet its financial obligations as they become due. SWSS manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to SWSS's reputation.

Pursuant to Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL'). As at 31 March 2018, pending issuance of Banking facilities, SWPL has obtained fund and non-fund based working capital lines from various banks for the Group. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The management monitors the company net liquidity position through rolling forecasts on the basis of expected cash flow.

The buyers credit as at 31 March 2020 is 0 USD (31 March 2019: 263,416 USD) and cash and cash equivalents as at 31 March 2020 is 1,275,819 USD (31 March 2019: 179,387 USD)

#### *Exposure to liquidity risk*

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for non derivative financial liabilities:

| 31 March 2020   | Carrying amount | Total        | Contractual cash flows |           |           |                   |
|---|-----------------|--------------|------------------------|-----------|-----------|-------------------|
|   |                 |              | 1 year or less         | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities                  |                 |              |                        |           |           |                   |
| 7%, Non-convertible, Non-cumulative Preference shares | -               | -            | -                      | -         | -         | -                 |
| Secured loans   | -               | -            | -                      | -         | -         | -                 |
| Unsecured loans                                       | -               | -            | -                      | -         | -         | -                 |
| Trust receipts  | -               | -            | -                      | -         | -         | -                 |
| Trade payables  | 4,083,282.13    | 4,083,282.13 | 4,083,282.13           | -         | -         | -                 |
| Interest accrued and due                              | -               | -            | -                      | -         | -         | -                 |
| Interest accrued and not due                          | -               | -            | -                      | -         | -         | -                 |
| Other current financial liabilities                   | -               | -            | -                      | -         | -         | -                 |
|   | 4,083,282.13    | 4,083,282.13 | 4,083,282.13           | -         | -         | -                 |

| 31 March 2019   | Carrying amount | Total      | Contractual cash flows |           |           |                   |
|---|-----------------|------------|------------------------|-----------|-----------|-------------------|
|   |                 |            | 1 year or less         | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities                  |                 |            |                        |           |           |                   |
| 7%, Non-convertible, Non-cumulative Preference shares | -               | -          | -                      | -         | -         |                   |
| Secured loans   | -               | -          | -                      | -         | -         | -                 |
| Unsecured loans                                       |                 |            |                        |           |           |                   |
| Trust receipts  |                 |            |                        |           |           |                   |
| Trade payables  | 791,592.61      | 791,592.61 | 791,592.61             | -         | -         | -                 |
| Interest accrued and due                              | -               | -          | -                      | -         | -         | -                 |
| Interest accrued and not due                          | -               | -          | -                      | -         | -         | -                 |
| Other current financial liabilities                   | -               | -          | -                      | -         | -         | -                 |
|   | 791,592.61      | 791,592.61 | 791,592.61             | -         | -         |                   |

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.



# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

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

#### (c) Financial risk management (*Continued*)

##### iii Market risk (*Continued*)

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to security deposits, loans given and borrowings from financial institutions.

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 24 and 26 of these financial statements.

| Particulars                      | 31 March 2020    | 31 March 2019 |
|----------------------------------|------------------|---------------|
| <b>Fixed rate instruments</b>    |                  |               |
| Financial Assets                 | 82,588.28        | -             |
| Financial liabilities            | -                | -             |
|                                  | <u>82,588.28</u> | <u>-</u>      |
| <b>Variable rate instruments</b> |                  |               |
| Financial liabilities            | -                | -             |
|                                  | <u>-</u>         | <u>-</u>      |

#### Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

#### Interest rate sensitivity - variable rate instruments

|                                    | 31 March 2020   |                 | 31 March 2019   |                 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                    | Profit or loss  |                 | Profit or loss  |                 |
| USD                                | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| Variable-rate instruments          | 0.00            | 0.00            | -               | -               |
| <b>Cash flow sensitivity (net)</b> | <u>0.00</u>     | <u>0.00</u>     | <u>-</u>        | <u>-</u>        |

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2020

(Currency : USD)

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

#### (c) Financial risk management (*Continued*)

##### iii Market risk (*Continued*)

#### (c) Capital Management

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

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

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

| Particulars                                | 31 March 2020          | 31 March 2019  |
|--|------------------------|----------------|
| Non-Current Borrowings                     | -                      | -              |
| Current Borrowings                         | -                      | -              |
| <b>Gross debt</b>                          | -                      | -              |
| Less : Cash and cash equivalents           | <b>1,275,819.03</b>    | 179,386.66     |
| <b>Adjusted net debt</b>                   | -                      | -              |
| Total equity                               | <b>(10,379,494.56)</b> | (5,927,290.34) |
| Adjusted net debt to adjusted equity ratio | -                      | -              |

## 42 Hedge accounting

During the year ended 31 March 2019 and 31 March 2018, the Group has a number of financial instruments in a hedging relationship. The Company uses foreign currency forward to hedge changes in future cash flows as a result of foreign currency and interest rate risk arising from sales and purchases and borrowings taken.

Changes in fair value of foreign currency derivative, to the extent determined to be an effective hedge, is recognised in other comprehensive income and the ineffective portion of the fair value change is recognised in statement of profit and loss. The fair value gain/losses recorded in Hedge reserve and Cost of Hedge reserve is recognised in the statement of profit and loss when the forecasted transactions occur.

| Particulars  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Fair Value (loss) recognised in hedge reserve  | -             | -             |
| Gain reclassified from hedge reserve   | -             | -             |
| Fair value loss (net) recognised in 'Foreign exchange loss (net)' in the statement of profit and loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship | -             | -             |

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

### 44 Income taxes

#### a) Amount recognised in the Consolidated statement of profit and loss

| Particulars   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>Current tax expense :</b>                        |                                     |                                     |
| Current year/period                                 | 9,485.16                            | 1,200.00                            |
| Adjustment of tax relating to earlier years/periods |                                     |                                     |
|   | 9,485.16                            | 1,200.00                            |
| <b>Deferred tax (credit) :</b>                      |                                     |                                     |
|   | 0.00                                | 0.00                                |
| Tax expenses for the year/period                    | 9,485.16                            | 1,200.00                            |

### 44 Income taxes (Continued)

#### c) Reconciliation of effective tax rate

| Particulars  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| <b>Profit before tax</b>   |                                     |                                     |
| Tax using the Company's domestic tax rate at 34.944%                                       |                                     |                                     |
| <b>Tax effect of:</b>  |                                     |                                     |
| Difference in tax rates  |                                     |                                     |
| Tax relating to previous periods   | 8,060.16                            |                                     |
| Tax losses utilised on which deferred tax was not created earlier                          |                                     |                                     |
| Employee benefits  |                                     |                                     |
| Current year/period losses on which no deferred tax asset was recognised                   | 1,425.00                            | 1,200.00                            |
| Items on which deferred tax was not recognised in the previous year/period, now recognised |                                     |                                     |
| Effect of consolidation of profits of subsidiaries in tax free zone                        |                                     |                                     |
| Impact due to consolidation adjustments  |                                     |                                     |
| Non-deductible expenses  |                                     |                                     |
| <b>Total tax expense</b>   | <b>9,485.16</b>                     | <b>1,200.00</b>                     |

#### e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised during the year/ period in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2020

(Currency : USD)

|                         | 31 March 2020     |                         | 31 March 2019     |                         |
|-------------------------|-------------------|-------------------------|-------------------|-------------------------|
|                         | Gross amount      | Unrecognised tax effect | Gross amount      | Unrecognised tax effect |
| Carry forward losses    | 20,450,118        | 2,627,680               | 11,277,829        | 1,366,184               |
| Unabsorbed depreciation |                   |                         |                   |                         |
| <b>Total</b>            | <b>20,450,118</b> | <b>2,627,680</b>        | <b>11,277,827</b> | <b>1,366,184</b>        |

### 44 Income taxes (Continued)

#### f) Tax losses carried forward

| Particulars                     | Year ended<br>31 March 2020 | Expiry date | Year ended<br>31 March 2019 | Expiry date |
|---------------------------------|-----------------------------|-------------|-----------------------------|-------------|
| Expire                          |                             |             |                             |             |
| Kansas 31 March 2020            | \$ 71,570                   | 2030        |                             |             |
| Oregon 31 March 2018            | \$ 1,050,838                | 2033        | \$ 1,050,838                | 2033        |
| Oregon 31 March 2019            | \$ 3,771,125                | 2034        | \$ 3,771,005                | 2034        |
| Oregon 31 March 2020            | \$ 2,126,228                | 2035        |                             |             |
| Federal & Arizona 31 March 2018 | \$ 1,382,265                | 2038        | \$ 1,382,265                | 2038        |
| Arizona 31 March 2019           | \$ 1,302,917                | 2039        | \$ 1,302,513                | 2039        |
| Arizona 31 March 2020           | \$ 1,953,860                | 2040        |                             |             |
|                                 | <u>11,658,804</u>           |             | <u>7,506,622</u>            |             |
| Never expire                    | <b>8,791,314</b>            |             | <b>3,771,205</b>            |             |

# Sterling & Wilson Solar Solutions, Inc. & LLC

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

(Currency : USD)

### APPLICABLE FOR STERLING AND WILSON INTERNATIONAL SOLAR FZCO

#### 49 Details of branches and subsidiaries

The Consolidated Financial Statements includes the financial statements of the following entities:

| Sr. No.  | Name of Company   | Country of Incorporation | % Holding as at 31 March 2020 | Control and share of profit / loss as at 31 March 2020 |
|--|---|--------------------------|-------------------------------|--|
| <b>Branches:</b>   |   |                          |                               |  |
| 1  | Sterling and Wilson - Philippines   | Philippines              | NA                            | NA   |
| 2  | Sterling and Wilson - Namibia   | Namibia                  | NA                            | NA   |
| 3  | Sterling and Wilson - Zambia  | Zambia                   | NA                            | NA   |
| 4  | Sterling and Wilson - Vietnam   | Vietnam                  | NA                            | NA   |
| 5  | Sterling and Wilson - Bangladesh (up to 31 December 2018)   | Bangladesh               | NA                            | NA   |
| 6  | Sterling and Wilson - Argentina   | Argentina                | NA                            | NA   |
| 7  | Sterling and Wilson - Egypt   | Egypt                    | NA                            | NA   |
| 8  | Sterling and Wilson - Australia   | Australia                | NA                            | NA   |
| 9  | Sterling and Wilson - Indonesia   | Indonesia                | NA                            | NA   |
| 10   | Sterling and Wilson - Jordan  | Jordan                   | NA                            | NA   |
| 11   | Sterling and Wilson - Mexico  | Mexico                   | NA                            | NA   |
| 12   | Sterling and Wilson - Kenya   | Kenya                    | NA                            | NA   |
| 13   | Sterling and Wilson - Morocco   | Morocco                  | NA                            | NA   |
| 14   | Sterling and Wilson - Dubai   | United Arab Emirates     | NA                            | NA   |
| <b>Subsidiaries:</b>   |   |                          |                               |  |
| 1  | Sterling and Wilson International Solar FZCO  | United Arab Emirates     | 100%                          | 100%   |
| 2  | Sterling and Wilson (Thailand) Limited*   | Thailand                 | 100%                          | 100%   |
| 3  | Sterling & Wilson - Waaree Private Limited  | India                    | 100%                          | 100%   |
| 4  | Sterling and Wilson Saudi Arabia Limited*   | Saudi Arabia             | 100%                          | 100%   |
| 5  | Sterling Wilson - SPCPL - Chint Moroccan Venture  | India                    | 92%                           | 92%  |
| 6  | Sterling and Wilson Brasil Servicos Ltda.   | Brazil                   | 100%                          | 100%   |
| 7  | Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)  | India                    | 100%                          | 100%   |
| 8  | Sterling and Wilson Solar LLC   | Oman                     | 70%                           | 100%   |
| <b>Subsidiaries of Sterling and Wilson International Solar FZCO:</b> |   |                          |                               |  |
| 1  | Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC). | United Arab Emirates     | 49%                           | 100%   |
| 2  | Sterling and Wilson Singapore Pte Ltd   | Singapore                | 100%                          | 100%   |
| 3  | Sterling and Wilson Engineering (Pty) Ltd   | South Africa             | 60%                           | 60%  |
| 4  | Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)  | United States of America | 100%                          | 100%   |
| 5  | Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)*   | Spain                    | 99%                           | 99%  |
| 6  | GCO Electrical Pty. Ltd. (w.e.f. 1 December 2018)   | Australia                | 76%                           | 76%  |
| 7  | Sterling and Wilson International LLP (w.e.f. 1 July 2018) (formerly A&S Company LLP)                     | Kazakhstan               | 100%                          | 100%   |
| <b>Subsidiary of Sterling and Wilson Singapore Pte Ltd:</b>          |   |                          |                               |  |
| 1  | Sterling and Wilson Kazakhstan LLP  | Kazakhstan               | 100%                          | 100%   |
| <b>Subsidiary of Sterling and Wilson Solar Solutions Inc.</b>        |   |                          |                               |  |
| 1  | Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)  | United States of America | 100%                          | 100%   |

\* The Company is in the process of completing the relevant statutory and regulatory procedures to B48 to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal (NCLT) order dated 28 March 2018.

The Consolidated Financial Statements includes the financial statements of the following entities:

| Sr. No.              | Name of Company   | Country of Incorporation | % Holding as at 31 March 2019 | Control and share of profit / loss as at 31 March 2019 |
|----------------------|---|--------------------------|-------------------------------|--|
| <b>Branches:</b>     |   |                          |                               |  |
| 1                    | Sterling and Wilson - Philippines                         | Philippines              | NA                            | NA   |
| 2                    | Sterling and Wilson - Namibia                             | Namibia                  | NA                            | NA   |
| 3                    | Sterling and Wilson - Zambia                              | Zambia                   | NA                            | NA   |
| 4                    | Sterling and Wilson - Vietnam                             | Vietnam                  | NA                            | NA   |
| 5                    | Sterling and Wilson - Bangladesh (up to 31 December 2018) | Bangladesh               | NA                            | NA   |
| 6                    | Sterling and Wilson - Argentina                           | Argentina                | NA                            | NA   |
| 7                    | Sterling and Wilson - Egypt                               | Egypt                    | NA                            | NA   |
| 8                    | Sterling and Wilson - Australia                           | Australia                | NA                            | NA   |
| 9                    | Sterling and Wilson - Indonesia                           | Indonesia                | NA                            | NA   |
| 10                   | Sterling and Wilson - Jordan                              | Jordan                   | NA                            | NA   |
| 11                   | Sterling and Wilson - Mexico                              | Mexico                   | NA                            | NA   |
| 12                   | Sterling and Wilson - Kenya                               | Kenya                    | NA                            | NA   |
| 13                   | Sterling and Wilson - Morocco                             | Morocco                  | NA                            | NA   |
| 14                   | Sterling and Wilson - Dubai                               | United Arab Emirates     | NA                            | NA   |
| <b>Subsidiaries:</b> |   |                          |                               |  |
| 1                    | Sterling and Wilson International Solar FZCO              | United Arab Emirates     | 100%                          | 100%   |
| 2                    | Sterling and Wilson (Thailand) Limited*                   | Thailand                 | 100%                          | 100%   |
| 3                    | Sterling & Wilson - Waaree Private Limited                | India                    | 100%                          | 100%   |

|  |   |                          |      |      |
|--|---|--------------------------|------|------|
| 4  | Sterling and Wilson Saudi Arabia Limited*   | Saudi Arabia             | 100% | 100% |
| 5  | Sterling Wilson - SPCPL - Chint Moroccan Venture  | India                    | 92%  | 92%  |
| 6  | Sterling and Wilson Brasil Servicos Ltda.   | Brazil                   | 100% | 100% |
| 7  | Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)  | India                    | 100% | 100% |
| 8  | Sterling and Wilson Solar LLC   | Oman                     | 70%  | 100% |
| <u>Subsidiaries of Sterling and Wilson International Solar FZCO:</u> |   |                          |      |      |
| 1  | Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC). | United Arab Emirates     | 49%  | 100% |
| 2  | Sterling and Wilson Singapore Pte Ltd   | Singapore                | 100% | 100% |
| 3  | Sterling and Wilson Engineering (Pty) Ltd   | South Africa             | 60%  | 60%  |
| 4  | Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)  | United States of America | 100% | 100% |
| 5  | Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)*   | Spain                    | 99%  | 99%  |
| 6  | GCO Electrical Pty. Ltd. (w.e.f. 1 December 2018)   | Australia                | 76%  | 76%  |
| 7  | Sterling and Wilson International LLP (w.e.f. 1 July 2018) (formerly A&S Company LLP)                     | Kazakhstan               | 100% | 100% |
| <u>Subsidiary of Sterling and Wilson Singapore Pte Ltd:</u>          |   |                          |      |      |
| 1  | Sterling and Wilson Kazakhstan LLP  | Kazakhstan               | 100% | 100% |
| <u>Subsidiary of Sterling and Wilson Solar Solutions Inc.</u>        |   |                          |      |      |
| 1  | Sterling and Wilson Solar Solutions LLC (w.e.f. 1 December 2018)  | United States of America | 100% | 100% |

\* The Company is in the process of completing the relevant statutory and regulatory procedures to B48 to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

# Sterling & Wilson Solar Solutions, Inc. & LLC

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2020

(Currency : USD)

### 42 Transfer Pricing

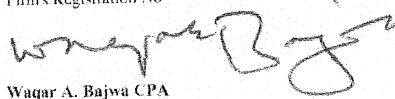
Management believes that the Group's international transactions with related parties for the reporting period is at arm's length and that the transfer pricing legislation will not have any impact on these consolidated financial statements, particularly on amount of tax expense and that of provision for taxation.

### 43 Other matters

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Group for the year/period.

As per our report of even date attached.

Chartered Accountants  
Firm's Registration No



Waqar A. Bajwa CPA  
Partner  
Membership No: 26648

Bajwa CPA & Associates LLC  
Date: 5/20/2020

For and on behalf of the Board of Directors of  
Sterling & Wilson Solar Solutions, Inc. & LLC



Designation  
COO

Ray LeTournneur  
Date: 5/20/2020