

B S R & Co. LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300

Fax +91 (22) 4345 5399

Independent Auditors' Report

To the Members of Sterling & Wilson- Waaree Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling & Wilson – Waaree Private Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Independent Auditors' Report (Continued)

Sterling & Wilson- Waaree Private Limited

Other Information (Continued)

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Independent Auditors' Report (*Continued*)

Sterling & Wilson- Waaree Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;



Independent Auditors' Report (Continued)

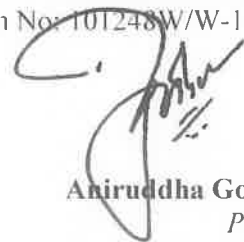
Sterling & Wilson- Waaree Private Limited

Report on Other Legal and Regulatory Requirements (Continued)

- d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) with respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:
- In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Mumbai
22 June 2020

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149
UDIN: 20105149AAAEB1478

Sterling & Wilson – Waaree Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The fixed assets have been physically verified by the management during the year in line with its policy of verifying them annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and according to information and explanations given to us, no discrepancies were noticed upon such verification during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties. Accordingly, paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The Company does not hold any inventory of construction materials, stores and spare parts throughout the year. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loans to three companies and a partnership firm covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Act.
 - i) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to companies and a partnership firm covered in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - ii) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to the companies and the interest thereon are repayable on demand or repayable as per contractual terms of inter-
corporate deposit agreements and the unsecured loan granted to a partnership firm and the interest thereon is repayable on demand. The borrowers have been regular in payment of principal and interest as demanded.
 - iii) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to companies and a partnership firm by the Company.
- (iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted to three companies and a partnership firm. The Company has not made any investment or provided any guarantee or security during the year to the parties covered under Section 185 and 186 of the Act. Accordingly, compliance under Sections 185 and 186 of the Act in respect of making investments or providing guarantees and securities is not applicable to the Company.

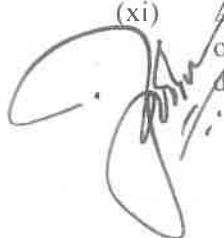


Sterling & Wilson – Waaree Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2020 (Continued)

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of Provident fund, Employees' state insurance, Profession tax and Cess.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and service tax, Income tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable to the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of Goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from government or outstanding dues to any financial institutions or banks or dues to debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.



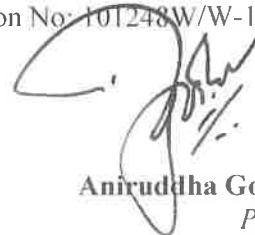
Sterling & Wilson – Waaree Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2020 (Continued)

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute audit committee under Section 177 of the Act and hence, to this extent, the paragraph 3 (xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Mumbai
22 June 2020

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149
UDIN: 20105149AAAAEB1478

Sterling & Wilson – Waaree Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sterling & Wilson – Waaree Private Limited as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Sterling & Wilson – Waaree Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2020 (Continued)

Meaning of Internal Financial Controls with reference to financial statements

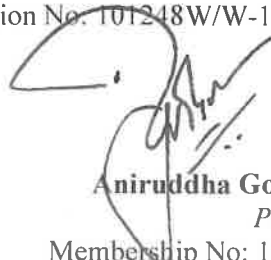
A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mumbai
22 June 2020

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022



Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 20105149AAAAEB1478

Sterling & Wilson - Waaree Private Limited

Balance sheet

as at 31 March 2020

(Currency : Indian rupees in million)

Particulars	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
(a) Property, plant and equipment	4	0.17	0.22
(b) Deferred tax assets	5	0.01	0.01
(c) Non-current tax assets (net)	6	0.79	-
(d) Other non-current assets	7	-	17.41
Total non-current assets		0.97	17.64
Current assets			
(a) Financial assets			
(i) Trade receivables	8	1.80	102.74
(ii) Cash and cash equivalents	9	4.02	9.49
(iii) Loans	10	406.72	366.22
(iv) Other financial assets	11	12.45	16.96
(b) Other current assets	12	9.60	0.06
Total current assets		434.59	495.47
Total assets		435.56	513.11
Equity and Liabilities			
Equity			
(a) Equity share capital	13	0.05	0.05
(b) Other equity	13A		
Retained earnings		411.65	359.06
Capital redemption reserve		0.00	-
Total equity		411.70	359.11
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4.84	25.23
(ii) Other financial liabilities*	15	0.00	9.12
(b) Other current liabilities	16	5.44	20.20
(c) Current tax liabilities (net)	17	13.58	99.45
Total current liabilities		23.86	154.00
Total equity and liabilities		435.56	513.11

*Amount less than Rs 0.01 million

Significant accounting policies

3

Notes to the financial statements

1-37

The attached notes are an integral part of these financial statements.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 145149

Mumbai

22 June 2020

For and on behalf of Board of Directors

Sterling & Wilson - Waaree Private Limited

CIN: U93000MH2016PTC288571

Khurshed Daruvala

Chairman

DIN:00216905

Mumbai

22 June 2020

Zarine Y Daruvala

Director

DIN:00190585

Sterling & Wilson - Waaree Private Limited

Statement of profit and loss

for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	18	16.86	425.67
Other income	19	70.98	91.04
Total income		87.84	516.71
Expenses			
Cost of construction materials, stores and spare parts	20	1.70	27.98
Direct project costs	21	8.00	153.32
Depreciation expense	4	0.05	0.05
Finance costs	22	6.71	17.51
Other expenses	23	0.89	0.45
Total expenses		17.35	199.31
Profit before tax		70.49	317.40
Tax expenses:	31		
(i) Current tax		17.90	91.67
(ii) Deferred tax charge *		0.00	5.02
		17.90	96.69
Profit for the year		52.59	220.71
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		52.59	220.71
Earnings per equity share (nominal value of Rs. 1,000 each, fully paid-up)			
Basic and diluted earnings per share (Rs.) - Class A equity shares	28.	1,073,303	4,504,248
Basic and diluted earnings per share (Rs.) - Class B equity shares	28.	54,839,360	220,708,152

*Amount less than Rs 0.01 million

Significant accounting policies

3

Notes to the financial statements

1-37

The attached notes are an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

22 June 2020

For and on behalf of Board of Directors

Sterling & Wilson - Waaree Private Limited

CIN: U93000MH2016PTC288571

Khurshed Daruvala

Chairman

DIN:00216905

Mumbai

22 June 2020

Zarine Y Daruvala

Director

DIN:00190585

Sterling & Wilson - Waaree Private Limited

Statement of changes in equity for the year ended 31 March 2020

(Currency : Indian rupees in million)

A. Equity share capital

	Notes	Balance as at 1 April 2019	Changes in Equity Share Capital during the year*	Balance as at 31 March 2020
Equity Share Capital	13	0.05	(0.00)	0.05

	Notes	Balance as at 1 April 2018	Changes in Equity Share Capital during the year	Balance as at 31 March 2019
Equity Share Capital	13	0.05	-	0.05

*Amount less than Rs 0.01 million

B. Other equity

	Retained Earnings	Capital redemption reserve	Total
Balance as at 1 April 2018	138.35	-	138.35
Add: Profit for the year	220.71	-	220.71
Total comprehensive income for the year	220.71	-	220.71
Balance as at 31 March 2019	359.06	-	359.06
Balance as at 1 April 2019	359.06	-	359.06
Add: Profit for the year	52.59	-	52.59
Total comprehensive income for the year	52.59	-	52.59
Adjustments:			
Transfer to Capital redemption reserve*	(0.00)	0.00	-
Balance as at 31 March 2020	411.65	0.00	411.65

* Amount less than Rs 0.01 million

The attached notes are an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
22 June 2020

For and on behalf of Board of Directors
Sterling & Wilson - Waaree Private Limited
CIN: U93000MH2016PTC288571

Khurshed Daruvala
Chairman
DIN:00216905

Mumbai
22 June 2020

Zarine Y Daruvala
Director
DIN:00190585

Sterling & Wilson - Waarée Private Limited

Statement of cash flows

for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash flows from operating activities		
Profit before tax	70.49	317.40
Adjustments:		
Depreciation expense	0.05	0.05
Reversal of provision for onerous contract	-	(14.50)
Interest income	(54.24)	(18.85)
Finance cost	6.12	17.51
Unrealised foreign exchange loss/(gain)	0.05	(8.98)
Supplier balances written back	(16.58)	-
Operating profit before working capital changes	5.89	292.63
Changes in working capital:		
Decrease in trade receivables	100.85	480.15
Decrease in other non current assets and current assets	7.87	33.88
(Decrease) in trade payables	(3.83)	(270.07)
(Decrease) in other financial liabilities	-	(8.31)
(Decrease) in other current liabilities	(14.76)	(82.96)
Net change in working capital	90.13	152.69
Cash generated from operations	96.02	445.32
Income taxes paid (net)	(104.37)	(82.31)
Net cash flows (used in) / generated from operating activities	(A) (8.35)	363.01
B Cash flows from investing activities		
Purchase of property, plant and equipment	-	(0.27)
Inter-corporate deposits / loan given to fellow subsidiaries	(130.33)	(397.72)
Inter-corporate deposits / loan repaid by fellow subsidiaries	122.81	31.50
Interest received on loan given to fellow subsidiaries	25.74	1.88
Net cash flows generated from / (used in) investing activities	(B) 18.22	(364.61)
C Cash flows from financing activities		
Interest paid	(15.24)	(1.01)
Loan taken from holding company	101.38	362.65
Loan repaid to holding company	(101.38)	(362.65)
Net cash flows (used in) financing activities	(C) (15.24)	(1.01)
Net movement in currency translation	(D) (0.10)	(0.27)
Net (decrease) in cash and cash equivalents	(A+B+C+D) (5.47)	(2.88)
Cash and cash equivalents at the beginning of the year	9.49	12.37
Cash and cash equivalents at the end of the year	4.02	9.49



22

Sterling & Wilson - Waaree Private Limited

Statement of cash flows (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

Notes:

1 The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 'Statement of Cash Flows'

2 Components of cash and cash equivalents:

Particulars	31 March 2020	31 March 2019
Balances with banks		
- On current accounts	3.93	9.02
Cash on hand	0.09	0.47
Total cash and cash equivalents	4.02	9.49

3 Changes in liabilities arising from financing activity, including both changes arising from cash flows and non-cash changes:

Particulars	31 March 2020	31 March 2019
Short-term borrowings		
At the beginning of the year	-	-
Add: Loan taken during the year	101.38	362.65
Less: Loan repaid during the year	(101.38)	(362.65)
At the end of the year	-	-

4 The above statement of cash flows includes Rs Nil (31 March 2019: Rs Nil) towards corporate social responsibility (refer note 26).

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

22 June 2020

For and on behalf of Board of Directors

Sterling & Wilson - Waaree Private Limited

CIN: U93000MH2016PTC288571

Khurshed Daruvala

Chairman

DIN:00216905

Mumbai

22 June 2020

Zarine Y Daruvala

Director

DIN:00190585

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements

for the year ended 31 March 2020

(Currency : Indian rupees in million)

1. Background

Sterling & Wilson - Waaree Private Limited ("the Company") is a Private Limited Company domiciled in India with its registered office situated at 9th Floor, Universal Majestic, P.L.Lokhande Marg, Chembur (West) Mumbai - 400043. The Company has been incorporated on 16 December 2016 under the provisions of the Companies Act, 2013. The Company has been incorporated to design, engineer, supply, erect, commission, maintain, repair solar power plants, accessories, components, spare parts thereof and provide renewable energy solutions, both in India and abroad.

The Company is a wholly owned subsidiary of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited).

2. Basis of preparation of the financial statements

(a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 22 June 2020.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in million, unless otherwise stated.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

(d) Use of estimates and judgements

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 are as follows:

(i) Evaluation of percentage of completion

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

(ii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

(iii) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iv) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.



Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

2. Basis of preparation of the financial statements (Continued)

(d) Use of estimates and judgements (Continued)

(iv) Measurement of fair values (Continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the

Further information about the assumptions made in measuring fair values is included in the following notes:-

- Note 32 – financial instruments.

(v) Impairment losses on Financial assets

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

3. Significant accounting policies

3.1 Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

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

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is expected to be realised within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

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

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is due to be settled within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

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

For purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets and their realisation in cash and cash equivalents.

3.2 Financial instruments

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

(a) Recognition and initial measurement

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

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



21

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.2 Financial instruments (Continued)

(b) Classification and subsequent measurement

Financial assets

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

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

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

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

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

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

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

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

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



24

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.2 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

Financial assets: Subsequent measurement and gains and losses

(i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

(ii) Financial assets at amortised cost:

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

(iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

(iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

(d) Offsetting

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

3.3 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.



21

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.3 Fair Value (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

3.4 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company 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. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.5 Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018.

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company performance as the company performs; or
2. The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company performance does not create an asset with an alternative use to and the entity has an enforceable right to payment for performance completed to date.

Revenue from works contract

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.



Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.5 Revenue recognition (Continued)

Revenue from works contract (Continued)

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Operation and maintenance income:

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

3.6 Recognition of interest income

Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.7 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method in the manner and at the useful life prescribed by Schedule II of the Act. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years	Schedule II useful lives
Plant and equipment	5 years	15 years

3.8 Advances from customers, progress payments and retention

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.



Handwritten signature in blue ink.

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.9 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares.

Inventories are valued at lower of cost and net realisable value; cost is determined on the moving weighted average method basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.10 Impairment

Impairment of non-derivative financial assets

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

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

- (i) Trade receivables, unbilled receivables and lease receivables; and
- (ii) Financial assets measured at amortised cost (other than trade receivables, unbilled receivables and lease receivables)

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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

Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using best estimate of the weighted average annual income tax rate expected for the full financial year.



Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.11 Income tax (Continued)

Current tax (Continued)

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.12 Statement of cash flows

The Company's statement of cash flows are prepared using the Indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

3.13 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

3.14 Share capital

Common stock issued by the Company is classified as equity net of directly attributable expenses when there is no contractual obligation to transfer cash or other financial assets to the holder of shares. Incremental costs directly attributable to the issue of equity instruments are recognised in equity, net of

Dividends and others distributions to holders of the Company's equity instruments are recognised directly in equity.

3.15 Foreign currency transactions

- Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

- Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.



[Handwritten signature]

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.16 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.17 Leases

Policy applicable before April 01, 2019:

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

Lease payments

Payments made under operating leases are generally recognised in the statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Policy applicable after April 01, 2019

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.



Handwritten signature or initials.

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

3. Significant accounting policies (Continued)

3.17 Leases (Continued)

As a lessee (Continued)

Changes in accounting policies and Transition note

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from 1 April 2019 ('the date of transition'), the Company 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.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

There is no contract for lease entered into by company. Accordingly, a right-of-use asset of Rs Nil million and lease liability of Rs Nil million has been recognised. The cumulative effect on transition in retained earnings is Rs Nil.

3.18 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

4. Property, plant and equipment

Particulars	Plant and equipment	Total
Gross carrying amount :		
Balance as at 1 April 2019	0.27	0.27
Add: Additions during the year	-	-
Less: Disposals during the year	-	-
Balance as at 31 March 2020	0.27	0.27
Accumulated depreciation:		
Balance as at 1 April 2019	0.05	0.05
Add: Depreciation for the year	0.05	0.05
Less: Disposals during the year	-	-
Balance as at 31 March 2020	0.10	0.10
Carrying amounts (net)		
As at 31 March 2020	0.17	0.17

Particulars	Plant and equipment	Total
Gross carrying amount :		
Balance as at 1 April 2018	-	-
Add: Additions during the year	0.27	0.27
Less: Disposals during the year	-	-
Balance as at 31 March 2019	0.27	0.27
Accumulated depreciation:		
Balance as at 1 April 2018	-	-
Add: Depreciation for the year	0.05	0.05
Less: Disposals during the year	-	-
Balance as at 31 March 2019	0.05	0.05
Carrying amounts (net)		
As at 31 March 2019	0.22	0.22



7/21

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
5. Deferred tax assets		
Deferred tax assets		
Amortisation of preliminary expenses	0.01	0.01
Excess of Depreciation as per books over Income Tax Act, 1961*	0.00	-
	<u>0.01</u>	<u>0.01</u>
*Amount less than Rs 0.01 million		
6. Non-current tax assets		
Advance tax (net of provision for tax 31 March 2020: Rs. 91.02 Million)	0.79	-
	<u>0.79</u>	<u>-</u>
7. Other non-current assets		
Balance with Government Authorities	-	17.41
	<u>-</u>	<u>17.41</u>
8. Trade receivables (Unsecured)		
Trade Receivable		
- Considered good	1.80	102.74
- Significant increase in credit risk	-	-
- Credit impaired	-	-
	<u>1.80</u>	<u>102.74</u>
Less: Loss allowance*	-	-
Net trade receivables	<u>1.80</u>	<u>102.74</u>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	-	-
Loss allowance*	-	-
	<u>-</u>	<u>-</u>
* The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low. The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in Note 32.		
As at 31 March 2020, trade receivables includes retention of Rs Nil (31 March 2019 : Rs Nil) relating to construction contracts in progress.		
9. Cash and cash equivalents		
Balances with Bank		
- in current accounts	3.93	9.02
Cash on hand	0.09	0.47
	<u>4.02</u>	<u>9.49</u>
10. Loans (Unsecured, considered good)		
To related parties		
Loan given to holding company	22.79	-
Inter-corporate deposits / loan given to fellow subsidiaries	383.93	366.22
	<u>406.72</u>	<u>366.22</u>
Dues from firms or private companies in which any director is a partner or a director or member		
Sterling and Wilson Solar Limited	22.79	-
Sterling and Wilson Powergen Private Limited	-	110.00
Sterling and Wilson Private Limited	107.55	256.22
Sterling Wilson SPCPL-Chint Moroccan Venture	276.38	-



Handwritten signature

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
11. Other financial assets (Unsecured, considered good)		
<i>To related parties</i>		
Interest accrued but not due	12.45	16.96
	<u>12.45</u>	<u>16.96</u>
Dues from firms or private companies in which any director is a partner or a director or member		
Sterling and Wilson Solar Limited	0.03	-
Sterling and Wilson Powergen Private Limited	-	8.43
Sterling and Wilson Private Limited	9.65	8.53
Sterling & Wilson SPCPL -Chint Moroccan Venture	2.77	-
12. Other current assets (Unsecured, considered good)		
Advance to suppliers	0.72	-
Prepayments	-	0.06
Balance with Government authorities	8.88	-
	<u>9.60</u>	<u>0.06</u>
13. Equity share capital		
Authorised		
50 (31 March 2019 : 50) equity shares of Rs 1,000 each - Class A shares	0.05	0.05
50 (31 March 2019 : 50) equity shares of Rs 1,000 each - Class B shares	0.05	0.05
	<u>0.10</u>	<u>0.10</u>
Issued, subscribed and paid-up:		
49 (31 March 2019 : 49) equity shares of Rs 1,000 each , fully paid-up - Class A shares	0.05	0.05
Nil (31 March 2019 : 1) equity share of Rs 1,000 each , fully paid-up - Class B shares*	-	0.00
	<u>0.05</u>	<u>0.05</u>

*Amount less than Rs 0.01 million

a) Reconciliation of the shares outstanding at the beginning and at the end of the year is as below:

Particulars	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Class A equity shares				
Equity shares at the beginning of the year	49.00	0.05	49.00	0.05
Add: Equity shares issued during the year	-	-	-	-
Equity shares at the end of the year	<u>49.00</u>	<u>0.05</u>	<u>49.00</u>	<u>0.05</u>
Class B equity shares				
Equity shares at the beginning of the year*	1.00	0.00	1.00	0.00
Add: Equity shares issued/buy back during the year	(1.00)	(0.00)	-	-
Equity shares at the end of the year	<u>-</u>	<u>-</u>	<u>1.00</u>	<u>0.00</u>

*Amount less than Rs 0.01 million

b) Rights, preferences and restrictions attached to the equity shares

The Company has two classes of equity shares i.e. Class A and Class B. Class A shares have voting rights and are dividend bearing. The face value of Class A shares is Rs 1,000 per share. Class B shares do not have voting rights and are non-dividend bearing. The face value of Class B shares was Rs 1,000 per share. Class B shares were bought back during the year.

The equity shares of Class A are entitled to receive dividend as declared from time to time. The voting rights of a Class A 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 both classes 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.



Handwritten signature

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

13. Equity share capital (Continued)

c) Shares held by holding company

Name of the shareholder	31 March 2020		31 March 2019	
	Number of equity shares held	Amount	Number of equity shares held	Amount
Class A equity shares				
Equity shares of Rs 1,000 each fully paid-up held by Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited), the Holding Company, the Holding Company (w.e.f. 1 April 2017)	48.00	0.05	49.00	0.05
Zarine Yazdi Daruvala (Holding shares as a nominee on behalf of Sterling and Wilson Solar Ltd.)*	1.00	0.00	-	-

*Amount less than Rs 0.01 million

d) Details of shares held by shareholders (including those holding more than 5% of the equity shares of the Company)

Name of the shareholder	31 March 2020		31 March 2019	
	Number of equity shares held	Percentage holding	Number of equity shares held	Percentage holding
Class A equity shares				
Equity shares of Rs 1,000 each fully paid-up held by Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited), the Holding Company (w.e.f. 1 April 2017)	49.00	100%	49.00	100%
Class B equity shares				
Equity shares of Rs 1,000 each fully paid up held by Waaree Energies Limited	-	0%	1.00	100%

Particulars

31 March 2020

31 March 2019

13A. Other equity

Retained earnings

At the beginning of the year

359.06

138.35

Add: Profit for the year

52.59

220.71

Less: Transfer to Capital Redemption Reserve*

(0.00)

-

At the end of the year

411.65

359.06

Capital redemption reserve

At the beginning of the year

-

-

Add: Transferred from retained earnings*

0.00

-

At the end of the year

0.00

-

Total other equity

411.65

359.06

Note:

(i) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserves, dividends or other distributions paid to shareholders.

(ii) Capital redemption reserve

Capital redemption reserve comprises of an amount equal to nominal value of Class B share bought back out of free reserves. Capital redemption reserve is created out of profits available for distribution towards buy back of equity share of the Company. This reserve can be used for the purpose of issue of Bonus shares.



Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

Particulars	31 March 2020	31 March 2019
14. Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4.84	25.23
	<u>4.84</u>	<u>25.23</u>
15. Other financial liabilities		
<i>To related parties</i>		
Interest accrued and not due	-	9.12
Payable towards buy-back of Equity share*	0.00	-
	<u>0.00</u>	<u>9.12</u>
*Amount less than Rs 0.01 million		
16. Other current liabilities		
<i>To parties other than related parties</i>		
Advances from customers (refer note 32)	5.05	19.22
Statutory liabilities*	0.39	0.98
	<u>5.44</u>	<u>20.20</u>
*Includes GST payable, tax deducted at source		
17. Current tax liabilities (net)		
Provision for current tax (net of advance tax of Rs 107.03 million [31 March 2019: Rs 1.88 million])	13.57	99.45
	<u>13.57</u>	<u>99.45</u>



Handwritten signature

Sterling & Wilson - Waaree Private Limited

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

(Currency : Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
18 Revenue from operations		
Sale of services		
Income from works contract	-	425.67
Revenue from operation and maintenance services	16.86	-
	<u>16.86</u>	<u>425.67</u>
19 Other income		
Foreign exchange gain (net)*	0.00	69.48
Interest income	54.24	18.85
Supplier balances written back	16.58	-
Miscellaneous income	0.16	2.71
	<u>70.98</u>	<u>91.04</u>
*Amount less than Rs 0.01 million		
20 Cost of construction materials, stores and spare parts		
Inventory of materials at the beginning of the year	-	-
Add: Purchase made during the year	1.70	27.98
Less : Inventory of materials at the end of the year	-	-
	<u>1.70</u>	<u>27.98</u>
21 Direct project costs		
Communication expenses	0.07	0.36
Legal and professional fees	0.38	0.77
Printing and stationery expenses	0.00	0.24
Rent	1.10	6.64
Repairs and maintenance - others	0.90	1.46
Traveling and conveyance expenses	0.08	1.28
Electricity, power and fuel	0.24	0.43
Bank charges	0.16	2.14
Insurance costs	-	9.74
Miscellaneous expenses	2.40	6.68
	<u>5.33</u>	<u>29.74</u>
Employee benefits expense		
Salaries, wages and bonus	0.96	3.99
Staff welfare expenses	0.91	2.99
	<u>1.87</u>	<u>6.98</u>
Sub-contractor expenses	0.80	116.60
	<u>8.00</u>	<u>153.32</u>



Handwritten signature

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
22 Finance costs		
Interest on loan	6.12	10.13
Interest on income tax	0.59	7.38
	<u>6.71</u>	<u>17.51</u>
23 Other expenses		
Legal and professional fees	0.39	-
Payment to auditors (refer note (a) below)	0.50	0.45
	<u>0.89</u>	<u>0.45</u>
(a) Payment to auditors (excluding taxes)		
As auditor		
Statutory audit	0.22	0.20
In other capacity		
Tax audit	0.19	0.17
Certification services	0.05	-
Other services (including reimbursement of expenses)	0.04	0.08
	<u>0.50</u>	<u>0.45</u>



Handwritten signature or mark.

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

24 Contingent liabilities and commitments

Contingent liabilities	31 March 2020	31 March 2019
Claims against the Company not acknowledged as debts	Nil	Nil
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

25 Disclosure pursuant to section 186 of the Companies Act, 2013

Details of loans given (net) by the Company are as follows:

Name of the entity	As at 1 April 2019	Loan given during the year	Loan repaid during the year	As at 31 March 2020
Sterling and Wilson Solar Ltd (refer note 1 below)	-	22.78	-	22.78
Sterling and Wilson Private Limited (refer note 2 below)	256.22	107.55	256.22	107.55
Sterling and Wilson SPCPL-Chint Moroccan Venture (refer note 3 below)	-	276.38	-	276.38
Sterling and Wilson Powergen Private Limited (refer note 4 below)	110.00	-	110.00	-

Name of the entity	As at 1 April 2018	Loan given during the year	Loan repaid during the year	As at 31 March 2019
Sterling and Wilson Private Limited (refer note 2 below)	-	287.72	31.50	256.22
Sterling and Wilson Powergen Private Limited (refer note 4 below)	-	110.00	-	110.00

Note 1: Sterling and Wilson Solar Limited

	31 March 2020	31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	NA
Loan repayment terms	Repayable on demand	NA
Rate of Interest	12.00% p.a.	NA

Note 2: Sterling and Wilson Private Limited

	31 March 2020	31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	11 months 25 days	Repayable on demand
Rate of Interest	12.00% -12.50%	12.00% p.a.

Note 3: Sterling and Wilson -SPCPL Chint Moroccan Venture

	31 March 2020	31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	NA
Loan repayment terms	Repayable on demand	NA
Rate of Interest	12.00% p.a.	NA

Note 4: Sterling and Wilson Powergen Private Limited

	31 March 2020	31 March 2019
Purpose of utilization of loan given to the entities	Working Capital	Working Capital
Loan repayment terms	Repayable on demand	Repayable on demand
Rate of Interest	12.00% p.a.	12.00% p.a.



[Handwritten signature]

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

26 Corporate social responsibility

The Company is in the process of constituting a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

Particulars	31 March 2020
A. Gross amount required to be spent by the Company during the year	5.34
B. Amount spent during the year ended 31 March 2020	Nil
C. Related party transactions in relation to Corporate Social Responsibility	Nil
D. Provision movement during the year	Nil

Particulars	31 March 2019
A. Gross amount required to be spent by the Company during the year	4.32
B. Amount spent for the year ended 31 March 2019	Nil
C. Related party transactions in relation to Corporate Social Responsibility	Nil
D. Provision movement during the year	Nil

27 Related party disclosures

27.1 Related parties and their relationship

In accordance with the requirements of Ind AS -24 " Related Party Disclosures", following are the details of the transactions during the year with the related parties of the Company:

Category of	
1) Ultimate Holding Company	Shapoorji Pallonji and Company Private Limited
2) Holding Company	Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited)
3) Fellow Subsidiaries	Sterling and Wilson Saudi Arabia Limited Sterling and Wilson Solar LLC Sterling and Wilson International Solar FZCO Sterling and Wilson Middle East Solar Energy LLC Sterling and Wilson Engineering (Pty) Ltd Sterling and Wilson Solar Solutions Inc GCO Solar Pty Ltd Sterling and Wilson Solar Australia Pty Ltd Sterling and Wilson Singapore Pte. Ltd Sterling and Wilson Solar Malaysia Sdn. Bhd Sterling and Wilson Kazakhstan LLP Sterling and Wilson (Thailand) Limited Sterling Wilson-SPCPL-Chint Moroccan Venture Renovable Energia Contracting S.L. Sterling and Wilson Brasil Servicos Ltda Sterling and Wilson International LLP Sterling and Wilson Solar Solutions LLC Esterlina Solar Engineers Private Limited Sterling and Wilson Private Limited Sterling and Wilson Powergen Private Limited
4) Key Management Personnel	Mrs Zarine Y Daruvala, Director Mr Khurshed Y Daruvala, Chairman
5) Other related parties	Waaree Energies Limited (Upto 16 March 2020)



Signature

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

27. Related party disclosures (Continued)

27.2 Transactions and balances with related parties

Related party	Nature of transaction	For the year ended 31 March 2020	For the year ended 31 March 2019
Transactions during the year			
Sterling and Wilson Powergen Private Limited	Loan recovered	110.00	-
Sterling and Wilson Powergen Private Limited	Loan given	-	110.00
Sterling and Wilson Private Limited	Loan given	107.55	287.72
Sterling and Wilson Private Limited	Loan recovered	256.22	31.50
Sterling and Wilson SPCPL-Chint Moroccan Venture	Loan given	276.38	-
Sterling and Wilson Solar Limited	Loan given	22.78	-
Sterling and Wilson Solar Limited	Loan taken	101.38	362.65
Sterling and Wilson Solar Limited	Loan repaid	101.38	362.65
Sterling and Wilson PowerGen Private Limited	Interest income	13.20	9.37
Sterling and Wilson Private Limited	Interest income	37.94	9.48
Sterling and Wilson SPCPL-Chint Moroccan Venture	Interest income	3.08	-
Sterling and Wilson SPCPL-Chint Moroccan Venture	Interest expense	0.00	-
Sterling and Wilson Solar Limited	Interest income	0.04	-
Sterling and Wilson Solar Limited	Interest expense	6.12	10.13
Shapoorji Pallonji and Company Private Limited	Other expenses	1.70	-
Waaree Energies Limited	Buy-back of Equity shares*	0.00	-
As at Balance			
Sterling and Wilson PowerGen Private Limited	Loan receivable	-	110.00
Sterling and Wilson Private Limited	Loan receivable	107.55	256.22
Sterling and Wilson Solar Limited	Loan receivable	22.79	-
Sterling and Wilson SPCPL-Chint Moroccan Venture	Loan receivable	276.38	-
Sterling and Wilson PowerGen Private Limited	Interest receivable	-	8.43
Sterling and Wilson Private Limited	Interest receivable	9.65	8.53
Sterling and Wilson Solar Limited	Interest receivable	0.03	-
Sterling and Wilson Solar Limited	Interest payable	-	9.12
Sterling and Wilson SPCPL-Chint Moroccan Venture	Interest receivable	2.77	-
Shapoorji Pallonji and Company Private Limited	Trade payables	1.84	-
Waaree Energies Limited	Payable towards buy-back of Equity share*	0.00	-

* Amount less than Rs 0.01 million

28. Earnings per share

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after tax attributable to equity shareholders	A	52.59	220.71
Calculation of weighted average number of equity shares (Class A)			
Number of equity shares at the beginning of the year		49.00	49.00
Equity shares issued during the year		-	-
Number of equity shares outstanding at the end of the year		49.00	49.00
Calculation of weighted average number of equity shares (Class B)			
Number of equity shares at the beginning of the year		1.00	1.00
Equity shares issued/buy back during the year		(1.00)	-
Number of equity shares outstanding at the end of the year		-	1.00
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)			
Class A equity shares	B	49.00	49.00
Class B equity shares	C	0.96	1.00
Basic and diluted earnings per share (Rs)			
Class A equity shares	A / B	1,073,303	4,504,248
Class B equity shares	A / C	54,839,360	220,708,152
Face value per share (Rs)		1,000	1,000



Handwritten signature or initials in blue ink.

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

29 Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available the management, there are outstanding dues of Rs Nil to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in following disclosure:

	31 March 2020	31 March 2019
The principal amount remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

30 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company has only one reportable business segment, which is solar and renewable energy solutions and only one reportable geographical segment, which is outside India.

The Company has revenue from only one customer.

31 Income taxes

a) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense :		
Current year charge	17.90	91.67
	17.90	91.67
Deferred tax :		
Origination and reversal of temporary differences - charge / (credit)	0.00	5.02
	0.00	5.02
Tax expenses	17.90	96.69

b) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Percentage	Amount	Percentage	Amount
Profit before tax		70.49		317.40
Tax using the Company's domestic tax rate at 25.168% (31 March 2019: 29.12%)	25.17%	17.75	29.12%	92.43
Tax effect of:				
Non-deductible expenses	0.21%	0.15	1.34%	4.26
Effective tax rate	25.38%	17.90	30.46%	96.69



Handwritten signature/initials.

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency: Indian rupees in million)

31. Income taxes (Continued)

c) The major components of deferred tax assets arising on account of timing differences are as follows:

Particulars	Balance as at 1 April 2018	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019	Balance as at 1 April 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2020
Amortisation of preliminary expenses	0.01	0.00*	-	0.01	0.01	0.00*	-	0.01
Provision for onerous contract	5.02	(5.02)	-	-	-	-	-	-
Excess of depreciation as per books over	-	0.00*	-	0.00*	0.00*	0.00*	-	0.00*
Defer	5.03	(5.02)	-	0.01	0.01	0.00*	-	0.01

*Amount less than Rs 0.01 million

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

32. 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	Carrying amount		Total	Fair value			Total
	FVTPL	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets							
Trade receivables	-	1.80	1.80	-	-	-	-
Cash and cash equivalents	-	4.02	4.02	-	-	-	-
Loans	-	406.72	406.72	-	-	-	-
Other financial assets	-	12.45	12.45	-	-	-	-
	-	424.99	424.99	-	-	-	-
Financial liabilities							
Trade payables	-	4.84	4.84	-	-	-	-
Other financial liabilities*	-	0.00	0.00	-	-	-	-
	-	4.84	4.84	-	-	-	-

*Amount less than Rs 0.01 million

31 March 2019	Carrying amount		Total	Fair value			Total
	FVTPL	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets							
Trade receivables	-	102.74	102.74	-	-	-	-
Cash and cash equivalents	-	9.49	9.49	-	-	-	-
	-	112.23	112.23	-	-	-	-
Financial liabilities							
Trade payables	-	25.23	25.23	-	-	-	-
Other financial liabilities	-	9.12	9.12	-	-	-	-
	-	34.35	34.35	-	-	-	-



24

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

32. Financial instruments – Fair values and risk management (Continued)

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The Company does not have any financial assets or financial liabilities which are measured at fair value.

Transfers between Levels 1 and 2

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

Level 3 fair values

There are no items in Level 3 fair values.

(c) Financial risk management

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

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

Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

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

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivables.

Total trade receivable as on 31 March 2020 is Rs 1.80 million (31 March 2019 is Rs 102.74 million).

The Company has outstanding from a single customer.

As per simplified approach, the Company 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.

Cash and cash equivalents

The Company held cash and cash equivalents of Rs 4.02 million as at 31 March 2020 (31 March 2019: Rs 9.49 million). The cash and cash equivalents are held with banks with good credit ratings.



21

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

32. Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

ii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amount	Total	1 year or less	Contractual cash flows		
				1-2 years	2-5 years	More than 5 years
31 March 2020						
Non-derivative financial liabilities						
Trade payables	4.84	4.84	4.84	-	-	-
Other financial liabilities*	0.00	0.00	0.00	-	-	-
	4.84	4.84	4.84	-	-	-
31 March 2019						
Non-derivative financial liabilities						
Trade payables	25.23	25.23	25.23	-	-	-
Other financial liabilities*	9.12	9.12	9.12	-	-	-
	34.35	34.35	34.35	-	-	-

*Amount less than Rs 0.01 million

iii Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the Company's exposure to market risk is a function of revenue generating and operating activities in foreign currencies.

Currency Risk

The Company is exposed to currency risk on account of its operating activities. The functional currency of the Company is Indian Rupees.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 are as below:

Amounts in INR million	31 March 2020		31 March 2019	
	USD	XOF*	USD	XOF*
Financial assets				
Cash and Cash Equivalents	0.02	3.26	3.24	3.30
Trade receivables	1.80	-	102.74	-
Exposure to foreign currency assets	1.82	3.26	105.98	3.30
Financial liabilities				
Trade payables and other payable	-	0.41	-	13.10
Exposure to foreign currency liabilities	-	0.41	-	13.10
Less: Forward exchange contract	-	-	-	-
Net exposure to foreign currency liabilities	-	0.41	-	13.10
Net Exposure	1.82	2.85	105.98	(9.80)



Handwritten signature or initials.

Sterling & Wilson - Waareë Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

32. Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

iii Market risk (Continued)

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in INR million	31 March 2020		31 March 2019	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD	0.09	(0.09)	5.30	(5.30)
XOF*	0.14	(0.14)	(0.49)	0.49

* XOF represents West African CFA Franc.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company has no borrowings from banks and financial institutions.

Particulars	31 March 2020	31 March 2019
Fixed rate instruments		
Financial assets	406.72	366.22
Financial liabilities	-	-

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate loans 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.

33. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31 March 2020, the Company has two classes of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long-term financial plans.



Handwritten signature or initials.

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency Indian rupees in million)

34 Disclosure under Ind AS 115, Revenue from Contracts with Customers

A) The Company 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 Company's revenue on applying Ind AS 115 from the contracts with customers.

B) Reconciliation of contract assets and liabilities

Particulars	31 March 2020	31 March 2019
Contract assets*		
Contract assets at the beginning of the reporting year	-	-
Add: addition during the year	-	324.53
Less: Invoiced during the year	-	(324.53)
Contract assets as at end of the reporting year	-	-
Contract liabilities**		
Advances from customers		
Contract liabilities at the beginning of the reporting year	19.22	101.24
Add: addition during the year	-	19.22
Less: applied during the year	(14.17)	(101.24)
Contract liabilities as at end of the reporting year	5.05	19.22

*The contract assets primarily relate to the Company'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 liability primarily relates to the billing in advance towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

C) Reconciliation of revenue as per Ind AS 115

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from works contracts	-	444.89
<i>Adjustment on account of:</i>		
Less: Deferment of revenue pertaining to free operation and maintenance period	-	(19.22)
Total	-	425.67
Revenue from operation and maintenance services	-	-
<i>Adjustment on account of:</i>		
Add: Recognition of revenue towards free operation and maintenance period	16.86	-
Total	16.86	-

D) Performance obligation

The Company 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 Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligation. 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 Company enters into multiple contracts with the same customer, the Company 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 Company 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 Company's input methods of revenue recognition.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company

The Company 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.

E) Practical expedient for significant financing component:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company 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 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.



[Handwritten signature]

Sterling & Wilson - Waaree Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : Indian rupees in million)

35. The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, loans given and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.
36. The Board of Directors at their meeting held on 16 March 2020 has approved the "Scheme of Arrangement" ('the Scheme') for merger of the Company with Sterling and Wilson Solar Limited, the Holding Company subject to obtaining necessary approvals from the applicable statutory authorities

37. Other matters

Information with regard to other matters, specified in of the Part II of Schedule III to the Act is either nil or not applicable to the Company for the year ended 31 March 2020.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

22 June 2020

For and on behalf of Board of Directors

Sterling & Wilson - Waaree Private Limited

CIN: U93000MH2016PTC288571

Khurshed Daruvala

Chairman

DIN:00216905

Mumbai

22 June 2020

Zarine Y Daruvala

Director

DIN:00190585