



STERLING AND WILSON SOLAR LIMITED

Our Company was originally incorporated at Mumbai on March 9, 2017 as Rashmika Energy Private Limited, as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 10, 2017 issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Subsequently, the Solar EPC Division of Sterling and Wilson Private Limited was demerged into our Company pursuant to the order dated March 28, 2018 of the National Company Law Tribunal, Mumbai Bench with the appointed date for the transfer of such Solar EPC Division being April 1, 2017. Thereafter, to reflect the association of our Company with the Sterling and Wilson group, the name of our Company was changed to Sterling and Wilson Solar Private Limited pursuant to the resolution passed by our Shareholders at their extra-ordinary general meeting held on March 29, 2018 and the certificate of incorporation pursuant to change of name was issued by the RoC on April 24, 2018. Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on January 11, 2019. Consequently, the name of our Company was changed to Sterling and Wilson Solar Limited and a fresh certificate of incorporation consequent upon conversion from private company to a public company was issued by the RoC on January 25, 2019. For further details relating to changes in the registered office and name of our Company, see "History and Certain Corporate Matters" beginning on page 142.

Registered Office and Corporate Office: 9th Floor, Universal Majestic, P L Lokhande Marg, Chembur (West), Mumbai 400 043

Telephone no.: +91 22 2548 5300; **Website:** www.sterlingandwilsonsolar.com

Contact Person: Jagannadha Rao Ch. V., Company Secretary and Compliance Officer; **Telephone no.:** +91 22 2548 5300; **E-mail:** ir@sterlingwilson.com

Corporate Identity Number: U74999MH2017PLC292281

OUR PROMOTERS: SHAPOORJI PALLONJI AND COMPANY PRIVATE LIMITED AND KHURSHED YAZDI DARUVALA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF STERLING AND WILSON SOLAR LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹ 45,000 MILLION, COMPRISING OF AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES BY SHAPOORJI PALLONJI AND COMPANY PRIVATE LIMITED AND UP TO [●] EQUITY SHARES BY KHURSHED YAZDI DARUVALA (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDERS (THE "OFFERED SHARES") (THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES (CONSTITUTING UP TO [●] OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL) AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION") AT A DISCOUNT OF [●] (EQUIVALENT TO [●]) ON THE OFFER PRICE (AS DEFINED HEREINAFTER). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER" AND SUCH NET OFFER AGGREGATES UP TO [●] EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE GCBLRMS AND THE BRLMS AND THE PRICE BAND (INCLUDING THE EMPLOYEE DISCOUNT, IF ANY) WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS IN CONSULTATION WITH THE GCBLRMS AND THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], ALL EDITIONS OF [●] AND [●] EDITION OF [●] (WHICH ARE ENGLISH, HINDI AND MARATHI NEWSPAPERS, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), TOGETHER WITH BSE, THE "STOCK EXCHANGES" FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the GCBLRMs and BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). This Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Promoter Selling Shareholders in consultation with the GCBLRMs and BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs") or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" beginning on page 467.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹1. The Offer Price/Floor Price/Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 28.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by such Promoter Selling Shareholders in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered in the Offer and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received "in-principle" approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 518.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

<p>ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020. Telephone no.: +91 22 2288 2460 E-mail: swsl.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Suyash Jain/ Rishi Tiwari SEBI Registration No.: INM000011179</p>	<p>Axis Capital Limited Axis House, Level 1 C-2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Telephone no.: +91 22 4325 2183 E-mail: swsl.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mangesh Ghogle/Bhumika Gangar SEBI Registration No.: INM000012029</p>	<p>Credit Suisse Securities (India) Private Limited 9th Floor, Ceejay House Dr. Annie Besant Road, Worli Mumbai 400 018. Telephone no.: +91 22 6777 3885 E-mail: list.sterlingwilsonslaripo@credit-suisse.com Investor grievance e-mail: list.igcellmer-bnkg@credit-suisse.com Website: www.credit-suisse.com Contact Person: Nipun Jain SEBI Registration No.: INM000011161</p>	<p>Deutsche Equities India Private Limited The Capital, 14th Floor C-70, G Block, Bandra Kurla Complex Mumbai 400 051 Telephone no.: +91 22 7180 4444 Email: swsl.ipo@db.com Investor grievance e-mail: Complaints.Deipl@db.com Website: www.db.com/India Contact Person: Viren Jairath SEBI Registration No.: INM000010833</p>	<p>IIFL Holdings Limited 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Telephone no.: +91 22 4646 4600 E-mail: sterlingwilson.ipo@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Devendra Maydeo/ Aeditya Agarwal SEBI Registration No.: INM000010940</p>
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GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS	BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE OFFER
<p>SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Telephone no.: +91 22 2217 8300 E-mail: swsl.ipo@sbcaps.com Investor grievance e-mail: investor.relations@sbcaps.com Website: www.sbcaps.com Contact Person: Aditya Deshpande SEBI Registration No.: INM000005351</p>	<p>IndusInd Bank Limited 11th Floor, Tower 1, One Indiabulls Centre, 841, Senapati Bapat Marg Elphinstone Road Mumbai 400 013 Telephone no.: +91 22 7143 2208 E-mail: joshi.rahul@indusind.com Investor grievance e-mail: investmentbanking@indusind.com Website: www.indusind.com Contact person: Rahul Joshi SEBI Registration No.: INM000005031</p>	<p>Link Intime India Private Limited C-101, 1st Floor, 247 Park L.B.S Marg, Vikhroli (West) Mumbai 400 083 Telephone no.: +91 22 4918 6200 E-mail: sterlingwilson.ipo@linkintime.co.in Investor grievance e-mail: sterlingwilson.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058</p>

BID/OFFER OPENS ON*

BID/OFFER CLOSES ON**

[●]

[●]

*Our Company and the Promoter Selling Shareholders may, in consultation with the GCBLRMs and BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
**Our Company and the Promoter Selling Shareholders may, in consultation with the GCBLRMs and BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rule guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in “Statement of Tax Benefits”, “Financial Information”, “Description of Equity Shares and Terms of the Articles of Association”, “Outstanding Litigation and Material Developments” and “Regulations and Policies” beginning on pages 90, 195, 485, 431 and 136, respectively, shall have the meaning ascribed to such terms in these respective sections.

General Terms

Term	Description
“our Company”, “the Company” or “the Issuer”	Sterling and Wilson Solar Limited, a company incorporated under the Companies Act, 2013, and having its registered and corporate office at 9 th Floor, Universal Majestic, P L Lokhande Marg, Chembur (West), Mumbai 400 043
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Appointed Date	The date from which the Scheme of Arrangement was considered to have taken effect i.e. April 1, 2017
“Articles of Association” or “AoA”	Articles of Association of our Company, as amended
Audit Committee	The audit committee of the board of directors, as described in “ <i>Our Management-Committees of our Board</i> ” on page 167
“Auditors” or “Statutory Auditors”	Statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
“Board” or “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof
Brand Sharing Agreement	Agreement dated September 26, 2018 between our Company and SPCPL. For details see “ <i>History and Certain Corporate Matters – Other material agreements</i> ” on page 146 of this Draft Red Herring Prospectus
Carved Out Combined Financial Statements	The carved out combined financial statements of the Solar EPC Division of SWPL, its subsidiaries and a joint venture related to the Solar EPC Division of SWPL, which comprise the carved out combined balance sheet as at March 31, 2017 and March 31, 2016 and the related carved out combined statement of profit and loss, carved out combined statement of changes in owner’s net investment and carved out combined statement of cash flows for the financial years then ended, and a summary of the significant accounting policies and other explanatory information prepared in accordance with the IndAS and the Guidance Note on Combined and Carved-Out Financial Statements issued by the ICAI
Chief Financial Officer	Chief financial officer of our Company, Bahadur Dastoor

Term	Description
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, Jagannadha Rao Ch. V.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in “ <i>Our Management- Committees of our Board</i> ” on page 167
CRISIL Report	The report titled “Solar Power EPC Market in India” released in March 2019 prepared by CRISIL Research
Demerger	The demerger of the Solar EPC Division from SWPL into our Company pursuant to the Scheme of Arrangement with effect from the Appointed Date
Director(s)	Director(s) on the Board of our Company
Equity Shares	Equity shares of our Company of face value of ₹1 each
Framework Agreement	Framework agreement dated October 11, 2018 between our Company and SWPL. For details see “ <i>History and Certain Corporate Matters – Other material agreements</i> ” on page 146 of this Draft Red Herring Prospectus
Group Companies	The companies as disclosed in “ <i>Our Group Companies</i> ” beginning on page 185
IHS Report	The report titled “Market Data for Solar EPC Industry” prepared by IHS Markit dated February 11, 2019 (PDF) and March 26, 2019 (excel tables)
Ind AS 110	Indian Accounting Standard on Consolidated Financial Statements
IPO Committee	The IPO Committee of our Board, as described in “ <i>Our Management- Committees of our Board</i> ” on page 167
Independent Directors	Independent directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” beginning on page 160
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management</i> ” beginning on page 160
Manager	The manager of our Company, Kannan Krishnan
Materiality Policy	The policy adopted by our Board on April 1, 2019, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
Material Subsidiaries	Sterling and Wilson International Solar FZCO, Sterling and Wilson Engineering (Pty) Limited, Sterling Wilson – SPCPL – Chint Moroccan Venture and Sterling and Wilson Middle East Solar Energy L.L.C. have been identified as material subsidiaries of our Company in terms of the SEBI Listing Regulations
“Memorandum of Association” or “MoA”	Memorandum of Association of our Company, as amended
NCLT, Mumbai	National Company Law Tribunal, Mumbai Bench
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <i>Our Management- Committees of our Board</i> ” on page 167
Non-executive Director(s)	A Director not being an Executive Director
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” beginning on page 177

Term	Description
Promoter(s)/Promoter Selling Shareholder(s)	The promoters of our Company, namely, Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala
Registered and Corporate Office	The registered office and corporate office of our Company, which is located at 9 th Floor, Universal Majestic, P L Lokhande Marg, Chembur (West), Mumbai 400 043
“Registrar of Companies” or “RoC”	Registrar of Companies, Maharashtra at Mumbai.
Restated Consolidated Summary Financial Information	The restated consolidated summary financial information of our Company and our subsidiaries, which comprises of restated consolidated summary statement of assets and liabilities as at December 31, 2018, December 31, 2017 and March 31, 2018, the restated consolidated summary statement of profit and loss (including other comprehensive income), the restated consolidated summary statement of changes in equity and the restated consolidated summary statement of cash flows for the nine months periods ended December 31, 2018 and December 31, 2017 and for the period beginning from March 9, 2017 to March 31, 2018 and the summary statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
Shareholder(s)	Equity shareholders of our Company, from time to time
Scheme of Arrangement	The scheme of arrangement between SWPL and our Company under Sections 230 to 232 of the Companies Act, 2013, approved by the NCLT, Mumbai in relation to the demerger of the Solar EPC Division from SWPL into our Company.
Solar EPC Division	The business on a going concern basis, of setting up of projects on an EPC contract basis in relation to solar power of SWPL, as on the Appointed Date, which was transferred to our Company pursuant to the Scheme of Arrangement
SPCPL	Shapoorji Pallonji and Company Private Limited
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board as described in “ <i>Our Management- Committees of our Board</i> ” on page 167
Subsidiaries	Subsidiaries of our Company as disclosed in the “ <i>Our Subsidiaries</i> ” on page 149, namely, Sterling and Wilson International Solar FZCO; Sterling and Wilson (Thailand) Limited, Sterling and Wilson – Waaree Private Limited, Sterling and Wilson Saudi Arabia Limited, Sterling and Wilson Brasil Servicos Ltda, Esterlina Solar Engineers Private Limited, Sterling Wilson – SPCPL – Chint Moroccan Venture, Sterling and Wilson Middle East Solar Energy L.L.C., Sterling and Wilson Singapore Pte. Limited, Sterling and Wilson Engineering (Pty) Limited, Sterling and Wilson Solar Solutions Inc., Renovable Energia Contracting S.L., Sterling and Wilson Solar Solutions LLC, GCO Electrical Pty. Limited, Sterling and Wilson International LLP, Sterling and Wilson Kazakhstan LLP and Sterling and Wilson Solar LLC.
SW FZCO	Sterling and Wilson International Solar FZCO
SW FZCO Brand Agreement	Agreement dated September 26, 2018 between SPCPL and SW FZCO
SWPL	Sterling and Wilson Private Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allot”, “Allotment” or “Allotted”	Unless the context otherwise requires, transfer of Equity Shares offered by the Promoter Selling Shareholders pursuant to the Offer to the successful Bidders

Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus, which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the GCBRLMs and BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” beginning on page 467
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly

Term	Description
Bid Amount	<p>The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer which was net of the Employee Discount, as applicable.</p> <p>However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount will be the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form</p>
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper), and in [●] (a widely circulated Marathi daily newspaper). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper), and in [●] (a widely circulated Marathi daily newspaper).
Bid/Offer Period	<p>Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors</p> <p>Our Company and the Promoter Selling Shareholders may, in consultation with the GCBRLMs and BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations</p>
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, IndusInd Bank Limited and YES Securities (India) Limited
Broker Centres	<p>Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)</p>

Term	Description
“CAN” or “Confirmation Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into by our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the GCBRLMs, the BRLMs and the Banker(s) to the Offer in accordance with the 2018 Circular on Streamlining of Public Issues), the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
CS	Credit Suisse Securities (India) Private Limited
Cut-off Price	Offer Price, finalised by our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	Collectively, the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Deutsche	Deutsche Equities India Private Limited

Term	Description
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated April 15, 2019 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto.
EEA	European Economic Area
Eligible Employees	<p>A permanent employee of our Company or of any of our Promoters or Subsidiaries, working in India or outside India, and our Directors, whether whole-time or not, as of the date of the filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company, or any of our Promoters or Subsidiaries or be our Director(s), as the case may be until the submission of the Bid cum Application Form but shall not include (i) our Promoters, (ii) a person belonging to our Promoter Group; (iii) Director(s) who either himself/herself or through their relatives or through any body corporate, directly or indirectly, holds more than 10% of the Equity Shares issued by our Company; and (iv) such persons who are not eligible to invest in the Offer under applicable laws.</p> <p>The maximum Bid Amount under the Employees Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount).</p>
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Discount of [●]% (equivalent to ₹[●]) to the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion, as may be decided by our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs and announced at least two Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer, being up to [●] Equity Shares (comprising up to [●]% of our post-Offer paid up Equity Share capital) at the Offer Price aggregating up to ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
IIFL	IIFL Holdings Limited
I-Sec	ICICI Securities Limited
IndusInd	IndusInd Bank Limited

Term	Description
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 notified by SEBI and included in section “Offer Procedure” beginning on page 467.
“GCBRLMs” or “Global Coordinators and Book Running Lead Managers”	The global co-ordinators and book running lead managers to the Offer namely, ICICI Securities Limited, Axis Capital Limited, Credit Suisse Securities (India) Private Limited, Deutsche Equities India Private Limited, IIFL Holdings Limited and SBI Capital Markets Limited
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion. The Net Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company
Net Offer Proceeds	The proceeds from the Offer less the Offer related expenses (other than listing fees)
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
“Non-Institutional Bidder” or “NIBs”	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of the Equity Shares of our Company by way of an offer for sale of up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ 45,000 million comprising of an offer for sale of up to [●] Equity Shares by SPCPL and up to [●] Equity Shares by Khurshed Yazdi Daruvala. The Offer comprises of the Net Offer and the Employee Reservation Portion
Offer Agreement	The agreement dated April 15, 2019 amongst our Company, the Promoter Selling Shareholders and the GCBRLMs and BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	<p>The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. Allotment to Eligible Employees Bidding under the Employee Reservation Portion shall be at the Offer Price net of Employee Discount, if any.</p> <p>The Offer Price will be decided by our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus</p>

Term	Description
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, and will be advertised, in [●] editions of the [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper) and in [●] (a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank with which the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being [●]
“QIB Category” or “QIB Portion”	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors)
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Bid/Offer Opening Date shall be at least three Working Days after the registration of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the GCBRLMs and BRLMs and the Syndicate Members and eligible to procure Bids
Registrar Agreement	The agreement dated April 10, 2019 among our Company, the Promoter Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the websites of BSE and NSE
“Registrar to the Offer” or “Registrar”	Link Intime India Private Limited

Term	Description
“Retail Individual Bidder(s)” or “RIB(s)”	Individual Bidders, other than Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
Rule 144A	Rule 144A under the U.S. Securities Act
SBICAP	SBI Capital Markets Limited
“Self-Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Promoter Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by such Promoter Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, the Sponsor Bank in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the Registrar to the Offer, the Promoter Selling Shareholders, the GCBRLMs, BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate	Together, the GCBRLMs, BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Promoter Selling Shareholders to be entered into on or after the Pricing Date
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI

Term	Description
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the 2018 Circular on Streamlining of Public Issues
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI
Y-sec	YES Securities (India) Limited
2018 Circular on Streamlining of Public Issues	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 issued by SEBI

Technical / Industry Related Terms

Term	Description
BoS	Balance of system
CEA	Central Electricity Authority
EPC	Engineering, procurement and construction
FiP	Feed-in premiums
FiT	Feed-in tariff
GW	Gigawatt
GW _{AC}	Giga-watt alternating current
Hz	Hertz
IEC	International Electrotechnical Commission
IPP	Independent power producer
ISA	International Solar Alliance
ITC	Federal Energy Investment Tax Credit, a federal policy by the united states
kVA	Kilo-Volt-Amperes
kWh	Kilo-Watt Hour
LCOE	Levelized cost of electricity
MNRE	Ministry of New and Renewable Energy, Government of India
MW	Megawatt
MWh	Mega-Watt Hour
MWp	Mega-Watt Peak
O&M	Operations and maintenance
PPA	Power purchase agreement
PR	Performance Ratio
PV	Photovoltaic
RET	Renewable Energy Target
RPS	Renewable Portfolio Standards
SPV	Solar photovoltaic
SRES	Small-scale Renewable Energy Scheme
V	Volt

Conventional and General Terms / Abbreviations

Term	Description
“₹”, “Rs.”, “Rupees” or “INR”	Indian Rupees
AED	United Arab Emirates Dirham
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
“AS” or “Accounting Standards”	Accounting Standards issued by the Institute of Chartered Accountants of India
AUD	Australian dollar
Baht	Thai Baht
“Bn” or “bn”	Billion
BIS	Bureau of Indian Standards
BSE	BSE Limited
CAGR	Compound Annual Growth Rate, which is computed by dividing the value of an investment at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result: $((\text{End Value}/\text{Start Value})^{(1/\text{Periods})} - 1)$
CARO	Company Auditor’s Report Order, 2016
Category I FPI(s)	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPI(s)	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III FPI(s)	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
China	People’s Republic of China
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended
“CRISIL” or “CRISIL Research”	CRISIL Limited
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP ID	Depository Participant’s Identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
EBITDA	Consolidated / Combined profit for the period / year after income tax plus finance costs, total tax expense, and depreciation and amortization expense
Adjusted EBITDA	Consolidated / Combined profit for the period / year after income tax plus finance costs, total tax expense, depreciation and amortization expense and share of (loss) of equity accounted investees (net of income tax)
EBITDA Margin	EBITDA as a percentage of total income
Adjusted EBITDA Margin	Adjusted EBITDA as a percentage of total income
EGM	Extraordinary general meeting
EPS	Earnings per share in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share

Term	Description
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended
“Financial Year”, “Fiscal”, “fiscal”, “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year With respect to our Company, references to Fiscal 2018, shall mean the period from March 9, 2017 to March 31, 2018
FIPB	The erstwhile Foreign Investment Promotion Board
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
“GoI” or “Government”	Government of India
Gross Margin	Gross Margin represents the revenue for the period from either EPC and O&M services minus the costs of construction materials, stores and spare parts, purchase of traded goods, changes in inventories of stock-in-trade and direct project costs, in each case that are attributable to such service. Gross Margin % is the gross margin as a percentage of total revenue for such service
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IHS Markit	IHS
IMF	International Monetary Fund
“Income Tax Act” or “IT Act”	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
MCLR	Marginal cost of funds based lending rate
MCA	Ministry of Corporate Affairs, Government of India
“Mn” or “mn”	Million
“N.A.” or “NA”	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
Net Working Capital	(Trade receivables + advance to vendors + Inventories) <i>minus</i> (Trade Payables + Advance from Customers)
No.	Number
NPCI	National Payments Corporation of India
NR	Non-resident
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits

Term	Description
	under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OMR	Omani Rial
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
R\$	Brazilian Real
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Return on Net Worth or RONW	Return on Net worth for Equity Shareholders (%) = Restated Consolidated net profit after tax, available for equity shareholders/Restated net worth for the equity shareholders at the end of the period
RTGS	Real Time Gross Settlement
SAR	Saudi Riyal
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
U.S. Securities Act	U.S. Securities Act of 1933
SGD	Singapore dollar
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Trademarks Act	Trade Marks Act, 1999, as amended
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
"U.S." or "USA" or "United States"	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
"USD" or "US\$"	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
ZAR	South Africa Rand

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from the Restated Consolidated Summary Financial Information pertaining to our Company and/or the Carved Out Combined Financial Statements pertaining to the Solar EPC Division. Certain additional financial information pertaining to our Group Companies is derived from their respective financial statements.

The Restated Consolidated Summary Financial Information of our Company included in this Draft Red Herring Prospectus are as at and for the nine months period ended December 31, 2018 and December 31, 2017, as at the end of and for the period of March 9, 2017 to March 31, 2018 prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

The Carved Out Combined Financial Statements of the Solar EPC Division included in this Draft Red Herring Prospectus are as at and for the Fiscals ended March 31, 2017 and March 31, 2016 prepared in accordance with IndAS and the Guidance Note on Combined and Carved-Out Financial Statements. Since the Appointed Date of the Scheme of Arrangement pursuant to which the Solar EPC Division was transferred to our Company was April 1, 2017, the Carved Out Combined Financial Statements have been prepared as at and for the Fiscals ended March 31, 2017 and March 31, 2016 in relation to the Solar EPC Division. For further information, see “*Restated Consolidated Summary Financial Information*” and “*Carved Out Combined Financial Statements*” beginning on page 196 and 321 respectively.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin (the “**Non-GAAP measures**”) presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, these Non-GAAP measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, Non-GAAP measures used are not a standardised term, hence a direct comparison of Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP measures differently from us, limiting its usefulness as a comparative measure.

Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations*” beginning on pages 28, 115 and 406, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on

the basis of our Restated Consolidated Summary Financial Information and/or our Carved Out Combined Financial Statements.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States; and
- “EUR” or “€” are to Euro, the official currency of the European Union;
- “AED” are to the United Arab Emirates Dirham, the official currency of the United Arab Emirates;
- “ZAR” are to South African Rand, the official currency of South Africa
- “R\$” are to Brazilian Real, the official currency of Brazil;
- “Baht” are to Baht, the official currency of Thailand;
- “SAR” are to Saudi Riyal, the official currency of Saudi Arabia;
- “SGD” are to Singapore Dollar, the official currency of Singapore;
- “KZT” are to Kazakhstani Tenge, the official currency of Kazakhstan;
- “OMR” are to Omani Rial, the official currency of Oman;
- “A\$” are to Australian Dollar, the official currency of the Commonwealth of Australia; and
- “Philippine Peso” are to Philippine Peso, the official currency of Philippines.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any references that may have been sourced from third party sources are expressed in denomination other than millions or billions, such figures appear expressed in such denominations as provided in their respective industry sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and certain currencies:

(Amount in ₹, unless otherwise specified)

Currency	As at				
	December 31, 2018	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2016
1 US\$	69.44	64.82	63.71	64.84	66.33
1 EUR	79.47	80.62	76.39	69.25	75.10
1 AED	18.90	17.65	17.54	17.62	18.00
1 ZAR	5.49	5.48	5.15	4.82	4.46

Source: www.oanda.com

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from BloombergNEF, the report titled “Solar Power EPC Market in India” released in March 2019 prepared by CRISIL Research (“**CRISIL Report**”) and the report titled “Market Data for Solar EPC Industry” prepared by IHS Markit dated February 11, 2019 (PDF) and March 26, 2019 (excel tables).

The CRISIL Report has been prepared at the request of our Company. In relation to the CRISIL Report, please see below the disclaimer specified in their consent letter issued to our Company:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Sterling and Wilson Solar Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Promoter Selling Shareholders or the GCBRLMs and BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risk, uncertainties and assumptions, and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. For details in relation to the risks involving the industry data, see “*Risk Factors*” beginning on page 28.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”). For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“**EEA**”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulations (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a “**Relevant Member State**”). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, the Promoter Selling Shareholders or any of the GCBRLMs and BRLMs to produce a prospectus for such offer. None of our Company, the promoter Selling Shareholders and the GCBRLMs and BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the GCBRLMs and BRLMs which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

INFORMATION TO DISTRIBUTORS (AS DEFINED BELOW)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) (“**Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” “seek to”, “shall” or other words or phrases of similar import. Similarly, statements whether made by us or any third parties that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- PV solar and related technologies being regarded as not suitable for widespread adoption, or if demand for solar power fails to develop or takes longer to develop.
- Our inability to participate in and/or win bids or solar power EPC and O&M projects.
- Customer or supplier concentration.
- Any failure to adapt and overcome the economic, regulatory, social and political uncertainties arising as a result of our global business operations.
- Failure to obtain requisite regulatory or statutory approvals.
- Our relationship with our customers and suppliers being hampered and/or the premature termination of existing agreements by our customers.
- Retain and/or attract key managerial personnel, design and engineering team and other key personnel.
- Fluctuations in exchange rate.

For further discussion on factors that could cause actual results to differ from expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 28, 115 and 406, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoter Selling Shareholders, the GCBRLMs and BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the GCBRLMs and BRLMs will ensure that the investors in India are informed of material developments pertaining to our Company and the Offered Shares from the date of the Red Herring Prospectus until the time of the grant of listing and trading

permission by the Stock Exchanges. The Promoter Selling Shareholders shall, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Promoter Selling Shareholder in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer” and “Outstanding Litigation and Material Developments” beginning on pages 28, 115, 97, 75, 63 and 431 respectively of this Draft Red Herring Prospectus. References to “Fiscal 2018” or the “Fiscal ended March 31, 2018” in relation to our Company in this section shall be deemed to mean the period of March 9, 2017 i.e. the date of incorporation of our Company to March 31, 2018 as disclosed in the “Restated Consolidated Summary Financial Information” on page 196 of this Draft Red Herring Prospectus.

Primary business of our Company

We are a global pure-play, end-to-end solar EPC solutions provider. We provide EPC services primarily for utility-scale solar power projects with a focus on project design and engineering and manage all aspects of project execution from conceptualizing to commissioning. We also provide O&M services, including for projects constructed by third-parties. We currently have a presence across 26 countries and as of December 31, 2018, we had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 MWp.

Primary business of the industry in which our Company operates

The use of solar energy has become increasingly competitive over the years due to the declining costs associated with its use, making this a key factor driving the global growth of the solar industry. The solar EPC industry is highly fragmented, but has been tending towards increased consolidation in recent years. Successful solar EPC solutions providers have not only offered the most competitive prices but have also demonstrated a track-record of strong design and engineering capabilities, on-time project completion and as expected or higher plant performance. Key market barriers to entering the solar EPC industry include financial capability, track-record and experience, and local licenses.

Name of Promoters

Our Promoters are SPCPL and Khurshed Yazdi Daruvala. For details, see “Our Promoters and Promoter Group” on page 177 of this Draft Red Herring Prospectus.

Offer Size

Offer for sale ⁽¹⁾⁽²⁾	Up to [●] Equity Shares, aggregating up to ₹ 45,000 million ⁽³⁾
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(1) The Offer has been authorised by a resolution of our Board at their meeting held on April 1, 2019.

(2) The Equity Shares being offered by the Promoter Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see “Other Regulatory and Statutory Disclosures” beginning on page 440.

(3) The Offer includes a reservation of up to [●] Equity Shares (constituting up to [●]% of our post-Offer paid up Equity Share capital) aggregating up to ₹[●] million, for subscription by Eligible Employees at the Offer Price post deduction of the Employee Discount. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our company.

For details of the offer structure, please see “Offer Structure” on page 462 of this Draft Red Herring Prospectus.

Objects of the Offer

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer of the Equity Shares by the Promoter Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India. Our Company will not directly receive any proceeds from the Offer and all the Offer Proceeds will be received by the Promoter Selling Shareholders, in proportion to the Offered Shares sold by the respective Promoter Selling Shareholders as part of the Offer.

The Promoter Selling Shareholders shall utilise a portion of the Net Offer Proceeds, towards funding the partial repayment of the loans due to our Company and Sterling and Wilson International Solar FZCO from SWPL and Sterling and Wilson International FZE (a subsidiary of SWPL) respectively.

Aggregate pre-Offer Shareholding of Promoter Selling Shareholders and Promoter Group

S. N.	Category of Shareholders	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
Promoter Selling Shareholders			
1.	SPCPL	105,466,670	65.77
2.	Khurshed Yazdi Daruvala	53,452,930	33.33
Total		158,919,600	99.10
Other members of the Promoter Group			
1.	Kainaz Khurshed Daruvala (jointly with Khurshed Yazdi Daruvala)	200	Negligible
2.	Pervin Zarir Madan	100	Negligible
3.	Zarine Yazdi Daruvala	80	Negligible
4.	Zenobia Farhad Unwalla (jointly with Farhad Homi Unwalla)	20	Negligible
5.	Pallon Shapoorji Mistry	720,000	0.45
6.	Cyrus Pallonji Mistry	720,000	0.45
Total		1,440,400	0.90

Summary of Financial Information

Certain financial information regarding our Company and the SWPL-Solar EPC Division as derived from the Restated Consolidated Summary Financial Information and the Carved Out Combined Financial Statements respectively are set forth below:

(in ₹ million other than share data)

Particulars	Pertaining to the SWPL- Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	As on March 31, 2016 and for the Fiscal ended March 31, 2016	As on March 31, 2017 and for the Fiscal ended March 31, 2017	As on March 31, 2018 and for the Fiscal ended March 31, 2018	As on December 31, 2017 and for the nine months ended December 31, 2017	As on December 31, 2018 and for the nine months ended December 31, 2018
Equity Share capital	Not applicable	Not applicable	160.36	160.36	160.36
Owners' net investment	(769.47)	566.15	Not applicable	Not applicable	Not applicable
Restated consolidated net worth for Shareholders *	Not applicable	Not applicable	3,834.95	1,067.21	7,265.09
Total Income	27,464.67	16,500.65	68,844.20	32,414.50	60,817.60
Consolidated profit for the period after income tax/ combined profit for the year	1,253.63	314.32	4,505.35	1,733.62	3,434.30
Earnings per equity share (face value of ₹10 each split into face value of ₹1 each post the balance sheet dates) ^s					

Particulars	Pertaining to the SWPL- Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	As on March 31, 2016 and for the Fiscal ended March 31, 2016	As on March 31, 2017 and for the Fiscal ended March 31, 2017	As on March 31, 2018 and for the Fiscal ended March 31, 2018	As on December 31, 2017 and for the nine months ended December 31, 2017	As on December 31, 2018 and for the nine months ended December 31, 2018
- Basic	Not applicable	Not applicable	29.97	10.98	21.40
- Diluted	Not applicable	Not applicable	29.97	10.98	21.40
Net asset value per share** [§]	Not applicable	Not applicable	25.42	6.66	45.30
Total borrowings	3.09	3,151.28	1,841.37	216.49	18,380.24

*With respect to the Restated Consolidated Summary Financial Information as on December 31, 2018, December 31, 2017 and March 31, 2018, net worth is equal to Equity Share capital + other equity (including legal reserve, retained earnings and effective portion of cash flow hedge).

**Net asset value per share at the end of a period has been defined as the restated consolidated net worth for Equity Shareholders at the end of such period divided by the weighted average number of equity shares outstanding during the period.

[§] For the purposes of calculation of net asset value per share and earnings per share, the per share data, has been adjusted retrospectively to give effect to split of each equity share of ₹10 each into 10 Equity Shares of face value of ₹1 each on January 11, 2019.

Qualifications of the Auditors

There were no auditor qualifications which require corrective adjustments and which have not been given effect to in the Restated Consolidated Summary Financial Information and the Carved Out Combined Financial Statements.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “*Outstanding Litigation and Material Developments*” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Claims related to direct and indirect taxes	6	10.30 ^{§§}
Other pending material litigation proceedings	1	219.36 ^{**}
Total	7	229.66
Cases by our Company		
Criminal proceedings	2	6.00
Other pending material proceedings	1 [#]	65.77 ^{###}
Total	2	71.77
Cases against our Promoters		
Criminal proceedings	1	-
Claims related to direct and indirect taxes	36	3,461.34
Other pending material litigation	5 [§]	21,208.37 [§]
Total	42	24,669.71
Cases by our Promoters		

Type of Proceedings	Number of cases	Amount* (₹ in million)
Criminal proceedings	1	100.00
Other pending material litigation	10	10,420.10
Total	11	10,520.10

*To the extent quantifiable.

** Based on the exchange rate of the US\$ to the Indian Rupee as on December 31, 2018, rounded off to the second decimal (1US\$ = ₹69.44₹).

\$ These proceedings are the counter-claims made against SPCPL in relation to arbitration proceedings initiated by SPCPL.

This proceeding is a counter-claim made by our Company in relation arbitration proceedings initiated against us.

^{ss} Based on the exchange rate of the Philippine Peso (“PHP”) to ₹ as on December 31, 2018 rounded off to two decimal places (1 PHP = ₹1.32) (source: www.oanda.com).

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 431.

Risk Factors

Investors should see “*Risk Factors*” beginning on page 28 to have an informed view before making an investment decision.

Summary of Contingent Liabilities of our Company

As on December 31, 2018, we had no contingent liabilities.

Summary of Related Party Transactions

(₹ in million)

Nature of transaction	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	Fiscal 2018*	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Income from works contracts	2,408.49	437.29	3,108.89	1,629.97	6,461.51
Sale of traded goods	-	-	-	-	1,688.50
Purchase / Receiving of services	-	-	7.17	6.67	12.90
Purchases of construction material	-	-	625.07	198.99	44.58
Advance received from customers	-	-	693.09	474.79	285.96
Management support fees	-	65.15	60.00	45.00	82.70
Interest income	-	-	-	-	1,241.12
Remuneration paid	-	-	-	-	48.28
Interest expense	-	-	-	-	0.25
Short term borrowings received	-	-	-	-	200.00
Short term borrowings repaid	-	-	-	-	200.00
Short term borrowings outstanding	3.07	-	-	-	-
Loan given	-	-	-	-	10,217.15
Loan repaid	542.47	3.07	-	-	3,366.32
Interest receivable	-	-	-	-	1,240.02

Nature of transaction	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	Fiscal 2018*	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Advance from customer	104.69	145.63	260.60	331.20	120.19
Trade Receivables	240.30	279.83	1,791.43	676.07	4,896.84
Trade payable	-	-	37.41	45.65	832.15
Other receivables	1,538.17	2,201.19	10,298.76	10,240.54	7.53
Other Payables	-	11.18	19.79	0.66	16.97
Gross amount due from customer	-	-	15.31	110.49	210.52
Gross amount due to customer	-	-	-	-	-
Loan receivable	-	-	-	-	17,149.59
Recoverable expenses	22.08	15.24	-	-	-
Unbilled Receivables	41.15	0.54	-	-	-
Equity shares issued	-	-	160.40	-	-
Equity shares cancelled	-	-	0.36	-	-
Corporate Guarantee received	-	-	259.29	-	-
Corporate Guarantee outstanding	-	-	259.29	-	277.76
Reimbursement of expenses	-	-	-	-	124.18

* The period from March 9, 2017 to March 31, 2018.

For details of the related party transactions, as per the requirements under Ind AS 24 ‘*Related Party Disclosures*’ issued by the Institute of Chartered Accountants of India and as reported in the Restated Consolidated Summary Financial Information and the Carved Out Combined Financial Statements, see “*Restated Consolidated Summary Financial Information*” and “*Carved Out Combined Financial Statements*” beginning on page 196 and page 321 respectively.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of SPCPL, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the equity shares of our Company were acquired by each of our Promoter Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Our Promoters have not acquired any equity shares of our Company in the one year preceding the date of this Draft Red Herring Prospectus.

Average Cost of Acquisition

The average cost of acquisition per Equity Share by our Promoter Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name of the Promoter Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹) #
SPCPL	105,466,670	Nil

Name of the Promoter Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹) #
Khurshed Yazdi Daruvala	53,452,930*	Nil

**In addition to the above, Khurshed Yazdi Daruvala is the second holder with respect to 200 Equity Shares held by Kainaz Khurshed Daruvala.*

#As certified by Kalyaniwalla & Mistry LLP, Chartered Accountants, by way of their certificate dated April 15, 2019.

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split / Consolidation of equity shares of our Company in the last one year

Pursuant to a resolution passed by our Shareholders at their meeting held on January 11, 2019, each equity share of our Company of face value ₹ 10 was sub-divided into ten Equity Shares of face value of ₹ 1 each. Please see “*Capital Structure-Notes to the Capital Structure-Equity Share capital history of our Company*” beginning on page 75 for further details.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the price of the Equity Shares could decline, and you may lose all or part of your investment.

In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Offer. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled “Industry Overview”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 97, 115, 195 and 406, respectively, of this Draft Red Herring Prospectus, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Draft Red Herring Prospectus. See “Forward Looking Statements” on page 20 of this Draft Red Herring Prospectus. Unless otherwise expressly stated or the context otherwise requires, the financial information used in this section is derived from the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements, as the case may be.

We describe in this Draft Red Herring Prospectus the businesses that have been contributed to us by Sterling & Wilson Private Limited (“SWPL”), as part of our demerger from SWPL (the “Demerger”), as if they were our businesses for all historical periods described. The Demerger was conducted pursuant to the Scheme of Arrangement that was effective from April 1, 2017 (the “Appointed Date”). Accordingly, the operational and financial information for Fiscals 2016 and 2017 included in this section, are prior to the Appointed Date of the Demerger and may not be reflective of our performance as a standalone company.

As used in this Draft Red Herring Prospectus, the terms “we”, “us” or “our” may, depending on the context, refer to the Solar EPC Division of SWPL prior to the Demerger or to Sterling and Wilson Solar Limited and its Subsidiaries after giving effect to the Demerger.

Our financial year ends on March 31 of each year. Accordingly, references to Fiscals 2016 and 2017 are for the 12-month period ended March 31 of that year. References to Fiscal 2018 mean the period from March 9, 2017 to March 31, 2018, reflecting the incorporation of our Company as a separate company on March 9, 2017, and references to the nine months ended December 31, 2018 and 2017 are for the nine-month period from April 1 to December 31 of that year. We did not recognize revenue from operations or incur any expenses in our Company from March 9, 2017 to March 31, 2017; therefore, there is no impact to our Restated Consolidated Summary Statement of Profit and Loss for Fiscal 2018 from this additional 22-day period.

Internal Risk Factors

- 1. If solar photovoltaic (“PV”) and related technologies are regarded as unsuitable for widespread adoption, or if demand for solar power does not develop or takes longer to develop than we anticipate, our revenues may decline and we may be unable to sustain our profitability.***

The solar power market is still developing and the extent of acceptance of solar power as a form of energy generation remains uncertain. In many of the geographies in which we operate, the solar power market is at an early stage or nascent stage of development and we cannot assure that a sustainable market for solar power will emerge in those countries. Historical and current market data on the solar power industry are not as readily available as those for more established industries where trends can be assessed more reliably from data gathered over a longer period of time.

In addition, according to CRISIL Research, demand for solar power has not developed as fast as many market players have anticipated although the solar industry continues to experience increasingly lower costs, improved efficiency and higher electricity output. Many factors may affect the viability of widespread adoption of solar power technology and demand for solar power, and the need for and viability of solar power projects, including, but not limited to:

- cost-effectiveness, performance and reliability of solar power compared to traditional energy sources and other renewable energy sources and the availability of grid capacity to dispatch power generated from solar power projects;
- success of other alternative energy generation technologies, such as wind power, hydroelectric power and biomass power;
- public perceptions of the direct and indirect benefits of adopting renewable energy technology;
- the availability of suitable storage solutions for solar energy to ensure continuity of energy supply;
- price volatility of solar power equipment, such as modules, inverters, trackers and transformers;
- fluctuations in economic and market conditions that may affect the viability of traditional and other alternative renewable energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- decreases in capital expenditures by end-users of solar power projects;
- the cost of capital and availability of credit, loans and other forms of financing for solar power projects;
- the availability of government subsidies and incentives to support the development of the solar power industry, such as capital cost rebates, feed-in tariffs, tax credits, net metering and other incentives to end users; and
- regulations and policies governing the solar power or electric utility industries that may present technical, regulatory or economic barriers to the establishment of solar power projects and the purchase and use of solar energy.

If solar PV technology is regarded as unsuitable for widespread adoption or the demand for solar power or solar power projects fails to develop or takes longer to develop than we anticipate, our revenues may decline and we may be unable to sustain our profitability.

2. ***We may work on projects for a limited number of customers in a financial period. The loss of a key customer in a financial period could significantly reduce our revenue and could have a material adverse effect on our business, results of operations and financial condition.***

In Fiscal 2016, our top two customers in terms of revenue generated constituted more than 10% of our revenue from operations, aggregating to 43.58% of our revenue from operations for that period; in Fiscal 2017, our top two customers in terms of revenue generated constituted more than 10% of our revenue from operations, aggregating to 49.42% of our revenue from operations for that period; in Fiscal 2018 our top two customers in terms of revenue generated constituted more than 10% of our revenue from operations, aggregating to 57.09% of our revenue from operations for that period; in the nine months ended December 31, 2017, our top two customers in terms of revenue generated constituted more than 10% of our revenue from operations, aggregating to 61.95% of our revenue from operations for that period; and in the nine months ended December 31, 2018, our top customer in terms of revenue generated constituted more than 10% of our revenue from operations, aggregating to 29.59% of our revenue from operations for that period. We neither assure you that we will be able to maintain the historic levels of business from our key customers, nor that we will be able to replace these key customers should we lose any or all of them. Since we are dependent on our key customers for a significant portion of our operations, the loss of any one of our key customers or a significant reduction in demand from such key customers could have a material adverse effect on our business, results of operations and financial condition.

3. ***Several of our key raw materials and components are sourced from a single or a limited group of local or global third-party suppliers giving rise to supplier concentration risks. Any restrictions in supply or defects in quality could cause delays in project construction or implementation and impair our ability to provide***

our services to customers at a price that is profitable to us, which could have a material adverse effect on our business, financial condition and results of operations.

Our failure to obtain raw materials and components that meet our quality, quantity and cost requirements in a timely manner could interrupt or impair our ability to provide our services or increase our operating costs. We depend on a limited number of suppliers for our key raw materials. For example, In Fiscals 2016, 2017, 2018 and in the nine months ended December 31, 2018 our top 10 suppliers constituted 45.35%, 73.32%, 67.66% and 42.40% of the aggregate costs of construction materials, stores and spare parts, purchase of traded goods, changes in inventories of stock-in-trade, respectively. As a result, any failure of any of our suppliers to perform could disrupt our global supply chain and materially and adversely affect our operations. For example, we depend on a single supplier for PV cells that are critical for PV modules and any failure to receive the PV cells on time could materially and adversely affect our operations.

In addition, we engage with local and global suppliers for raw materials for our projects and any adverse regulations for engaging local suppliers; import and export restrictions; transportation and related infrastructure failures; or deterioration in diplomatic relationships and bilateral trade disputes could increase supply costs, which could have a material adverse effect on our operations and financial condition. For instance, anti-dumping and countervailing or anti-subsidy duties imposed on solar PV cells imported from certain countries, such as China, may restrict our choice of suppliers, which may result in increased supply costs for our projects, materially and adversely affecting our profitability, financial condition and results of our operations.

Further, some of our suppliers are small companies that may be unable to supply our increasing demand for raw materials and components as we expand our business. We may be unable to identify suppliers in new markets or qualify their products for use in our business in a timely manner and on commercially reasonable terms. We may also be subject to adverse local regulations for appointing suppliers. Any constraints on our suppliers may result in an inability for us to meet our development plans and our obligations under our customer contracts, which may have a material adverse effect on our business. In addition, reductions in our order volume may put pressure on suppliers and could result in increased material and component costs, materially and adversely affecting our business, financial condition and results of operations.

4. *Our global business operations are subject to global and local risks related to economic, regulatory and, social and political uncertainties, any of which could have a material adverse effect on our business, financial condition and results of operations.*

Currently, we have a presence across 26 countries. We use our subsidiaries and branch offices (which include SWPL's branch offices) globally for our operations. Our business is therefore subject to diverse and constantly changing economic, regulatory and, social and political conditions in the jurisdictions in which we operate. Operating in the international markets exposes us to a number of risks globally, including, without limitation:

- compliance with local business, environmental, safety, health and other labor laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- dependence on governments, utility companies and other entities for electricity, water, telecommunications, transportation and other utilities or infrastructure needs;
- difficulties with local operating and market conditions, particularly regarding customs, taxation and labor;
- difficulties in organizing a skilled workforce for efficient execution of solar power plants including processing visas or entry permits quickly and repeatedly for our personnel;
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries;
- changes in solar industry practices or trends, for example, with the reduction of solar module costs, there is a noticeable shift towards balance of system solutions, in India and outside India;
- changes in government regulations, policies, tax, subsidies and incentives, including transfer pricing rules; and

- political risks, risks of expropriation and nationalization of assets, potential losses due to civil unrest, acts of terrorism and war, regional and global political or military tensions, strained or altered foreign relations and protectionism.

To the extent that our operations are affected by unexpected and adverse economic, regulatory and, social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

5. *We operate in a competitive industry and as such we may not be successful in bidding for and winning bids for solar power projects to grow our business globally, which may have a material adverse effect our business, financial condition, results of operations and prospects.*

Our business depends on our ability to continually win bids for solar power projects and our current business strategy focuses on increasing the number of solar power projects to which we provide EPC services and expanding our operations into new geographies. We bid for solar power projects and compete with other EPC solutions providers based on, among other things, pricing, technical and design and engineering expertise, financing capabilities, past experience, amount and type of guarantees given and track-record. The bidding and selection process is also affected by a number of factors, including factors which may be beyond our control, such as market conditions or government incentive programs. Our market position therefore depends on our financing, development and operation capabilities, reputation, experience and track-record. We believe our primary competitors are traditional global and local EPC solutions providers and solar power companies that have their own in-house operations and maintenance (“O&M”) operations. Our competitors may have greater financial resources, a more effective or established local business presence with specific regional advantages or a greater willingness or ability to operate with little or no operating margins for sustained periods of time. Some of our competitors may have advantages over us in terms of greater operational, technical, management or other resources in particular markets or in general, better track records, stronger lender relations, as well as know-how of regulatory and political challenges in the geographies in which we operate or into which we intend to expand our operations. Our competitors may also have more experience than us in this business and a longer track record of operations. Further, as we have only been operating as a separate, independent company for two years, we may not meet the bid requirements of track-record or technical and financial specifications on our own. For example, in Vietnam, we faced difficulties in satisfying bid requirements because we were not able to demonstrate the required period of prior EPC experience. Such requirements could have a material adverse effect on our business, financial condition, results of operations and prospects and give a competitive advantage to other market players. Any increase in competition during the bidding process or reduction in our competitive capabilities could have a material adverse effect on our market share and on the margins we generate from our solar power project portfolio.

In addition, our competitors may choose to enter into strategic alliances or form affiliates with other competitors to our detriment. Suppliers or subcontractors may merge with our competitors which may limit the choice of subcontractors we have available to us which may limit the flexibility of our overall service capabilities. There can be no assurance that our current or potential competitors will not offer the services we provide comparable or superior to those that we offer at the same or lower prices; adapt more quickly to industry challenges; or expand their operations at a faster pace than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing a material adverse effect on our operations, prospects and financial condition.

6. *We may be unable to accurately estimate costs under fixed-price EPC contracts, fail to maintain the quality and performance guarantees under our EPC contracts and we may experience delays in completing the construction of solar power projects, which may increase our construction costs and working capital requirements, and may have a material adverse effect on our financial condition, cash flow and results of operations.*

We enter into fixed-price EPC contracts with most of our customers. We estimate essential costs, such as the cost of construction materials and direct project costs, at the time we enter into an EPC contract for a particular project and these are reflected in the overall fixed-price that we charge our customers for the solar power project. However, these cost estimates are preliminary, and at the time we submit bids for a project or enter into EPC contracts, we may not have finalized these costs in our related contracts with subcontractors, suppliers and other parties involved in the solar power project. Our EPC contracts may include provisions allowing for changes by our customers to the scope of work. Such provisions generally allow us to reprice the EPC contract and charge our customer for any additional work. Other than through such changes, we

generally cannot reprice or renegotiate an EPC contract once it has been entered into with our customer. As a result, any failure to accurately estimate costs could result in our actual costs exceeding our estimated costs, thereby causing an increase in our construction costs and working capital requirements, and as a result, we may incur losses.

Under our EPC contracts we also typically provide certain performance guarantees that require us to complete the solar power project in accordance with a specified timeline and to be responsible for the solar power project maintaining a specified plant performance ratio for a specified time period, typically for up to two years after commissioning of the solar power project. Any failure to maintain these performance guarantees may subject us to penalties under our EPC contracts, such as requiring us to perform remediation work to meet the guarantees, pay liquidated damages or allowing the counterparty to terminate the EPC contract. We have accounted for a provision for liquidated damages of ₹321.75 million as at December 31, 2018, which are based solely on management estimates. However, we cannot assure that any actual liquidated damages that we are required to pay as a result of such delays would not exceed the amount of such provision. As a result, we may face losses under a particular project, may not be able to achieve our expected margins and may record an overall loss in the relevant financial period. In some cases, our failure to meet such performance guarantees may be due to reasons that are beyond our control or factors that we may not have adequately considered. We may also fail to complete our solar power projects by the specified timeline due to construction delays as a result of various factors, including unanticipated changes in engineering design; increase in the cost of equipment, materials or manpower; shortages of skilled labor; supply shortages or delays in the delivery of equipment and materials to the project site; unforeseen conditions or occurrences, including the inability of the customer to obtain the requisite environmental and other approvals, resulting in delays and increased costs; adverse local weather conditions; suppliers' or subcontractors' failure to perform; disputes, delay or failure in obtaining required cash inflow and financial assistance from our customers; or delays caused by us or due to factors outside our control. For example, the execution of a project in Argentina was delayed due to high velocity winds. We also experienced delay in the execution of a project in Namibia due to a transporters' strike that disrupted operations.. We also faced delays in completing the construction of a solar power project in Morocco for various reasons, including extreme weather conditions and certain topographical challenges. Another project in Zambia was delayed due to difficult topographical conditions, such as sinkholes and limestone. We had to re-engineer our structure installations which resulted in delays of appointing suppliers. We have accounted for a provision for foreseeable loss of ₹111.04 million in the nine months ended December 31, 2018. Delays in project completion may subject us to penalties under our EPC contracts and harm our reputation with our customers and other stakeholders. Furthermore, delays on our part, beyond a specified period stipulated in the contract, may require us to purchase the solar power project from the developer, which could have a material adverse effect on our financial condition, cash flow and results of operations.

7. ***Our EPC contracts generally include provisions permitting our customers to terminate the agreement at their convenience. If our EPC contracts are terminated prematurely, we may not receive payments otherwise due to us which may result in a material adverse effect on our business, financial condition and results of operations.***

Our EPC contracts typically include provisions permitting our customers to terminate the EPC contract prior to the issue of a notice to proceed (“NTP”) or at their convenience with a relatively short notice period. In such circumstances, we are generally able to recover actual costs incurred until that time, but we do not recover the full payment that would otherwise have been due to us under the contract. If our customers cancel some of our significant EPC contracts and we are unable to secure new contracts on substantially the same terms, or if our customers use such termination rights as leverage to re-negotiate the terms and conditions of the EPC contract, including pricing terms, changes to the scope of work or delivery schedule, this may materially and adversely affect our business, financial condition and results of operations.

8. ***We depend on various subcontractors and suppliers to procure materials and construct and provide our services and solutions. We are exposed to risks arising from the pricing, timing or quality of their services, equipment and supplies and warranties given. This may materially and adversely affect our business, profitability, financial condition and results of operations.***

We enter into contracts with subcontractors and suppliers to supply equipment, materials and other goods and services for our EPC and O&M businesses and for providing certain services related to our operations. We are subject to the risk that suppliers or subcontractors may not perform their obligations under their respective contracts with us. If suppliers or subcontractors fail to deliver components on time or deliver components with manufacturing defects; do not comply with the specified quality standards and technical specifications;

do not comply with local regulations; cause or are subject to accidents on the solar power project site; otherwise fail to perform their obligations; terminate their contracts with us; or are subject to insolvency proceedings, we may be unable to fulfil our warranty obligations under our EPC contracts with customers. We may also suffer disruptions in our operations and may need to enter into new contracts with other suppliers or subcontractors at a higher cost which we may not be able to recover from our customers under our EPC contracts. Such events could have a material and adverse effect on our ability to fulfil our obligations to our customers and meet agreed timelines and may cause an increase in our construction costs and working capital requirements. If any shutdowns continue for extended periods, this could give rise to contractual penalties or liabilities under our EPC contracts, a delay or inability to recognize revenues, loss of customers and damage to our reputation. Although we are entitled to compensation from such suppliers and subcontractors for certain solar power equipment failures and defects in certain cases, these arrangements may not fully compensate us for the damage and loss suffered as a result thereof.

Our profitability largely depends on our ability to manage costs relating to our EPC operations. Our most significant cost is the cost of construction materials, including modules, inverters and trackers, the prices of which are subject to price volatility. We seek to manage the cost of some of these materials by entering into pre-bid pricing arrangements for modules and inverters with our key suppliers at competitive rates. These pre-bid pricing arrangements are typically valid for a couple of months. We do not, however, enter into pre-bid pricing arrangements with our key suppliers for materials other than modules and inverters and cannot manage volatility in the prices of those raw materials, cannot assure that the supply of these materials will be at competitive rates. Any failure to enter into pre-bid arrangements with our suppliers, the termination of the pre-bid arrangement by our supplier or a delay in entering into the EPC contract, could subject us to price escalation risks, which could have a material adverse effect on our financial condition and results of operations.

We also make advance payments in connection with our procurement agreements for equipment and materials used in our operations. We may not be able to recover such advance payments and would suffer further losses if any subcontractor, supplier or specialist agency fails to fulfill its delivery obligations under its contract, including failing to provide sufficient quantities of materials of such quality as specified in the contract. In addition, to the extent that there is collateral or security attached to our advance payments, it is uncertain whether the advance payment can be repaid in full upon enforcement of such collateral or security. Any negotiation or litigation arising out of disputes with subcontractors, suppliers and specialist agencies could distract management from the day-to-day operation of our business, subject us to potentially significant legal expenses, the forfeiture of our advance payments to these subcontractors, suppliers and specialist agencies and interrupt our operations, which could materially and adversely affect our business, financial condition and results of operations.

We are also required to negotiate product and performance warranties and related insurance, for ourselves and our customers, with suppliers. Our failure to negotiate the product and performance warranties and procure insurances from suppliers for the required scope and period or at all, exposes us to the risks of compensating our customers for any defects in the modules or inverters. Where the warranty period by our suppliers is shorter in duration than our warranty obligations under the EPC contract, we may be exposed to further claims in case of defects and this may materially and adversely affect our profitability and financial condition.

9. Orders in our order book may be delayed, modified or cancelled, and letters of intent may be withdrawn or may not translate to confirmed orders, which may have a material adverse effect on our business, results of operations and financial condition.

Our order book, which we define as the value of solar power projects for which we have entered into definitive EPC contracts minus the revenue already recognized from those projects, was ₹43,090.99 million, as of December 31, 2018. Order book projects only represent business that is considered 'firm', although cancellations or unanticipated variations in scope or schedule adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when, or if the solar power projects in our order book will be performed. In addition, when a project proceeds as scheduled, it is possible that our customers may default and fail to pay amounts due. We cannot guarantee that the income anticipated in our order book will be realized on time, or at all. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our order book and the income and profits that we ultimately earn from the contracts. Any delay, cancellation or payment default could have a material adverse effect on our business, results of operations and financial condition.

For some of the contracts in our order book, our customers are obliged to perform or take certain actions, such as acquiring land, securing rights of way, clearing forests, supplying owner-supplied material, securing required licenses, authorizations or permits, making advance payments or procuring financing, approving designs, approving supply chain vendors and shifting existing utilities. If customers do not perform these and other actions in a timely manner or at all, and the possibility of such failure is not provided for in the EPC contract, our projects could be delayed, modified or cancelled and as a result, our business, results of operations and financial condition could be materially and adversely affected.

As at December 31, 2018, letters of intent for projects for which we have won the bid, but have not yet executed definitive EPC contracts, was ₹22,012.48 million. Before entering into a binding contract with us, our customers generally issue letters of intent which they can withdraw at any time before entering into an EPC contract. As such, issued letters of intent may not lead to confirmed orders, which could impact our operations and financial condition. There have been instances in the past where letters of intent have been withdrawn and we cannot guarantee that customers will enter into a definitive contract with us after issuing a letter of intent.

10. *We have entered into certain related party transactions in the past and may continue to do so in the future on an arm's length basis.*

We have entered, and are likely to continue to enter, into transactions with related parties, including our Promoters and our Group Companies on an arm's length basis. We have entered into certain loan arrangements with our related parties arising due to the Demerger.

As of December 31, 2018, we had provided loans (comprising loans given to related parties, security deposits and loans to employees) of ₹17,434.05 million which increased from ₹93.63 million in Fiscal 2018 and from ₹28.01 million in Fiscal 2017. As of December 31, 2018 loans provided by us primarily included loans given to related parties of ₹17,149.59 million. Under the terms of these loans, our related parties are required to make interest payments to us. We cannot assure you that the related parties will continue to be able to repay the principal amounts under these loans or that they will continue to be able to service the interest payable to us. Any failure by our related parties or their inability to repay the loans or pay interest due to us could have a material adverse impact on our operations, prospects and financial condition.

For more information on our prior related party transactions, see “*Summary of the Offer Document - Summary of Related Party Transactions*” on page 25 of this Draft Red Herring Prospectus.

We believe that all of our related party transactions are in compliance with applicable law. Further, the transactions into which we have entered and any future transactions into which we may enter into with our related parties have involved or could potentially involve conflicts of interest. In addition, the Companies Act, 2013 and the Securities and Exchange Board of India (“SEBI”) Listing Regulations have brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions would be approved. There can also be no assurance that we would be able to maintain existing terms, or in case of any future transactions with related parties. While we have entered into transactions with related parties on an arm's length basis, we cannot assure you that any related party transactions in future, individually or in the aggregate, will not be negatively perceived or have an adverse effect on our results of operations and financial condition.

11. *We depend on SWPL for certain services as a result of the Demerger and we may encounter difficulties adjusting to operating as a separate company after the Demerger, which may materially and adversely affect our business, financial condition, cash flow, prospects and results of operations. Further, we also depend on our Promoter, SPCPL, for use of their intellectual property, termination of which may adversely affect our prospects and results of operations.*

We began operations in 2011 as a business segment of SWPL and with effect from the Appointed Date, we completed our Demerger from SWPL on May 14, 2018. See “*History and Other Corporate Matters – Mergers or Amalgamation*” on page 144 of this Draft Red Herring Prospectus for more information on the Demerger. We have historically operated as part of SWPL's corporate organization, and SWPL has provided us with various corporate functions. Following the Demerger, SWPL is under no obligation to provide assistance other than the services agreed under the Framework Agreement. Under the Framework Agreement, we depend on SWPL for utilizing some of its branch offices for our operations. SWPL, certain of its foreign

branch offices and project offices (the “**Foreign Branches**”) and certain of its subsidiaries (the “**SWPL Relevant Subsidiaries**”) have been authorized to represent us in connection with our contracts entered into prior to the Demerger until the expiration such contracts or the novation of such contracts. SWPL, the Foreign Branches and the SWPL Relevant Subsidiaries have been authorized to execute necessary project-related documentation, tracking payment due dates, notifying us of impending payments, initiating or defending any action, suit or other legal proceedings and generally facilitating dealing with counterparties in relation to such contracts. Any failure by SWPL, the Foreign Branches or the SWPL Relevant Subsidiaries in performing these services efficiently or on time could have a material adverse effect on our financial condition, cash flows and results of operations.

We also depend on SWPL for certain transitional services, such as information technology, human resources and taxation. If SWPL fails to provide the quality of services necessary to operate effectively, our business, financial condition and results of operations may be materially and adversely affected. In addition, these services may not be sufficient to meet our needs, and, after the Framework Agreement with SWPL expires or if it is terminated, we may not be able to replace these services at all or obtain these services at prices and on terms as favorable as we currently have. Any failure or significant downtime in our own financial or administrative systems or in SWPL’s financial or administrative systems during the transitional period could impact our results and prevent us from paying our suppliers and employees, or performing other administrative services in a timely manner and could materially harm our business, financial condition and results of operations. Because our business has historically operated as part of the wider SWPL’s organization, we may be unable to successfully establish the infrastructure or implement the changes necessary to operate wholly independently, or may incur additional costs that could materially and adversely affect our business.

Additionally, under the Framework Agreement, SWPL has granted us the right to use all logos and brands of SWPL. Further, our Subsidiary, SW FZCO and our Company have entered into brand sharing agreements dated September 26, 2018 with SPCPL (the “**Brand Sharing Agreements**”) under which we have the right to use intellectual property belonging to the SP group and to benefit from the SP Group’s track record of project execution in bidding for large scale projects. For further details in relation to the Framework Agreement and Brand Sharing Agreements, please see section the section titled “*History and Other Corporate Matters – Other Material Agreements*” on page 146 of this Draft Red Herring Prospectus.

We believe that we benefit in reputational terms with customers, as well as in terms of access to capital, credit ratings and industry talent as a result of being a part of the SP Group and S&W. In order to benefit from the goodwill attached to SP and S&W brands we will need to expend significant time, effort and resources to continue to maintain the “SP” and “S&W” brand names in the marketplace. If we are unsuccessful in maintaining the brand identity or if SWPL or SPCPL terminates the Framework Agreement or the Brand Sharing Agreement, and as a result we are not able to use the “SP” and “S&W” brand and logo, our business, results of operations and prospects may be materially and adversely affected.

In addition, as result of the Demerger, we have limited experience in conducting our operations on a standalone basis and we may encounter operational, administrative and strategic difficulties as we adjust to operating as a standalone company. This may cause us to react more slowly than our competitors to market conditions, may divert our management’s attention from running our business or may otherwise harm our operations.

12. We are required to provide bank guarantees and performance guarantees under our EPC contracts. Any inability to arrange such guarantees or the invocation of such guarantees may materially and adversely affect our ability to bid for new projects and have a material adverse effect on our future revenues and business prospects.

As is customary in the EPC services industry, we are usually required to provide financial and performance bank guarantees to secure our financial and performance obligations under the respective contracts for our projects. These guarantees are typically required to be provided within a few days of the signing of an EPC contract and remain valid until the expiration of the defect liability period prescribed in that EPC contract. Where any such guarantee is invoked during the subsistence of a contract, we are likely to be required to replace such guarantee with another guarantee. In certain cases we may also be required to provide additional guarantees in case performance ratios are not met on the date of commissioning of the project for so long as such defect continues. In addition, letters of credit are often required to satisfy payment obligations to suppliers and subcontractors. We may not be able to continue to obtain new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient

collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, financial and performance bank guarantees also increases our working capital requirements. Our ability to obtain such guarantees or letters of credit depends upon our capitalization, working capital, available credit facilities, past performance, management expertise and reputation and certain external factors, including the overall capacity of the surety and letter of credit market. Surety companies and banks consider such factors by reference to the amount of our backlog and their underwriting standards, which may change from time to time. Events that adversely affect the insurance and bonding markets, and the banking markets generally, may result in bonding, financing or letters of credit becoming more difficult to obtain in the future, or being available only at a significantly greater cost. If we are not able to continue obtaining new letters of credit, bank guarantees and performance bank guarantees in sufficient quantities to match our business requirements, it could have a material adverse effect on our future revenues and business prospects.

- 13. *We may be subject to unforeseen costs, liabilities or obligations when providing O&M services. In addition, certain of our O&M contracts include provisions permitting the counterparty to terminate the agreement without cause. This may materially and adversely affect our business, financial condition and results of operations.***

We provide ongoing O&M services to our customers for whom we have commissioned solar power projects under separate O&M contracts as well as to third-parties, pursuant to which we generally perform standard activities associated with operating a fully or partially commissioned solar power project, including monitoring, control, trouble-shooting and security on a 24/7 basis, data recording and reporting, compliance activities, energy forecasting, scheduled and unscheduled maintenance, cleaning and overall operational management of the project. We may not be successful in winning separate O&M service contracts or in renewing expired contracts, which may materially and adversely affect our O&M business. Furthermore, we estimate the cost of performing these services at the time we enter into the O&M contract for a particular project, and these are reflected in the prices we charge our customers, including certain contracts which feature fixed pricing. If our estimates of O&M costs prove inaccurate, our growth strategy and results of operations could be materially and adversely affected. Because of the potentially long-term nature of these O&M contracts, the material adverse effect on our results of operations could be significant, particularly if our costs are not capped under the terms of the O&M contracts.

In addition, certain of our O&M contracts include provisions permitting the counterparty to terminate the agreement without cause or for convenience. We are generally able to recover actual costs incurred until that time, but we do not recover the full payment that would otherwise have been due to us under the contract. The exercise of such termination rights, or the use of such rights as leverage to re-negotiate terms and conditions of the O&M contract, including pricing terms, could materially and adversely affect our business, financial condition and results of operations.

- 14. *We may not be successful in implementing our global expansion strategy effectively, which could have a material adverse effect on the long-term growth of our business, our financial condition and results of operations.***

As part of our expansion strategy, we focus on new markets and conduct on-the-ground market diligence to tap new opportunities and where necessary, expand our operations through acquisitions and equity investments. As we grow, we expect to encounter additional challenges to our global network supply chain, internal processes, external construction management, capital commitment process, project funding infrastructure, financing capabilities and regulatory compliance. Our existing operations, personnel, systems and internal controls may not be adequate to support our growth and may require us to make additional unanticipated investments in our infrastructure. To manage the future growth of our operations, we will be required to improve our administrative, operational and financial systems, procedures and controls, and expand, train and manage our growing employee base. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies successfully or respond to competitive pressures. As a result, our business, prospects, financial condition and results of operations could be materially and adversely affected. Additional difficulties executing our growth strategy, particularly in new geographical locations, may include, among other things, accurately prioritizing geographic markets for entry; including estimates on addressable market demand; obtaining construction, environmental and other permits and approvals; managing local operational, capital investment or sourcing regulatory requirements; adopting changes in foreign currency controls and foreign exchange policy; managing fluctuations in the economy and financial market, as well as credit risks; managing possible

unfavourable labour conditions or employee strikes; and sourcing cost-competitive financing on attractive terms.

In connection with our growth strategy, we may acquire companies or technologies; enter into joint ventures or other strategic initiatives; establish permanent branch offices; or make equity investments in companies executing projects under our co-development model to facilitate our operations and business expansion strategy. We may not realize the anticipated benefits of such business combinations or acquisitions. The risks associated with such transactions may include difficulty in integrating and managing the operations and personnel of the acquired or partner company; difficulty in achieving profitable commercial scale from acquired technologies; difficulty in maintaining controls, procedures and policies during the transition and integration; disruption of our ongoing business and distraction of our management and associates from other opportunities and challenges due to integration issues; and difficulty integrating the acquired or partner company's accounting, management information and other administrative systems. For example, we have adopted a co-development business to secure EPC rights through equity investments in project companies in the United States. Any delay by the developer to commence EPC operations on the project, or the cancellation of the solar power project by the developer, could require us to keep our equity investment locked-in for a longer duration in case of a delay or cause us to withdraw our equity investment in the project at a lower purchase price, causing a material adverse effect on our financial condition and business operations.

15. Any failure by our customers to meet their contractual commitments, the insolvency or liquidation of our customers, or our inability to enter into or renew our contracts with customers, could materially and adversely affect our working capital requirements, our business, results of operations, financial condition and cash flow.

We depend on our customers to fulfill their contractual obligations under our EPC contracts with them. Our EPC services are provided under fixed-price short-term EPC contracts to private and state-owned solar power developers. Any reduction, delay or cancellation of orders from one or more of our significant customers; unilateral change of contractual technological specifications by one or more of our customers; failure to reach an agreement with our customers on the pricing terms or sales volumes under various contracts; loss of one or more of our significant customers and our failure to identify additional or replacement customers; or failure of any of our significant customers to make timely payment, may cause material fluctuations, or a decrease, in our working capital requirements and our revenue.

In our EPC business, our customers generally make milestone payments in relation to portions of work completed. Our customers generally inspect and confirm the work progress before making such milestone payments. Our customers may disagree with our assessment of the progress of completed work and there is no assurance that we will be able to fully collect our fees as originally contracted. In the event that we are unable to collect our fees in full and on time, our working capital requirements could increase beyond our estimates and our cash flow and financial condition may be materially and adversely affected.

Our financial condition, profitability and cash flow are also dependent on the creditworthiness of our customers and their ability to pay us promptly when due. Our customers may have low credit ratings and any inability to comply with their contractual payment obligations or the commencement of any insolvency or liquidation proceedings against them during the term of the EPC project could cause working capital shortages and materially and adversely affect our business, results of operations, financial condition and cash flow.

16. We are required to maintain certain licenses, approvals, registrations, consents and permits in the ordinary course of business, and the failure to maintain them may materially and adversely affect our operations.

Our business is highly regulated and we require a number of licenses, approvals, registrations, consents and permits to operate our business in India and globally. As we expand our operations globally and enter new markets, we may not be familiar with local regulations and may need to incur additional costs to ensure regulatory compliance. In addition, we may need to apply for approvals, including the renewal of approvals which may expire, from time to time, as and when required in the ordinary course of business. If we fail to obtain or renew such licenses, approvals, registrations, consents and permits in a timely manner, we may not be able to execute solar power projects in accordance with the terms of our EPC contracts with our customers, or at all, which could affect our business, financial condition and results of operations. We are required to obtain and maintain consents, approvals, registrations and permits with respect to the provision of EPC, O&M and solar rooftop services and solutions for the solar power projects.

Furthermore, government approvals and licenses are subject to numerous conditions, including adherence to emission standards and regular monitoring and compliance requirements, some of which are onerous and require us to incur substantial expenditure. We may incur substantial costs, including clean up and/or remediation costs, fines and civil or criminal sanctions, as a result of violations of or liabilities under environmental or health and safety laws, which may have a material adverse effect on our business or financial condition. We cannot assure you that approvals, licenses, registrations, consents and permits issued to us would not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required licenses, approvals, registrations, consents or permits, or any suspension or revocation of any approvals, licenses, registrations and permits that have been or may be issued to us, may materially and adversely affect our operations. See “*Government and Other Approvals*” on page 438 of this Draft Red Herring Prospectus for more details, including such approvals for which applications are pending before relevant authorities.

17. Our success will depend on our ability to attract and retain our key managerial personnel, our design and engineering team and other key personnel. Failure to do so may have a material adverse effect on our business, financial condition and results of operations.

We are dependent on the services of our executive officers and other members of our senior management team. The loss of one or more of these key employees or any other member of our senior management team could have a material adverse effect on our business. We may not be able to retain or replace these key employees and may not have adequate succession plans in place. Several of our current key employees, including our executive officers, are subject to employment laws of the jurisdictions in which they operate and to arrangements that contain post-employment non-competition provisions. However, these arrangements permit our employees to terminate their employment with us upon little or no notice and the enforceability of the non-competition provisions in certain jurisdictions, including India, is uncertain.

In addition, we are dependent on the services of our design and engineering team globally. We benefit from the cost advantages of having the entirety of our design and engineering team in India. However, the demand for specialist design engineers has increased in India, resulting in a shortage of, and increasing costs to hire, such specialists. We face a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we implement our growth and expansion strategy. Generally, there is significant competition for management, engineering and design, and other skilled personnel in the businesses in which we operate, and it may be difficult to attract and retain the skilled personnel we need. In particular, even if we were to increase our pay structures to attract and retain such personnel, we may be unable to compete with other companies for suitably skilled personnel to the extent they are able to provide more competitive compensation and benefits. Furthermore, we may not be able to redeploy and retrain our employees to keep pace with continuing changes, evolving standards and changing customer preferences. The loss of key personnel and our inability to recruit suitable replacements may have a material adverse effect on our business, financial condition and results of operations.

These key personnel possess technical and business capabilities that would be difficult to replace. The loss or diminution in the services of our senior management or other key team members, or our failure to maintain the necessary management and other resources to operate and grow our business, could have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, as our business develops and expands, we believe that our future success will depend on our ability to attract and retain highly skilled and qualified personnel globally, which cannot be guaranteed.

Currently, pursuant to the terms of our Framework Agreement with SWPL, we rely on SWPL for the group HR services, information technology services, indirect tax services and common management services. See “*History and Certain Corporate Matters – Other material agreements*” on page 146 of this Draft Red Herring Prospectus for further details.

18. Technological changes, evolving customer requirements and emerging industry trends may affect our business, may render our current technologies obsolete and may require us to make substantial capital investments.

Our future success depends, in part, on our ability to respond to technological advances, evolving customer requirements and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risk and not insignificant

implementation costs. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to evolving customer requirements or emerging industry standards. Changes in technology may make newer solutions more competitive than ours or may require us to make additional capital expenditure to upgrade our facilities and technology. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, our business, financial condition and results of operations could be materially and adversely affected.

We are dependent on the capacity and reliability of the communications, information and technology systems supporting our operations, whether developed, owned and operated by us or by third parties. Operational risks, such as trading or operational errors or interruptions of our financial, accounting, trading, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster, power or telecommunications failure, could result in a disruption of our business and/or cause reputational damage, and may have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that we will be able to complete our current technology initiatives or achieve the anticipated efficiencies. Furthermore, unavailability of, or failure to retain, well-trained employees capable of constantly servicing our Information Technology (“IT”) system, such as our Computerized Monitoring System (“CMS”) and our Computerized Maintenance Management System (“CMMS”) that is in the process of being implemented, may lead to inefficiencies or disruption of the IT system and consequently our business and operations. We cannot assure you that we will be able to improve our project management and execution systems and upgrade our technology infrastructure at a rate commensurate with the increase in the size and complexity of the projects that we may undertake in the future. Any resulting impairment in our project management and execution capabilities may have a material adverse effect on our business, prospects, financial condition and results of operations.

19. Our design, research and development efforts may not yield meaningful results and this may materially and adversely affect our business profitability and financial condition.

We devote substantial resources to our design and engineering functions and innovative engineering efforts that continually seek to improve the efficiency of our solutions and services. For example, we are currently developing a research and design center in Rajasthan to this effect. As at December 31, 2018 our design and engineering team comprises 130 personnel. However, there is no guarantee that any of our research and development activities will yield meaningful results, can be used for our commercial operations or will generate any revenue. There can be no guarantee that our technologies and installation solutions will suit the local conditions, environmental characteristics or comply with the regulations or approval requirements of the various regions and countries in which we operate and such conditions may change in the future, rendering our research and development efforts unsuitable. Technical and operational issues or other problems may delay or hinder our research and development processes and increase our costs and lack of regulatory approvals may cause us to expend more time and resources in the design process. Furthermore, our research and development activities may not always keep pace with our competitors. If we fail to design, research and develop suitable solutions and services for our projects, this may affect our ability to win bids and/or to successfully implement our existing projects and our business profitability and financial condition may be materially and adversely affected.

20. Our business operations rely on consistent solar weather conditions and unfavourable solar weather conditions could have a material adverse effect on our business, financial condition and results of operations.

Solar power is highly dependent on weather conditions and the profitability of our operations depends not only on observed solar conditions at the project site but also on the consistency of those solar conditions. Unfavourable weather conditions could impair the effectiveness of solar power projects; reduce their output beneath their rated capacity; require the shutdown of key equipment; impede the operation of solar power projects; and could materially and adversely affect our forecasted revenues and cash flows. Sustained unfavourable weather could also unexpectedly delay the installation of solar power projects, which could result in a delay in project completion and could have a material adverse effect on our business, financial condition and results of operations.

21. We, as well as our Promoters may be involved in certain legal proceedings, which may materially and adversely affect our business financial condition and results of operations.

We may be involved in disputes with various parties, including local governments, suppliers, customers and subcontractors. These disputes may lead to legal or other proceedings and may result in substantial costs, delays in our development and operation schedule, and the diversion of resources and management's attention, regardless of the outcome. We may also have disagreements with regulatory authorities in the course of our operations, which may subject us to administrative proceedings and unfavourable decisions that result in penalties or delay or disrupt the development and operations of our facilities.

We as well as our Promoters are involved in certain legal proceedings in the ordinary course of business, which are pending at various levels of adjudication in different fora across various jurisdictions.

According to the Materiality Policy, any outstanding litigation proceedings, other than criminal proceedings, statutory or regulatory actions and taxation matters, is considered material if the monetary amount of claim by or against: (a) our Company, our Subsidiaries and/or Promoters (individually or in the aggregate), in any such pending matter is in excess of ₹226.12 million or if the outcome of any such litigation could have a material and adverse effect on our position, business, operations, prospects and reputation; and (b) our Directors, the outcome of any such litigation could have a material and adverse effect on our position, business, operations, prospects and reputation. Further, pursuant to the SEBI ICDR Regulations, we are required to disclose all outstanding litigation proceedings involving our Group Companies, which may have a material adverse effect on our Company.

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “*Outstanding Litigation and Material Developments*” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Claims related to direct and indirect taxes	6	10.30 ^{\$\$}
Other pending material litigation proceedings	1	219.36 ^{**}
Total	7	229.66
Cases by our Company		
Criminal proceedings	2	6.00
Other pending material proceedings	1 [#]	65.77 ^{##}
Total	2	71.77
Cases against our Promoters		
Criminal proceedings	1	-
Claims related to direct and indirect taxes	36	3,461.34
Other pending material litigation	5 [§]	21,208.37 [§]
Total	42	24,669.71
Cases by our Promoters		
Criminal proceedings	1	100.00
Other pending material litigation	10	10,420.10
Total	11	10,520.10

*To the extent quantifiable.

** Based on the exchange rate of the US\$ to the Indian Rupee as on December 31, 2018, rounded off to the second decimal (1US\$ = ₹69.44).

§ These proceedings are the counter-claims made against SPCPL in relation to arbitration proceedings initiated by SPCPL.

This proceeding is a counter-claim made by our Company in relation arbitration proceedings initiated against us.\$

^{\$\$} Based on the exchange rate of the Philippine Peso (“PHP”) to ₹ as on December 31, 2018 rounded off to two decimal places (1 PHP = ₹1.32) (source: www.oanda.com).

22. One of our Promoter Selling Shareholders has encumbered their Equity Shares with a deposit accepting housing finance company. Any exercise of such encumbrance by such deposit accepting housing finance company could dilute the shareholding of such Promoter and consequently dilute the aggregate

shareholding of our Promoters, which may materially and adversely affect our business and financial condition.

52.43% of our Equity Shares, held by SPCPL, as on the date of this Draft Red Herring Prospectus are pledged in favor of a deposit accepting housing finance company. Any default under the agreements pursuant to which these Equity Shares have been pledged will entitle the pledgee to enforce the pledge over these Equity Shares. If this happens, the aggregate shareholding of the Promoters may be diluted and we may face certain impediments in taking decisions on certain key, strategic matters. As a result, we may not be able to conduct our business or implement our strategies as currently planned, which may materially and adversely affect our business and financial condition. Further, any rapid sale of Equity Shares by such third parties may materially and adversely affect the price of the Equity Shares.

Further, as detailed in “*Risk Factors – We depend on SWPL for certain services as a result of the Demerger and we may encounter difficulties adjusting to operating as a separate company after the Demerger, which may materially and adversely affect our business, financial condition, cash flow, prospects and results of operations.*” on page 34 of this Draft Red Herring Prospectus, we believe that we benefit in reputational terms with customers, as well as in terms of access to capital, credit ratings and industry talent, as a result of being a part of the SP Group. Any dilution in the shareholding of the SP Group in our Company may have a material adverse effect on us, our business and our financial condition including our reputation and ability to access capital, credit ratings and industry talent.

23. *Our business, financial condition and results of operations could be materially and adversely affected by strikes, work stoppages and/or increased wage demands by our employees or any other kind of dispute with our employees and other workers.*

We had 1,179 full-time employees as at December 31, 2018. None of our employees are members of labor unions and we have had no instances of strikes or labor unrest since we commenced operations. However, we cannot guarantee that our employees will not join labor unions in the future and as a result we may experience disruptions in our operations due to disputes or other problems with our workforce. Efforts by our employees to modify compensation and other terms of employment may also divert management’s attention and increase operating expenses or lead to delays in executing our solar power projects, which may result in penalties under our EPC contracts. The occurrence of such events could materially adversely affect our business, financial condition and results of operations.

From time to time, we also enter into contracts with subcontractors and other independent contractors to complete specific assignments and these subcontractors are required to provide the labor necessary to complete such assignments. We do not have control over their day-to-day affairs. Although we do not engage these laborers directly, it is possible under the local laws of the countries in which we operate, that we may be held responsible for wage payments to laborers engaged by subcontractors should the subcontractors default on wage payments. Any requirement to fund such payments may materially and adversely affect our business, financial condition and results of operations.

24. *Our operations may cause injury to people or property and therefore could subject us to significant disruptions in our business, legal and regulatory actions, costs and liabilities which could materially and adversely affect our business, financial condition and results of operations.*

Our operations require our employees and other workers to work under potentially dangerous circumstances. Our operations could lead to mechanical and electrical failures due to improper installation of components and power cables, accidents or malfunctions at project sites, including malfunctions of port facilities, rail and road connectivity to project sites, corrosion of equipment and weather-related or other risks related to structural integrity post-commissioning. Operation of equipment and machinery can be dangerous and may cause significant personal injury to our employees or other persons, severe damage to and destruction of property, plant and equipment, and contamination of, or damage to, the environment. For example, an employee working on the construction of our solar project in South Africa was fatally injured in a workplace accident. Such situations could significantly disrupt our operations, subject us to legal and regulatory actions and additional costs and liabilities, which could materially and adversely affect our business, financial condition and results of operations.

25. *Environmental obligations and liabilities could have a material adverse effect on our business, financial condition, cash flow, and results of operations.*

Our operations involve the use, handling, generation, processing, storage, transportation, and disposal of certain materials during the construction process of solar power projects. We are subject to extensive environmental laws and regulations at local, state, national, and international levels and, during the project construction process, we often prepare environmental impact assessment reports as part of the permitting process. We have to obtain certain environmental permits in order to conduct our business. These environmental laws and regulations include those governing the discharge of pollutants into the air and water, the use, management, and disposal of certain materials, the cleanup of work sites and occupational health and safety. As we execute our long-term strategic plans and expand our business into foreign jurisdictions worldwide, our environmental compliance burden may continue to increase both in terms of magnitude and complexity. We have incurred and may continue to incur significant costs in complying with these laws and regulations. In addition, violations of, or liabilities under environmental laws or permits may result in restrictions being imposed on our operating activities or in our being subjected to substantial fines, penalties, criminal proceedings, third-party property damage or personal injury claims, cleanup and/or other costs. Such solutions could also result in substantial delay to or the termination of projects under construction within our systems business, which could materially and adversely affect our results of operations. While passage of climate change legislation or other regulatory initiatives that regulate or restrict emissions of greenhouse gases may encourage use of solar power and accordingly increase demand for our projects and services, this could also cause us to incur additional direct costs in complying with any new environmental regulations during our engineering and construction processes, as well as increased indirect costs resulting from our customers and/or suppliers, incurring additional compliance costs that get passed on to us. Future developments such as more aggressive enforcement policies, the implementation of new, more stringent laws and regulations or the discovery of currently unknown environmental conditions may entail additional costs that could have a material adverse effect on our business, financial condition, cash flow and results of operations.

26. *As a significant percentage of our sales are denominated in foreign currency, we are exposed to currency translation and transaction risks which may have a material adverse effect on our business, financial condition and results of operations.*

The Indian Rupee has been volatile and, in 2018, the Indian Rupee was ₹65.87 compared to one US\$ and ₹79.48 compared to one Euro. Although our reporting currency is the Indian Rupee, we conduct certain business operations and incur costs, such as local manpower and equipment leasing costs, in the local currency of most countries in which we operate. In addition, payments under most of our EPC contracts with our customers outside India are denominated in U.S. dollars and certain acquisitions and equity investments are made in foreign currency. As a result, we are subject to currency translation and transaction risk. Because our financial results are reported in Indian Rupees, if we generate revenue or earnings in other currencies, the translation of those results into Indian Rupees can result in a significant increase or decrease in the amount of those revenues or earnings. Further, to the extent that we are unable to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations between such currencies could have a material adverse effect on our liquidity or our ability to efficiently utilize our working capital. Therefore, volatility in currency exchange rates may have a material adverse effect on our business, financial condition and results of operations.

In conducting our business, we also use various derivative and non-derivative instruments to manage risks arising from fluctuations in exchange rates, interest rates and commodity prices. Such instruments are used for risk management purposes only and, in the last few years, their use has been very limited. However, we cannot assure you that we will be able to successfully hedge our risks or that we will not incur such losses in the future.

27. *We may not have sufficient insurance coverage to cover all possible economic losses. If we incur an uninsured loss or a loss that significantly exceeds the limits of our insurance policies, the resulting costs may have a material adverse effect on our business, financial condition and results of operations.*

Our operations carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and machinery and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain robust insurance coverage, in amounts we believe are commercially appropriate, including insurance against damage, loss of profit and business interruption, marine inland transit

and third party liability insurance with respect to our assets. However, such insurance may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. Even where we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. If our losses significantly exceed our insurance coverage or cannot be recovered through insurance, our business, financial condition and results of operations could be materially and adversely affected.

In addition, we are obliged to maintain insurance policies under the majority of our EPC contracts and a failure to maintain adequate insurance coverage could trigger an event of default thereunder. However, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable, in particular, if our premium levels increase significantly when we renew our insurance policies. If we are unable to pass increased insurance costs onto our customers, the costs of higher insurance premiums could have a material adverse effect on our business, prospects, financial condition and results of operations. Furthermore, the occurrence of an event for which we are not adequately or sufficiently insured or for which insurance is not available in the market, or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have a material adverse effect on our business, financial condition and results of operations. See “*Our Business- Insurance*” on page 134 of this Draft Red Herring Prospectus for more details.

28. *Our financial information and certain key performance indicators prior to the Demerger may not be representative of our results as an independent company.*

We began our operations in 2011 as the Solar EPC Division of SWPL and demerged from SWPL with effect from the Appointed Date. We were incorporated on March 9, 2017. As a result, our Restated Consolidated Summary Financial Information for the period from March 9, 2017 to March 31, 2018, to which we refer as “Fiscal 2018”, and for the nine months ended December 31, 2017 and December 31, 2018 were prepared on an actual basis after the Demerger. For comparative purposes, we have prepared Carved Out Combined Financial Statements for the two financial years prior to the Demerger, Fiscals 2016 and 2017, on a “carve-out” basis as if we had been in existence as a standalone company since April 1, 2015 and as at March 31, 2016 and 2017. Similarly, certain key performance indicators for Fiscals 2016 and 2017 are presented on a carve-out basis. We have made numerous estimates, assumptions and allocations in our financial information and key performance indicators as SWPL did not account for us, and we did not operate, as a standalone business for any period prior to April 1, 2017. The use of such assumptions and estimates means that the Restated Consolidated Summary Financial Information, Carved Out Combined Financial Statements or key performance indicators for periods prior to our Demerger presented in this Draft Red Herring Prospectus may not be representative of what our financial condition, results of operations and cash flow would have been had we been a separate standalone entity during the periods presented. Furthermore, neither the Restated Consolidated Summary Financial Information nor the Carved Out Combined Financial Statements cannot be used to forecast or accurately predict our future performance with any degree of certainty.

29. *We are required to obtain prior consent from our lenders under some of our financing agreements before undertaking certain actions. Our inability to meet our obligations, conditions and restrictions imposed by our financing agreements could materially and adversely affect our ability to conduct our business and operations. Furthermore, our operations are subject to certain restrictions imposed by SWPL’s existing working capital facility that may limit our flexibility in operating our business and may result in a material adverse effect on our business and financial conditions.*

As on March 31, 2019, our aggregate outstanding borrowings (on a consolidated basis) were ₹74,401.72 million which comprised of facilities that we directly availed and facilities utilised within the combined banking limits sanctioned to SWPL (the “**SWPL Facilities**”).

The outstanding borrowings directly availed by us (on a consolidated basis) as on March 31, 2019 aggregate ₹31,298.49 million. The documentation in relation to working capital facilities directly availed by us contains, and documents governing our future indebtedness may contain, numerous financial and operating covenants that may limit the discretion of management with respect to certain business matters. These covenants place

restrictions on, among other things, our ability to: effect any change in the nature of our business or undertaking any new business, operations or projects; effect any change in our capital structure; undertake or permit any reorganization, amalgamation, reconstruction, takeover, substantial change of ownership or shareholding or any other scheme of arrangement or compromise affecting our present constitution; effect any change in the management set-up; change the practice with regard to remuneration of directors; make any alteration to the Memorandum of Association or Articles of Association attempting or purporting to alienate or create any mortgage, charge, pledge, hypothecation or lien or encumbrance over our assets; and undertake guarantee obligations or extend letters of comfort on behalf of any other company, person, trust or any third party. Our existing debt financing agreements also require, and documents governing our future indebtedness may require, us to meet certain financial ratios and tests.

Further, as on March 31, 2019, we have utilised facilities aggregating to ₹43,103.23 million in connection with our business from the SWPL Facilities. The process for the split of the SWPL Facilities and related documentation is currently ongoing. We cannot assure you that we will be able to negotiate more favourable terms with the lenders in connection with the limits sanctioned to us from the SWPL Facilities as compared to the existing terms.

Our ability to comply with these and other provisions of the existing or future debt agreements is dependent on our future performance, which will be subject to many factors, some of which are beyond our control. The breach of any covenants applicable to us or non-compliance with any of financial ratios and tests applicable to us could result in an event of default under the existing debt agreements, which, if not cured or waived, could result in acceleration of the related debt and the acceleration of debt under other debt instruments that may contain cross-acceleration or cross-default provisions. Further, variable rate indebtedness subjects us to the risk of higher interest rates, which could cause our future debt service obligations to increase significantly and may impair our ability to raise future debt or impede business operations.

30. *This Draft Red Herring Prospectus contains information from BloombergNEF and industry reports, which we have commissioned from CRISIL Research and IHS Markit.*

The information in this section and the sections entitled “*Summary of the Offer Document*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*” on pages 22, 115, 406 and 97, respectively, of this Draft Red Herring Prospectus includes information that is derived from BloombergNEF and certain industry reports by CRISIL Research and IHS Markit that we commissioned in connection with the Offer for the purpose of confirming our understanding of the industry. Neither we, nor any of the Book Running Lead Managers, their associates or affiliates or any other person connected with the Offer has verified the information provided by BloombergNEF or included in the industry reports of CRISIL Research and IHS Markit. CRISIL Research and IHS Markit have advised that while they have taken due care and caution in providing the information and in preparing the reports, as applicable, based on information obtained from sources which they consider reliable, they in no way guarantee the accuracy, adequacy or completeness of the industry reports or the data therein and are neither responsible for any errors or omissions nor for the results obtained from the use of the information derived from the industry reports. The information derived from BloombergNEF and the industry reports highlight certain industry and market data relating to us and our competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in our industry, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions inherent in the information provided by BloombergNEF, CRISIL Research or IHS Markit are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry reports are not a recommendation to invest or disinvest in us or any company to which reference is made in the industry reports. CRISIL Research and IHS Markit have each stated that they disclaim responsibility for any loss or damage arising from the use of the industry information or industry reports, as applicable. You are advised not to unduly rely on the industry reports or industry information when making your investment decision.

31. *We recognize revenue based on the ‘Percentage of Completion Method’ of accounting on the basis of our management’s estimates of the project cost. Changes to applicable accounting standards that alter the Percentage of Completion Method may materially and adversely affect our operations.*

We recognize revenue generated from our projects on the basis of the ‘Percentage of Completion Method’ of accounting. Under this method, revenues from sales are recognized as a percentage of the actual project cost incurred against the total estimated cost of the project. Although this method of accounting is widely used in

the industry, we cannot assure you that these estimates will match the actual costs incurred with respect to the projects. The effect of such changes to estimates, is recognized in the financial statements of the period in which such changes are determined. Therefore, our revenue recognition is based on the number of projects that qualify for such revenue recognition that are under execution during a period. This may lead to significant fluctuations in our revenues in accounting periods. Currently, we follow accounting standards prescribed under applicable laws. In the event of any change in law or IndAS, which results in a change to the method of revenue recognition, the results of our operations may be materially and adversely affected.

32. We have availed ourselves of certain borrowings which may be recalled by our lenders at any time. Any such recall of borrowings may have a material adverse effect on our business, cash flow, financial condition and results of operations.

We and one of our Subsidiaries, Sterling and Wilson International Solar FZCO have utilized certain financing facilities outstanding (including secured cash credit facilities and working capital demand loans), which may be recalled by the lenders at any time during the tenor of such facilities with or without the existence of an event of default. In the event that a lender or a combination of lenders, seeks a repayment of such facilities, we would have to explore alternative sources of financing, which may not be immediately available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not be able to meet our working capital requirements. As a result, any such recall of our borrowings may materially and adversely affect our business, cash flow, financial condition and results of operations.

33. We have, and may continue to have, negative cash flows from operating activities

The following table sets forth a summary of our Statement of Cash Flows for the periods indicated:

	For the Year Ended March 31,			For the Nine Months Ended December 31,	
	2016	2017	2018*	2017	2018
	<i>(₹ in million)</i>				
	SWPL – Solar EPC Division (Prior to Demerger)		Sterling and Wilson Solar Limited (Post-Demerger)		
Net cash flows generated from/(used in) operating activities	598.21	(3,186.38)	2,510.58	3,323.54	(7,671.20)
Net cash flows generated from/(used in) investing activities	(47.33)	(20.59)	(187.42)	14.11	(7,075.49)
Net cash flows generated from/(used in) financing activities	(548.78)	3,242.66	(1,409.72)	(3,025.82)	16,046.10
Cash and cash equivalents at the end of the period	2.10	37.64	954.66	351.92	2,301.15

* For the period from March 9, 2017 to March 31, 2018.

For further details, see “Restated Consolidated Summary Financial Information”, “Carved Out Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 196, 321 and 406, respectively, of this Draft Red Herring Prospectus. We cannot assure you that our net cash flows will be positive in the future.

34. Our investments in certain countries are subject to foreign ownership and investment restrictions which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to foreign ownership and investment restrictions in some of the jurisdictions in which we operate and those into which we intend to expand. This may affect our ability to assert operational control over such operations or to expand our operations in these jurisdictions. For example, we are subject to foreign ownership laws which provide that nationals must hold a certain percentage of the shares of our subsidiaries incorporated in each of the United Arab Emirates (“UAE”). UAE law contains local ownership requirements stating that nationals of the UAE must, directly or indirectly, be the legal/registered owners of at least 51% of the share capital of UAE companies and accordingly foreign investors cannot acquire more than 49% of such share capital. Companies which are registered in a free zone in the UAE are exempt from this requirement and may be 100% non-UAE-owned. One of our UAE-based subsidiaries, Sterling and Wilson Middle East Solar LLC, is directly held by our wholly-owned subsidiary, Sterling and Wilson International Solar FZCO, a free zone company, which is considered a foreign entity under UAE law and may not hold

more than 49% of Sterling and Wilson Middle East Solar LLC. In order to secure beneficial ownership of our UAE operations above the UAE foreign ownership restriction threshold, we have adopted the approach taken by many non-UAE-owned companies operating in the UAE by implementing a commonly used nominee arrangement whereby Sterling and Wilson FZCO holds 49% of the share capital of Sterling and Wilson Middle East Solar LLC and the remaining 51% is held by a UAE national, Mr. Ahmed Mohammed Jassim Aljassim, for our benefit. Our ownership structure for Sterling and Wilson Middle East Solar LLC could be unilaterally challenged before a UAE court, which could decide that the ownership structure violates public policy, morals or law in the UAE. There could be a number of adverse implications for us if our nominee arrangements and ownership structure for Sterling and Wilson Middle East Solar LLC were to be successfully challenged or an enforcement action initiated, including our beneficial ownership through the trust and sponsorship arrangements being deemed void, which could result in a loss of revenue from the Sterling and Wilson Middle East Solar LLC and could have a material adverse effect on our business, financial condition and results of operations.

- 35. *An increase in interest rates or tightening of the supply of capital in the global financial markets could make it difficult for our customers to finance their solar power projects, potentially reducing the demand for our services and solutions which may have a material adverse effect on our business, financial condition and results of operations. Further, such conditions could also impact our ability to obtain funding at optimal costs.***

Many of our customers depend on debt and/or equity financing to fund the initial capital expenditure requirement to develop, engineer and build their solar power projects. As a result, an increase in interest rates, or a reduction in the supply of project debt financing or tax equity investments, could reduce the number of solar power projects that receive financing or could otherwise make it difficult for our customers to secure the financing they require. This could result in us receiving fewer services and solutions orders, which could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic, political and market conditions may adversely affect the availability and terms of short and long-term funding, volatility of interest rates, the credit quality of our counterparties, currency exchange rates and inflation. Our borrowing costs and access to capital may be adversely affected if our corporate credit rating or the credit ratings assigned to our debt are downgraded.

- 36. *Cyber security risks, breaches and/or malfunction of any of our systems could disrupt our operations and could materially and adversely affect our business, financial condition and results of operations.***

We rely on our information technology systems for our operations and their reliability and functionality is critical to our business success. Our growing dependence on our IT infrastructure, applications and data has caused us to have a vested interest in its reliability and functionality which can be affected by a number of factors, including, but not limited to, the increasing complexity of the IT systems, frequent change and short life span due to technological advancements and data security. If our IT systems malfunction or experience extended periods of downtime, we may not be able to run our operations safely or efficiently. We are subject to cyber security risks and may incur costs to minimize those risks. Cyber security breaches, such as unauthorized access, accidents, employee errors or malfeasance, computer viruses, computer hackings or other disruptions could compromise the security of our data and infrastructure, thereby exposing such information to unauthorized access by third parties. Techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not recognized until launched against a target. We may be required to deploy significant capital and other resources to remedy, protect against or alleviate these and related problems, and we may not be able to remedy these problems promptly, or at all. Any security breaches that occur could disrupt our operations, increase our security costs, or expose us to potential losses due to data corruption or information leakage, which could have a material adverse effect on our business, financial condition and results of operations.

Further, any damage or system failure that causes interruptions or delays in the input, retrieval or transmission of data could disrupt our normal operations and possibly interfere with our ability to undertake projects pursuant to the requirements of our contracts. Should such an interruption or delay occur, we can neither assure you that it will not result in the loss of data or information that is important to our business nor that we will be able to restore our operational capacity within a sufficiently adequate time-frame to avoid disruptions to our business. If our systems malfunction or experience extended periods of downtime, we will not be able to run our operations safely or efficiently. We may suffer losses in revenue, reputation, volume of business, and our business, financial condition and results of operation may be materially and adversely affected.

- 37. *We may infringe the intellectual property rights of others and we may face claims that may be costly to resolve and/or limit our ability to use such technology in the future which may have a material adverse effect on our business, financial condition and results of operations.***

As we expand our business, third parties may assert that our technologies or techniques violate their intellectual property rights. Successful intellectual property claims against us could result in significant financial liability or prevent us from operating all or part of our business. Despite our efforts to comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our technologies, obtain additional licenses or cease significant portions of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of their merits, such claims could materially and adversely affect our relationships with current or future customers, result in costly litigation, cause product shipment delays or stoppages, divert management's attention and resources, subject us to significant liabilities, require us to enter into additional royalty or licensing agreements or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

- 38. *Our Registered and Corporate Office is located on leased premises. We cannot assure you that the lease agreement will be renewed upon termination or that we will be able to lease other premises on the same or similar commercial terms.***

We do not own the premises upon which our Registered and Corporate Office is located. We have been authorized to use such premises by a member of our Promoter Group, Transtel Utilities Private Limited, pursuant to their letter dated June 11, 2018. We cannot assure you that we will be able to retain and possession of the premises on the same or similar terms or at all, or find an alternative location on similar terms favorable to us, or at all.

In addition, free zone entities in Dubai are required to enter into lease agreements for leasing business premises procure regulation and approvals. Any failure to maintain these lease agreements or approvals by Sterling and Wilson International Solar FZCO could cause its license to be challenged by the authorities, which could even be cancelled for continued failure to maintain these lease agreements and approvals, and could materially impact our operations in the Middle East and North Africa region, and have an adverse impact on our financial condition, business and results of operations.

External Risks

- 39. *Our business operates in many locations around the world and relies on global supply chains. The occurrence of various sociopolitical and/or environmental events may disrupt our operations which may have a material adverse effect on our business, financial condition and results of operations.***

We currently have a presence in 26 countries globally and the occurrence of external social and political and/or environmental events, including, but not limited to, civil unrest, acts of terrorism and war, regional and global political or military tensions, strained or altered foreign relations, protectionism, strikes, flooding, drought, fire, earthquake, sandstorm, high velocity wind, tsunami and pandemic, in those territories and in other territories involved in our supply chains, may disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations.

- 40. *The solar power industry is heavily influenced by government regulations and policies. Any changes in such regulations and policies, including any reduction, modification, delay or elimination of economic incentives in the solar power industry may have a direct impact on our business and could have a material adverse effect on our business, prospects, financial condition and results of operations.***

The cost of solar energy currently exceeds, and we believe will continue to exceed in the near term, the cost of conventional fossil fuel energy and certain non-solar renewable energy, particularly in light of low oil prices in recent years. For example, according to IHS Markit, in both India and the United States, the levelized cost of electricity (a measure used to calculate the average total cost of producing electricity over a 25-year system lifetime) of solar PV systems remains higher than other traditional sources of energy such as coal and gas. Many governments have recognized solar power as a viable alternative to conventional power, as demonstrated by the establishment of the International Solar Alliance ("ISA") in 2016, and have as a result, used policy initiatives to encourage or accelerate the development and adoption of solar power and other renewable energy sources. The solar power industry is heavily influenced by government regulations and

policies, as well as policies adopted by electric utilities companies. Examples of government-sponsored financial incentives to promote solar power include capital cost rebates, feed-in tariffs, tax credits, net metering and other incentives to end-users, distributors, system integrators and manufacturers of solar products. For example, in India, complementary central and state government policies, such as the National Tariff Policy in 2016 together with infrastructure support through the Solar Park Policy in 2014 has continued to drive growth of the solar power industry. Similarly, in Africa and the Middle East, government initiatives, such as South Africa's Renewable Energy IPP Procurement Programme and Dubai's Clean Energy 2050 plan, have also driven the solar power industry's growth. However, government incentive programs are expected to gradually decrease in scope or be discontinued as solar power technology improves and becomes more affordable relative to other types of energy. Governments may reduce or eliminate existing incentive programs for political, financial or any other reasons, which is difficult for us to predict. In addition, an economic downturn could impair the fiscal ability of some governments to maintain existing incentive programs or to offer new incentive programs. Electric utilities companies that do not use solar energy and that have significant political lobbying power may also seek legislative changes in their markets that may materially and adversely affect the development and commercial acceptance of solar power. Until the solar power industry reaches such a scale that it becomes cost-effective on non-subsidized basis, a significant reduction in the scope or discontinuation of government incentive programs could reduce demand for solar power projects and, as a result, cause a decrease in the demand for our services and solutions, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

41. Changing laws, rules and regulations and legal uncertainties, including adverse interpretation or application of tax laws and regulations, may materially and adversely affect our business, prospects, future financial performance, the trading price of the Equity Shares, financial condition and results of operations.

Currently, we have a presence across 26 countries. We use our subsidiaries and branch offices (which include SWPL's branch offices) globally for our operations. As a result, our business, prospects, financial condition and results of operations could be materially and adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India and other countries, applicable to us and our business, including potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate, or implementation of potential tariffs and other barriers to trade.

Governmental and regulatory bodies in India and other countries may enact new regulations or policies, which may require us to obtain approvals and licenses from applicable governments and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are in the process of obtaining. Any such changes and the related legal uncertainties with respect to the implementation of new regulations or owing to the overlap of different legal regimes may have a material adverse effect on our business, prospects, financial condition and results of operations.

For example, in India, as of July 1, 2017, a national goods and service tax ("GST") replaced taxes levied by central and state governments with a unified tax regime in respect of certain goods and services for the whole of India. However, given the recent introduction of the GST in India, there is no well-established practice regarding the implementation of, and compliance with, GST. Further, as GST is implemented, we cannot assure you that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. As the taxation system in India will see significant changes as a result of GST, its consequent effects cannot be determined at present and we cannot assure you that such effects will not have a material adverse effect our business, future financial performance and the trading price of the Equity Shares.

The application of GST and other applicable laws, rules and regulations to our business or to our equipment suppliers, now or in the future, may be subject to interpretation by relevant authorities, and, if amended or notified, could result in increased tax payments to us (prospectively or retrospectively) or to our equipment suppliers (thereby increasing their costs and the rates they charge us for their services), which could affect our business, prospects, financial condition and results of operations. Further, there is a risk that the Indian Income Tax Department may assess our tax liability to be materially different from the provision that we have carried in our books for the past periods.

42. Changes in international trade policies and the imposition of trade barriers or anti-dumping duties on solar equipment imports may increase our costs and materially and adversely affect our margins, growth prospects and results of operations.

Changes in international trade policies, increases or changes in duties, quotas, tariffs and other trade restrictions may affect our ability to import raw materials from suppliers in certain countries. The Ministry of Finance of the Government of India recently imposed a safeguard duty at the rate of 25% *ad valorem* minus anti-dumping duty payable on the import of solar panels from July 30, 2018 to July 29, 2019 (inclusive), which will be lowered to a safeguard duty at the rate of 20% from July 30, 2019 to January 29, 2020 (inclusive) and 15% for the six months from January 30, 2019 to July 29, 2020 (inclusive). Such safeguard duty will not apply to import of solar panels from countries notified as developing countries by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, pursuant to notification no. 19/2016-Customs (N.T.) dated February 5, 2016, as amended except the People's Republic of China and Malaysia. While certain solar power producers approached the High Court of Orissa and obtained an interim stay on July 23, 2018, the Supreme Court of India overturned this order on September 10, 2018, and accordingly, while the proceedings remain ongoing, the safeguard duty continues to be in effect.

Further, pursuant to the Public Procurement (Preference to Make in India) Order, 2017 dated June 15, 2017 issued by the DIPP (the "**Make in India Order**") to promote the manufacture and production of goods and services in India, with a view to enhancing income and employment, the Ministry of New and Renewable Energy, Government of India ("**MNRE**") issued the Memorandum of Implementation of Public Procurement (Preference to Make in India) Order for Renewable Energy Sector, dated December 11, 2018 ("**Make in India Renewable Energy Order**"), directing all departments, attached offices or subordinate offices of the MNRE or autonomous bodies controlled by the Government of India or government companies (as defined under the Companies Act) to adhere to the Make in India Order with respect to all of their procurements. Grid-connected solar power projects, apart from civil construction, central ministries, departments, and central public sector undertakings, are required to give preference to domestically manufactured components, with solar PV modules required to be 100% locally manufactured and other components such as inverters required to be at least 40% locally manufactured. With respect to off-grid or decentralized solar power projects (apart from civil construction projects) the requirement of local content in solar street lights, solar home lighting systems, solar power packs or micro grids, solar water pumps, inverters, batteries and any other solar PV balance of system is at least 70%. However, products purchased for research and development purpose or demonstration projects are exempt from the Make in India Renewable Energy Order. If the procurement exceeds ₹100 million, the local supplier would be required to provide a certificate from the statutory or cost auditor of the company or from a practicing cost or chartered accountant, giving the percentage of local content.

In September 2018, the President of the United States announced the imposition of tariffs of 10% to a list of imports from China that includes PV inverters and module level power electronics. These tariffs were originally scheduled to increase to 25% on January 1, 2019, but the increase has been delayed while negotiations between the United States and China continue. Our various inverter suppliers are still determining how they will manage these tariffs. We are currently seeing various responses to the 10% tariff, ranging from no price increases to passing on the majority of the tariff to the purchaser. We are also seeing a disparity in supplier pricing in relation to the potential implementation of the 25% tariff. Additionally, it remains unclear whether the tariff applies to all components that accompany an inverter, or just the inverter itself.

Such measures could further increase the cost to us of solar panels and other system components and any ability to pass on these costs to our customers could potentially cause a material adverse effect on our costs, results of operations and business prospects. If we are required to pay higher prices, accept less favorable terms or purchase solar modules or other system components from alternative, higher-priced sources, or if supply is otherwise constrained, our costs may increase significantly and it may be less economically beneficial for us to serve certain markets, which would materially and adversely affect our margins, results of operations and growth prospects.

43. Financial instability in other countries may cause increased volatility in Indian financial markets and may have a material adverse effect on our business and the trading price of the Equity Shares.

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in

Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, materially and adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could materially and adversely affect our business, prospects, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, as China is one of India's major trading partners, there are rising concerns regarding the United States limiting trade and/or imposing a tariff on imports from China and of a possible slowdown in the Chinese economy. Such factors might also result in a slowdown in India's export growth momentum and could materially and adversely affect our operating results and financial performance.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have a material adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares. Adverse economic developments overseas in countries where we have operations could have a material adverse effect on our business and the trading price of the Equity Shares.

44. Any constraints in the availability of the electricity grid, including our inability to obtain access to transmission lines in a timely and cost-effective manner, could materially and adversely affect our business, results of operations and cash flow.

Solar power projects and our customers rely on transmission lines and other transmission and distribution facilities to transmit power to electricity grids. If transmission and distribution networks are not readily available, which is the case in certain countries in which we operate, we engage contractors to build transmission lines and other related infrastructure, which may extend project timelines and increase project costs. Transmission and distribution facilities are typically owned and operated by state governments or public entities and in many of the countries in which we operate, including India, power transmission infrastructure, including the electricity grid, is less developed than in many more developed countries. As a result, the transmission and dispatch of the full output of our renewable energy assets may be curtailed due to fluctuating power voltages, causing grid constraints, such as grid congestion and restrictions on transmission capacity of the grid. Due to less developed grid infrastructure where our energy assets are established, the electricity generated by solar power projects in such areas may cause frequency disturbances that may lead to power curtailments, a limitation that we currently face. Such events could reduce the net power generation of renewable energy assets. If construction of renewable energy assets outpaces transmission capacity of electricity grids, we may be dependent on the construction and upgrade of grid infrastructure by the government or public entities of those countries. We cannot assure you that the relevant government or public entities will do so in a timely manner, or at all, which in turn could have a material adverse effect on the solar power industry, and consequently on our business, results of operations and cash flow.

- 45. *If global inflation rates were to rise, we may not be able to increase the prices of our services in order to pass costs on to our customers and our profits may decline. This may have a material adverse effect on our business, prospects, financial condition and results of operations.***

Global inflation rates have been volatile in recent years, and such volatility may continue in the future. According to CRISIL Research, inflation rates have risen strongly in regions like Africa, while in regions like India, the Middle East, the United States and South America, inflation rates are expected to remain moderate. Increasing inflation could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our services, and our business, prospects, financial condition and results of operations may therefore be materially and adversely affected.

- 46. *Significant differences exist between Indian Accounting Standards (“IndAS”) and other accounting principles, such as the generally accepted accounting principles in the US (“US GAAP”) and International Financial Reporting Standards (“IFRS”), which may be material to an investor’s assessment of our financial condition.***

The financial statements included in this Draft Red Herring Prospectus have been prepared in accordance with IndAS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from IndAS. Accordingly, the degree to which the IndAS financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

- 47. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have a material adverse effect on the trading price of, and returns on, our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend foreign investors receive. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have a material adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

- 48. *Government regulation of foreign ownership of Indian securities may have a material adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to regulation by the Government of India (“GoI”). In accordance with foreign exchange regulations currently in effect in India, under certain circumstances, the Reserve Bank of India (“RBI”) must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert Indian Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred will be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm’s length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase and/or limiting losses during periods of price decline. This may have a material adverse effect on the price of the Equity Shares.

Risks Related to the Offer

49. We will continue to be controlled by our Promoters after the completion of the Offer.

As of the date of this Draft Red Herring Prospectus, our Promoters hold 99.10% of our issued, subscribed and paid-up Equity Share capital. Upon completion of the Offer, our Promoters will continue to exercise control over us, which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters in their capacity as our Shareholders may conflict with your interests and the interests of our other shareholders.

50. We cannot assure payment of dividends on the Equity Shares in the future.

While any declarations of dividends will be at the discretion of our Board and subject to Shareholder approval as set out in the chapter entitled “*Dividend Policy*” on page 194 of this Draft Red Herring Prospectus, the amount of future dividend payments by us, if any, will depend upon our future earnings, financial condition, cash flow, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders.

51. After the Offer, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.

The price of our Equity Shares on the Stock Exchanges may fluctuate after the Offer as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about us or the solar power projects industry generally; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India’s economic liberalization and deregulation policies; and significant developments in India’s fiscal regulations. There has been no public market for our Equity Shares prior to the Offer and the price of the Equity Shares may fluctuate after the Offer.

If the stock price of the Equity Shares fluctuates after the Offer, investors could lose a significant part of their investment. As of the date of this Draft Red Herring Prospectus, there is no market for the Equity Shares. Following the Offer, the Equity Shares are expected to trade on the Stock Exchanges. We cannot assure you that active trading in the Equity Shares will develop after the Offer or, if such trading develops, that it will continue. Investors might not be able to sell the Equity Shares rapidly at the quoted price if there is no active trading in the Equity Shares.

52. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. A securities transaction tax (“**STT**”) is levied on and collected by an Indian stock exchange on which equity shares are sold. The Finance Act, 2018 has levied taxes on such long-term capital gains exceeding ₹0.10 million arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially exempt or exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain resulting from the sale of the equity shares.

53. The Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.

The Offer Price will be determined pursuant to the Book Building Process, and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be

influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

54. *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability company incorporated under the laws of India. The majority of our Directors are residents of India. A substantial portion of our assets and the assets of our Directors resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other

suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 2000 (“**FEMA**”) to execute such a judgment or to repatriate any amount recovered.

55. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Offer.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until closure of the Offer.

Therefore, QIBs and Non-Institutional Investors would not be able to withdraw or lower their Bids, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, between the dates of the submission of their Bids and the Allotment.

While we are required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the offer or cause the trading price of the Equity Shares to decline on listing.

56. *Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by any of our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors’ shareholdings in us. Any future issuances of Equity Shares (including under any employee benefit scheme) or the disposal of Equity Shares by any of our Promoters or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that shareholders will not dispose of Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

57. *We will not receive any proceeds from the Offer. Our Selling Shareholders will receive the entire proceeds from the Offer.*

This Offer comprises an offer for sale by the Promoter Selling Shareholders. The Net Proceeds from the Offer will be paid directly to the Promoter Selling Shareholders. We will not directly receive any Net Proceeds from the Offer and will accordingly not have direct access to such funds. However, the Promoter Selling Shareholders shall utilize a portion of the Net Offer Proceeds to fund partial repayment of loans due to our Company and Sterling and Wilson International Solar FZCO from SWPL and Sterling and Wilson International FZE (a subsidiary of SWPL), respectively.

SECTION III: INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Consolidated Summary Financial Information as of the end of and for the period from March 9, 2017 to March 31, 2018 and as of and for the nine months ended December 31, 2018 and December 31, 2017 and from the Carved Out Combined Financial Statements as of and for the Fiscals ended March 31, 2017 and March 31, 2016.

The summary financial information presented below should be read in conjunction with “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 195 and 406, respectively.

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Restated Consolidated Summary Statement of Assets and Liabilities pertaining to our Company and Audited Carved Out Combined Balance Sheet pertaining to the Sterling and Wilson Private Limited - Solar EPC Division

(in ₹ million)

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	As at March 31, 2016	As at March 31, 2017	As at March 31, 2018	As at December 31, 2017	As at December 31, 2018
	Assets				
Non-current assets					
Property, plant and equipment	60.95	76.11	202.15	188.06	261.48
Capital work-in-progress	-	-	28.74	10.17	-
Goodwill	-	-	-	-	34.73
Other intangible assets	5.65	8.75	10.36	9.92	15.37
Deferred tax assets (net)	10.2	111.14	110.23	124.24	252.12
Non-current tax assets (net)	4.77	12.31	10.21	-	-
Other non-current assets	-	-	53.95	56.11	17.05
Total non-current assets	81.57	208.31	415.64	388.5	580.75
Current assets					
Inventories	13.34	149.24	185.56	37.11	141.87
Financial assets					
(i) Investments	-	3.3	1.59	2.91	1.69
(ii) Trade receivables	4,682.59	6,480.05	18,214.70	12,687.55	14,068.17
(iii) Cash and cash equivalents	2.1	37.64	954.66	351.92	2,301.15
(iv) Bank balances other than cash and cash equivalents	307.2	71.03	86.67	2.27	266.18
(v) Loans	15.96	28.01	93.63	68.27	17,434.05
(vi) Derivatives	-	-	-	-	2.18
(vii) Other financial assets	1,832.00	3,296.15	10,298.76	10,276.03	1,913.88
Current tax assets (net)	-	-	9	8.39	8.17
Other current assets	197.45	511.61	18,943.60	11,878.75	11,155.20
Total current assets	7,050.64	10,577.03	48,788.17	35,313.20	47,292.54
Total assets	7,132.21	10,785.34	49,203.81	35,701.70	47,873.29
Equity and liabilities					
Equity					
Equity share capital	-	-	160.36	160.36	160.36
Other equity	-	-			
- Capital reserve on demerger	-	-	(1,817.37)	(1,817.37)	(1,817.37)
- Capital reserve	-	-	(16.5)	(16.5)	(16.5)
- Foreign currency translation reserve	-	-	(35.18)	13.06	(31.51)

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	As at March 31, 2016	As at March 31, 2017	As at March 31, 2018	As at December 31, 2017	As at December 31, 2018
	- Legal reserve	-	-	2.65	2.65
- Effective portion of cash flow hedge	-	-	-	-	-
- Retained earnings	-	-	3,671.95	904.20	7,102.08
Owners' net investment	(769.47)	566.15	-	-	-
Total equity attributable to owners of the Company	-	-	1,965.91	(753.6)	5,399.71
Total equity based on Owners' net investment	(769.47)	566.15	-	-	-
Non-controlling interests	-	-	(27.15)	(37.03)	(18.37)
Total equity	(769.47)	566.15	1,938.76	(790.63)	5,381.34
Non - current liabilities					
Financial liabilities					
Borrowings	0.02	0.02	0.02	0.02	0.02
Provisions	11.15	31.86	55.74	46.9	108.4
Total non - current liabilities	11.17	31.88	55.76	46.92	108.42
Current liabilities					
Financial liabilities					
(i) Borrowings	3.07	3,151.26	1,841.35	216.47	18,380.22
(ii) Trade payables					
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	8.58	35.57
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,738.47	4,625.98	37,397.94	24,778.90	16,649.29
(iii) Derivatives	31.88	194.49	104.21	191.32	-
(iv) Other financial liabilities	21.3	26.04	204.84	97.70	501.06
Other current liabilities	771.86	1,810.41	7,025.59	10,494.52	5,741.04
Provisions	321.41	379.13	551.97	464.63	744.69
Current tax liabilities (net)	2.52	-	83.39	193.29	331.66
Total current liabilities	7,890.51	10,187.31	47,209.29	36,445.41	42,383.53
Total equity and liabilities	7,132.21	10,785.34	49,203.81	35,701.70	47,873.29

Restate Consolidated Summary Statement of Profit and Loss pertaining to our Company and Audited Carved Out Combined Statement of Profit and Loss pertaining to the Sterling and Wilson Private Limited - Solar EPC Division

(in ₹ million other than share data)

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	For the period beginning March 9, 2017 to March 31, 2018	For the nine months period ended December 31, 2017	For the nine months period ended December 31, 2018
Income					
Revenue from operations	27,394.29	16,402.71	68,717.08	32,324.81	59,151.44
Other income	70.38	97.94	127.12	89.69	1,666.16
Total income	27,464.67	16,500.65	68,844.20	32,414.50	60,817.60
Expenses					
Cost of construction materials, stores and spare parts	18,871.09	11,760.15	53,734.49	23,670.55	44,489.18
Purchase of traded goods/ stock-in-traded goods	9.56	-	-	-	1,785.39
Changes in inventories of stock-in-trade	(13.34)	(129.68)	118.97	106.19	9.24
Direct project costs	5,204.02	2,640.57	7,336.27	4,730.95	7,341.49
Employee benefits expense	329.82	599.84	986.24	652.2	1,278.05
Other expenses	1,104.95	983.06	1,163.60	1,036.58	1,145.76
Total expenses	25,506.10	15,853.94	63,339.57	30,196.47	56,049.11
Adjusted Consolidated/Combined earnings before interest, tax, depreciation and amortisation, share of (loss) of equity accounted investees (net of income tax) (Adjusted EBITDA)	1,958.57	646.71	5,504.63	2,218.03	4,768.49
Share of (loss) of equity accounted investees (net of income tax)	-	(0.19)	-	-	-
Consolidated / combined earnings before interest, tax, depreciation and amortisation (EBITDA)	1,958.57	646.52	5,504.63	2,218.03	4,768.49
Finance costs	6.31	28.03	186.17	99.52	530.31
Depreciation and amortisation expense	9.34	15.66	31.68	21.67	55.78
Consolidated/Combined profit before income tax	1,942.92	602.83	5,286.78	2,096.84	4,182.40
Tax expense:					
Current tax	692.31	387.25	850.14	443.29	861.61
Current tax for earlier periods	-	-	-	-	28.22
Deferred tax (credit)	(3.02)	(98.74)	(68.71)	(80.07)	(141.73)
	689.29	288.51	781.43	363.22	748.1
Consolidated/Combined profit for the period after income tax	1,253.63	314.32	4,505.35	1,733.62	3,434.30
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss consolidated/ combined					
(i) Remeasurements of defined benefit liability	(0.78)	(6.35)	(2.46)	(12.75)	(2.24)
(ii) Income tax relating to the items that will not be reclassified to profit or loss	0.27	2.2	0.86	4.45	1.37

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	For the period beginning March 9, 2017 to March 31, 2018	For the nine months period ended December 31, 2017	For the nine months period ended December 31, 2018
Items that will be reclassified subsequently to profit or loss consolidated/ combined					
(i) Exchange differences in translating financial statements of foreign operations	(6.68)	(5.28)	(14.54)	34.5	4.87
(ii) Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	-	(33.12)	33.12	33.12	-
Other comprehensive income for the period, net of tax	(7.19)	(42.55)	16.98	59.32	4.00
Total comprehensive income for the period	1,246.44	271.77	4,522.33	1,792.94	3,438.30
Consolidated/Combined profit attributable to:					
Owners of the Company	1,253.63	314.32	4,521.76	1,760.71	3,431.00
Non-controlling interests	-	-	(16.41)	(27.09)	3.3
Consolidated/Combined profit for the period	1,253.63	314.32	4,505.35	1,733.62	3,434.30
Other comprehensive income attributable to:					
Owners of the Company	(7.19)	(42.55)	19.16	60.7	2.81
Non-controlling interests	-	-	(2.18)	(1.38)	1.19
Other comprehensive income for the period	(7.19)	(42.55)	16.98	59.32	4.00
Total comprehensive income attributable to:					
Owners of the Company	1,246.44	271.77	4,540.92	1,821.41	3,433.81
Non-controlling interests	-	-	(18.59)	(28.47)	4.49
Total comprehensive income for the period	1,246.44	271.77	4,522.33	1,792.94	3,438.30
Earnings per equity share					
Basic and diluted earnings per share (Rs)(face value of Rs 10 split into face value of Re 1 each post balance sheet date)	NA	NA	29.97	10.98	21.4

Restated Consolidated Summary Statement of Cash Flows pertaining to our Company and Audited Carved Out Combined Statement of Cash Flows pertaining to the Sterling and Wilson Private Limited - Solar EPC Division

(in ₹ million)

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	For the period beginning March 9, 2017 to March 31, 2018	For the nine months period ended December 31, 2017	For the nine months period ended December 31, 2018
A. Cash flow from operating activities					
Consolidated/Combined profit before tax	1,942.92	602.83	5,286.78	2,096.84	4,182.40
<i>Adjustments for :</i>					
Depreciation and amortisation expense	9.34	15.66	31.68	21.67	55.78
Provision for bad and doubtful debts	-	291.64	13.5	8.51	40
Write back of provision for bad and doubtful debts (net)	-	(5)	-	-	-
Bad debts written off	6.42	5	29.02	-	22.06
Loans and advances written off	0.04	0.6	2.54	0.63	-
Supplier balances written back	(0.13)	(3.17)	-	-	(12.55)
Provision for foreseeable losses	-	-	-	-	111.04
Provision no longer required written back	-	-	(9.3)	-	(14.5)
Profit/ (loss) on sale of property, plant and equipments (net)	-	0.01	(0.43)	-	-
Provision for onerous contracts	-	-	14.5	14.5	-
Finance costs	6.31	28.03	186.17	99.52	530.31
Interest income	(26.87)	(89.77)	(5.68)	(88.37)	(1,258.27)
Financial assets measured at FVTPL - net change in fair value	-	-	(108.81)	-	-
Provision for mark-to-market (gain)/ loss on derivative instruments (net)	19.5	13.62	57.6	133.96	(106.4)
Unrealised Foreign exchange loss/ (gain)(net)	-	(122.35)	64.63	45.76	163.1
Share of Loss of Associates	-	0.19	-	-	-
Operating profit before working capital changes	1,957.53	737.29	5,562.20	2,333.02	3,712.97
Changes in working capital :					
Decrease / (increase) in inventories	16.65	(135.89)	(36.32)	112.13	57.5
(Increase) / decrease in trade receivables	(3,447.88)	(2,010.49)	(10,337.15)	(6,035.34)	4,057.68
(Increase) in loans and advances	(13.95)	(12.59)	(50.02)	(40.89)	(190.82)
(Increase) in other current financial assets*	(4,119.96)	(541.42)	(22,553.54)	(11,352.20)	(672.77)
Decrease/ (increase) in other current assets	60.02	(362.42)	(5,136.19)	(10,304.71)	7,788.36

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	For the period beginning March 9, 2017 to March 31, 2018	For the nine months period ended December 31, 2017	For the nine months period ended December 31, 2018
Decrease in restricted cash	-	-	1.03	1.63	2.07
Increase/ (decrease) in trade payables, other current liabilities and provisions	6,190.30	(850.87)	35,846.70	28,877.59	(21,837.44)
Increase/ (decrease) in other non-current assets	-	-	-	(56.11)	36.9
Net changes in working capital	(1,314.82)	(3,913.68)	(2,265.49)	1,202.09	(10,758.52)
Cash flow (used in)/ generated from operating activities	642.71	(3,176.39)	3,296.71	3,535.12	(7,045.55)
Income tax (paid) (net)	(37.8)	(4.73)	(773.77)	(246.08)	(630.52)
Effects of exchange differences on translation of assets and liabilities	(6.7)	(5.26)	(12.36)	34.5	4.87
Net cash flow (used in)/ generated from operating activities (A)	598.21	(3,186.38)	2,510.58	3,323.54	(7,671.20)
B. Cash flow from investing activities					
Investment in government securities (net)	-	(3.3)	-	-	-
(Purchase) of property, plant and equipment, capital work in progress and intangible assets	(64.79)	(33.92)	(181.14)	(141.59)	(69.51)
(Investment in) / redemption of fixed deposits (net)	-	-	(16.66)	67.13	(181.59)
Proceeds from sale of property, plant and equipment	-	-	2.98	-	13.52
(Investment in) / redemption of treasury bills (net)	-	-	1.72	0.39	(0.1)
Interest received	26.87	11.12	5.68	88.18	17.18
Loans given to related parties*	-	-	-	-	(10,217.15)
Loans repaid by related parties	-	-	-	-	3,366.32
Acquisition of subsidiary	-	-	-	-	(4.16)
Decrease/ (increase) in bank balances other than cash and cash equivalents	(9.41)	5.51	-	-	-
Net cash (used in)/ generated from investing activities (B)	(47.33)	(20.59)	(187.42)	14.11	(7,075.49)
C. Cash flow from financing activities					
Proceeds from / (repayment) of secured short-term borrowings (net)	-	-	(1,309.90)	(2,934.78)	234.45
Proceeds from unsecured short-term borrowings	-	-	-	-	16,654.42
(Repayment) of unsecured short-term borrowings	(542.47)	(3.07)	-	-	(350)
Secured loans obtained (net)	-	3,273.76	-	-	-

Particulars	Pertaining to the SWPL-Solar EPC Division (as derived from the Carved Out Combined Financial Statements)		Pertaining to our Company (as derived from the Restated Consolidated Summary Financial Information)		
	Fiscal 2016	Fiscal 2017	For the period beginning March 9, 2017 to March 31, 2018	For the nine months period ended December 31, 2017	For the nine months period ended December 31, 2018
Payment of Equity Dividend tax	-	-	(2.82)	-	-
Finance costs paid	(6.31)	(28.03)	(97)	(91.04)	(492.77)
Net cash flow generated from/ (used in) financing activities (C)	(548.78)	3,242.66	(1,409.72)	(3,025.82)	16,046.10
Net movement in currency translation (D)	-	(0.15)	1.84	0.71	40.66
Cash and cash equivalents of subsidiaries acquired during the period	-	-	39.38	-	6.42
Net increase in cash and cash equivalents (A + B + C + D)	2.10	35.54	915.28	312.54	1,340.07
Cash and cash equivalents at the beginning of the period	-	2.1	-	39.38	954.66
Cash and cash equivalents at the end of the period	2.10	37.64	954.66	351.92	2,301.15

*during the period ended December 31, 2018, receivables from related party amounting to ₹ 3,278.14 million have been converted into loan.

THE OFFER

Offer comprising of the offer for sale by the Promoter Selling Shareholders ⁽¹⁾⁽²⁾	Up to [●] Equity Shares, aggregating up to ₹ 45,000 million
<i>Of which</i>	
Employee Reservation Portion ⁽³⁾	Up to [●] Equity Shares, aggregating to ₹[●] million
<i>Accordingly,</i>	
Net Offer	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Offer consists of:	
A) QIB Portion ⁽⁴⁾⁽⁵⁾	Not less than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Mutual Fund Portion	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽⁵⁾	Not more than [●] Equity Shares
C) Retail Portion ⁽⁵⁾	Not more than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	160,360,000 Equity Shares
Equity Shares outstanding after the Offer	160,360,000 Equity Shares
Utilisation of Net Proceeds	See “ <i>Objects of the Offer</i> ” beginning on page 84 for information about the use of the Net Proceeds. Our Company will not directly receive any proceeds from the Offer

(1) The Offer has been authorized by a resolution passed by our Board at its meeting held on April 1, 2019.

(2) The Equity Shares being offered by the Promoter Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. SPCPL has consented to participate in the Offer pursuant to a resolution of its board of directors dated February 25, 2019 and, pursuant to a consent letter dated April 1, 2019. Khurshed Yazdi Daruwala has consented to participate in the Offer pursuant to a consent letter dated April 1, 2019.

(3) Our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs, may offer a discount of [●]% (equivalent to ₹[●] per Equity Share) on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Employee Discount will be advertised in all newspapers wherein the pre-Offer advertisement will be published. For further details, see “Offer Procedure” on page 467. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to ₹500,000 (net of Employee Discount). Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer and be subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than in the QIB Category), spill over to the extent of such under-subscription shall be permitted to the Employee Reservation Portion subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.

- (4) *Our Company and the Promoter Selling Shareholders may, in consultation with the GCBRLMs and BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 467.*
- (5) *Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange. Further, a Bidder bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "Terms of the Offer" beginning on page 458.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "Offer Procedure" beginning on page 467.

For details of the terms of the Offer, see "Terms of the Offer" beginning on page 458.

GENERAL INFORMATION

Our Company was originally incorporated at Mumbai on March 9, 2017 as Rashmika Energy Private Limited, as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 10, 2017 issued by the RoC. Subsequently, the Solar EPC Division of Sterling and Wilson Private Limited was demerged into our Company pursuant to the order dated March 28, 2018 of the National Company Law Tribunal, Mumbai with the appointed date for the transfer of such Solar EPC Division being April 1, 2017. Thereafter, to reflect the association of our Company with the Sterling and Wilson group, the name of our Company was changed to Sterling and Wilson Solar Private Limited pursuant to the resolution passed by our Shareholders at their EGM held on March 29, 2018 and the certificate of incorporation pursuant to change of name was issued by the RoC on April 24, 2018.

Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an EGM held on January 11, 2019. Consequently, the name of our Company was changed to Sterling and Wilson Solar Limited and a fresh certificate of incorporation consequent upon conversion from private company to public company was issued by the RoC on January 25, 2019. For further details regarding the changes in our name and registered office, see “*History and Certain Corporate Matters*” at page 142.

Registered and Corporate Office

Sterling and Wilson Solar Limited

9th Floor, Universal Majestic
P.L. Lokhande Marg, Chembur (West)
Mumbai 400043.
Telephone no.: +91 22 2548 5300

Company registration number and corporate identity number

The registration number and corporate identity number of our Company are as follows:

- (a) **Registration number:** 292281
- (b) **Corporate identity number:** U74999MH2017PLC292281

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

100, Everest, Marine Drive
Mumbai 400 002.

Board of Directors

The Board of Directors of our Company comprises the following:

Name	Designation	DIN	Address
Khurshed Yazdi Daruvala	Chairman and Non-Executive Non-Independent Director	00216905	Unit 4101, Address Boulevard Dubai Residences, Mohammed Bin Rashid Boulevard, Downtown Dubai, PO Box 214477, Dubai, United Arab Emirates
Pallon Shapoorji Mistry	Non-Executive Non-Independent Director	05229734	Sterling Bay 103, Walkeshwar Road, Malabar Hill, Mumbai 400 006
Bikesh Ogra	Non-Executive Non-Independent Director	08378235	Villa B-105, Executive Towers Podium VI, Villa B-105 Happiness ST. PO Box 4321, Dubai, United Arab Emirates
Keki Manchersha Elavia	Independent Director	00003940	Flat no. 603, 36AB, 36 th Road, Bandra (West), Mumbai 400 050

Name	Designation	DIN	Address
Arif Saleh Doctor	Independent Director	08390169	S3003, The Imperial, B.B. Nakashe Marg, Tardeo, Mumbai 400 034
Rukhshana Jina Mistry	Independent Director	08398795	Flat no. 19, Rose Minar, 87, Chapel Road, Near Mount Carmel Church, Bandra (West), Mumbai 400 050

For further details in relation to our Directors, see “*Our Management*” beginning on page 160.

Company Secretary and Compliance Officer

Jagannadha Rao Ch. V. is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Jagannadha Rao Ch. V.

9th Floor, Universal Majestic
P.L. Lokhande Marg, Chembur (West)
Mumbai 400 043.
Telephone no.: +91 22 2548 5300
E-mail: ir@sterlingwilson.com

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the GCBRLMs and BRLMs, in the manner provided below.

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders’ DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the GCBRLM or BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Global Co-ordinators and Book Running Lead Managers

ICICI Securities Limited

ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020.
Telephone no.: +91 22 2288 2460
E-mail: swsl.ipo@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Suyash Jain/ Rishi Tiwari
SEBI Registration No.: INM000011179

Axis Capital Limited

Axis House, Level 1
C-2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Telephone no.: +91 22 4325 2183
E-mail: swsl.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mangesh Ghogle/Bhumika Gangar
SEBI Registration No.: INM000012029

Credit Suisse Securities (India) Private Limited

9th Floor, Ceejay House
Dr. Annie Besant Road, Worli
Mumbai 400 018.
Telephone no.: +91 22 6777 3885
E-mail: list.sterlingwilsonsolaripo@credit-suisse.com
Investor grievance e-mail: list.igcellmer-bnkg@credit-suisse.com
Website: www.credit-suisse.com
Contact Person: Nipun Jain
SEBI Registration No.: INM000011161

Deutsche Equities India Private Limited

The Capital, 14th floor
C -70, G Block, Bandra Kurla Complex
Mumbai 400 051
Telephone no.: +91 22 7180 4444
Email: swsl.ipo@db.com
Investor grievance e-mail:
Complaints.Deipl@db.com
Website: www.db.com/India
Contact Person: Viren Jairath
SEBI Registration No.: INM000010833

IIFL Holdings Limited

10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Telephone no.: +91 22 4646 4600
E-mail: sterlingwilson.ipo@iiflcap.com
Investor grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Devendra Maydeo/ Aditya Agarwal
SEBI Registration No.: INM000010940

SBI Capital Markets Limited

202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Telephone no.: +91 22 2217 8300
Email: swsl.ipo@sbicaps.com
Investor grievance email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Aditya Deshpande
SEBI Registration No.: INM000003531

Book Running Lead Managers

IndusInd Bank Limited

11th Floor, Tower 1, One Indiabulls Centre,
841, Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013
Telephone no.: +91 22 7143 2208
E-mail: joshi.rahul@indusind.com
Investor grievance e-mail:
investmentbanking@indusind.com
Website: www.indusind.com
Contact person: Rahul Joshi
SEBI Registration No.: INM000005031

YES Securities (India) Limited

IFC, Tower 1&2, Unit No. 602 A,
6th Floor, Senapati Bapat Marg,
Elphinstone (West),
Mumbai 400 013
Telephone no.: +91 22 3012 6776
E-mail: swsl.ipo@yesscuritiesltd.in
Investor grievance e-mail: igc@yesscuritiesltd.in
Website: www.yesinvest.in
Contact Person: Nikhil Bhiwapurkar / Ronak Shah
SEBI Registration No.: MB/INM000012227

Inter-se Allocation of Responsibilities among the GCBRLMs and BRLMs

The following table sets forth the inter-se allocation of responsibilities for various activities among the GCBRLMs and BRLMs for the Offer:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, etc.	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	I-Sec
2.	Due diligence of our Company's operations/management/business /legal etc., drafting and design of DRHP, RHP and Prospectus, abridged prospectus and application form. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing, follow up and co-ordination till final approval from all regulatory authorities	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	I-Sec
3.	Drafting and approval of statutory advertisement	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	I-Sec
4.	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	IIFL
5.	Appointment of Registrar to the Offer, Printers, Banker(s) to the Offer, Advertising agency etc (including coordinating all agreements to be entered with such parties)	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	Axis
6.	Preparation of road show presentation	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	CS
7.	Preparation of FAQs for the road show team	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	Deutsche
8.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> Finalizing the list and division of international investors for one-to-one meetings Finalizing international road show and investor meeting schedules 	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	CS
9.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> Finalizing the list and division of domestic investors for one-to-one meetings Finalizing domestic road show and investor meeting schedules 	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	I-Sec
10.	Conduct non-institutional marketing of the Offer, which will cover, <i>inter-alia</i> : <ul style="list-style-type: none"> Finalising media, marketing and public relations strategy Formulating strategies for marketing to Non-Institutional Bidders 	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	IIFL
11.	Conduct retail marketing of the Offer, which will cover, <i>inter-alia</i> : <ul style="list-style-type: none"> Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows Finalising collection centres Finalising centres for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material 	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	Axis

Sr. No.	Activity	Responsibility	Co-ordinator
12.	<ul style="list-style-type: none"> Co-ordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading Co-ordination for Anchor issue process Payment of 1% security deposit to the designated stock exchange 	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	SBICAP
13.	Managing the book and finalization of pricing in consultation with our Company and the Promoter Selling Shareholders	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	IIFL
14.	<p>Post-issue activities, which shall involve essential follow-up steps including:</p> <ul style="list-style-type: none"> Follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. including responsibility for underwriting arrangements, as applicable. Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Promoter Selling Shareholders under the Offer for Sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004 Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI 	I-Sec, Axis, CS, Deutsche, SBICAP, IIFL, IndusInd, Y-Sec	Axis

Legal Counsel to our Company and Promoter Selling Shareholders as to Indian Law

Khaitan & Co

One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
Telephone no: +91 22 6636 5000

Legal Counsel to the GCBRLMs and BRLMs as to Indian Law

AZB & Partners

AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Telephone no.: +91 22 6639 6880

International Legal Counsel to our Company

Latham & Watkins LLP

9 Raffles Place
#42-02 Republic Plaza
Singapore 048 619
Telephone no.: +65 6536 1161

International Legal Counsel to the GCBRLMs and BRLMs

Sidley Austin LLP

Level 31,
Six Battery Road
Singapore-049909
Telephone no.: +65 6230 3900

Statutory Auditors to our Company

B S R & Co. LLP, Chartered Accountants

Lodha Excelus, 5th Floor
Apollo Mills Compound, N.M. Joshi Marg
Mahalaxmi, Mumbai 400 011.
Telephone no.: +91 22 4345 5300
E-mail: agodbole@bsraffiliates.com
ICAI Firm Registration No.: 101248W/W-100022
Peer review certificate No.: 009060

Changes in the auditors

There has been no change in our Statutory Auditors since incorporation.

Registrar to the Offer

Link Intime India Private Limited

C-101, 1st Floor, 247 Park
L.B.S Marg, Vikhroli (West)
Mumbai 400 083
Telephone no.: +91 22 4918 6200
E-mail: sterlingwilson.ipo@linkintime.co.in
Investor Grievance E-mail: sterlingwilson.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to our Company

Union Bank of India Union Bank Bhavan, 1 st Floor Vidhan Bhavan Marg, Nariman Point Mumbai 400 021 Telephone no.: +91 2289 2011 E-mail: cksahu@unionbankofindia.com Website: www.unionbankofindia.co.in Contact person: Chandan Sahu	Axis Bank Limited Jeevan Prakash Building, Ground Floor Sir PM Road, Fort, Mumbai 400 001 Telephone no.: +91 22 4086 7336/7474 E-mail: fort.operationshead@axisbank.com Website: www.axisbank.com Contact person: Sudhir Raje
Deutsche Bank AG Hindustan Times House 18-20, Kasturba Gandhi Marg New Delhi 110 001 Telephone no.: +91 11 7110 9500 E-mail: divya.soni@db.com Website: www.db.com/India Contact person: Divya Soni	Hongkong and Shanghai Banking Corporation Limited 52/60, 5 th Floor, Mahatma Gandhi Road Fort, Mumbai 400 001 Telephone no.: +91 22 2268 5570 E-mail: shraddha.bagla@hsbc.co.in Website: www.hsbc.co.in Contact person: Shraddha Bagla
ICICI Bank Limited ICICI Bank Towers, Bandra Kurla Complex Mumbai 400 051 Telephone no.: +91 22 4008 6454 E-mail: jain.neha@icicibank.com Website: www.icicibank.com Contact person: Neha Jain	IndusInd Bank Limited Peninsula Corporate Park, Tower A, 4 th Floor Ganpatrao Kadam Marg, Off Senapati Bapat Marg Lower Parel, Mumbai 400 013 Telephone no.: +91 22 4368 0352 E-mail: Pritesh. Desai@indusind.com Website: www.indusind.com Contact person: Pritesh Desai

<p>State Bank of India Corporate Accounts Group, Branch Neville House, 3rd Floor, J.N. Heredia Marg Ballard Estate, Mumbai 400 001 Telephone no.: +91 22 61542851 E-mail: amt5.09995@sbi.co.in Website: www.sbi.co.in Contact person: D Venkateswaran</p>	<p>RBL Bank Limited 6th Floor, Tower 2 B One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Telephone no.: +91 22 4302 0600 E-mail: manan.mehta@rblbank.com Website: www.rblbank.com Contact person: Manan Mehta</p>
<p>Yes Bank Limited Indiabulls Financial Centre, Ground Floor Senapati Bapat Marg, Lower Parel Mumbai 400 013 Telephone no.: +91 22 3347 9458 E-mail: sumit.mittal@yesbank.in Website: www.yesbank.in Contact person: Sumit Mittal</p>	

Syndicate Members

[•]

Escrow Collection Bank(s)/ Refund Bank(s)/Public Offer Account Bank

[•]

Sponsor Bank

[•]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms, is available at the above mentioned link, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> And on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Monitoring Agency

The Offer being made by way of an offer for sale of the Equity Shares by the Promoter Selling Shareholders, there is no requirement to appoint a monitoring agency in relation to the Offer.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Trustees

As this is an offer of Equity Shares, no trustee has been appointed for the Offer.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 and simultaneously through the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at the address mentioned below.

Registrar of Companies, Maharashtra at Mumbai
100, Everest, Marine Drive
Mumbai 400 002.

Book Building Process

The book building process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Form within the Price Band, which will be decided by our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Mumbai where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company

and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs after the Bid/ Offer Closing Date.

All investors, other than Retail Individual Bidders and Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders may participate through the ASBA process by either; (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or; (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors), Non-Institutional Buyers and Eligible Employees Bidding in the Employee Reservation Portion will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see “Terms of the Offer” and “Offer Procedure” beginning on pages 458 and 467, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see “Offer Procedure” beginning on page 467.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned under-writing commitment is indicative and will be finalised after determination of the Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the GCBRLMs and BRMLs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Red Herring Prospectus is set forth below:

		Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹)*
A	AUTHORIZED SHARE CAPITAL		
	500,000,000 equity shares of face value of ₹1 each	500,000,000	-
	1,000,000 preference shares of face value of ₹100 each	100,000,000	-
	TOTAL	600,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	160,360,000 equity shares of face value of ₹ 1 each	160,360,000	[●]
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer for sale of up to [●] Equity Shares ⁽¹⁾⁽²⁾ <i>which includes</i>	[●]	45,000,000,000
	Up to [●] Equity Shares by SPCPL	[●]	[●]
	Up to [●] Equity Shares by Khurshed Yazdi Daruvala	[●]	[●]
	<i>Of which</i>		
	Employee Reservation Portion of up to [●] Equity Shares	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	160,360,000 equity shares of face value of ₹ 1 each	160,360,000	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer		Nil
	After the Offer		

* To be updated upon finalization of the Offer Price.

(1) The Offer has been authorised by our Board pursuant to a resolution at its meeting held on April 1, 2019.

(2) SPCPL has consented to participate in the Offer pursuant to a resolution of its board of directors dated February 25, 2019 and pursuant to a consent letter dated April 1, 2019. Khurshed Yazdi Daruvala has consented to participate in the Offer pursuant to a consent letter dated April 1, 2019. The Equity Shares being offered by the Promoter Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

Notes to the Capital Structure

1. Equity share capital history of our Company

a) The history of the equity share capital of our Company is set forth in the table below.

Date of Allotment	No. of equity shares allotted	Face Value (₹)	Offer Price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
March 10, 2017	30	10	10	Initial subscription to the MoA ⁽¹⁾	Cash	30	300
April 1, 2017	3,558	10	10	Conversion of loan to equity ⁽²⁾	Other than cash	3,588	35,880
March 31, 2018	16,036,000	10	-	Allotment pursuant to the Scheme of Arrangement ⁽³⁾	Other than cash	16,039,588	160,395,880
March 31, 2018	(3,588)	10	-	Cancellation of Equity Shares pursuant to the Scheme of Arrangement ⁽⁴⁾	-	16,036,000	160,360,000

Date of Allotment	No. of equity shares allotted	Face Value (₹)	Offer Price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
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Pursuant to a Shareholders' resolution dated January 11, 2019, each equity share of our Company of face value of ₹ 10 each was split into 10 equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 16,036,000 equity shares of face value of ₹ 10 each to 160,360,000 Equity Shares of face value of ₹ 1 each

(1) 10 equity shares of face value of ₹ 10 each allotted to Ravi Ananthkrishnan, Aniruddha Choudhuri and Kalpathy Hariharan Parameswaran. The Board approved the issuance of share certificates to such allottees in its meeting held on March 15, 2017.

(2) 3,558 equity shares of face value of ₹ 10 each allotted to SWPL.

(3) Pursuant to the scheme of arrangement between SWPL and our Company sanctioned vide order dated November 29, 2017 passed by NCLT, Mumbai ("Scheme of Arrangement"), our Company allotted 16,036,000 equity shares of face value of ₹ 10 each to the shareholders of SWPL in the following manner: 10,546,667 equity shares of face value of ₹ 10 each allotted to SPCPL, 144,000 equity shares of face value of ₹ 10 each allotted to Pallonji Shapoorji Mistry, 5,345,293 equity shares of face value of ₹ 10 each allotted to Khurshed Yazdi Daruvala, 20 equity shares of face value of ₹ 10 each allotted to Kainaz Khurshed Daruvala (jointly with Khurshed Yazdi Daruvala), 10 equity shares of face value of ₹ 10 each allotted to Zarine Yazdi Daruvala and 10 equity shares of face value of ₹ 10 each allotted to Pervin Zarir Madan (jointly with Khurshed Yazdi Daruvala). Please see "History and Other Corporate Matters" beginning on page 142 for further details in relation to the Scheme of Arrangement.

(4) The Equity Share capital of our Company which was in existence prior to the Scheme of Arrangement was cancelled in accordance with the terms of the Scheme of Arrangement. Accordingly, 3,588 equity shares of face value of ₹ 10 each of our Company held by SWPL (3,578 equity shares of face value of ₹ 10 each) and Khurshed Yazdi Daruvala jointly with SWPL (10 equity shares of face value of ₹ 10 each) were cancelled.

2. Equity Shares issued for consideration other than cash

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	Name of Allottees	Number of equity shares	Face value (₹)	Issue price (₹)	Reason for allotment	Benefits accrued to our Company
April 1, 2017 ⁽¹⁾	SWPL	3,558	10	10	Conversion of loan to equity	SWPL was issued Equity Shares in consideration for SWPL funding the entire formation expenses of our Company aggregating to ₹35,580
March 31, 2018	SPCPL	10,546,667	10	-	Allotment pursuant to the Scheme of Arrangement ⁽²⁾	To enable the Solar EPC division and other businesses of SWPL to capitalise on growth opportunities in an independent manner with focused leadership, specialisation and superior efficiency.
	Pallonji Shapoorji Mistry	144,000				
	Khurshed Yazdi Daruvala	5,345,293				
	Kainaz Khurshed Daruvala (jointly with Khurshed Yazdi Daruvala)	20				
	Zarine Yazdi Daruvala	10				
	Pervin Zarir Madan (jointly with Khurshed Yazdi Daruvala)	10				
TOTAL		16,039,558 ⁽¹⁾				

⁽¹⁾ The 3,558 equity shares of ₹ 10 each allotted to SWPL on April 1, 2017 were cancelled on March 31, 2018 in accordance with the terms of the Scheme of Arrangement. For further details see "Notes to the Capital Structure- Equity Share capital history of our Company" on page 75.

⁽²⁾ Allotment pursuant to the Scheme of Arrangement. Please see "History and Other Corporate Matters-Mergers or Amalgamation" beginning on page 144 for further details in relation to the Scheme of Arrangement.

- Our Company does not have any outstanding preference shares as on the date of filing of this Draft Red Herring Prospectus.
- Except as disclosed above, our Company has not issued any Equity Shares or preference shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.

5. Except as disclosed above, our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 230-234 of the Companies Act, 2013.
6. Our Company has not issued any Equity Shares or preference shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

7. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Total	Total as a % of (A+B+C)							
(A)	Promoter and Promoter Group	8	160,360,000	-	-	160,360,000	100	160,360,000	160,360,000	100	-	100	0	84,074,646	52.43	160,360,000	
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0		0	0	
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0		0	0	
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0	0	0	0		0	0	
(C2)	Shares held by employee trusts	0	0	0	0	0	0	0	0	0	0	0	0		0	0	
	Total (A+B+C)	8	160,360,000	0	0	160,360,000	100	160,360,000	160,360,000	100	0	100	0	84,074,646	52.43	160,360,000	

8. **Other details of Shareholding of our Company**

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has eight Shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Offer Equity Share Capital (%)
1.	SPCPL	105,466,670	65.77
2.	Khurshed Yazdi Daruvala	53,452,930*	33.33
	Total	158,919,600*	99.10

**In addition to the above, Khurshed Yazdi Daruvala is the second holder with respect to 200 Equity Shares held by Kainaz Khurshed Daruvala.*

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Offer Equity Share Capital (%)
1.	SPCPL	105,466,670	65.77
2.	Khurshed Yazdi Daruvala	53,452,930*	33.33
	Total	158,919,600*	99.10

**In addition to the above, Khurshed Yazdi Daruvala is the second holder with respect to 200 Equity Shares held by Kainaz Khurshed Daruvala.*

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of the pre- Offer Equity Share Capital (%)
1.	SPCPL	10,546,667	65.77
2.	Khurshed Yazdi Daruvala	5,345,293*	33.33
	Total	15,891,960*	99.10

**In addition to the above, Khurshed Yazdi Daruvala was the second holder with respect to 20 equity shares of ₹10 each held by Kainaz Khurshed Daruvala and 10 equity shares of ₹10 each held by Pervin Zarir Madan.*

- (e) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of the pre- Offer Equity Share Capital (%)
1.	SWPL	3,578*	99.72
	Total	3,578*	99.72

**In addition to the above, SWPL was the second holder with respect to 10 equity shares of ₹10 each held by Khurshed Yazdi Daruvala.*

9. Except for the Equity Shares which may be issued pursuant to an employee stock options scheme instituted by our Company, subject to Shareholders' approval, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

10. **Details of Shareholding of our Promoters, members of the Promoter Group and directors of SPCPL in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 158,919,600 Equity Shares, equivalent to 99.10% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

Sr. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital *	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	SPCPL	105,466,670	65.77	[●]	[●]
2.	Khurshed Yazdi Daruvala**	53,452,930	33.33	[●]	[●]
	Total	158,919,600	99.10	[●]	[●]

* Subject to finalisation of Basis of Allotment.

**In addition to the above, Khurshed Yazdi Daruvala is the second holder with respect to 200 Equity Shares held by Kainaz Khurshed Daruvala.

- **Build-up of the Promoters' shareholding in our Company**

The build-up of the Equity shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Name of Promoter	Nature of transaction	Date of Allotment/ Transfer / Transmission	No. of equity shares	Face value per equity share (₹)	Offer Price/ Transfer Price per equity share (₹)
SPCPL	Allotment pursuant to the Scheme of Arrangement	March 31, 2018	1,05,46,667	10	-
	Sub-division of equity shares held	January 11, 2019	105,466,670	1	-
Total shareholding					10,54,66,670
Khurshed Yazdi Daruvala#	Transfer from Kalpathy Hariharan Parameswaran*	March 1, 2018	10	10	10
	Cancellation of Equity Shares pursuant to the Scheme of Arrangement	March 31, 2018	(10)	10	-
	Allotment pursuant to the Scheme of Arrangement**	March 31, 2018	5,345,293	10	-
	Sub-division of equity shares held	January 11, 2019	53,452,930	1	-
Total shareholding					53,452,930**

* SWPL was the second holder with respect to such 10 equity shares of face value of ₹10 each.

**In addition to the above, Khurshed Yazdi Daruvala is the second holder with respect to 200 Equity Shares held by Kainaz Khurshed Daruvala.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares. Further, except as provided below with respect to SPCPL, none of the Equity Shares held by our Promoters are pledged:

As on date of this Draft Red Herring Prospectus, details of the Equity Shares held by SPCPL that have been pledged in favour of a deposit taking housing finance company namely, Housing Development

Finance Corporation Limited pursuant to a financing facility availed by SPCPL from Housing Development Finance Corporate Limited are set forth below:

Name of Promoter	Pledgee	No. of Equity Shares held	No. of Equity Shares pledged	Percentage of the total Equity Share capital pledged (in %)
SPCPL	Housing Development Finance Corporation Limited	105,466,670	84,074,646	52.43

- The details of the shareholding of the members of the Promoter Group (other than our Promoters) and the directors of SPCPL as on the date of filing of this Draft Red Herring Prospectus are set forth in the table below.

Sr. No.	Name of the Shareholder	Pre-Offer*		Post-Offer	
		No. of Equity Shares	% of the total Equity Share Capital	No. of Equity Shares	% of the total Equity Share Capital
Members of the Promoter Group (other than the Promoters)					
1.	Kainaz Khurshed Daruvala (jointly with Khurshed Yazdi Daruvala)	200	Negligible	200	Negligible
2.	Pervin Zarir Madan	100	Negligible	100	Negligible
3.	Zarine Yazdi Daruvala	80	Negligible	80	Negligible
4.	Zenobia Farhad Unwalla (jointly with Farhad Homi Unwalla)	20	Negligible	20	Negligible
5.	Pallon Shapoorji Mistry (also a director of SPCPL)	720,000	0.45	720,000	0.45
6.	Cyrus Pallonji Mistry	720,000	0.45	720,000	0.45
Total		1,440,400	0.90	1,440,400	0.90

- Except:(a) Khurshed Yazdi Daruvala who transferred his second holder rights over 10 equity shares of ₹10 each to Pervin Zarir Madan; (b) Zarine Yazdi Daruvala who transferred 2 equity shares of ₹10 each to Zenobia Farhad Unwalla (jointly with Farhad Homi Unwalla); (c) Pallonji Shapoorji Mistry who transferred 72,000 equity shares each of ₹ 10 each to Pallon Shapoorji Mistry and Cyrus Pallonji Mistry respectively, none of the members of the Promoter Group, the Promoters, the directors of SPCPL, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
- There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of SPCPL and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

11. Details of Promoters' contribution and lock-in

- Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.
- Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below.

Name of the Promoter	Date of allotment of the equity shares	Nature of transaction	No. of Equity Shares held	Face Value (₹)	Offer/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percent age of the post- Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
SPCPL	March 31,2018	Allotment pursuant to the Scheme of Arrangement	105,466,670	1	Nil	21,392,024	13.34	[●]
Khurshed Yazdi Daruvala	March 31,2018	Allotment pursuant to the Scheme of Arrangement	53,452,930	1	Nil	10,679,976	6.66	[●]
	Total					32,072,000	20.00	

* All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares

- (a) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (b) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
- Except as provided below, the Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against equity shares, which are otherwise ineligible for computation of Promoters' Contribution;
 - The Equity Shares included in Promoters' Contribution have been allotted pursuant to the Scheme of Arrangement approved by the NCLT, Mumbai under Sections 230 to 234 of the Companies Act, 2013 and are accordingly eligible for computation towards minimum Promoters' Contribution under Regulation 15(1)(b) of the SEBI ICDR Regulations;
 - Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
 - The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge.

12. Details of other lock-in

Except for Equity Shares which may be allotted pursuant to an employee stock options scheme instituted by our Company, subject to Shareholders' approval, in addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, including any unsubscribed portion of the Offer.

13. Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

14. Recording on non-transferability of Equity Shares locked-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

15. ***Other requirements in respect of lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Minimum Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company or our Subsidiaries for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee and compliance with the provisions of the Takeover Regulations.

16. ***Employee Stock Option Plan***

Our Board in its meeting held on March 27, 2019 has, subject to Shareholders' approval, approved the institution of an employee stock option scheme, to grant employee stock options aggregating up to 16,03,600 employee stock options i.e. 1% of the current paid-up Equity Share capital of our Company which shall be in accordance with the SEBI SBEB Regulations.

17. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
18. As on the date of this Draft Red Herring Prospectus, the GCBRLMs and BRLMs and their respective associates, as defined under the Securities and Exchanges Board of India (Merchant Bankers) Regulations, 1992, as amended do not hold any Equity Shares of our Company. The GCBRLMs and BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
19. Our Company, the Promoter Selling Shareholders, our Directors and the GCBRLMs and BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
20. Except Khurshed Yazdi Daruvala and Pallon Shapoorji Mistry, none of our Directors or Key Managerial Personnel of our Company hold any Equity Shares as on the date of this Draft Red Herring Prospectus. For details, see "*Our Management-Shareholding of Directors in our Company*" beginning on page 164.
21. Except for participation by our Promoter Selling Shareholders, Khurshed Yazdi Daruvala and SPCPL in the Offer, the members of our Promoter Group will not participate in the Offer.
22. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer of the Equity Shares by the Promoter Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India.

Utilisation of the Net Offer Proceeds by Promoter Selling Shareholders

Our Company will not directly receive any proceeds from the Offer (the “Offer Proceeds”) and all the Offer Proceeds will be received by the Promoter Selling Shareholders, in proportion to the Offered Shares sold by the respective Promoter Selling Shareholders as part of the Offer. For details of Offered Shares by each Promoter Selling Shareholder, see “Other Regulatory and Statutory Disclosures” beginning on page 440.

The Promoter Selling Shareholders shall utilise a portion of the Net Offer Proceeds, towards funding partial repayment of the loans due to our Company and Sterling and Wilson International Solar FZCO from SWPL and Sterling and Wilson International FZE (a subsidiary of SWPL) respectively.

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the GCBRLMs and BRLMs, legal counsels, Registrar to the Offer, Banker to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, SCSCBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The breakup of the estimated Offer expenses is set forth below:

Activity	Amount ⁽¹⁾ (₹in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Fees payable to the GCBRLMs and BRLMs (including brokerage, underwriting and selling commission)	[●]	[●]	[●]
Brokerage, selling commission and bidding charges for members of the Syndicate, SCSBs, CRTAs and CDPs ⁽²⁾	[●]	[●]	[●]
Selling Commission and Processing fees to SCSBs for ASBA Applications procured by the Syndicate, Sub-Syndicate, Registered Brokers, Sponsor Bank, CRTAs or CDPs and submitted with the SCSBs; and Bidding Charges to members of the Syndicate, CRTAs and CDPs ⁽³⁾	[●]	[●]	[●]
Selling commission for Registered Brokers ⁽⁴⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: (i) Listing fees; (ii) SEBI, BSE and NSE processing fees; (iii) Book-building software fees (iv) Other regulatory expenses (v) Fees payable to legal counsels; and (vi) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders, which are directly procured by them would be as follows: [●]

Portion for Retail Individual Bidders *	[●] % of the amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] % of the amount Allotted (plus applicable taxes)
Portion for Eligible Employees*	[●] % of the amount Allotted (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

No additional processing/uploading charges shall be payable by our Company to the SCSBs on the Bid cum Application Forms directly procured by them.

SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable taxes) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs from Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders and submitted to the SCSBs for blocking as follows:

Portion for Retail Individual Bidders	₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)
Portion for Non-Institutional Bidders	₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)
Portion for Eligible Employees	₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)

*Based on valid Bid cum Application Forms

- (3) Selling commission on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by Syndicate Members (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	[●] % of the amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] % of the amount Allotted (plus applicable taxes)
Portion for Eligible Employees*	[●] % of the amount Allotted (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Promoter Selling Shareholders shall be as mutually agreed amongst the GCBRLMs and BRLMs, their respective Syndicate Members and our Company before the opening of the Offer.

Further, the Syndicate, CRTAs and CDPs will be entitled to Bidding Charges: ₹ [●] per valid ASBA form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant member of syndicate.

Further, the Sponsor Bank will be entitled to ₹ [●] per valid Bid cum Application Forms (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.

- (4) Selling commission payable to the Registered Brokers, Collecting CRTAs and CDPs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are directly procured by the Registered Broker or CRTAs or CDPs or submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders	[●] % of the amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] % of the amount Allotted (plus applicable taxes)
Portion for Eligible Employees	[●] % of the amount Allotted (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

All of the above are exclusive of applicable taxes.

The Offer expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective intermediaries by our Company in accordance with the arrangements/ agreements with the relevant intermediary.

Subject to applicable law, other than the listing fees which will be paid by our Company, all costs, fees and expenses with respect to the Offer will be shared amongst our Promoter Selling Shareholders, on a pro rata

basis, in proportion to the number of Equity Shares sold by each Promoter Selling Shareholder in the Offer, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, other than the listing fees, each Promoter Selling Shareholder shall severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Promoter Selling Shareholder, on a pro rata basis in proportion to their respective portion of the Offered Shares.

Monitoring Utilization of Funds

As the Offer is an offer for sale and our Company will not directly receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and the BRLMs on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections “Our Business”, “Risk Factors”, “Restated Consolidated Summary Financial Information”, “Carved Out Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 115, 28, 196, 321 and 406 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following are our competitive strengths:

- We were the largest global EPC solutions provider based on annual installations of utility-scale PV systems of more than five MWp in 2018 according to IHS Markit.
- We are a comprehensive end-to-end EPC solutions provider with a global execution track record.
- We have a dedicated design and engineering team focussed on innovation and developing efficient and cost effective engineering solutions.
- We have a strong relationship with customers and other key stakeholders.
- We benefit from the brand reputation, industry relationships and project management expertise of the SP group and the Sterling and Wilson group.
- We have experienced strong growth and financial performance backed by an asset-light business model.
- We have experienced key managerial personnel, project management and operational team with experience in the global solar EPC industry.

For further details, please see “Our Business” on page 115 of this Draft Red Herring Prospectus. .

Quantitative factors

Some of the information presented in this section relating to our Company for the period of March 9, 2017 to March 31, 2018 and the nine months ended December 31, 2018 is derived from the Restated Consolidated Summary Financial Information. Some of the quantitative factors, which form the basis for computing the Offer Price, are as follows:

1. Basic Earnings Per Share (Basic EPS) & Diluted Earnings Per Share (Diluted EPS)

Financial Period	Basic EPS (₹)	Diluted EPS (₹)
Period of March 9, 2017 to March 31, 2018 (pertaining to our Company as derived from the Restated Consolidated Summary Financial Information)	29.97	29.97
Nine-months period ended December 31, 2018* (pertaining to our Company as derived from the Restated Consolidated Summary Financial Information)	21.40	21.40

* Not annualized. Refer to “Annexure VIII: Restated Consolidated Summary Statement of Accounting Ratios” of the Restated Consolidated Summary Financial Information for calculation of Basic EPS and Diluted EPS for the nine-month period ended December 31, 2018.

- (1) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share.
- (2) Earning per share (Basic) = $\frac{\text{Restated Consolidated net profit after tax, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period}}$
- (3) Earning per share (Diluted) = $\frac{\text{Restated Consolidated net profit after tax, available for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the period}}$
- (4) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time

weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

- (5) The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the section titled “Restated Consolidated Summary Financial Information” beginning on page 196.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of ₹1 each

Financial Period	P/E ratio at the lower end of the Price Band (no. of times)*	P/E ratio at the lower end of the Price Band (no. of times)*
Based on Basic EPS for the period of March 9, 2017 to March 31, 2018 (pertaining to our Company as derived from the Restated Consolidated Summary Financial Information)	[●]	[●]
Based on Diluted EPS for the period of March 9, 2017 to March 31, 2018 (pertaining to our Company as derived from the Restated Consolidated Summary Financial Information)	[●]	[●]

*will be populated in the Prospectus

There are no listed entities in India whose business portfolio is comparable with that of our business.

3. Return on Net Worth (RoNW)

Financial Period	RoNW (%)
As of the end of the period of March 9, 2017 to March 31, 2018 (pertaining to our Company as derived from the Restated Consolidated Summary Financial Information)	118%
Nine-months period ended December 31, 2018*	47%

* Not annualized

Notes:

- (1) Return on Net Worth (%) = Restated Consolidated net profit after tax, available for equity shareholders divided by Restated net worth for the equity shareholders at the end of the period
- (2) Net worth for calculating ratios is Equity share capital plus other equity (including legal reserve, retained earnings and effective portion of cash flow hedge).

4. Net Asset Value per Equity Share of face value of ₹1 each

- (i) As of December 31, 2018, our net asset value per Equity Share was ₹ 45.30 as per the Restated Consolidated Summary Financial Information. As of March 31, 2018, our net asset value per Equity Share was ₹ 25.42 as per the Restated Consolidated Summary Financial Information.

- (ii) After the Offer:*

- (a) At the Floor Price: ₹ [●]
(b) At the Cap Price: ₹ [●]

- (iii) Offer Price:* ₹ [●]

*will be populated in the Prospectus.

Notes:

- (1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- (2) Net Asset Value Per Equity Share = Restated net worth for the equity shareholders at the end of the period/ Weighted average number of equity shares outstanding during the period
- (3) Net worth has been computed by aggregating share capital and reserves and surplus as per the restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off)
- (4) Net worth for calculating ratios = Equity share capital + Other equity (includes Legal reserve, Retained earnings and Effective portion of cash flow hedge).

5. Comparison of Accounting Ratios with Listed Industry Peers

There are no listed entities in India whose business portfolio is comparable with that of our business.

The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Summary Financial Information*”, “*Carved Out Combined Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 28, 115, 196, 321 and 406, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” on page 28 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

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**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE
COMPANY, ITS MATERIAL SUBSIDIARIES AND SHAREHOLDERS OF THE
COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA AND IN RESPECTIVE
COUNTRIES (IN THE CASE OF MATERIAL SUBSIDIARIES)**

The Board of Directors
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
9th Floor, Universal Majestic
P.L. Lokhande Marg, Chembur (W)
Mumbai 400 043
Maharashtra
INDIA

Dear Sirs

Sub: Statement of possible Special tax benefit ('the Statement') available to Sterling and Wilson Limited, its Material Subsidiaries and the shareholders of the Company prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').

We hereby report that the enclosed Statement prepared by Sterling and Wilson Solar Limited *(formerly known as Sterling and Wilson Solar Private Limited and prior to that as Rashmika Energy Private Limited)* (the 'Company') states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2018 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India, and also to the Material Subsidiaries of the Company under the respective tax laws of their country as on the signing date, for inclusion in the Draft Red Herring Prospectus for the proposed initial public offering of the Company through an offer for sale of equity shares by certain existing shareholders. These benefits are dependent on the Company or its Material Subsidiaries or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its Material Subsidiaries or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its Material Subsidiaries or the shareholders of the Company may or may not choose to fulfill.

With respect to the special tax benefits in the overseas jurisdictions in the case of 4 (four) Material Subsidiaries listed below, we have relied upon the Management Representation and confirmation received from the Tax Advisors of the respective Material Subsidiary of the Company as the case may be as listed in **Annexure I**.

Following are the Material Overseas Subsidiaries as identified by the Company-

Material Subsidiaries

- Sterling and Wilson Engineering (Pty) Ltd.- Cape Town, South Africa
- Sterling & Wilson International Solar FZCO- Dubai, UAE
- Sterling & Wilson Middle East Solar Energy LLC- Dubai, UAE
- Sterling Wilson-SPCPL-Chint Moroccan Venture - India

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, or its Material Subsidiaries and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements

We do not express any opinion or provide any assurance as to whether:

- the Company or its Material Subsidiaries or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits ,where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This Statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, the relevant Registrar of Companies in India in connection with the proposed offer, as the case may be.

For **BSR & Co. LLP**

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Unique Document Identification Number: 19105149AAAABB8225

Mumbai

12 April 2019

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRIES (IN THE CASE OF MATERIAL SUBSIDIARIES)

A. Direct Taxation

Benefits available to Sterling and Wilson Solar Limited including (*formerly known as Sterling and Wilson Solar Private Limited and prior to that as Rashmika Energy Private Limited*) ('the Company') its Material Subsidiaries - viz. (i) Sterling & Wilson International Solar FZCO- Dubai, UAE; (ii) Sterling & Wilson Middle East Solar Energy LLC- Dubai, UAE, (iii) Sterling and Wilson Engineering (Pty) Ltd.- Cape Town, South Africa, and (iv) Sterling Wilson-SPCPL-Chint Moroccan Venture; and the Shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2018 (hereinafter referred to as 'Income Tax Laws') are as under.

1 Special Tax Benefits available to the Company

The Company is neither eligible nor is availing any special corporate tax benefits under the provisions of the Indian Income-tax Act, 1961 read with the relevant Income-tax Rules, 1962.

2 Special Tax Benefits available to the Material Subsidiaries of the Company

None of the Material Subsidiaries including Overseas Subsidiaries of the Company enjoy or avail any special corporate tax benefits under the provisions of the applicable Income-tax Laws of those overseas countries.

3 Special Tax Benefits available to the Shareholders of the Company

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Indian Income-tax Act, 1961 read with the relevant Income-tax Rules, 1962.

B. Indirect Taxation

Benefits available to Sterling and Wilson Solar Limited including its (*formerly known as Sterling and Wilson Solar Private Limited and prior to that as Rashmika Energy Private Limited*) ('the Company'); its Material Subsidiaries viz. (i) Sterling & Wilson International Solar FZCO- Dubai, UAE; (ii) Sterling & Wilson Middle East Solar Energy LLC- Dubai, UAE, (iii) Sterling and Wilson Engineering (Pty) Ltd.- Cape Town, South Africa, and (iv) Sterling Wilson-SPCPL-Chint Moroccan Venture ; and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy are as under.

1 Special Tax Benefits available to the Company

The Company is in the business of executing EPC contracts for construction of solar power plant.

Most of the goods and services in which the company is dealing in, attract the standard customs duty rate and standard GST rate.

Certain goods attract concessional customs duty and / or GST rates, in accordance with the concessional tax rate prescribed for goods used for solar power plant, under the Customs and / or GST schedules read with notifications issued under Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017.

2 Special Tax Benefits available to the Material Subsidiaries of the Company

None of the Material Subsidiaries including overseas subsidiaries of the Company enjoy or avail any special indirect tax benefits under the provisions of the applicable GST / VAT Laws of those overseas countries.

3 Special Tax Benefits available to the Shareholders of the Company

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant [Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules.]

Note:

1. *We have not considered the general tax benefits available to the Company, its Material Subsidiaries or shareholders of the Company.*
2. *The above is as per the prevalent Tax Laws as on date.*
3. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
4. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*

For Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

Bahadur Dastoor
Chief Financial Officer

Mumbai
12 April 2019

ANNEXURE I

With respect to the special tax benefits in the overseas jurisdictions in the case of 4 Material Subsidiaries listed below, we have relied upon the Management Representation and confirmation received from the Tax Advisors of the respective Material Subsidiaries of the Company as the case may be whose names are as under:

Sr	Name of the Material Subsidiary including overseas subsidiary	Nature of the Entity	Overseas jurisdiction	Overseas Tax Advisors of the Company
1	Sterling and Wilson Engineering (Pty) Ltd.- Cape Town, South Africa	Material Overseas Subsidiary	South Africa	BDO Business Services (Pty) Ltd., Cape Town, South Africa
2	Sterling & Wilson International Solar FZCO- Dubai, UAE	Material Overseas Subsidiary	UAE	Moore Stephens, Dubai
3	Sterling & Wilson Middle East Solar Energy LLC- Dubai, UAE	Material Overseas Subsidiary	UAE	Moore Stephens, Dubai
4	Sterling Wilson-SPCPL-Chint Moroccan Venture	Material subsidiary	Morocco	KPMG Morocco

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from BloombergNEF and certain industry reports by IHS Markit and CRISIL Research – an S&P Global Company – that we commissioned in connection with the Offer for the purpose of confirming our understanding of the industry. Neither we, nor any of the Book Running Lead Managers, any of their associates or affiliates or any other person connected with the Offer has verified the information provided by BloombergNEF or included in the industry reports of IHS Markit and CRISIL Research. IHS Markit and CRISIL Research have advised that while they have taken due care and caution in providing the information and in preparing the reports, as applicable, based on information obtained from sources which they consider reliable, they in no way guarantee the accuracy, adequacy or completeness of the industry reports or the data therein and are neither responsible for any errors or omissions nor for the results obtained from the use of the information derived from the industry reports. The information derived from BloombergNEF and the industry reports highlight certain industry and market data relating to us and our competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in our industry, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions inherent in the information provided by BloombergNEF, IHS Markit or CRISIL Research are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry information provided in this section is not a recommendation to invest or disinvest in us or any company to which reference is made herein. IHS Markit and CRISIL Research have each stated that they disclaim responsibility for any loss or damage arising from the use of the industry information or industry reports, as applicable. You are advised not to unduly rely on the industry reports or industry information when making your investment decision.

References to years in this section are references to calendar years unless otherwise expressly stated. Figures pertaining to photovoltaic installations attributed to IHS Markit are expressed in terms of direct current unless specifically stated to be alternating current.

Overview of the Global Solar Power Industry

Renewable energy sources, such as solar energy, have become significant contributors to power capacity growth additions globally. The global energy landscape has been transforming, with a rapid uptake in renewable energy sources, such as solar energy, as a result of increasing cost competitiveness, improving technology and robust government approaches to climate change. According to IHS Markit, the share of solar photovoltaic (“PV”) generation capacity annual additions in global power generation capacity annual additions has increased from 9.8% in 2012 to 25.3% in 2018, and could increase to 38.4% in 2022. The figure below depicts the year-on-year share of solar PV and share of renewable energy in global power generation capacity annual additions.

Share of solar PV and renewables in global power generation capacity annual additions

% of annual additions (% of giga-watt alternating current (“GW_{AC}”))

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Solar PV	9.8%	12.2%	11.8%	14.3%	21.4%	29.3%	25.3%	30.6%	33.7%	36.2%	38.4%
Renewables	30.7%	29.3%	32.5%	39.1%	41.0%	50.1%	47.1%	55.3%	59.5%	61.1%	65.0%

Notes: Autonomy scenario. Renewables include solar PV, concentrated solar power, onshore wind, offshore wind, geothermal, biomass and waste and ocean power

Source: IHS Markit

According to IHS Markit, by 2022, total cumulative installed solar PV generation capacity could reach nearly 1,090 giga-watt direct current (“GW_{DC}”) globally, compared to less than 100 GW_{DC} at the end of 2012. The share of solar PV generation capacity in installed power capacity has been growing across the regions. In India, the share of solar PV generation capacity in installed power capacity base has grown from 1% in 2012 to 6% in 2018, and is expected to increase to 12% in 2022. The figure below depicts the year-on-year share of solar PV generation capacity in installed power capacity base across the regions.

Share of solar PV in installed power capacity base

(% of cumulative GW_{AC} at year end)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
India	1%	1%	1%	2%	3%	5%	6%	8%	10%	12%	12%

Share of solar PV in installed power capacity base

(% of cumulative GW_{AC} at year end)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South East Asia	0%	1%	1%	1%	2%	2%	3%	3%	4%	6%	7%
Middle East & North Africa	0%	0%	0%	0%	1%	1%	1%	2%	2%	3%	4%
Rest of Africa	0%	0%	1%	1%	2%	2%	2%	3%	3%	4%	5%
Europe	6%	7%	7%	8%	8%	9%	10%	10%	11%	12%	13%
United States	1%	1%	2%	2%	3%	4%	5%	5%	7%	8%	8%
Latin America	0%	0%	0%	0%	1%	1%	2%	3%	4%	5%	4%
Australia	4%	5%	6%	7%	8%	9%	13%	16%	20%	23%	22%
Rest of World	1%	1%	2%	3%	5%	7%	8%	9%	10%	11%	11%
Grand total	2%	2%	3%	3%	4%	5%	6%	8%	9%	10%	10%

Notes: Autonomy scenario. Egypt and Turkey are included within Middle East & North Africa; Bangladesh is included within South East Asia; Kazakhstan is included within Europe; Rest of World primarily constitutes China and Japan

Source: IHS Markit

According to IHS Markit, annual solar PV installations have seen strong growth globally, increasing from 31.6 giga-watts (“GW”) in 2012 to 103.0 GW in 2018, representing a growth of 21.8% CAGR. Regionally, for the period from 2012 to 2018, annual solar PV installations increased by 9.9 GW in India, 0.7 GW in South East Asia, 4.5 GW in the Middle East & North Africa, 1.1 GW in the rest of Africa, 6.9 GW in the United States, 5.8 GW in Latin America, 3.6 GW in Australia and 46.1 GW in the rest of the world (primarily in China and Japan).

According to IHS Markit, the global annual solar PV installations run-rate could increase to 148.4 GW by 2021. Regionally, for the period from 2018 to 2021, annual solar PV installations is expected to grow at 11.7% CAGR in India, 70.6% CAGR in South East Asia, 22.2% CAGR in the Middle East & North Africa, 42.0% CAGR in the rest of Africa, 30.0% CAGR in Europe, 17.4% CAGR in the United States, 5.4% CAGR in Latin America and 8.1% in Australia. On an aggregate basis, this represents a cumulative 20.0% CAGR growth in annual solar installations in India, South East Asia, the Middle East & North Africa, the rest of Africa, Europe, the United States, Latin America and Australia from 49.1 GW in 2018 to 84.8 GW in 2021.

The figure below depicts the regional year-on-year growth in solar PV generation capacity annual additions.

Annual Installations (GW)	Annual solar PV installations										2018-2021 CAGR
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
India	0.8	1.2	1.1	3.0	5.5	7.8	10.7	12.9	14.1	15.0	11.7%
South East Asia	0.4	0.8	0.7	1.3	1.8	0.4	1.1	4.2	4.7	5.1	70.6%
Middle East & North Africa	0.1	0.3	0.4	1.1	1.8	3.4	4.6	5.6	5.3	8.4	22.2%
Rest of Africa	0.1	0.3	1.2	0.6	1.1	0.8	1.2	2.4	2.9	3.5	42.0%
Europe	17.8	11.2	7.5	8.4	6.8	7.4	10.6	18.5	20.7	23.4	30.0%
United States	3.5	4.9	6.5	8.4	16.1	10.6	10.4	13.2	15.9	16.7	17.4%
Latin America	0.2	0.3	0.7	1.8	1.8	3.3	6.0	7.4	7.9	7.0	5.4%
Australia	1.0	0.8	0.9	1.0	0.8	1.9	4.6	5.8	6.0	5.9	8.1%
Grand Total (excluding Rest of World)	23.9	19.8	19.0	25.4	35.7	35.6	49.1	70.0	77.7	84.8	20.0%
Rest of World	7.8	18.9	24.5	31.7	42.8	58.8	53.9	59.1	62.7	63.6	5.7%
Grand Total	31.6	38.6	43.6	57.1	78.5	94.5	103.0	129.1	140.4	148.4	12.9%

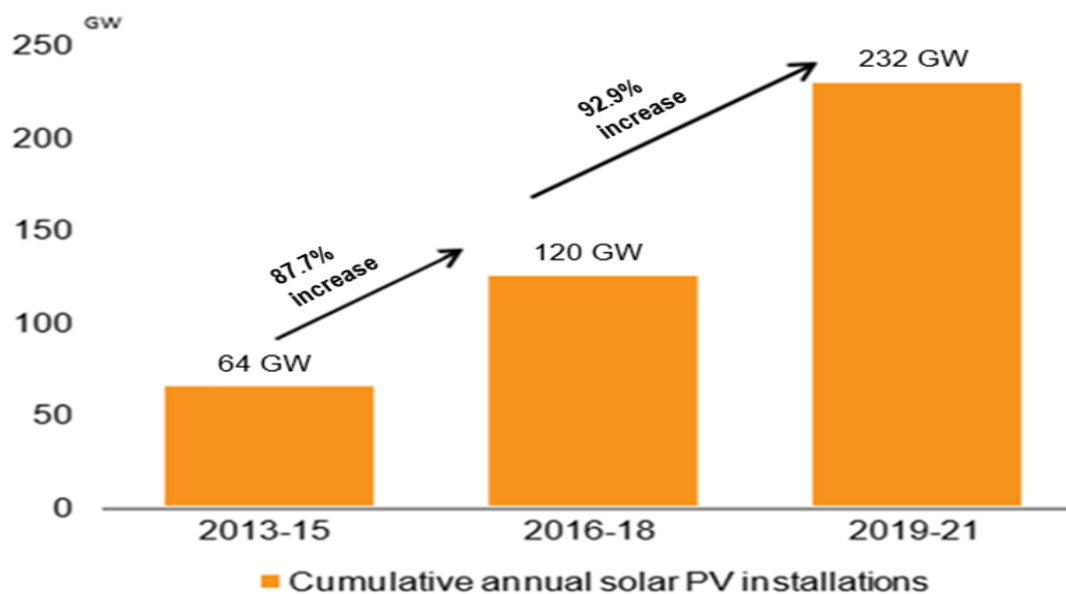
Notes: Egypt and Turkey are included within Middle East & North Africa; Bangladesh is included within South East Asia; Kazakhstan is included within Europe; Rest of World primarily constitutes China and Japan

Source: IHS Markit

The cumulative annual solar PV installations in India, South East Asia, the Middle East & North Africa, the rest of Africa, Europe, the United States, Latin America and Australia increased from 64 GW in a three year period over 2013 to 2015 to 120 GW in a three year period over 2016 to 2018 representing a 87.7% increase. This is likely to increase by 232 GW in a three year period over 2019 to 2021 representing a further 92.9% increase. The figure below depicts the cumulative three year growth in solar PV generation capacity annual additions in India,

South East Asia, the Middle East & North Africa, the rest of Africa, Europe, the United States, Latin America and Australia.

Cumulative annual solar PV installations in select markets



Notes: Combined Annual solar PV installations in India, South East Asia, Middle East & North Africa, Rest of Africa, Europe, United States, Latin America and Australia

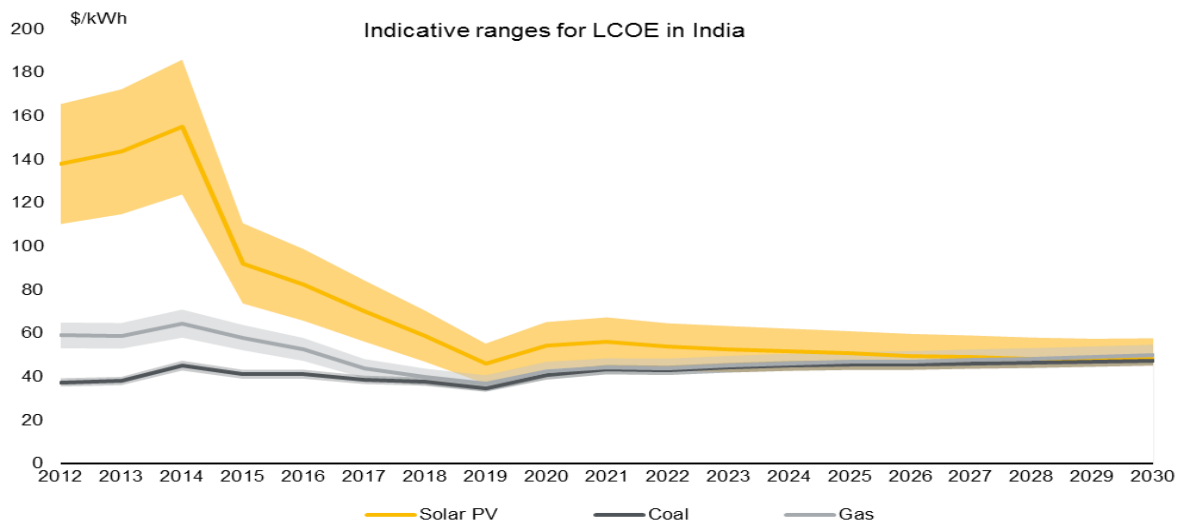
Source: IHS Markit

Key Factors Driving the Growth of the Solar Power Industry

Declining costs of solar energy

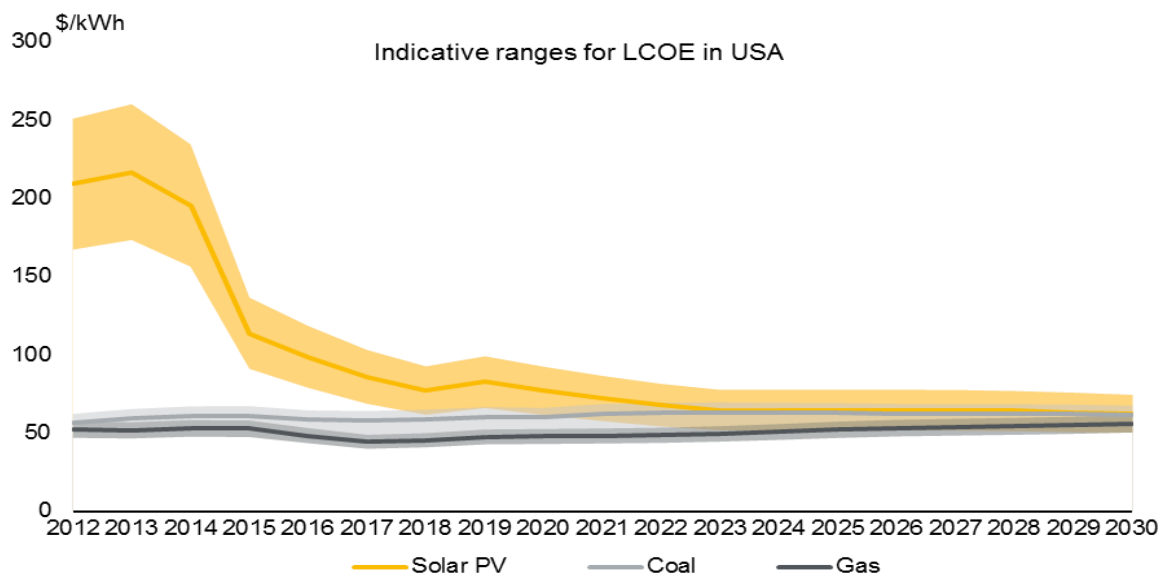
The use of solar energy has become increasingly competitive over the years due to the declining costs associated with its use, making this a key factor driving the global growth of the solar industry. Solar energy has emerged as a low-cost source of energy and has become lower in cost than traditional energy sources, such as coal and gas, in some key markets. Awarded tender prices for large solar PV projects have fallen below the cost of conventional power generation in several markets with high solar resources.

According to IHS Markit, in India, the levelized cost of electricity (“LCOE”) (a measure used to calculate the average total cost of producing electricity over a 25-year system lifetime) of solar PV systems decreased sharply between 2012 and 2018, and is expected to continue to decrease until 2030. In comparison, other sources of energy in India, such as coal, have seen a general increase in costs in recent years. The figure below depicts the year-on-year changes in LCOE of solar PV systems in India, in comparison with traditional energy sources, such as coal and gas.



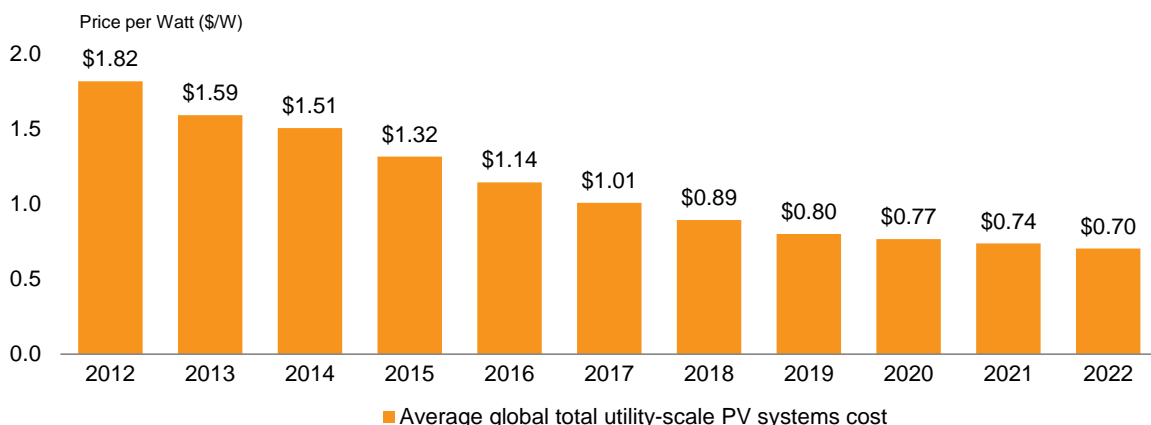
Notes: Real 2017 USD, Coal - scrubbed super critical, Gas - combined cycle steam turbine (CCGT)
 Source: IHS Markit

According to IHS Markit, in the United States, the LCOE of solar PV systems has also generally decreased between 2012 and 2018, and is expected to continue to decrease until 2030. In contrast, traditional sources of energy in the United States, such as coal and gas, have seen an increase in costs in recent years. The figure below depicts the year-on-year changes in LCOE of solar PV systems in the United States, in comparison with traditional energy sources, such as coal and gas.



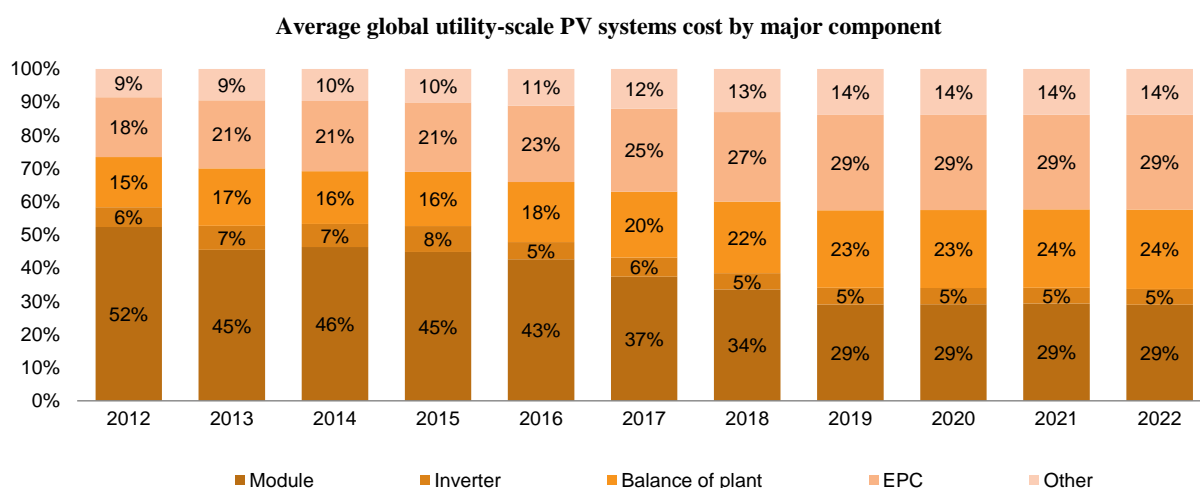
Notes: Real 2017 USD, Coal - scrubbed super critical, Gas - combined cycle steam turbine (CCGT)
 Source: IHS Markit

The declining costs of using solar energy can be attributed to a decrease in the costs of solar PV systems. According to BloombergNEF's 4Q 2018 Global PV Market Outlook report published November 19, 2018, the average global total utility-scale PV systems cost decreased from \$1.82/watt in 2012 to \$0.89/watt (DC) in 2018, and is expected to further decrease to \$0.70/watt (DC) in 2022. The figure below depicts the year-on-year global average cost of major components in utility-scale PV systems.



Source: BloombergNEF

A key driver of this decline in costs of solar PV systems is the decreasing costs of solar PV modules over the years, with the average price of solar PV modules decreasing by 68.5% between 2012 and 2018, according to BloombergNEF. The share of modules and invertors as a percentage of total PV system costs has declined globally from 58.3% in 2012 to 38.4% in 2018 and is expected to further decline to 33.8% by 2022. Improvement of module efficiency, while not directly affecting the module price, lowers the per watt spending of non-module components in the system. The figure below depicts the year-on-year change in composition break-up of global utility-scale PV system costs.



Source: BloombergNEF

The decline in cost of solar modules has contributed to bringing down the costs of generating PV electricity, making solar energy competitive with retail energy prices in most developed markets, and with wholesale energy prices in areas with significant solar energy resources. In the countries that first developed specific support schemes for PV, the most common approach was the fixed feed-in tariff (“FiT”), paying the system owner for each unit of electricity produced. In 2008, government-set feed-in tariffs for PV-generated power were in general above US\$450/mega-watt hour (“MWh”). In 2018, many government support policies adopted tenders instead of fixed feed-in tariffs, with low-end bids from companies with access to low-cost financing coming in below US\$40/MWh. According to IHS Markit, further declines in the cost of solar energy may continue driving global deployment of solar PV systems to generate electricity.

Favorable regulatory environment for growth of the solar energy sector

In recent years, governments across the world have made increasing commitments to combat climate change and lower dependency on fossil fuels. One such action has been to set targets to increase the share of renewable energy in the electricity mix. These targets have, in most cases, been followed by direct support policies. Such support

policies for solar energy include fixed FiTs, tariffs set by competitive tenders, tax credits, and net-metering. This has created a favorable regulatory environment for growth of the renewable energy sector, including the solar power industry. The table below summarizes the main policy and regulatory drivers for solar energy in each region.

Overview of Main Policy Drivers for Solar PV by Region

Region	Residential	Commercial	Utility-scale	Examples of PV/renewable energy targets
Africa	<ul style="list-style-type: none"> Self-consumption 	<ul style="list-style-type: none"> Power purchase agreements (PPAs) (e.g. Morocco) Tax benefits (e.g. from South African Revenue Services (SARS)) Subsidies (e.g. Capital Subsidy Scheme in Ghana) Tenders Self-consumption (e.g. South Africa) 	<ul style="list-style-type: none"> Tenders (e.g. the Renewable Energy Independent Power Producer Programme (REIPPP) in South Africa) Scaling Solar Program by World Bank and GetFiT by KfW Entwicklungsbank GmbH International Solar Alliance 	<ul style="list-style-type: none"> South Africa: 1.59 GW PV by 2020; 7.96 GW by 2030 Nigeria: 2 GW PV by 2020; 5 GW by 2030
Australia	<ul style="list-style-type: none"> Self-consumption Small-scale Renewable Energy Scheme (SRES) FiT 	<ul style="list-style-type: none"> Renewable Energy Target (RET) PPAs Self-consumption 	<ul style="list-style-type: none"> RET Bilateral PPAs Merchant 	<ul style="list-style-type: none"> Queensland: 3 GW of PV rooftop systems by 2020
Europe	<ul style="list-style-type: none"> FiT (e.g. Germany) Net-metering (e.g. Netherlands) Self-consumption Investment subsidy (e.g. Austria) Tax benefits (e.g. Italy) Building codes 	<ul style="list-style-type: none"> FiP (Feed-in premiums) Tenders (e.g. France, Germany) Self-consumption (e.g. Portugal) 	<ul style="list-style-type: none"> Tenders (e.g. France, Germany, Ireland, Russia, Italy, Spain, Kazakhstan) PPAs (e.g. Spain, Portugal) 	<ul style="list-style-type: none"> France: 20.6 GW PV by end of 2023; 35.6-44.5 GW by end of 2028 Switzerland: annual PV production target – 1,260 GWh by 2020; 7000 GWh by 2035; > 11,000 GWh by 2050
India	<ul style="list-style-type: none"> Net-metering Subsidy Generation-based incentive (e.g. Delhi rooftop PV policy) Self-consumption FiT 	<ul style="list-style-type: none"> Net-metering, investment subsidy (e.g. Gujarat Solar Power Policy 2015) FiT 	<ul style="list-style-type: none"> Tenders (e.g. Karnataka State tender for 1.2 GW_{AC}) 	<ul style="list-style-type: none"> 100 GW PV by 2022
Latin America	<ul style="list-style-type: none"> Self-consumption (e.g. Ecuador) Net-metering 	<ul style="list-style-type: none"> Net-metering (e.g. Brazil) PPAs 	<ul style="list-style-type: none"> Tenders (e.g. 250 MWac Sol de Vallenar project in Chile) Merchant (e.g. Chile, Mexico) PPAs (e.g. Chile, Mexico) 	<ul style="list-style-type: none"> Colombia: 6.5% share of renewables in national grid by 2020 Argentina: 20% renewables in electricity mix by 2025 Chile: 20% renewables on electricity mix by 2025
Middle East	<ul style="list-style-type: none"> Net-metering (e.g. Jordan) FiT (e.g. Egypt) Self-consumption 	<ul style="list-style-type: none"> Net-metering (e.g. Jordan) PPAs FiT (e.g. Egypt) 	<ul style="list-style-type: none"> Tenders (e.g. Egypt, or the 1 GW project in Konya under the Renewable Energy Resources Zone Areas scheme (YEKA scheme)) 	<ul style="list-style-type: none"> Jordan: 600 MW solar (PV and concentrated solar power (CSP)) by 2020
South East Asia	<ul style="list-style-type: none"> FiT Net-metering (e.g. Malaysia, Vietnam) Self-consumption 	<ul style="list-style-type: none"> Tenders (e.g. Ministry of Energy and Mineral Resources (MEMR) decree 12/2017 in Indonesia) Self-consumption 	<ul style="list-style-type: none"> Tenders (e.g. Malaysia) Merchant (e.g. Philippines) FiT (e.g. Vietnam) Negotiated PPA (e.g. Bangladesh) 	<ul style="list-style-type: none"> Vietnam: 850 MW PV by 2020; 4 GW by 2025; 12 GW by 2030
United States	<ul style="list-style-type: none"> Net-metering (e.g. California) Federal energy investment tax credit (ITC) 	<ul style="list-style-type: none"> ITC PPAs Renewable Portfolio Standards (RPS) 	<ul style="list-style-type: none"> RPS ITC PPAs 	<ul style="list-style-type: none"> No federally mandated renewable energy target Massachusetts: 1.6 GW of PV by 2020 through SREC program plus 1.6

	• Self-consumption	• Self-consumption			GW through Solar Massachusetts Renewable Target (SMART) program
					• New Jersey: 5.1% solar renewable portfolio standard by 2021
Rest of the World	• FiT • Self-consumption (e.g. Japan)	• FiT • Self-consumption • Tenders	• Tenders (e.g. Japan) • FiT	• South Korea: Approx. 30.8 GW PV in the period 2018 – 2030 • Taiwan: 6.5 GW PV by end of 2020; 20 GW by end of 2025; 30 GW by end of 2030	

Source: IHS Markit

In combination with declining solar technology costs, many governments have noticed that the cost of new support schemes for solar PV has declined, lowering the total cost of generating electricity in suitable locations. This has encouraged the rapid deployment of PV globally. Supportive policies continue to be a major driver for global PV deployment, even as such schemes adapt to declining costs.

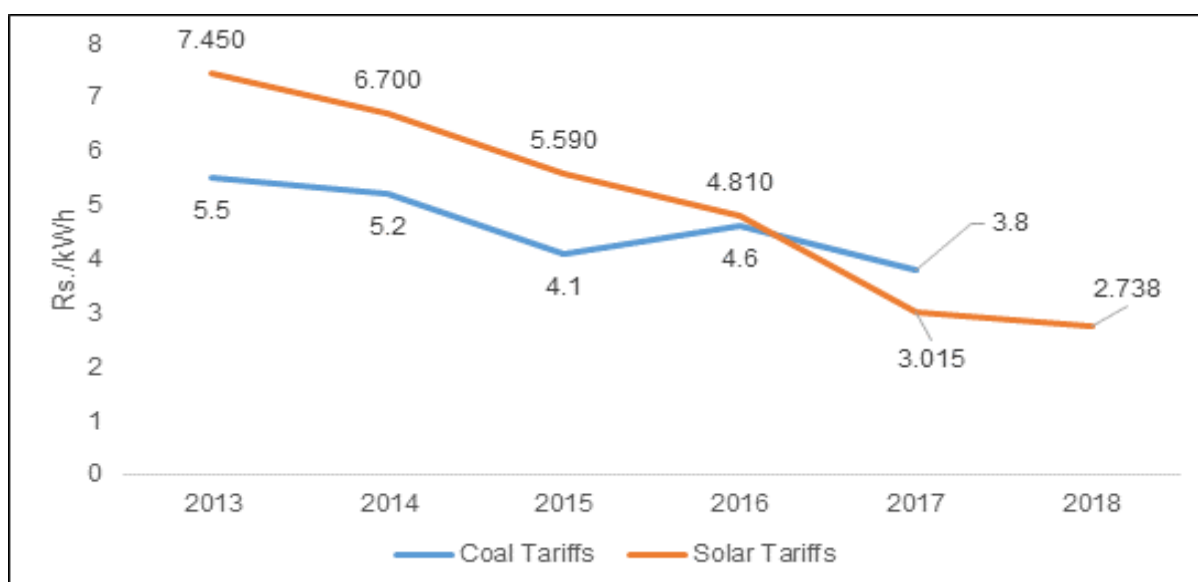
According to CRISIL Research, due to favorable policy, the low tariff discovery that results from competitive bidding processes and declining solar technology costs, tariffs for solar energy have declined globally, notably in comparison to coal-based energy. The table shows the decline in average solar energy tariffs across major regions from 2013 to 2018.

Solar auction/FiT price (US\$/KWh)	2013	2014	2015	2016	2017	2018
India	0.12	0.11	0.08	0.07	0.05	0.04
Middle East & North Africa	0.17	0.17	0.17	0.16	0.06	0.03
South Africa	0.10	0.10	0.07	0.07	0.07	0.06
Latin America	0.10	0.12	0.09	0.08	0.08	0.08

Source: CRISIL Research

As the chart below shows, weighted average solar energy tariffs for India have fallen significantly from Rs. 7.4/unit in 2013 to Rs. 2.7/unit in 2018, representing a decline in approximately 18% CAGR, and are now lower than tariffs for coal-based energy.

Solar energy tariffs vs. coal-based energy tariffs



Notes: Coal tariffs are for financial year; only competitively bid tariffs included; no competitively bid coal projects in 2018; coal tariffs include fixed and variable costs

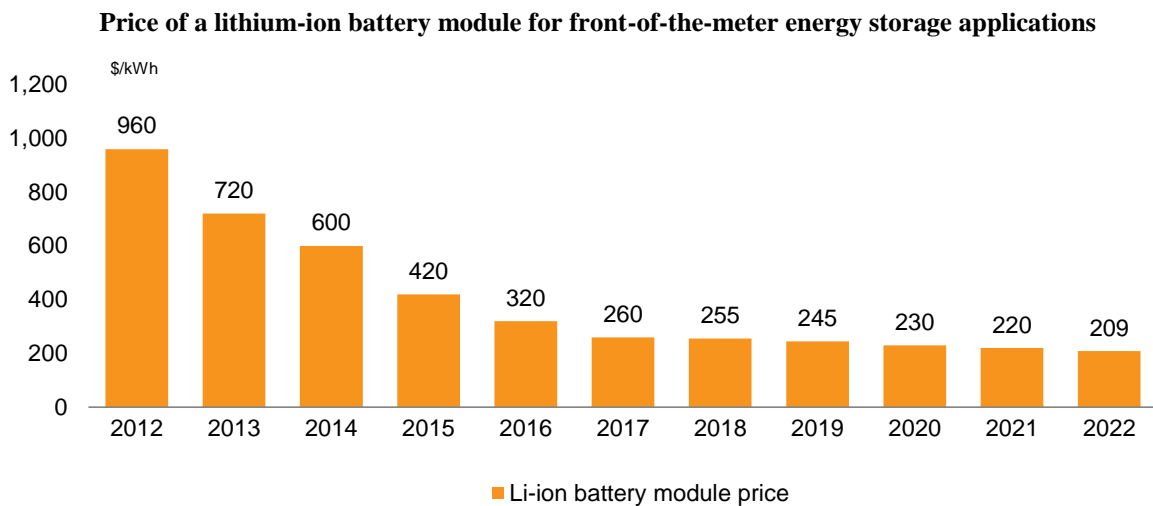
Source: CRISIL Research

Greater efficiency in installation and commissioning process

Another factor driving the growth of the solar energy industry is the efficient installation process of solar PV plants. Governments in countries with rapidly growing electricity demand are also considering solar energy as an option for rapidly increasing power generation capacity. The installation time of solar PV plants are significantly shorter compared to other large-scale power generation sources, potentially driving down installation costs. Once any administrative steps have been completed, it can take between a few months to a year to install a major solar PV plant. In contrast, other large-scale power generation sources can take significantly longer to complete installation. Solar PV technology is also scalable so that plants can be built to suit the available land and grid connections. PV systems can also be built as captive power plants directly connected to the end-user, designed to suit the user's electricity demand. The transportation of materials in the installation of solar PV plants may also be more efficient compared to other large-scale power plants. Solar PV plants do not require fuel, which may be an advantage in terms of transportation, particularly in emerging markets with distribution challenges. As long as solar PV plants continue to benefit from such advantages in the installation and commissioning process, the solar power industry is likely to continue to grow.

Solar energy storage to be the next major driver of growth

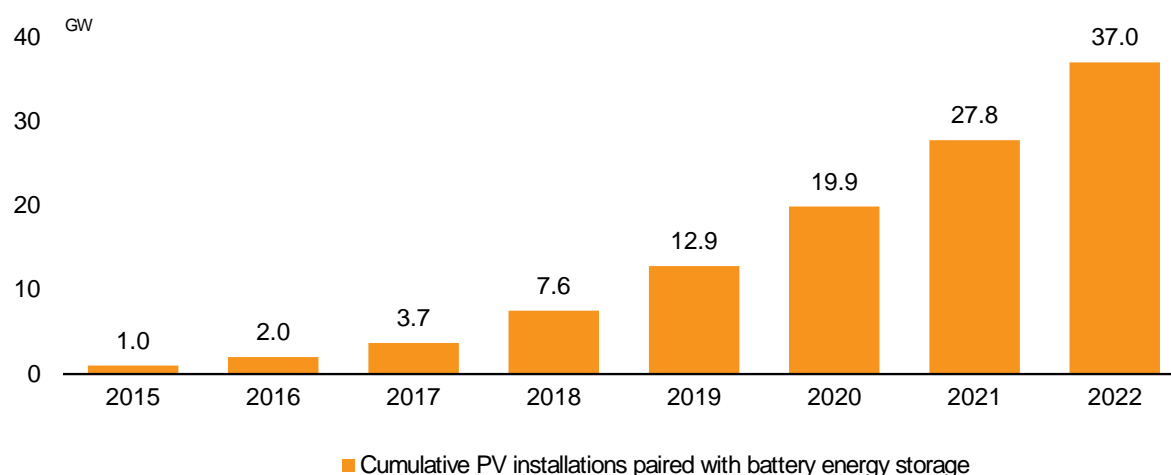
According to IHS Markit, the increasing use of battery energy storage in solar PV plants could help to drive further growth in the solar industry. Pairing batteries with solar PV plants helps to overcome the inherent intermittency of solar PV generation by smoothing output and/or storing generated energy which can then be utilized when energy is not being generated in off-peak times. This trend has been accelerated by significant reductions in battery costs. The average price of a lithium-ion battery module for front-of-the-meter energy storage applications fell by 73.0% from 2012 to 2018, as depicted in the chart below.



Source: IHS Markit

According to IHS Markit, global solar PV installations paired with battery energy storage has increased from 76 mega-watts (“MW”) in 2012 to 3,825 MW in 2018. This is expected to increase to 9,232 MW in 2022. The figure below depicts the year on year cumulative global solar PV installations paired with battery energy storage.

Year-on-year cumulative global solar PV installations paired with battery energy storage



Source: IHS Markit

The Solar Power Industry Value Chain

The key players in the solar power industry value chain are as follows.

Owners/operators

The owner of a solar PV asset is the end-investor, either for short or long-term investments, which receives revenues generated by selling electricity. The owner may have a specific portfolio of PV assets, or include single PV assets in a broader portfolio of power generation plants. In addition to the main investors, there may also be many local investors that hold minority shares of projects. Owners of PV assets include: the utility or independent power producer (“**IPP**”) owner, which is typically a company focused on owning and operating power generation assets; financial owners, such as fund managers or institutional investors that operate PV assets on behalf of shareholders, fund participants or other stakeholders; private owners, such as a small company or family that owns stakes in select PV assets or small distributed PV systems; or end-user owners that own PV plants with the main purpose of consuming the electricity directly.

Financiers

Financiers provide debt financing to solar power projects. This can either be short-term bridge financing for the construction of the project, or long-term debt financing provided to the main developer or asset owner. Types of financiers include: commercial banks that provide debt funding under commercial terms in the given jurisdiction; development finance institutions that are national or multilateral donors that provide financing to projects falling within the agency’s mandate in the form of direct debt to the project developer or channeled via a commercial bank; or in-house equity funding, through which larger investors may also finance projects on the balance sheet without borrowing money.

EPC solutions providers

Engineering, procurement and construction (“**EPC**”) solutions providers coordinate the turn-key construction of a solar PV plant, including design and engineering. The EPC role in a project will vary according to the developer’s preferences. Projects for EPC providers range from: full turn-key EPC projects, where the EPC provider fully manages plant construction and typically provides operations and maintenance (“**O&M**”) services for the plant for two to five years, making a margin on the procurement of components and on the services provided; partial EPC projects, where the EPC provider is only hired for the engineering and construction of the plant; or in-house EPC projects, where the EPC provider only takes on specific sub-contracted tasks from an in-house EPC team. Some EPC solutions providers have also found opportunities in project development. The project is often sold immediately before construction, and an EPC contract is signed.

Suppliers

Key suppliers in the solar power industry include PV module suppliers, PV inverter suppliers and balance of system suppliers. Companies within the PV module supply chain are typically manufacturing focused and consist mainly of polysilicon, wafer, cell and module manufacturers, although a large number of companies have expanded downstream to become active as developers or EPC solutions providers in recent years. PV inverter suppliers are mostly large industrial electronics companies, with the solar power industry accounting for a small share of their business. Specialist PV inverter companies also exist, although most are currently focused on diversifying into other adjacent industries, such as energy storage and O&M services for full solar PV systems. Balance of system suppliers include a wide range of companies providing a diverse set of products, from the racking and mounting of PV modules to cabling and electrical connectors. The vast majority of these companies focus on manufacturing one specific component of PV systems.

O&M service providers

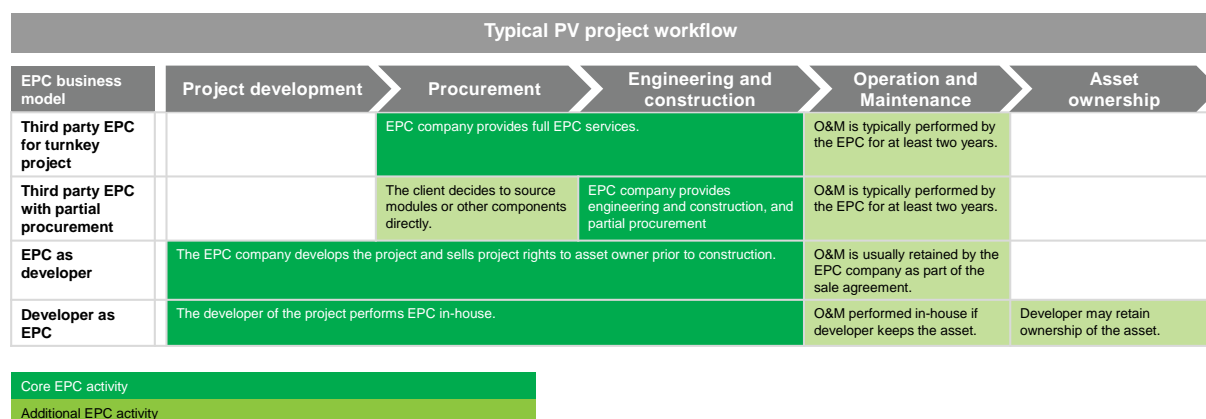
O&M service providers ensure the functioning of the solar PV plant. This can be done under a comprehensive contract or through partial sub-contracting. O&M service providers include: full asset management and O&M providers, in which the O&M contract can include both the commercial and technical management of a PV asset, although many asset owners contract separate providers for the two; EPC providers that provide O&M services as part of their package; pure-play O&M service providers, in which the O&M provider supplies a range of services which can vary greatly between contracts, typically for a period of five years; and in-house O&M service providers, in which the asset owner performs the O&M with an in-house team and only sub-contracts specific tasks.

The Solar EPC Industry

Overview of the solar EPC industry

Solar EPC solutions providers coordinate the turn-key construction of a PV plant, including design and engineering. The EPC role in a solar PV project will vary according to the developer's preferences and the EPC provider will require enough financial resources to commit to the project.

Projects for solar EPC solutions providers range from full turn-key EPC projects, where the EPC provider manages plant construction in its entirety and typically provides O&M services for the plant for two to five years, making a margin on the procurement of components and on the services provided; partial EPC projects, where the EPC provider is only hired for the engineering and construction of the plant; or in-house EPC projects, where the EPC provider only takes on specific sub-contracted tasks from an in-house EPC team. Some EPC solutions providers have also found opportunities in project development. The project is often sold immediately before construction, and an EPC contract is signed. The figure below summarizes the different work streams and business modules for solar PV EPC players.



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Competition in the solar EPC industry

The solar EPC industry is highly fragmented, but has been tending towards increased consolidation in recent years. According to IHS Markit, the combined global market share of the twenty largest solar EPC solutions

providers increased from 15.0% in 2010 to 28.0% in 2015. In 2017, this declined to 20.0% as a result of significant solar PV construction activity in China, where EPC activity is highly fragmented. Excluding China, the combined global market share of the five largest solar EPC solutions providers in 2018, based on annual installations of utility-scale PV systems of more than five MWp, increased from 5.7% in 2015 to 19.3% in 2018. In 2010, global solar PV system additions were dominated by Europe with a large number of local EPC solutions providers based in countries such as Germany, Italy and Spain. As Europe scaled back its support schemes for solar PV systems, competition increased, and scale became an important factor for EPC solutions providers. As solar PV deployment has grown, successful EPC solutions providers have been able to scale-up their businesses and increase their market share. In recent years, new companies have entered the solar EPC industry, particularly in newer markets like Australia. This has, in combination with fragmented solar EPC activity in China, slightly increased fragmentation globally. According to IHS Markit, as an increasing number of projects larger than 100 MW are being built, the total global market share of the twenty largest solar EPC solutions providers is likely to increase.

The table below depicts the year-on-year percentage share of annual installations of all utility-scale PV systems greater than 5 MW for the companies with the largest global market shares in 2018.

Share of annual installations of all utility-scale PV systems > 5 MW for companies with the largest market shares in 2018

	Country of headquarters	2014	2015	2016	2017	2018
Sterling and Wilson	India	0.3%	0.8%	1.0%	2.2%	4.6%
TBEA Sun Oasis	China	4.5%	4.5%	2.9%	2.9%	2.2%
Sungrow	China	0.9%	1.2%	1.2%	2.1%	2.1%
PowerChina (Power Construction Corp of China)	China	0.2%	1.5%	1.0%	1.8%	1.9%
Risen Energy	China	0.0%	1.7%	1.2%	1.1%	1.9%
Swinerton Renewable Energy	United States	0.6%	1.2%	2.6%	1.4%	1.4%
RCR Tomlinson	Australia	0.0%	0.0%	0.0%	0.0%	1.2%
Prodiel	Spain	0.0%	0.5%	0.3%	1.7%	1.2%
Black & Veatch	United States	0.2%	0.0%	0.6%	0.0%	1.2%
Grupo ACS	Spain	0.2%	0.0%	0.0%	0.0%	1.1%
Others		93.1%	88.6%	89.2%	86.8%	81.2%
Total		100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Ranked in order of 2018 market share

Source: IHS Markit

The figure below depicts the percentage share of global (excluding PV projects installed in China) annual installations of all utility-scale PV systems greater than 5 MW for the companies with the largest market shares in 2018.

Share of global (excluding PV projects installed in China) annual installations of all utility-scale PV systems > 5 MW for companies with the largest market shares in 2018

	Country of headquarters	2014	2015	2016	2017	2018
Sterling and Wilson	India	0.5%	1.8%	2.2%	6.4%	8.6%
Prodiel	Spain	0.0%	1.2%	0.6%	4.8%	2.7%
Swinerton Renewable Energy	United States	1.2%	2.6%	5.8%	3.9%	2.7%
RCR Tomlinson	Australia	0.0%	0.0%	0.0%	0.0%	2.7%
Risen Energy	China	0.0%	0.1%	0.1%	0.0%	2.6%
Black & Veatch	United States	0.5%	0.0%	1.3%	0.0%	2.2%
Grupo ACS	Spain	0.0%	0.0%	0.1%	0.0%	2.1%
First Solar	United States	12.6%	9.1%	6.4%	1.6%	2.0%
ACCIONA	Spain	0.2%	0.0%	1.1%	0.0%	2.0%
Mortenson Construction	United States	0.9%	1.6%	4.1%	2.6%	1.9%
Others		84.1%	83.5%	78.4%	80.7%	70.5%
Total		100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Ranked in order of 2018 market share

Source: IHS Markit

The figure below depicts the percentage share of annual installations of all utility-scale PV systems greater than 5 MW in India for the companies with the largest market shares in 2018.

Share of annual installations in 2018 of all utility-scale PV systems > 5 MW in India for companies with the largest market shares in 2018

Sterling and Wilson	16.6%
L&T ECC Solar	5.0%
Mahindra Susten	4.3%
Tata Power Company	4.2%
ACME Solar	2.8%
Others	67.1%
Total	100.0%

Notes: Ranked in order of 2018 market share
Source: IHS Markit

The figure below depicts the percentage share of annual installations of all utility-scale PV systems greater than 5 MW in Africa for the companies with the largest market shares in 2018.

Share of annual installations in 2018 of all utility-scale PV systems > 5 MW in Africa for companies with the largest market shares in 2018

Sterling and Wilson	36.6%
China Jiangxi	11.6%
GreenYellow	5.9%
Vinci Energies	4.9%
InnoSun	4.2%
Wartsila	3.6%
AEC Jabil	2.5%
Consolidated Power Projects	2.3%
Grupo ACS	2.3%
Caterpillar	1.5%
Others	24.6%
Total	100.0%

Notes: Ranked in order of 2018 market share
Source: IHS Markit

The figure below depicts the percentage share of annual installations of all utility-scale PV systems greater than 5 MW in the Middle-East for the companies with the largest market shares in 2018.

Share of annual installations in 2018 of all utility-scale PV systems > 5 MW in the Middle-East for companies with the largest market shares in 2018

Sterling and Wilson	40.4%
Acciona	7.1%
TBEA	5.7%
OHL	4.0%
TSK	4.0%
ET Solutions	3.9%
ib vogt	3.1%
Orad Solar Power	2.0%
Belectric	1.7%
Kawar Energy	1.0%
Others	27.1%
Total	100.0%

Notes: Ranked in order of 2018 market share
Source: IHS Markit

Successful solar EPC solutions providers have not only offered the most competitive prices, but have also demonstrated a track-record of strong design and engineering capabilities, on-time project completion and as expected or higher plant performance. Successful EPC solutions providers have also built up relations with

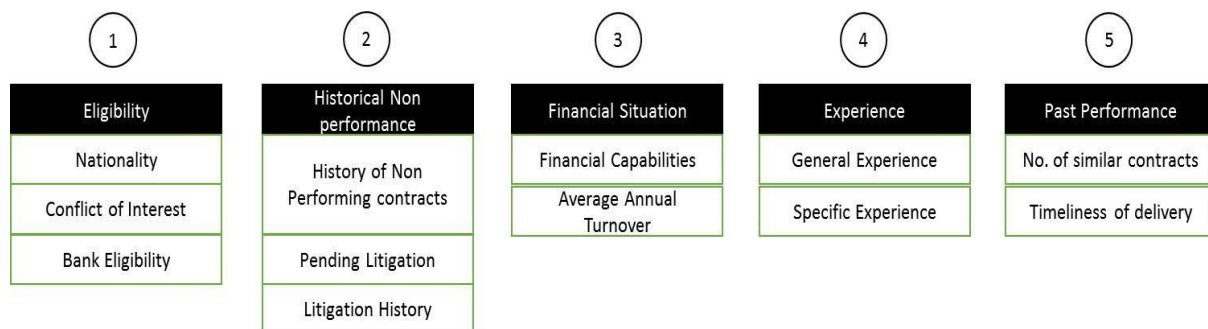
suppliers and other stakeholders, like consultants and local sub-contractors in order to execute projects on time. When evaluating a project, lenders also evaluate the strength of the EPC provider, with EPC providers with a strong track-record and good lender relations increasing the bankability of the project. The financial strength of solar EPC solutions providers is becoming an increasingly important factor for developers to ensure that the EPC provider has enough liquidity to complete the construction according to schedule.

Key market barriers to entering the solar EPC industry include financial capability, track-record and experience, and local licenses. Many markets regulate construction activities requiring solar EPC solutions providers to set up local entities with appropriate permits/licenses. In newer markets where EPC providers have less experience in building solar PV systems, the shortage of highly experienced engineers may also be a barrier to entry, resulting in high competition in acquiring key staff.

Even though financial strength is an important factor during the construction process, well-managed EPC solutions providers can maintain liquidity through a steady inflow of revenue from various projects. The EPC business does not require any heavy initial investments in machinery or equipment, and many services can be outsourced. This creates flexibility with regard to managing liquidity. In many instances, EPC solutions providers can also access bridge financing to maintain liquidity during the project construction phase.

Key criteria for selecting an EPC solutions provider

Generally, the selection of an EPC solutions provider is done in two stages. In the initial selection stage, owners or operators assess each bidder based on a checklist of qualification requirements. Common criteria that bidders may be assessed on is depicted in the figure below.



Source: World Bank, CRISIL Research

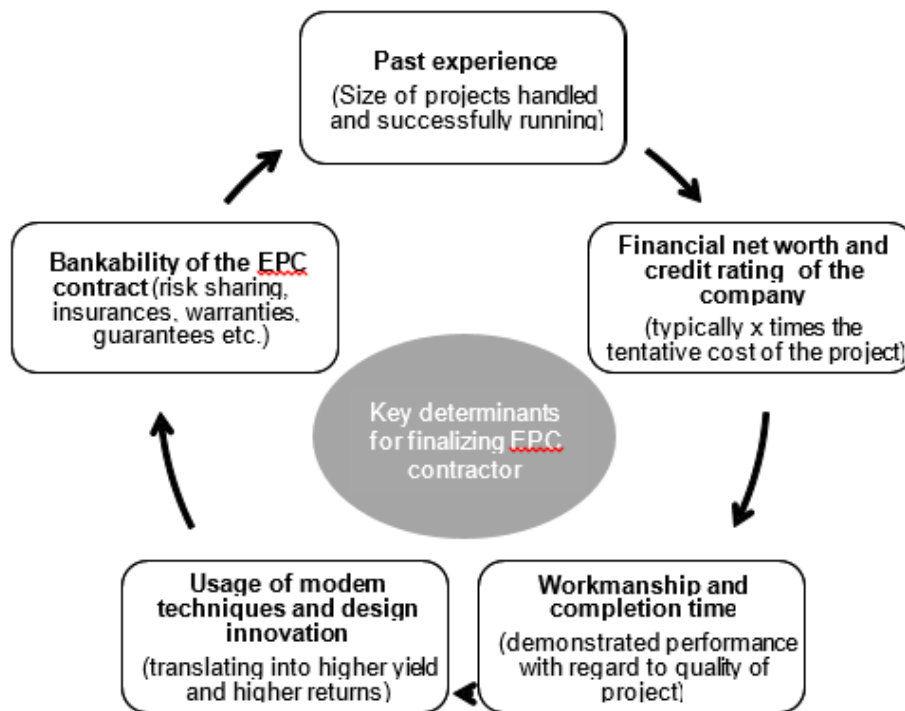
Once a bidder surpasses the minimum pass/fail requirements and is deemed qualified, the owner or operator will then make its final selection based on the quality of the bidder’s submitted proposal and, in some cases, on the cost of services as quoted. Methods of selecting an EPC solutions provider include quality and cost-based selection, quality-based selection, and least-cost selection. Quality and cost-based selection is the most commonly used method of selecting an EPC solutions provider as this takes into account the quality of the proposal as well as the cost of services. Under this selection process, the technical and financial proposals are submitted by bidders at the same time in two separate sealed envelopes, and using pre-assigned weightages on technical and financial proposals, the final weighted scores are determined, with the bidder with the highest final score being selected. Under the quality-based selection method, only the quality of the technical proposals are evaluated. Once the highest ranked technical proposal is determined, the corresponding financial proposal will be opened and the bidder will then be invited for subsequent negotiation of the financial terms, with the project being awarded to the bidder after a successful conclusion of negotiations. Under the least-cost selection method, the winning submission is determined based on the financial proposal with the lowest price. The technical proposals are evaluated only to the extent of assessing the bidder’s minimum technical score.

The performance specification section of an EPC contract details the performance criteria that the EPC solutions provider must meet. However, this section does not dictate how these performance criteria must be met and this is left to the EPC solutions provider to determine. Generally, an EPC contract will highlight technical and financial eligibility criteria for prospective bidders. This tests the previous experience of EPC solutions providers as well as checking for healthy balance sheets.

Technical eligibility criteria for EPC solutions providers typically include: having a minimum mega-watt peak (“MWp”) of grid interactive solar power plant O&M experience for the past two years, either equivalent to or more than the capacity of the solar power plant the developer is setting up; successful handling of consultancy or

bid process management services for the past five years; qualified and experienced staff with a minimum of five years of O&M experience on high speed diesel fuel based engine generator sets of capacity not less than 500 kilo-volt-amperes (“kVA”), 415 volts (“V”), or 50 hertz (“Hz”); the bidder as a single company or the “lead member” company in a consortium being an ISO:9001 certified company; the bidder being a Ministry of New and Renewable Energy (“MNRE”) accredited single-stage solar photovoltaic (“SPV”) system integrator with a rating of 1A; and the bidder holding a valid “A” class electrical contracting license as of the date of submission of the bid.

Financial eligibility criteria for EPC solutions providers typically include minimum average net worth and turnover requirements for the bidder over the last three financial years. EPC contracts may also require bidders to submit bank solvency certificates of a specified amount or to provide summarized sheets of turnover and/or financial statements. The figure below depicts the key determinants for selecting EPC solutions providers as typically seen in the performance specification section of EPC contracts.



Source: CRISIL Research

The Solar O&M Industry

O&M service providers ensure the functioning of the PV plant, either through a comprehensive contract or partial sub-contracting. O&M service providers include full asset management and O&M providers; EPC solutions providers that provide O&M services as part of their package; pure-play O&M service providers; and in-house O&M service providers. According to IHS Markit, the size of the global solar O&M industry for systems of more than one MW was US\$2.1 billion in 2017. With the combined market-share of the top 10 largest O&M providers (in terms of capacity under management) being 44.0% in North America, South America and Central America and just 10.0% in Europe, this industry is highly fragmented.

The O&M industry faces several challenges. The change in responsibility from EPC solutions provider to O&M services provider may not be smooth and plant output is often beyond the control of O&M providers, due to reasons such as incomplete EPC work, expired warranties or a lack of spare parts provided by developers. Such contingent liabilities and uncertainties have penalized O&M service providers and the high risks involved have created difficulties in mobilizing financing.

As a result, there has been a growing trend in the solar industry for EPC solutions providers to offer EPC and O&M services in the same contract due to the increased transparency in responsibility and liability between the two prongs of work. Developers and investors have not shown much interest in vertically diversifying into O&M activities, instead continuing to focus on capacity expansion, while in-house O&M services lack in quality and

consistency compared with specialized O&M service providers. In contrast, EPC solutions providers tend to have the financial backing and prowess to test forward-looking technology required in providing specialized O&M services. According to CRISIL Research, all major solar EPC firms have been providing O&M services in one package at competitive prices, and, with the advent of process centralization, automation and centralized troubleshooting, there is a growing potential for O&M services to become commoditized and integrated with EPC services.

The Global Solar Power Industry

India

The solar power industry in India has been flourishing. Complementary central and state government policies, such as the Smart Cities Mission, National Tariff Policy in 2016 and the recently proposed Electricity Amendment Bill in 2018, and the commissioning of projects under large central and state capacity allocations coupled with the increasing price competitiveness of solar energy, has led to a surge in solar PV installations. Infrastructure support by the Government of India (“**GoI**”), such as the Solar Park Policy in 2014, and the improved financial condition of electricity distribution companies under the Ujwal DISCOM Assurance Yojana scheme (“**UDAY Scheme**”) have also been key drivers of growth. With the GoI targeting to commission 100 GW of solar PV installations by 2022, the solar industry in India has strong growth potential and the overall market for solar EPC solutions providers in India is expected to grow at a comparable pace.

Africa

Several countries in the region have benefited from government initiatives in recent years that encourage the use of renewable energy. In South Africa, 2.6 GW of PV capacity has been awarded through the Renewable Energy IPP Procurement Programme to date, of which 1.6 GW has come into operation. A 2.2 GW quota has been announced for future bid rounds. In Kenya, a FiT programme attracted developers to build up a pipeline, but projects did not start installation until 2017-18 with the 55 MW Garissa project being the only installed project to date. Under the FiT program, Kenya Power signed 0.3 GW of PPAs at KSh 12/kWh (approximately USD 120/MWh) between 2015 and 2017. A draft energy bill allowing generators to supply renewable energy to consumers directly may also drive growth in Kenya. The Federal Government of Nigeria has moved to strengthen the energy sector and tackle acute and consistent power shortages in the country. In 2016, the Nigerian Bulk Electricity Trader signed 14 PPAs (1 GW) with solar PV projects. In 2018, the Federal Government of Nigeria asked the African Development Bank for support on the Nigeria Electrification Project, which aims to increase access to electricity in off-grid areas of the country through the activities of the Rural Electrification Agency, relying predominantly on solar technology.

Middle East

Dubai and Abu Dhabi have taken the lead on the procurement of large-scale PV projects in the region. In Dubai, three phases of PV projects have been tendered to IPPs as part of the Mohammed bin Rashid Al Maktoum solar park, of which 213 MW of the awarded capacity has been completed, while the 800 MW third phase is expected to be completed by 2020. Under the Dubai Clean Energy 2050 plan, Dubai has raised its PV targets to 25.0% solar by 2030 and 75.0% by 2050 and has increased the planned size of the Mohammed bin Rashid Al Maktoum solar park to 5 GW. In Abu Dhabi, the 1,177 MW Sweihan PV plant is scheduled for commissioning in April 2019. New tenders for further solar parks in Abu Dhabi are under planning. The energy crisis in Jordan has spurred interest in renewables, with two rounds of PV auctions for 450 MW capacity being held and the third round for 150 MW capacity attracting bids from 14 companies. Net-metering and wheeling (the transportation of electric energy from within an electrical grid to an electrical load outside the grid boundaries) have also taken off as options for consumers to offset high electricity bills, spurring the deployment of utility-scale PV projects under bilateral PPAs. Jordan’s state-owned utility company is also working on the Green Corridor project, aimed at improving the integration of renewable energy projects by expanding the capacity of the grid. Oman plans to install around 2 GW of solar power by 2024, with the Oman Power and Water Procurement company launching a 500 MW Ibrill Solar IPP tender in December 2017 and the Petroleum Development Oman awarding a 100 MW Amin Solar PV IPP project to a consortium in October 2018. Saudi Arabia has made several announcements on solar power targets and tenders since 2012. In 2017, a 300 MW PV plant was tendered and awarded, and is currently under construction, and in January 2019, the Saudi Renewable Energy Project Development Office (“**REPDO**”) announced that it was planning to tender 2,225 MW of solar capacity in 2019 across 11 projects. By 2023, REPDO targets 20 GW of PV.

Macroeconomic Overview of the Global Economy

According to CRISIL Research, there is a strong correlation between the gross domestic product (“**GDP**”) of a country and its power consumption, especially for developing countries. As countries grow, industrialization and prosperity improves, thereby impacting per capita power consumption.

Per capita power consumption has grown steadily at the global level, led by developing and under-developed nations. In developed nations, although total power consumption has generally increased, consumption on a per capita basis has remained steady owing to efficiency measures. On the other hand, developing nations have shown a strong increase in per capita power consumption, as large-scale electrification programs continue to connect rural areas and living conditions of the general population improve. With millions still not connected to the electricity grid, this increase is expected to continue in the short to medium term, according to CRISIL Research.

India

According to International Monetary Fund (“**IMF**”) forecasts, after overtaking China in 2018, India is likely to retain its position as the fastest-growing economy in the world in 2019. India’s GDP is expected to grow healthily to 7.4% in 2019, led by re-monetization and easing of the initial difficulties faced under the goods and services tax (“**GST**”) mechanism. While the pain of demonetization and GST implementation will be frontloaded, the benefits will be felt over a period of time. Hence, GDP growth has been strong in 2018 over the weak base of 2017. The ongoing liberalization of India’s foreign direct investment (“**FDI**”) regime has also triggered a surge in investment, especially after the launch of the ‘Make in India’ campaign in October 2014. Net FDI inflows have risen from approximately \$22.0 billion in 2014 to approximately \$44.8 billion in 2018. Growth will also find support from private consumption, driven by continued government spending on construction activities, benign inflation and revision in government salaries at the state level. The strong increase in world trade and investments among developed economies indicates increased manufacturing growth, driving economic growth in India. However, protectionism could cloud global growth forecasts. Key risks flagged by IMF include protectionist sentiment and inward-looking policies that harm international trade, geopolitical tensions and a sharp tightening of global financial conditions.

Africa

The GDP of the African region has grown for most of 2008 to 2017, with 2015 and 2016 being the exceptions. This may be attributed to a rise in domestic demand, partly met by import substitution and improved agricultural production. Public and private investment, both major constituents of GDP, have grown over the years, keeping the region’s economic growth steady. Tightening of financial conditions in the United States, such as the raising of benchmark interest rates and winding down of the stimulus program, may constrain global liquidity and reduce demand. This may hinder growth in major African economies since they rely on international capital markets for financing needs. Also, waning of commodity prices may hit Africa’s GDP owing to weaker export earnings. Going forward, domestic consumption, labor productivity, gains in the industry, agriculture and services sectors and public expenditure will dictate the region’s growth.

Australia

Led by strong domestic demand and year-on-year population growth of 1.5%, Australia has grown strongly at 2.6% year-on-year from 2007 to 2018. Growing domestic demand and an accommodating global environment, led by strong end-use mineral demand from energy-hungry countries, such as China and India, has kept Australia’s GDP growth rates buoyant. The labor market has remained strong and created jobs in excess of the working age population growth. Going forward, the current unemployment rate of 5.3% is expected to reduce by another percentage point. This signals greater household consumption and increased spending. Although the country has experienced healthy GDP growth rates over the past decade, protectionist sentiment, trade wars and macroeconomic risks may dampen growth. With Sino-Australian trade accounting for approximately 44.0% of Australia’s GDP, weaker Chinese markets may have repercussions on Australia as well. With the Reserve Bank of Australia forecasting 3.5% GDP growth in 2019 and 2020, the rise in household consumption, which is the largest part of the economy at over 50.0%, is likely to shape the GDP curve going forward.

Middle East

The Middle East’s economic performance has been mixed over the years. Moderate growth up to 2014 was offset in 2015 and 2016 with a slump in oil prices. However, prices have risen ever since, propping up GDP growth. While Iran is faltering under sanctions imposed by the United States, countries like Iraq, Jordan, Lebanon, and

Oman are struggling to establish political stability. Elevated debt levels and regional conflicts present headwinds to strong growth. With mounting global trade tensions and volatility in international financial markets, spillover risks are high. Going forward, domestic demand, including private consumption, will be a major driver of growth. With oil prices expected to rise in the short-term owing to the impact of sanctions on Iran, prices are expected to decline in the medium term due to larger shale oil production in the United States. A rebound of GDP growth as a result of increased global oil prices is therefore unlikely. However, improvement in the fiscal space and consumption-led growth may lead to steady growth in the region.

South America

The GDP of the region has shown staggered growth with a strong rise from 2009 to 2011, stagnation from 2009 to 2014 and then bouts of contraction over the next two years. After these two years of contraction, the region grew modestly, led by stronger-than-expected growth in Brazil and improved private consumption. Retail trade and industrial production grew in Brazil despite a reduction in construction activity and reduced consumer confidence. Floods in Chile reduced mining output and recessions in Argentina and Venezuela had a bearing on growth prospects. Economic growth in South America is expected to be modest. Brazil and Argentina, which account for more than half of the region's economy, are expected to revive slightly, although growth momentum is expected to be curbed due to domestic problems and global market volatilities. Smaller economies like Chile may grow at a faster pace but such growth is unlikely to be enough to offset the drag of the rest of the South American economy.

United States

GDP numbers for the world's largest economy have experienced cyclical upswings and downswings over the last decade. The United States' real GDP growth rate is expected to slow to approximately 1.5% by 2022 according to IMF estimates. This is in line with the Federal Reserve's expectations of economic growth slowing to 2.3% in 2019. The long run growth forecast stands at 1.9%. This may be attributable to ensuing trade wars, slower unemployment growth, declining construction activity and higher interest rates. Movements in core inflation, wage growth, labor market conditions and earnings growth of companies will sway GDP numbers. The anticipated slowdown in the global economy poses headwinds to US growth rates.

Power consumption Trends in the Global Economy

India

India has seen strong growth in per capita power consumption of 4.8% year-on-year growth from 2017 to 2018. This was led by an increase in industrial activity, rising disposable household income and infrastructural growth. Although the industrial segment accounts for the bulk of power consumption, the share of the domestic sector has risen from an approximate share of 22.0% in 2013 to an approximate share of 25.0% in 2018. This was led by intensive electrification schemes and an improvement in supply.

Africa

Power generation has grown modestly on a per capita basis, but remains well below the global average. The power access rate for African countries is the world's lowest, at approximately 40.0%.

Australia

Power consumption in the country has remained flat, growing at a modest 0.6% year-on-year over the past decade (Australia Energy Update, 2017). However, per capita power generation has reduced marginally from 10.07 MWh per person in 2008 to 9.49 MWh per person in 2016. This can be partly attributed to a reduction in energy intensity, which dropped by 1.8 % between 2008 and 2016.

Middle East

Power access in the region has improved, led by stronger underlying demand and economic growth.

South America

With all countries experiencing economic growth, despite contractionary forces, power consumption has grown steadily. A rising middle class, improvements in infrastructure and power access are likely to continue to propel per capita power consumption going forward.

United States

Power consumption, in absolute terms as well as on a per capita basis, is declining. This may be attributed to changes in the weather and energy efficiency improvements.

Risks to the Growth of the Solar Power Industry

Trade policies have, in recent years, become a major concern for the solar power industry. Policies that either remove support schemes or create barriers to installing new solar PV systems could negatively impact the solar power industry, and such actions within individual countries could impact total global demand for solar PV systems depending on the size of the specific market. Intensified price competition also poses another risk to the solar power industry. As price competition intensifies, profits could deteriorate and cash reserves could be diminished for a large portion of companies across the value chain. If large suppliers, in particular, are less solvent, this could have a negative impact on many companies in the solar industry. Newer technologies could also emerge in the long term, potentially displacing solar energy as a competitive source of new power generation. However, according to IHS Markit, this is unlikely to happen over the next ten years. See “*Risk Factors – External Risks*” on page 47 of this Draft Red Herring Prospectus for more risks associated with our industry.

OUR BUSINESS

We describe in this Draft Red Herring Prospectus the businesses that have been contributed to us by Sterling & Wilson Private Limited (“SWPL”), as part of our demerger from SWPL (the “Demerger”), as if they were our businesses for all historical periods described. The Demerger was completed pursuant to a scheme of arrangement that was effective as of April 1, 2017. Accordingly, the operational and financial information for Fiscals 2016 and 2017 included in this section, are prior to the Demerger and may not be reflective of our performance as a separate company. Please see the section titled “History and Other Corporate Matters – Mergers or Amalgamation” on page 144 of this Draft Red Herring Prospectus for additional information regarding the Demerger and “Risk Factors - We depend on SWPL for certain services as a result of the Demerger and we may encounter difficulties adjusting to operating as a separate company after the Demerger, which may materially and adversely affect our business, financial condition, cash flow, prospects and results of operations” on page 34 of this Draft Red Herring Prospectus for risks associated with the Demerger.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, including certain non-GAAP financial measures, some of which may not be derived from the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements or otherwise subjected to an audit or review by our auditors. The manner in which such operational and financial performance indicators, including non-GAAP financial measures, are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies.

Our financial year ends on March 31 of each year. Accordingly, references to Fiscals 2016 and 2017 are for the 12-month period ended March 31 of that year. References to Fiscal 2018 mean the period from March 9, 2017 to March 31, 2018, reflecting the incorporation of our Company as a separate company on March 9, 2017, and references to the nine months ended December 31, 2018 and 2017 are for the nine month period from April 1 to December 31 of that year. We did not recognize revenue from operations or incur any expenses in our Company from March 9, 2017 to March 31, 2017; therefore, there is no impact to our Restated Consolidated Summary Statement of Profit and Loss for Fiscal 2018 from this additional 22-day period.

We have provided certain operational numbers as of December 31, 2018 and unless otherwise stated, those numbers have been provided from the commencement of our operations in 2011.

As used in this Draft Red Herring Prospectus, the terms “we”, “us” or “our” may, depending on the context, refer to the Solar EPC Division of SWPL prior to the Demerger or to our Company and our consolidated subsidiaries after giving effect to the Demerger.

Overview

We are a global pure-play, end-to-end solar engineering, procurement and construction (“EPC”) solutions provider, and were the world’s largest solar EPC solutions provider in 2018 based on annual installations of utility-scale photovoltaic (“PV”) systems of more than five mega-watt peak (“MWp”), according to IHS Markit. We provide EPC services primarily for utility-scale solar power projects with a focus on project design and engineering and manage all aspects of project execution from conceptualizing to commissioning. We also provide operations and maintenance (“O&M”) services, including for projects constructed by third-parties. We commenced operations in 2011 as the Solar EPC Division of SWPL and demerged from SWPL with effect from April 1, 2017. Over a span of seven years, we became the largest solar EPC solutions provider in each of India, Africa and the Middle East according to IHS Markit in 2018 and currently have a presence across 26 countries. As of December 31, 2018, we had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 MWp. Our order book, which we define as the value of solar power projects for which we have entered into definitive EPC contracts minus the revenue already recognized from those projects, was ₹43,090.99 million as of December 31, 2018.

We offer a complete range of customized solutions for solar power projects. Our customers include leading independent power producers (“IPPs”), developers and equity funds. We adopt a consultative approach to our customers’ solar energy needs and capabilities, which enables us to provide customized solutions to meet their requirements. We follow a “hub-and-spoke” business model where we manage the complete supply chain from India, including the design and engineering functions, and engage a few suppliers and third-party subcontractors and procure part of the raw materials for our operations locally in each of our markets, where there is a cost advantage or to comply with local regulations. We seek to leverage this business model to procure products and services solutions for our customers at competitive prices. Our customers also benefit from our relationships with key stakeholders, such as, suppliers, project lenders and consultants, which help us execute projects for our

customers efficiently and at competitive prices. In Fiscal 2018 and in the nine months ended December 31, 2018, our revenue from operations outside India accounted for 59.11% and 65.13% of our total revenue from operations, respectively. We often receive repeat orders from our customers and as of December 31, 2018 customers in India and outside India for whom we have executed more than one project constituted 82.29% and 69.32% of our total commissioned solar capacity, respectively.

Our operations are supported by a competent and sizable design and engineering team who are responsible for designing solutions, that we believe are innovative and cost-effective, with an aim to increase the performance ratio of solar power projects. As of December 31, 2018, all of our design team is based in India, which we believe provides us a cost advantage over our competitors. Our design and engineering team of 138 employees continually seeks to improve the efficiency of our solutions and services. We believe that our design and engineering solutions, coupled with robust quality compliance checks on PV modules helps us in achieving more than the contractually agreed performance ratio for the solar power projects we construct. In Fiscal 2018 and in the nine months ended December 31, 2018, we did not pay liquidated damages related to performance ratios under our EPC contracts as we achieved the contractually agreed performance ratios under those contracts.

We strategically focus on markets that have conducive solar power policies and high solar resources, and invest in geographies with long-term solar opportunities. We adopt a disciplined expansion strategy that we customize for each market with a view to enhancing our bidding abilities in these geographies. For example, to tap opportunities in the United States, we adopted a co-development business model to help us secure EPC rights through equity investments in relevant projects. In other markets, such as Australia and Kazakhstan, we have acquired local entities to help us establish a permanent presence in such markets. In addition, as part of our expansion strategy, we conduct on-the-ground market diligence to evaluate each local opportunity and establish relationships with local suppliers and subcontractors. We believe this helps us identify potential bids in advance and prepare for bids quickly when opportunities arise. After we win a bid, our team executes the project with the support of our internal processes, global supply chain network, three-step quality management process comprising initial factory audit, production process audit and monitoring and pre-shipment inspection, risk management and field quality monitoring. In 2018, we were awarded the Specialist Contractor of the Year Award by MEED Awards, the EPC of the Year by Solar + Power Awards and the certificate of honor in the category of “RE International Excellence - Indian Companies” at the Renewable Energy India Awards.

We benefit from the brand reputation, industry relationships and project management expertise of the Shapoorji Pallonji group (the “**SP Group**”) and the Sterling and Wilson group (“**S&W**”). The SP Group is a global conglomerate and has over 150 years of experience as an EPC solutions provider in various industries across 45 countries. As of March 31, 2018, the total consolidated assets of Shapoorji Pallonji and Company Private Limited (“**SPCPL**”), the flagship company of the SP Group was ₹563,531.38 million, which helps us meet certain financial requirements for bidding for solar power projects. We also benefit from global presence and stakeholder relationships of the SP Group. S&W has over 90 years of experience in offering EPC solutions with operations across 34 countries. In particular, before entering a new market, we typically leverage from the presence of the SP Group and S&W in that market to get a head start in establishing our operations. In connection with the Demerger, we entered into a Framework Agreement with SWPL, pursuant to which SWPL will execute all our service contracts entered into prior to the Demerger from its branch offices and transfer all related benefits to us. We also have the right to continue using SWPL’s branch offices for our operations going forward and avail certain shared services that we require to operate our business and have the right to use the “**S&W**” brand without payment. Further, our Subsidiary, SW FZCO and our Company have entered into brand sharing agreements dated September 26, 2018 with SPCPL (the “**Brand Sharing Agreements**”) under which we have the right to use intellectual property belonging to the SP group and to benefit from the SP Group’s track record of project execution in bidding for large scale projects.

We operate an asset-light business model, under which our customers are responsible for sourcing and acquiring real estate while we typically lease equipment required for our operations. Our asset-light business model generally entails low capital expenditures and fixed costs, and offers flexibility and scalability to meet our customers’ needs, provide customized solutions and respond quickly to market conditions. We are able to operate with low working capital requirements as our EPC contracts are typically of short duration. We typically require an advance payment from customers for certain deliverables and our EPC contracts include shorter payment cycles from our customers compared to longer payment cycles from our suppliers.

Our total revenue from operations was ₹27,394.29 million, ₹16,402.71 million, ₹68,717.08 million, ₹32,324.81 million and ₹59,151.44 million in Fiscals 2016, 2017 and 2018 and in the nine months ended December 31, 2017 and 2018, respectively. Our combined profit after tax was ₹1,253.63 million and ₹314.32 million in Fiscals 2016 and 2017, respectively, and our consolidated profit after tax was ₹4,505.35 million, ₹1,733.62 million and

₹3,434.30 million in Fiscal 2018 and in the nine months ended December 31, 2017 and 2018, respectively. We believe our growth and financial performance has been facilitated by our focus on risk management and reliance on clearly defined internal processes to manage our business. We seek to limit our counterparty risk exposure by focusing on our project selection on solar power projects that achieve financial closure before we commence our operations. We follow this guideline for most of our operations outside India.

Strengths and Strategies

Strengths

The following strengths are components of our differentiated business model that we believe create high entry barriers for our competitors in the EPC power industry.

Largest global solar EPC solutions provider in a fast growing solar industry

We were the world's largest solar EPC solutions provider, based on annual installations of utility-scale PV systems of more than five MWp, with a market share of 4.6% in 2018 which increased from 0.3% in 2014, according to IHS Markit. We were also the largest solar EPC solutions providers in each of India, Africa and Middle East in 2018 with 16.6%, 36.6% and 40.4% market share, respectively, according to IHS Markit. In 2017, we won the bid for the 1,177 MWp solar power project in Abu Dhabi, which is the world's largest single location solar PV plant, according to CRISIL Research.

Solar energy is one of the fastest growing forms of renewable energy, according to IHS Markit. The total cumulative installed solar PV generation capacity could reach nearly 1,090 GW_{DC} globally by 2022, compared to less than 100 GW_{DC} at the end of 2012, and the levelized cost of electricity for solar PV projects decreased sharply between 2012 and 2018 and is expected to continue to decrease until 2030. See "Industry Overview" on page 97 of this Draft Red Herring Prospectus for more information on the growth in the annual solar PV installations.

Currently we have a presence across 26 countries with operations in India, South East Asia, Middle East and North Africa, rest of Africa, Europe, United States and Latin America and Australia, which has helped us diversify our business globally. These markets are expected to see a steep growth in solar power capacity additions over the next three years, according to IHS Markit. For the period from 2018 to 2021, annual solar PV installations could grow at a compound annual growth rate ("CAGR") of 11.7% in India, 70.6% CAGR in South East Asia, 22.2% CAGR in the Middle East and North Africa, 42.0% CAGR in the rest of Africa, 30.0% CAGR in Europe, 17.4% CAGR in the United States, 5.4% in CAGR Latin America and 8.1% CAGR in Australia. On an aggregate this represents a cumulative 20.0% CAGR growth in annual solar installations in India, South East Asia, the Middle East and North Africa, the rest of Africa, Europe, the United States, Latin America, and Australia from 49.1 GW in 2018 to 84.8 GW in 2021, according to IHS Markit. We believe that our execution track-record, relationships with customers and suppliers, and our innovative and cost-effective engineering project designs make us well positioned to benefit from this positive trend and continue to expand our operations.

Comprehensive end-to-end EPC solutions provider with a global execution track record

We are a global pure-play end-to-end solar EPC solutions provider. We provide EPC services primarily for utility-scale solar power projects with a focus on project design and engineering, and manage all aspects of project execution from conceptualizing to commissioning. We also provide EPC solutions for rooftop solar projects, O&M services, including for projects constructed by third-parties. We follow a "hub-and-spoke" business model where we manage the complete supply chain from India, including the design and engineering functions and engage supplies and third-party subcontractors, and procure raw materials for our operations locally in each of our markets, where there is a cost advantage or to comply with local regulations. We seek to leverage this business model to procure optimal product and service solutions for our customers at a cost advantage. As of December 31, 2018, we had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 MWp, that included 165 commissioned projects with an aggregate capacity of 4,596.95 MWp and 18 contracted solar power projects (which include solar power projects for which we have executed definitive EPC contracts) with an aggregate capacity of 1,465.88 MWp. As at December 31, 2018 we had received letters of intent of ₹22,012.48 million for solar power projects for which we have won the bid, but have not yet executed definitive EPC contracts, and our order book was ₹43,090.99 million as of December 31, 2018.

Currently we have a presence across 26 countries and use our Subsidiaries and branch offices (which include SWPL's branch offices) globally for our operations. We leverage these offices to strategically tap solar opportunities in markets in which we do not have a permanent presence as such opportunities arise. We

strategically focus on markets that have conducive solar power policies and high solar resources, and invest in geographies with long-term solar opportunities. We adopt a disciplined expansion strategy that we customize for each market with a view to enhancing our bidding abilities in these geographies. For example, to tap opportunities in the United States, we adopted a co-development business model to help us secure EPC rights through equity investments in companies undertaking the relevant projects. In other markets, such as Australia, we have acquired local companies to help us establish a permanent presence in the market. In addition, as part of our expansion strategy, we conduct on-the-ground market diligence to evaluate each local opportunity and to establish relationships with local suppliers and subcontractors. We believe this helps us identify potential bids in advance and prepare for bids quickly when opportunities arise

After we win a bid, we execute the project with the support of our comprehensive internal processes, global supply chain network, three-step quality management process comprising initial factory audit, production process audit and monitoring and pre-shipment inspection, risk management and field quality monitoring. Our operations are supported by our global supply chain, relationships with suppliers and a large design and project execution team in India, which we believe gives us a cost advantage over our competitors and helps us win bids and repeat orders. For example, we believe that our diligence, detailed market studies, cost-effective supply chain and engineering and design capabilities helped us win the bid for the 1,177 MWp solar power plant in Abu Dhabi.

A dedicated design and engineering team focused on innovation and developing efficient and cost effective engineering solutions

Our operations are supported by a competent and sizable design and engineering team that are responsible for designing innovative and cost-effective solutions with an aim to increase the performance ratio of solar power projects. As of December 31, 2018, all of our design and engineering team is based in India, which we believe provides us a cost advantage over our competitors. Our design and engineering team is engaged on our projects from the pre-bid stage through commissioning. At the pre-bid stage, our design and engineering team, evaluate and provide innovative design solutions for each potential solar power project and once we win the bid, they work with our project execution team to implement the designs and overcome challenges through design solutions. We believe that our design and engineering solutions, coupled with robust quality compliance checks, such as factory audits, pre-shipment checks and compliance tests on PV modules have helped us achieve contractually agreed performance ratio for the solar power projects we construct. For example we believe one of the factors that helped us win the bid for the 1,177 MWp solar power project in Abu Dhabi was our customized, innovative design solutions of placing PV solar modules in an east-west orientation instead of the standard south facing orientation, to maximize electricity generation on limited available land that we submitted as part of our bid. We also deployed 1,412 robots to automate the cleaning of the project to reduce water consumption and operating expenses, and increase the efficiency of the project compared to conventional cleaning methods. In addition, at a project site in Philippines, we leveraged our design and engineering expertise to overcome topographical challenges of the project site by deploying an innovative flood resistant three leg module structure. As a result of our detailed market studies and geography specific approach, our engineering and design team was able to provide a solution of deploying the bi-facial module technology at the solar power project in Oman on limited available land. In Fiscal 2018 and in the nine months ended December 31, 2018, we did not pay liquidated damages related to performance ratios under our EPC contracts as we achieved the contractually agreed performance ratios under those contracts.

Our design and engineering team seeks to improve the efficiency of our solutions and services. We also leverage our experience of providing O&M services to understand solar modules and other equipment, which helps us improve our services and win repeat orders. For example, we are in the process of establishing an Innovation Center in Rajasthan, India, with an aim to facilitate the analysis of various developed and futuristic module technologies, robotics for module cleaning, inverter technologies and tracker systems, thereby enabling us to stay in the forefront of technology adoption for our customers and developers. We have installed a Computerized Monitoring System (“CMS”) and are in the process of installing the Computerized Maintenance Management System (“CMMS”) that we share with SWPL under the Framework Agreement, to improve our operational efficiency by providing real-time automated performance analysis through data mining, track key performance indicators, generate automatic performance reports, record management with best-in-class international quality standards and track assets.

Strong relationships with customers and other key stakeholders

We offer a complete range of customized solutions for solar power projects. Our customers include leading IPPs and developers such as Marubeni, EDF Renewables, Alten, Sunseap, Sao Mai, Enfinity, ACWA Power and

BNRG Renewables, and equity funds. We adopt a consultative approach to our customers' solar energy needs, which enables us to provide customized solutions to meet their requirements. Our global network connects our customers to key stakeholders and allows our customers to reduce the number of service providers they need to engage with, thus saving them time and cost, while also providing enhanced supply chain visibility. We believe that managing the complete supply chain for our customers gives us a competitive advantage as we are able to select and optimize solutions for our customers efficiently and at competitive prices. We often receive repeat orders from our customers and as of December 31, 2018 customers in India and outside India for whom we have executed more than one project constituted 82.29% and 69.32% of our total commissioned solar capacity, respectively.

As part of our global network, we maintain relationships with other key stakeholders in the industry, such as, a diversified group of global and local suppliers of modules and other raw materials as they are critical to the success of our supply chain. We also maintain relationships with state-owned and private project lenders and private equity houses to assist our customers, thereby enhancing the bankability of the project. In addition, we maintain continued interactions with large scale public sector off-takers and who purchase the power generated by the power projects constructed by us. In addition, we work with a diversified set of contractors and engineers, and consultants appointed by the relevant clients. Their market reputation and certifications provide additional assurance to our customers of regarding the quality of our services. Our good relationships with third-party engineering consultants who are typically appointed by customers and lenders to manage project executions, including appointment of EPC providers, is also an important factor in the success of our bids. We also have relationships with market participants as we conduct continuous learning and development programs while executing solar power projects, which help them stay updated with latest market studies and new technologies and innovations. We also conduct ongoing training for engineers and subcontractors, which we believe that this help us build long term relation them.

Strong parentage and ability to leverage global "SP" brand

We benefit from the brand reputation, industry relationships and project management expertise of the SP Group and S&W. The SP Group is a global conglomerate and has over 150 years of experience as an EPC solutions provider in six major business areas and operations across 45 countries. Currently, S&W has over 90 years of offering EPC solutions and has operations across various industries, including mechanical engineering and plumbing, co-gen solutions, transmission and distribution, turnkey data centers, diesel generators and renewables in 34 countries. We benefit from global presence and stakeholder relationships of the SP Group and S&W. In particular, before entering a new market, we typically leverage from the SP Group's and S&W's presence in that market to get a head start in establishing our operations. For example, SP Group's presence in the Middle East, Africa and South East Asia assisted us in accessing these markets. In addition, SP Group's and S&W's relationships with key stakeholders have helped us establish connections with major customers and market leading subcontractors, lenders, designers and consultants. We believe that we have benefited from their robust project management processes, including bidding discipline, market studies, operational expertise and track record, which help us bid for and execute large-scale projects in short timelines.

In connection with the Demerger, we entered into a Framework Agreement with SWPL, pursuant to which SWPL will execute all our service contracts entered into prior to the Demerger from its branch offices and transfer all related benefits to us. We also have the right to continue using SWPL's branch offices for our operations going forward and avail certain shared services that we require to operate our business, and have the right to use the "S&W" brand without payment. Further under the Brand Sharing Agreements with SPCPL, we have the right to use intellectual property belonging to the SP group and to benefit from the SP Group's track record of project execution in bidding for large scale projects. For further details on these agreements, please see "*History and Other Corporate Matters – Other Material Agreements*" on page 146 of this Draft Red Herring Prospectus.

Strong growth and financial performance backed by an asset-light business model

We have demonstrated strong financial performance and our total income has grown at a CAGR of 58.32% from ₹27,464.67 million in Fiscal 2016 to ₹68,844.20 million in Fiscal 2018, and to ₹60,817.60 million in the nine months ended December 31, 2018 from ₹32,414.50 million in the nine months ended December 31, 2017. Driven by our strong operational capabilities, we have been able to minimize costs and achieve healthy profit margins. Our EBITDA increased from ₹1,958.57 million in Fiscal 2016 to ₹5,504.63 million in Fiscal 2018, and ₹4,768.49 million in the nine months ended December 31, 2018 from ₹2,218.03 million in the nine months ended December 31, 2017. Our profit after tax has grown at a CAGR of 89.57% from a combined profit after tax of ₹1,253.63 million and ₹314.32 million in Fiscals 2016 and 2017, respectively, to a consolidated profit after tax of ₹4,505.35

million in Fiscal 2018, and ₹3,434.30 million in the nine months ended December 31, 2018 from ₹1,733.62 million in the nine months ended December 31, 2017. In Fiscal 2018 and in the nine months ended December 31, 2018, our revenue from operations outside India accounted for 59.11% and 65.13% of our total revenue from operations, respectively.

We believe our strong growth and financial performance has been facilitated by our focus on risk management and reliance on clearly defined internal processes to manage our business. For example, we have stringent criteria for project selection with a disciplined bidding approach that includes comprehensive risk assessments to protect returns. Our risk assessment approach considers risks in different geographies based on existing market presence, market size, growth opportunity and geo-political risks. We also seek to limit our counterparty credit risk exposure by focusing our project selection on solar power projects that generally achieve financial closure before we commence our operations. We follow this guideline for most of our operations outside India.

We screen project opportunities using an approval process that evaluates resource availability, technical specifications, environmental impact, sources of funds and commercial viability of each project. We follow a multi-stage approval process which seeks to maintain technical, commercial and financial discipline across our projects. We have a successful track record of winning competitive bids as indicated by our solar power project portfolio of 183 solar power projects, an order book of ₹43,090.99 million and letters of intent of ₹22,012.48 million, respectively, as of December 31, 2018. In addition, we maintain risk management systems, such as a hedging program for hedging foreign currency exposure in connection with our international operations.

We operate an asset-light business model, under which our customers are responsible for sourcing and acquiring real estate while we typically lease equipment required for our operations. Our asset-light business model generally entails low capital expenditures and fixed costs, and offers flexibility and scalability to meet our customers' needs, provide customized solutions and respond quickly to market conditions. We are able to operate with low working capital requirements as our EPC contracts are typically of short duration. We typically require an advance payment from customers for certain deliverables and our EPC contracts include shorter payment cycles from our customers compared to longer payment cycles from our suppliers.

Experienced key management personnel, project management and operations team with experience in the global solar EPC industry

We are led by a management team with extensive experience in the solar EPC industry and the solar power sector, deep understanding of managing projects and a proven track record of performance. Benefitting from the experience of the management team, their quick decision making abilities and strategy to focus on key markets for opportunities, since 2011, we have been able to expand our operations across 26 countries and achieve notable market rankings, such as our ranking as the world's largest solar EPC utility-scale PV provider in 2018, according to IHS Markit. We were also the largest solar EPC provider in each of, India, Africa and the Middle-East, according to IHS Markit.

We have an experienced global team of 1,179 employees as of December 31, 2018. We benefit from the broad experience gained by our management and project execution teams through their involvement in end-to-end solar EPC projects. As a result, we believe our management and certain members of our project execution teams bring a deep understanding of the local markets in which they operate with strong global project execution expertise that enables us to identify and take advantage of strategic opportunities. Our teams are committed to growing our business, as demonstrated by our track record of project execution and financial results. We conduct continuous learning and development programs for our employees, to keep our employees updated with the latest market studies and new technologies and innovations.

Strategies

Maintain market leadership through strategic expansion of overseas operations

We aim to maintain our market leadership position through strategic expansion, including through roll up acquisitions in the markets in which we currently operate and into new geographies that present attractive opportunities. Currently, we have a presence across 26 countries, with our Subsidiaries and branch offices globally, and plan to continue expanding our operations. We are focused on leveraging our global presence, which we believe is a significant competitive advantage, our strong project execution track record and our relationships with key customers and project lenders to continue to position ourselves as a credible and reliable EPC player and win repeat orders.

Our strategy is to focus on markets with conducive solar power policies and high solar resources. We aim to establish a permanent presence in regions that have continuous and large solar opportunities and leverage this regional presence to strategically access local geographies as needed. We also aim to leverage the global presence of the SP Group and S&W to give us a head start in expanding our operations in new geographies. In particular, we expect to leverage our market leadership and customer relationships in Africa and India to be attractively positioned to bid for African projects funded by India under the International Solar Alliance (“ISA”) treaty.

Grow our customer base and maintain relationships with other key stakeholders

We believe there is a substantial opportunity to grow our customer base in existing and new markets through a combination of our strong track record and market leadership in the regions in which we operate, our global presence (including through the broader network of the SP Group and S&W) and our relationships with key stakeholders in the solar power industry. We intend to develop this opportunity by continuing to invest in our business development, tendering and marketing functions to optimize our ability to identify, evaluate and win new customers. We also intend to continue building relationships with our existing customers and other key stakeholders, such as engineers, suppliers and consultants. Our strategy is to connect our customers to such key stakeholders and reduce the number of service providers they need to engage with, with an objective to save them time and cost. For this, we intend to continue collaborating with strategic partners and such key stakeholders to position ourselves as a reliable EPC player in the market that customers can depend on for developing their solar power projects. We also intend on leveraging from our “hub-and-spoke” business model by managing our operations from India, which we believe provides us a cost advantage over our competitors. Certain of our customers are expanding their business and we plan to expand with them. We follow our key customers to new markets and this helps us identify new markets and opportunities early in the process. We intend to leverage our global presence and relationships to secure repeat projects with our customers and demonstrate to our customers the time and resource savings that they can generate by re-engaging our services.

Focus on increasing operational and financial efficiency

We plan to continue focusing on operational and financial efficiency by investing in our competent and sizable design and engineering team in India and their innovative engineering efforts. Having this talent pool in India gives us a low cost base to use these resources and execute projects. In addition, we are continually evolving our internal processes for project execution, frequently update our risk assessment matrix, stay updated with new technology and continue leveraging the global presence of the SP Group for our operations. We intend to continue to devote significant resources to recruit, train and retain a talented workforce and offer competitive compensation packages, training and career opportunities to attract and retain capable employees. Through our geography specific market approach, building strong customer and stakeholder relationships and operational efficiency, we intend to tailor our business model, and enhance our ability to bid for solar power projects independently and accordingly reduce our dependence on the SP Group.

Focus on expanding O&M, rooftop solar EPC and solar storage solutions

We plan to continue expanding our O&M operations to solar power projects that were not constructed by us. We are building a dedicated team for our O&M operations that is focused on adopting a targeted approach to winning contracts for O&M services. We intend to first expand our O&M operations in the regions where we have EPC operations, and enter markets that have conducive solar power policies with commissioned solar power projects. We also intend to continue developing our data analytics processes through the CMS and CMMS that we have licensed from SWPL and leverage our experience of providing O&M services to understand solar modules and other equipment, which we believe will help us improve our EPC and O&M services and win repeat orders. In addition, we plan to expand our rooftop solar EPC solutions which we started in Fiscal 2016. We also intend to benefit from the evolving energy storage and ancillary service technologies, and intend to leverage from SWPL’s energy storage capabilities by offering solar + storage solutions. See “*Industry overview*” on page 97 of this Draft Red Herring Prospectus for more details on the solar storage industry.

Demerger

We commenced operations in 2011 as the Solar EPC Division of SWPL. With effect from April 1, 2017, we demerged from SWPL and SWPL contributed substantially all of the assets and liabilities of its Solar EPC Division to us. See “*History and other corporate matters – Mergers or amalgamation*” on page 144 of this Draft Red Herring Prospectus for more details on the Demerger.

Framework Agreement and Brand Sharing Agreements

In connection with the Demerger, we and our Subsidiary, SW FZCO have entered into the Brand Sharing Agreements that allows SW FZCO and us to use certain intellectual property belonging to the SP Group and to continue to benefit from the financial support of the SP Group and its track record of project execution in bidding for large scale projects. We have also entered into the Framework Agreement dated October 11, 2018 with SWPL, pursuant to which SWPL will execute all our service contracts entered into prior to the Demerger from its branch offices and transfer all related benefits to us. SWPL has also agreed to provide certain shared services that we require to operate our business, including human resources, information technology, common management and tax services. We also have the right to use S&W's brand and logos without payment, and have a "right of first refusal" to provide EPC solutions for the solar component of any hybrid projects executed by SWPL under the Framework Agreement. See "*History and Corporate Matters-Other material agreements*" on page 146 of this Draft Red Herring Prospectus for more information on the Brand Sharing Agreements and the Framework Agreement.

The Demerger was intended to provide, among other things, financial, operational and managerial benefits to us, including but not limited to having strategic focus and flexibility following the Demerger; allowing us to tailor our capital structure and business model to be asset-light with low working capital requirements; benefit from focused management, corporate strategies and policies; enhance our ability to bid for solar power projects independently and accordingly reduce our dependence on the SP Group and allow our investors to make independent investment decisions with respect to us. See "*Risk Factors – We depend on SWPL for certain services as a result of the Demerger and we may encounter difficulties adjusting to operating as a separate company after the Demerger, which may materially and adversely affect our business, financial condition, cash flow, prospects and results of operations*" on page 34 of this Draft Red Herring Prospectus for risks associated with the Demerger.

Key Performance Indicators

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements and other financial and operational information included in this Draft Red Herring Prospectus. We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations as analytical tools and may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to our financial statements or as an indicator of our operating performance, liquidity, profitability or results of operation.

The following tables present certain key operational performance indicators as of December 31, 2018.

As of December 31, 2018								
	India	South East Asia ⁽¹⁾	Middle East and North Africa ⁽²⁾	Rest of Africa ⁽³⁾	United States and Latin America ⁽⁴⁾	Europe	Australia	Total
Total number of commissioned solar power projects (EPC)	152 ⁽⁵⁾	2	5 ⁽⁶⁾⁽⁷⁾	3	3	-	-	165
Commissioned capacity (EPC) (MWp)	3,164.34 ⁽⁵⁾	50.90	1,228.10 ⁽⁶⁾⁽⁷⁾	144.10	9.51	-	-	4,596.95
Total number of contracted solar power projects ⁽⁸⁾ (EPC)	6	2	6	3	1	-	-	18
Contracted capacity ⁽⁸⁾ (EPC) (MWp)	470	272	438.33 ⁽⁹⁾	192.25	93.30	-	-	1,465.88
Letters of intent ⁽¹⁰⁾ (EPC) (₹ million)	-	-	4,860.80	-	-	17,151.68	-	22,012.48
Total number of O&M projects	79	-	1	2	-	-	-	82⁽¹¹⁾
Capacity of O&M projects (MWp) .	2,745.85	0	1,050	97.01	-	-	-	3,892.86⁽¹²⁾
Branch offices ⁽¹³⁾	10	3	4	3	3	-	1	24⁽¹³⁾
Subsidiary offices ⁽¹⁴⁾	3	2	5	1	3	1	1	16⁽¹⁴⁾

(1) Comprises Vietnam and Philippines.

(2) Comprises United Arab Emirates, Morocco, Egypt and Jordan.

(3) Comprises South Africa, Namibia, Zambia and Niger.

(4) Comprises United States and Argentina.

(5) Includes 51 rooftop solar power projects with an aggregate solar power capacity of 26.83 MWp.

(6) Includes 1,050 MWp of the 1,117 MWp solar power project that is under-construction in Abu Dhabi.

- (7) Includes one rooftop solar power project of 2.60 MWp in Jordan.
(8) Represents the solar power projects for which we have executed definitive EPC contracts for which we have not started construction or are under-construction.
(9) Includes the remaining 127 MWp of the 1,177 MWp solar power project that is under-construction in Abu Dhabi.
(10) Represents solar power projects for which we have won bids but have not executed definitive EPC contracts. Since December 31, 2018, we received letters of intent for the construction of solar power projects aggregating to ₹15,919.50 million.
(11) Since December 31, 2018, the total number of O&M projects increased by 34 solar power projects to 116 solar power projects as of March 31, 2019.
(12) Since December 31, 2018, the total aggregate capacity of O&M services provided to solar power projects increased by 1,665.03 MWp to 5,557.89 MWp as of March 31, 2019.
(13) Represents substantially all of the branch offices owned by SWPL. Since December 31, 2018, we opened a branch office in the United States and Latin America region.
(14) Represents offices of our Subsidiaries. Since December 31, 2018, our Subsidiaries opened one office in the Middle East and North Africa region.

The following table presents certain key performance indicators for the periods indicated therein.

	As of and for the period ended March 31,			As of and for the nine months ended December 31,
	2016	2017	2018	2018
	SWPL – Solar EPC Division (Prior to Demerger)			Sterling and Wilson Solar Limited (Post-demerger)
	<i>In ₹million</i>			
Bid conversion ratio (%)				
India	33.82%	48.20%	31.53%	25.02%
South East Asia	48.67%	-	-	47.85%
Middle East and North Africa.....	-	45.53%	14.80%	27.82%
Rest of Africa	-	22.82%	46.33%	29.45%
United States and Latin America	-	0%	4.59%	1.44%
Europe	-	-	-	54.61%
Bid conversion ratio total.....	29.92%	37.61%	17.86%	22.85%
Order book⁽¹⁾ (EPC) (₹ Million)				
India	3,607.91	12,621.56	18,148.06	4,847.54
South East Asia	-	-	-	12,636.65
Middle East and North Africa.....	-	60,819.22	40,142.13	14,941.10
Rest of Africa	-	-	11,686.22	10,198.77
United States and Latin America	-	-	3,336.48	466.93
Order book total.....	3,607.91	73,440.78	73,312.89	43,090.99
Lost time injury frequency rate⁽²⁾.....	0.34	0.30	0.22	0.21

(1) Order book is defined as the value of solar power projects for which we have entered into definitive EPC contracts minus the revenue already recognized from those projects.

(2) Lost time injury frequency rate refers to the number of lost time injuries occurring in a workplace per one million hours worked.

Our Business

We are a global pure-play, end-to-end solar EPC solutions provider. We provide EPC services primarily for utility-scale solar power projects with a focus on project design and engineering, and manage all aspects of project execution from conceptualizing to commissioning. We also provide O&M services, including for projects constructed by third-parties.

Solar EPC business

In our solar EPC business, we offer a complete range of turnkey and BoS solutions for our utility-scale and rooftop solar power projects. As of December 31, 2018, we had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 MWp, that included 165 commissioned projects having an aggregate capacity of 4,596.95 MWp and 18 contracted projects having an aggregate capacity of 1,465.88 MWp. As at December 31, 2018 we had received letters of intent of ₹22,012.48 million for solar power projects for which we have won the bid, but have not yet executed definitive EPC contracts, and our order book was ₹43,090.99 million as of December 31, 2018.

Currently we have a presence across 26 countries, and use our Subsidiaries and branch offices globally for our operations. For Fiscals 2016, 2017 and 2018 and the nine months ended December 31, 2017 and December 31, 2018, our income from works contracts was ₹27,327.72 million, ₹16,157.32 million, ₹68,272.43 million, ₹31,997.25 million and ₹56,563.39 million, respectively, accounting for 99.76%, 98.50%, 99.35%, 98.98% and 95.62% of our total operating income for each such period, respectively.

Our solar EPC solutions include design, engineering, procurement, construction and project management. We may provide our full range of EPC solutions or any combination of individual services, depending on our customer's needs and market opportunity.

- *Turnkey EPC solutions:* Our turnkey EPC solutions involve building solar power projects from concept designing to commissioning. We provide end-to-end solutions to our clients including design, engineering, procurement, construction, project management, testing and commissioning, and connecting the solar power project to the electricity grid. Turnkey solutions are used by our customers in India and outside India.
- *BoS and package BoS:* Our BoS solutions comprise all project design and execution services other than the procurement of modules and components, which is handled by the customer, and "package BoS" projects include additional civil, mechanical and electrical work solutions. BoS solutions are used primarily by our customers in India and in the United States.

EPC contracts

Under our EPC contracts with our customers, we undertake to provide solar EPC solutions for solar power projects according to a specified timeline and by a specified completion date. We generally enter into fixed price EPC contracts and bill our customers according to contractually agreed milestones that reflect key stages of execution. We also typically receive an advance payment from our customers at the time we enter into the EPC contract and adjust the advance received against milestone payments. In general, our EPC contracts typically include the following milestones: (i) commencement of work, (ii) completion of design and engineering, (iii) placement of orders for all necessary equipment and PV components, (iv) supply of necessary equipment and PV modules at the project site; (v) mechanical and electrical erection of the module mounting structures, (vi) installation of modules, (vii) testing and commissioning of the project (viii) completion of civil works; (ix) completion of punch list items and (x) performance ratio tests. For example, for a project with an 11-month timeline to completion, we typically receive an advance payment of approximately 10%-15% of the contract price from the developer in the first month or at the time of executing the EPC contract, for us to commence operations at the solar power project. Thereafter we receive milestone payments of between 60-95% of the contract price, beginning on or around the fifth month of operations, coinciding with the time we engage our suppliers and sub-contractors which is usually in the sixth and seventh months. We receive the remainder of the contract price from the eighth month until we complete the construction of, and commission, the project in the 10th or 11th month.

Our EPC contracts contain quality and performance guarantees by us and typically require that we be responsible for the solar power project maintaining a target project performance ratio for a specified time period after commissioning, usually ranging from 18 months to two years. We are also generally required to obtain performance and product warranties and related insurance from suppliers of modules, inverters, transformers and trackers, for our customers and us, typically ranging from five to 10 years. Our EPC contracts may include provisions allowing for changes by our customer to the scope of work. Such provisions generally allow us to reprice the EPC contract and charge our customer for any additional work. Other than such changes, we are not typically able to reprice or renegotiate an EPC contract once it has been entered into with our customer. However, we are generally able to terminate our services and obligations under the EPC contract for non-payment by our customer or for prolonged and unanticipated events outside our control. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – Pricing Model for EPC Services*" on page 409 of this Draft Red Herring Prospectus for more details on our EPC contracts and our EPC Pricing model. See also "*Risk Factors - We may be unable to accurately estimate costs under fixed-price EPC contracts, fail to maintain the quality and performance guarantees under our EPC contracts and we may experience delays in completing the construction of solar power projects, which may increase our construction costs and working capital requirements, and may have a material adverse effect on our financial condition, cash flow and results of operations*" on page 31 of this Draft Red Herring Prospectus for risks associated with EPC contracts.

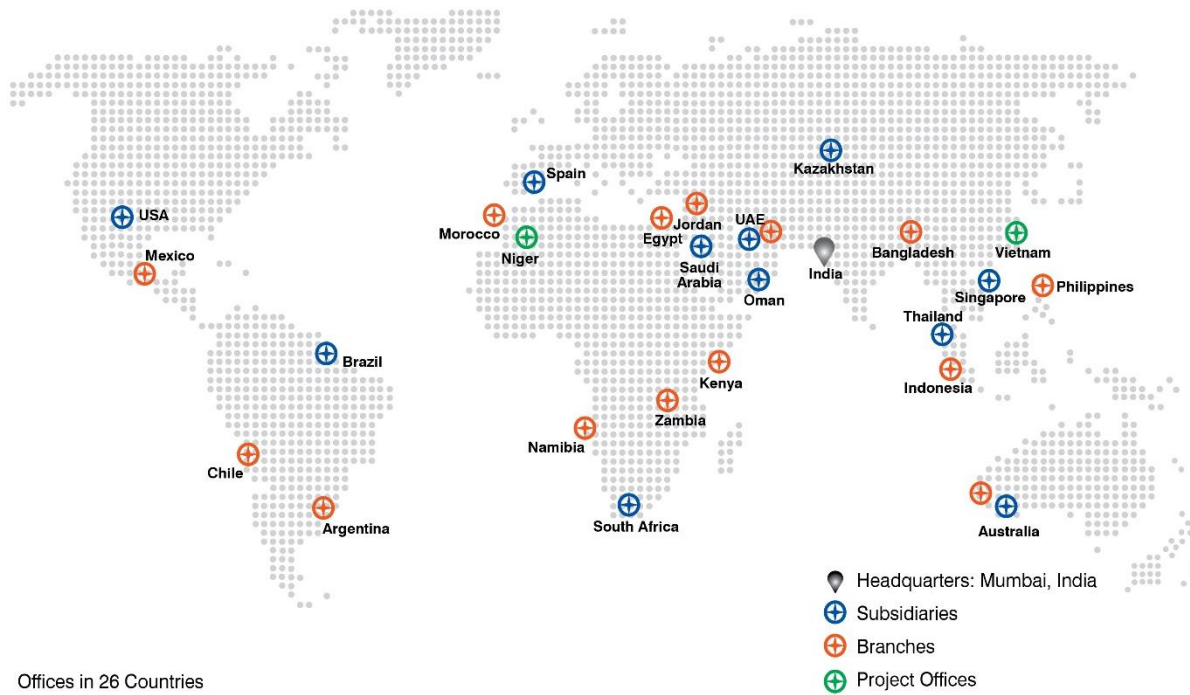
Our Operations

We commenced our operations focusing on solar power projects in India and since our inception in 2011, we have expanded our operations overseas into multiple countries. Currently, we have operations in 26 countries, and use our Subsidiaries and branch offices globally for our operations.

Before we enter a new market, our regional development teams prepare market analysis reports and financial models, including key assumptions, to guide us in sourcing, evaluating and executing solar power projects. These

market analysis reports include information on the contract structure and related tax aspects, permitting processes, timelines and costs, logistics, local manufacturing, sub-contractor availability, off-taker credibility, visa regulations, results of technical diligence, key project milestones, major market risks and an action plan outlining steps and requirements for pursuing projects in the subject market. We update the market analysis reports quarterly, or more frequently as needed. We also engage law firms and consulting firms to investigate the most viable legal route for entering the market, either through acquisitions or establishing branch offices, validity of regulatory permits, property laws, solar regulations, environmental laws, and tax and incentive policies, with particular focus on any PV or other renewable energy regulatory environment and policies. See “- Project lifecycle” below for more details on our project selection to project execution processes.

The following table highlights our global operations as of the date of this Draft Red Herring Prospectus:



India

We have been the largest solar EPC solutions provider in India from 2015 to 2018 based on annual installations of utility-scale PV systems of more than five MWp, according to IHS Markit. See “Industry Overview” on page 97 for more details on our market rankings in India and related competitor base.

In India, we provide turnkey and BoS EPC utility-scale and commercial rooftop solar solutions. As of December 31, 2018, our solar power EPC portfolio in India consisted of 158 solar power projects with an aggregate capacity of 3,634.34 MWp, of which we had commissioned 152 solar power projects with an aggregate capacity of 3,164.34 MWp and had six contracted solar power projects with an aggregate capacity of 470 MWp for which we have signed definitive contracts or are under-construction. As of December 31, 2018, of the 152 commissioned solar power projects in India we commissioned 51 rooftop solar power projects with an aggregate capacity of 26.83 MWp. We cater to Indian market through our subsidiaries, Sterling & Wilson - Waaree Private Limited and Esterlina Solar Engineers Private Limited. As of December 31, 2018, we had a presence in 14 locations in India, including in the states of Chhattisgarh, Gujarat, Madhya Pradesh, New Delhi and Kerala. As of December 31, 2018, we conducted our operations through 10 branch offices in India.

International markets

We are currently expanding our presence internationally, with an emphasis on Middle East and North Africa region, rest of Africa, Europe, the United States and Latin America and Australia. We leverage our global presence to provide cost-effective and efficient solutions to our customers. Typically, for most of our projects outside India, our design and project management operations are performed by our teams based in India, and we work with local subcontractors in each country for project execution and construction. Once we win a bid, a team comprising of

local contractors and, Indian and local employees is formed for project execution. We also leverage the expertise of our promoters in these geographies to win and execute projects. Most of our projects outside India achieve financial closure before we begin our EPC operations, which ensures stable receivables and cash flow. This business model helps us complete projects within the scheduled timeline at competitive cost with quality project design and execution.

South East Asia

In South East Asia, we typically provide turnkey utility-scale solar solutions. As of December 31, 2018, our solar power EPC portfolio in South East Asia consisted of four solar power projects with an aggregate capacity of 322.90 MWp, of which we had commissioned two solar power projects with an aggregate capacity of 50.90 MWp in Philippines and had two contracted solar power projects with an aggregate capacity of 272 MWp for which we have signed definitive contracts or are under-construction. As of December 31, 2018, we were engaged in providing EPC solutions in Vietnam and Philippines. We cater to the South East Asian markets through our subsidiaries, Sterling and Wilson Singapore Pte Ltd, Sterling and Wilson (Thailand) Limited and Sterling and Wilson International LLC. As of December 31, 2018, we conducted our operations through three branch offices across Vietnam, Philippines, Bangladesh and Indonesia.

Based on the annual installations of all utility-scale PV systems of more than five MWp, our competitors in 2018 in South East Asia included Risen Energy, Scatec Solar, Tenaga Nasional Bhd, Sharp Corporation and Gading Kencana Sdn Bhd, among others, according to IHS Markit.

Middle East and North Africa

We are the largest solar EPC solutions provider in the Middle East in 2018 based on annual installations of utility-scale PV systems of more than five MWp, according to IHS Markit. See “*Industry Overview*” on page 97 for more details on our market rankings in the Middle East and related competitor base.

In Middle East and North Africa, we typically provide turnkey utility-scale solar solutions. As of December 31, 2018, our solar power EPC portfolio in the Middle East and North Africa consisted of 11 solar power projects with an aggregate capacity of 1,666.43 MWp, of which we had commissioned five solar power projects with an aggregate capacity of 1,228.10 MWp and we had six contracted solar power projects with an aggregate capacity of 438.33 MWp for which we have signed definitive contracts or are under-construction. As of December 31, 2018, of the five commissioned solar power projects, we commissioned one rooftop solar power project of 2.60 MWp capacity in Jordan. We cater to the Middle East and North Africa markets through our subsidiaries, Sterling and Wilson International Solar – FZCO, Sterling and Wilson Middle East Solar Energy LLC and Sterling and Wilson Saudi Arabia Limited. As of December 31, 2018, we conducted our operations through four branch offices in United Arab Emirates, Egypt, Jordan and Morocco.

Rest of Africa

We are the largest solar EPC solutions provider in Africa in 2018 based on annual installations of utility-scale PV systems of more than five MWp, according to IHS Markit. See “*Industry Overview*” on page 97 for more details on our market rankings in Africa and related competitor base.

In rest of Africa, we typically provide turnkey utility-scale solar solutions. As of December 31, 2018, our solar power EPC portfolio in rest of Africa consisted of six solar power projects with an aggregate capacity of 336.35 MWp, of which we had commissioned three solar power projects with an aggregate capacity of 144.10 MWp and we had three contracted solar power projects with an aggregate capacity of 192.25 MWp for which we have signed definitive EPC contracts or are under-construction. We cater to the African markets through our subsidiaries, Sterling and Wilson Engineering (Pty) Ltd and Sterling and Wilson - Waaree Private Limited. As of December 31, 2018, we conducted our operations through three branch offices across Namibia, Zambia and Kenya.

United States and Latin America

In the United States, we typically provide turnkey and BoS EPC utility-scale solar solutions, and turnkey EPC utility-scale solar solutions in Latin America. As of December 31, 2018, our solar power EPC portfolio in United States and Latin America consisted of four solar power projects with an aggregate capacity of 102.81 MWp, of which we had three commissioned solar power projects with an aggregate capacity of 9.51 MWp capacity. In the United States, we typically construct solar EPC projects based on the co-development business model. Under this

model, we secure EPC rights for a solar power project by acquiring an equity interest, or the right to acquire an equity interest, in a special purpose vehicle formed to own the relevant project, and transfer our equity interest in the special purpose vehicle to the developer once the project is ready-to-build. We believe this business model increases the chances of winning EPC contracts in the United States. As of December 31, 2018, we also had one contracted solar power project 93.30 MWp which is under-construction.

We cater to the US markets through our subsidiary, Sterling & Wilson Solar Solutions Inc. and its subsidiary, Sterling and Wilson Solar Solutions LLC. Our subsidiary office in the United States, located in Scottsdale, Arizona, manages EPC operations in the country with engineering and design support from our team in India.

We cater to the United States and Latin American markets through our subsidiaries, Sterling and Wilson Brasil Servicos Ltda. and Renewable Energia Contracting S.L. As a majority of our Latin American business is driven by Spanish IPPs and developers, we cater to these markets through our subsidiary offices in Spain and Brazil and branch offices. In February 2019, we opened a branch office in Chile to support our operations in Latin America.

Based on the annual installations of all utility-scale PV systems of more than five MWp, our competitors in 2018 in United States and Latin America included Swinerton Renewable Energy, Black & Veatch, First Solar, Grupo ACS and Prodiel, among others, according to IHS Markit.

Europe

We cater to the European market through our subsidiary in Spain, Renewable Energia Contracting S.L. As of December 31, 2018 we had a letter of intent of ₹17,151.68 million to construct a solar power project in Montenegro.

Based on the annual installations of all utility-scale PV systems of more than five MWp, our competitors in 2018 in Europe included BayWa Re, Prodiel, Enerparc, Risen Energy and Hevel Solar, among others, according to IHS Markit.

Australia

We recently entered the Australian market by acquiring a 76.00% equity interest in GCO Electricals Pty. Limited, an electrical contracting company with experience in executing solar power projects in Australia. We cater to the Australian market through our subsidiary office and one branch office that manages the EPC operations in the country, with engineering, design, financial and strategic support from our team in India. Apart from regular EPC opportunities, we are exploring opportunities to develop solar power projects on a co-development basis.

Case Studies

Single location solar power plant of 1,177 MWp in Abu Dhabi

We are the sole EPC solutions provider for the world's largest single location solar PV plant of 1,177 MWp in Abu Dhabi, according to CRISIL Research. It is being developed by a group of customers, including Marubeni at a tariff of \$2.42 cents per kilo-watt hour ("kWh"), which is one of the lowest LCOE bids for solar energy discovered globally in 2018, according to CRISIL Research. The solar power project is also government-supported by the Abu Dhabi Water and Electricity Authority. We are constructing this project on a turnkey basis and are responsible for providing end-to-end EPC services, including designing, engineering, constructing, executing, testing and commissioning a fully-completed, new and operational solar power plant. While the developers invited bids for constructing a solar power plant of minimum 350 MWp, we deployed innovative design solutions of placing PV solar modules in an east-west orientation instead of the standard south facing orientation to maximize 1,177 MWp on limited available land. We also deployed an eight high fixed structure design to optimize electricity generation. We deployed 1,412 robots to automate the cleaning of the plant to reduce water consumption and operating expenses. We were able to install approximately 200 MWp within a short timeline of one month. To further optimize time and cost, we engaged local contractors for procurement and construction. The project was financed by a consortium of financiers, including BNP Paribas, Credit Agricole, First Gulf Bank, the Norinchukin Bank, MUFG, Natixis and Sumitomo Mitsui Banking Corporation, and achieved financial closure before we started operations. We have also agreed to provide O&M services for at least two years after the plant is commissioned. This project has been built with over five million accident free safe man hours.

22.32 MWp solar power project in Philippines

We completed the construction of 22.32 MWp solar power project for Enfinity Philippines Renewable Resources, Inc., a joint venture company of Sindicatum Sustainable Resources in Philippines within the scheduled timeline despite various topographical challenges of high-speed wind and soft, mushy soil at the project site. We deployed a three leg module mounting structure with a combination of concrete ballast and piling foundations to make the project site flood resistant. We also conducted a detailed flood analysis and installed outdoor inverter stations with RCC beams to tackle soft, mushy soil. We partnered with local subcontractors to assist with project execution and procured majority of our raw materials from local suppliers in Philippines, which helped us manage our costs and project timelines. To meet the short timelines, we were able to mobilize project managers and engineers from India to assist the team in Philippines quickly.

36.3 MWp solar power project in Rajasthan, India

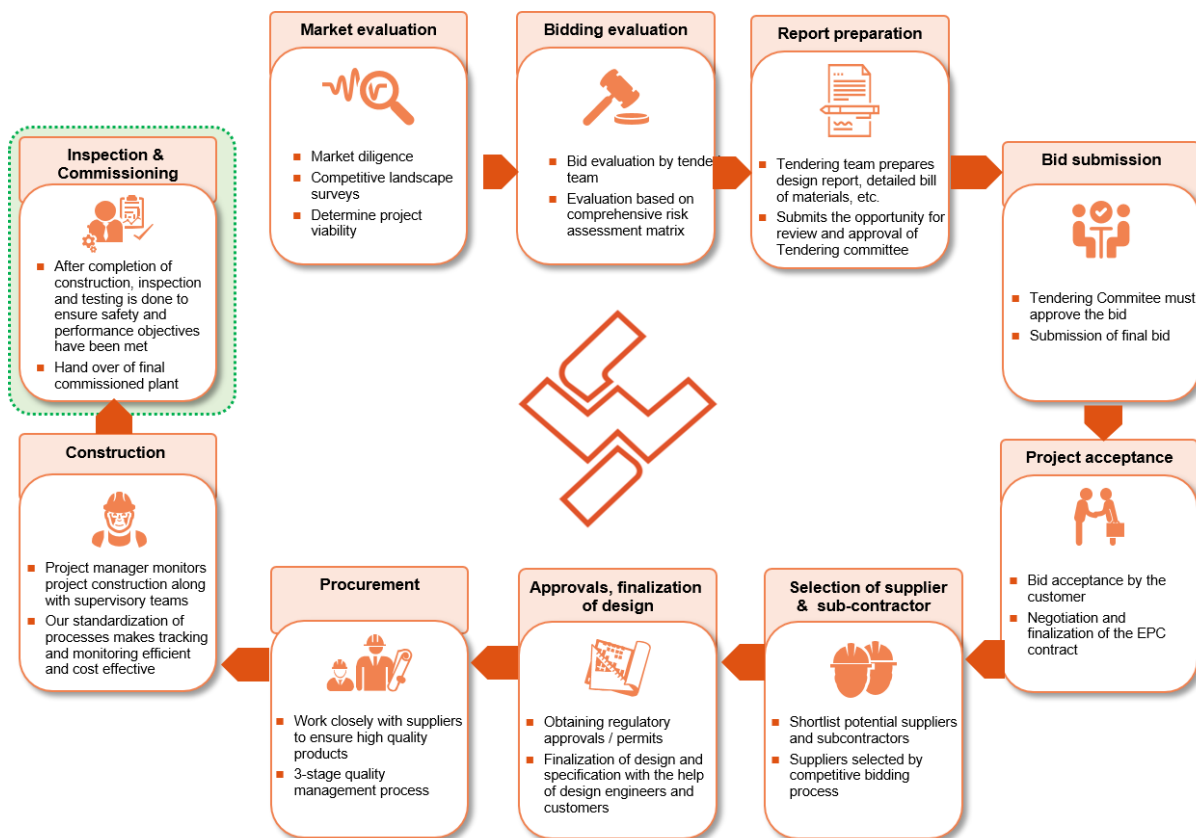
We provided the complete EPC solution for a 36.3 MWp solar power project in Bavdi, Rajasthan on a turnkey basis for Giriraj Enterprises (part of the Malpani Group). This project was the first utility scale project we developed on a turnkey basis. This project was commissioned in March 2013 and was completed within four months. We were responsible for providing end-to-end EPC services including designing, construction and commissioning the solar power plant. We were also responsible for bay extension at 33 kV level and eight kilometers of transmission line. The plant is designed to provide 100% redundancy for evacuation of power from each inverter station. To optimize time, cost and providing local employment, we strategized procurement and sourcing by engaging with local transporters and contractors. We were required to provide O&M services as part of the contract for a period of six years after the date of completion under the EPC contracts and have been maintaining the plant with an availability of over 99% which is 1.3% above the contractually agreed value. Due to our performance under the EPC and O&M contracts for this matter, the Malpani Group awarded us the mandate to construct a 50 MWp solar power project in Tamil Nadu in 2015. We were also awarded the O&M contract for the same.

580 MWp solar power project in Rajasthan, India

SB Energy One Private Limited, SB Energy Three Private Limited and SB Energy four Private Limited, subsidiaries of SB Energy Holdings Limited (together “**SB Energy**”), awarded EPC contracts for the construction of the 580 MWp solar power plant at the Bhadla Solar Park in Rajasthan to us. We have already commissioned 290 MWp of this total awarded capacity and are constructing the remaining 290 MWp. This solar power project was executed under harsh and challenging environmental conditions, such as shifting sand dunes, heat waves and scorching temperatures. We deployed an automated robotic cleaning mechanism to enhance power generation, reduce water consumption and reduce operating expenses. To further optimize schedule and cost efficiency, we engaged local contractors for procurement and construction activities. A sourcing strategy was developed for the solar power project to improve uptime availability of major equipment and spare parts. This solar power project has resulted in substantial employment and inclusive growth in the local areas of Bhadla, Rajasthan. We were also awarded the O&M contract for 10 years for this solar power project, which is the largest O&M contract awarded in India, according to CRISIL.

Project lifecycle

We provide EPC services, which primarily include design and engineering functions, procurement of raw materials and selection of vendors, inspection and audit of suppliers, construction of the solar power project, field quality monitoring of the project and commissioning. The following diagram illustrates the typical stages of an EPC project from bidding to commissioning:



Business development, market evaluation and preparedness: Our business development team focuses on markets with conducive solar power policies particularly in regions with high solar resources and stays updated with the new projects of our key customers and borrows expertise from the SP Group’s presence in that market to get a head start in establishing our operations. Our business development team identifies potential markets, conducts on-the-ground market diligence to evaluate each local opportunity including from the perspective of a comprehensive risk assessment matrix with escalation at critical decision points and prepares a comprehensive checklist to verify market preparedness. In addition, our team evaluates each local opportunity and establishes relationships with local suppliers and subcontractors. We believe this helps us identify potential bids in advance and prepare for bids quickly when opportunities arise.

- **Project Selection and Bidding; Execution of EPC Contract:** We use a comprehensive evaluation process, that we refer to as “the 360 degree evaluation process”. This process is used to determine whether to bid for a proposed solar power project. Because of the high cost and management resources required to prepare a competitive bid, we only bid on selected projects that we believe will be accretive to our growth and business strategy. We have a tendering team of our business development employees, design engineers and accountants that is responsible for identifying, reviewing and evaluating potential solar power projects. Our business development and tendering teams evaluate each opportunity, including from the perspective of a comprehensive risk assessment matrix that is updated frequently depending on the risks identified with each project and across geographies, prepare design reports, detailed bill of materials and other bid materials and submit the opportunity for the review and approval of our tendering committee. We have developed a comprehensive database of completed projects and market studies which we believe helps us evaluate our bids thoroughly within short time periods.

In evaluating bid opportunities, we consider such factors as the customer’s reputation and financial strength, the geographic location of the proposed project and the difficulty of the work, the project’s cost and profitability estimates, our current and projected workload, our competitive advantage relative to other likely bidders and the long-term relationship potential and likelihood of repeat business from the customer. Our tendering committee approves new bids before submission.

In selecting contractors for major solar power projects, we believe customers generally limit the tender to contractors that have been pre-qualified by the customer based on several criteria, including experience, technological capacity and performance, reputation for quality, safety record, financial strength and capacity

to provide financial guarantees, and track record of executing projects of similar size. The price competitiveness of the bid is also a significant selection criteria. We regard pre-qualification as a key factor in winning major projects and we continue to focus on pre-qualification through improved project execution and by building our relationships with key players in the industry. Our marketing and contracts teams are responsible for marketing and commercial activities in connection with the bid. We cannot predict with any degree of certainty the frequency, timing or location of new contract awards. Until final selection by the customer, negotiations can continue on a range of matters pertaining to the specific project, such as construction schedule and financial and other contractual terms and conditions. This stage varies depending on the complexity of the bid and negotiations. After we execute the EPC contract, the tendering team hands over the project to the execution team.

After our bid has been accepted by our customer, our business development team leads the process of negotiating and finalizing an EPC contract with the customer. For further details regarding our EPC contracts, see “—EPC contracts” on page 124 of this Draft Red Herring Prospectus.

- *Selection of Suppliers and Subcontractors:* Concurrently with the negotiation of the EPC contract with our customer, our procurement and project execution teams select potential suppliers and subcontractors for the proposed project. We typically serve as the principal contractor for an EPC project and we provide most of the engineering and project management services using our in-house resources. We generally subcontract activities such as construction, fabrication and installation, which enables us to deploy our resources more effectively. In addition, we procure major equipment, such as inverters, transformers and trackers from third-party suppliers and, in the case of turnkey EPC contracts, we procure modules from customer selected suppliers. We believe this allows us to focus our resources on higher value-added tasks, such as engineering design and project management. We have established relationships with many of these suppliers and subcontractors with whom we have worked in the past. Through our risk management process, we conduct a thorough diligence on these suppliers, identify the scope, create a detailed bill of materials and do a supply chain analysis. Based on our assessment, we prepare a response for our suppliers, specify technical qualifications and engage in commercial negotiations. We also consider such factors as the supplier’s reputation and financial strength, the geographic location of the proposed project and the difficulty of the work and the project’s cost and profitability estimates before selecting a supplier. Our procurement and project execution teams coordinate with regional development teams to ensure that supplier and subcontractor selection complies with local regulatory requirements. See “—Suppliers” on page 132 of this Draft Red Herring Prospectus for more details on our supplier arrangements.
- *Permits and Approvals; Finalization of Design and Specifications:* After we have selected and finalized the relevant suppliers and subcontractors for the project, our project execution team attends to basic infrastructure at the site, obtains required regulatory permits and approvals, and work closely with our engineering design team and our customer to finalize the design and specification of the project. The engineering design process includes the site layout and the electrical design as well as assessing a variety of factors to choose an appropriate technology and, in the case of a turnkey contract, the modules and inverters. Through engineering design, we aim to reduce the risks and costs of a project, and improve the performance of solar power projects and maintain the contractually agreed performance ratio.
- *Supply and Procurement of Materials:* We work closely with our suppliers to ensure we receive high quality and certified products for installation in our projects. We follow a three-step quality management process that includes an initial factory audit of each supplier, the audit and monitoring of raw materials and production at our supplier’s facility at the production stage, and a pre-shipment inspection of the finished product.
- *Construction and Commissioning of Solar power project:* Our project managers and supervisory teams monitor project construction. After a project has been completed, our project commissioning team conducts a final inspection and testing to ensure that the newly-constructed power project is safe and meets design and performance objectives. Procurement of suppliers and construction of a solar power project, which varies depending on the complexity and timelines of the project.

O&M business

We provide O&M services to our customers after solar power projects become operational. As of December 31, 2018, we provided O&M services to 82 solar power projects in India, Abu Dhabi and South Africa, aggregating to 3,892.86 MWp, of which solar power projects having an aggregate capacity of 947.68 MWp were constructed by third-parties. For Fiscals 2016, 2017 and 2018 and the nine months ended December 31, 2017 and 2018, our

revenue from O&M services was ₹56.33 million, ₹242.76 million, ₹437.49 million, ₹325.28 million and ₹590.58 million, respectively, accounting for 0.21%, 1.47%, 0.64%, 1.00% and 0.97% of our total income for each such period, respectively.

Our O&M contracts generally provide for standard services associated with operating and maintaining solar power projects and typically have a tenor of two to ten years, but we have O&M contracts for up to 20 years as well. We provide these services pursuant to the scope of services outlined in the underlying O&M contract with our customer. Our scope of services typically includes preventive and predictive, and corrective maintenance and repair services for solar power projects, such that the performance ratios are maintained. These services seek to optimize system performance and compliance with contractual and regulatory obligations of our customer. Although the scope of our services vary by customer and market opportunity, our O&M services may include 24/7 system monitoring, monitoring compliance with operational agreements such as power purchase agreements and large generator interconnection agreements, energy forecasting, performance engineering analysis, regular performance reporting, turnkey maintenance services, including spare parts and corrective maintenance repair, warranty management and environmental regulatory compliance and management services. We also typically provide an effective availability guarantee, which stipulates that a system will be available to generate a certain percentage of total possible energy during a specific period after adjusting for factors outside of our control as the service provider, such as weather, curtailment, outages, force majeure, and other conditions that may affect system availability. Payment arrangements under our O&M contracts vary, as we receive lump sum payments at the commencement of services or on monthly or quarterly basis either in advance or in arrears. We are also required to maintain reports and logs of our operations, which may be inspected by our customer.

As of December 31, 2018, we employed an experienced team of 210 O&M engineers that deploy advanced technology and equipment, such as robots, centralized monitoring and maintenance systems and analytics, for our operations. We also rely on centralized monitoring systems to optimize maintenance costs, aid in timely rectification of issues and generate higher yield. We conduct regular project inspections through advanced drone-based thermography, thermal imaging, flash testing and cable fault locaters. We have installed a CMS and are in the process of installing the CMMS that we have licensed from SWPL under the Framework Agreement, to improve our operational efficiency by providing real-time automated performance analysis through data mining, track key performance indicators, generate automatic performance reports, record management with best-in-class international quality standards and track assets.

Engineering & Design, Innovation

Our operations are supported by a dedicated design and engineering team of 138 employees, all of whom are in India, that are responsible for designing innovative and cost-effective solutions with an aim to increase the performance ratio of solar power projects. We have deployed advanced technology and equipment, such as robots, centralized monitoring and maintenance systems and analytics, for our operations. In addition, we engage in multi-device preventive and predictive analytics through artificial intelligence for our operations. These systems optimize maintenance costs, aid in timely rectification of issues and generate higher yield. We currently devote substantial resources to innovative engineering efforts, which generally focus on improving the efficiency of our solutions and services. We explore various technologies in our efforts to sustain competitive differentiation in our solutions and services. We intend to stay current with market innovations through internal and external knowledge sharing, including through the use of SWPL's test-bed initiative, which facilitates the testing and analysis of various technology prototypes. We also intend to continue to solicit feedback from our customers and engineers. We also intend to develop alternative products, manufacturing processes, execution methods and communication protocols to improve our operations and services, while meeting global market standards. We also intend to benefit from the evolving energy storage and ancillary service technologies, and intend to leverage from SWPL's solar storage and floating solar capabilities.

We are in the process of establishing an Innovation Center in Rajasthan, India, with an aim to facilitate the analysis of various developed and futuristic module technologies, robotics for module cleaning, inverter technologies and tracker systems, thereby enabling us to stay in the forefront of technology adoption for our customers and developers. We have installed a CMS and are in the process of installing the CMMS that we have licensed from SWPL under the Framework Agreement, to improve our operational efficiency by providing real-time automated performance analysis through data mining, track key performance indicators, generate automatic performance reports, record management with best-in-class international quality standards and track assets.

Customers

We offer a complete range of customized solutions for solar power projects. Our customers include leading strategic IPPs and developers, such as Marubeni, EDF Renewables, Alten, Sunseap, Sao Mai, Enfinity, ACWA Power and BNRG Renewables, and equity funds. We adopt a consultative approach to our customers' solar energy needs and capabilities, which enables us to provide customized solutions to meet their economic goals. Our customers benefit from our global supply chain, a majority of which is based in India, and our relationships with suppliers helps us execute projects for our customers efficiently and economically. In addition, by providing this service to our customers we are able to strengthen our customer relationships and thus our competitive position. We often receive repeat orders from our customers and as of December 31, 2018 customers in India and outside India for whom we have executed more than one project constituted 82.29% and 69.32% of our total commissioned solar capacity, respectively.

In Fiscals 2016, 2017, 2018 and in the nine months ended December 31, 2018 our top 10 customers in terms of revenue generated accounted for 83.23%, 75.85%, 90.26% and 81.38% of our revenue from operations, respectively. In Fiscal 2016, our top two customers in terms of revenue generated constituted more than 10% of our revenue from operations, aggregating to 43.58% of our revenue from operations for that period. In Fiscal 2017, our top two customers in terms of revenue generated constituted more than 10% of our revenue from operations aggregating to 49.42% of our total revenue from operations for that period. In Fiscal 2018 our top two customers in terms of revenue generated constituted more than 10% of our total revenue from operations aggregating to 57.09% of our revenue from operations for that period. In the nine months ended December 31, 2017, our top two customers in terms of revenue generated constituted more than 10% of our total revenue from operations aggregating to 61.95% of our total revenue from operations for that period. In the nine months ended December 31, 2018, one customer in terms of revenue generated constituted more than 10% of our revenue from operations aggregating to 29.59% of our total revenue from operations for that period.

Suppliers

We have relationships with a diversified group of suppliers globally, which helps us source equipment, such as modules, inverters, transformers, trackers and other solar equipment at competitive costs, while maintaining quality, which we believe gives us a competitive advantage as competition is largely from regional players. However, we also source subcontractors locally, whenever feasible, and procure certain raw materials from local suppliers, where there is a cost advantage or to comply with local regulations. We generally subcontract activities such as construction, fabrication and installation, which enables us to deploy our resources more effectively. While identifying suitable suppliers, we are generally guided by a purchase requisition list provided by the project manager that specifies the materials required, technical specifications and quality plans for the raw materials. We negotiate pricing and specifications with suppliers of these major equipment and typically enter into pre-bid arrangements for guaranteed pricing for a period of up to six months to manage volatility in module and inverter prices. Once we win the bid and receive the notice to proceed from our customers, we enter into definitive contracts with the selected supplier and place orders. We also engage with suppliers for the supply of other materials, such as sand, cement and solar wafers. See *“Risk Factors – We depend on various subcontractors and suppliers to procure materials and construct and provide our services and solutions. We are exposed to risks arising from the pricing, timing or quality of their services, equipment and supplies and warranties given. This may materially and adversely affect our business, profitability, financial condition and results of operations”* on page 32 of this Draft Red Herring Prospectus for more information.

We employ a number of measures to manage and monitor the performance of such subcontractors in terms of both quality and timeliness and to ensure compliance with applicable safety and other requirements. For example, we generally have on-site supervisors and hold regular on-site meetings with our subcontractors to monitor their work to ensure that projects progress according to schedule and adhere to quality standards. We also conduct periodic inspections to examine project implementation and quality standards compared to our project planning and prepare periodic reports for review and approval by the relevant departments in our corporate headquarters. If we identify any quality or progress issues which are attributable to the work of the subcontractor, we will have further follow-up discussions with the subcontractor and monitor their rectification work.

We also require our subcontractors to comply with applicable laws and regulations regarding work-place safety as well as our own operational safety rules and policies. We examine and keep records of safety documentation and insurance policies of our subcontractors. In addition, we require that all tools and equipment used by our subcontractors at our project sites must be compliant with, and certified by, applicable regulatory standards. Our subcontractors are also required to regularly provide us their internal records relating to workplace safety (for

example safety training and safety inspections) and we also conduct regular safety inspections on our subcontractors.

Under our subcontracting agreements, we are generally entitled to compensation if the subcontractors fail to meet the prescribed requirements and deadlines under their contracting agreements. Consistent with market practice, we typically obtain performance and product warranties and related insurance from suppliers of modules, inverters, transformers and trackers, for our customers and us, typically ranging from five to 10 years. We generally negotiate to pay our subcontractors a portion of the contract price after the expiration of the quality warranty period, which generally lasts two years, or, if we pay all of the contract price upon completion of the solar power plan, require the subcontractor to provide a bond in respect of the warranty obligations.

Competition

The solar EPC market is highly competitive and our competitors include global and regional solar EPC providers. The solar EPC industry is also highly fragmented, but has been tending towards increased consolidation in recent years. According to IHS Markit, the combined global market share of the twenty largest solar EPC solutions providers increased from 15.0% in 2010 to 28.0% in 2015. In 2017, this declined to 20.0% as a result of significant solar PV construction activity in China, where EPC activity is highly fragmented. Excluding China, the combined global market share of the five largest solar EPC solutions providers in 2018, based on annual installations of utility-scale PV systems of more than five MWp, increased from 5.7% in 2015 to 19.3% in 2018. We also compete with developers' in-house EPC providers. EPC players typically compete on the basis of technology, know-how, price, timeliness of project completion, quality of construction, market knowledge, reputation and other measures of competitive strength, according to CRISIL Research. According to IHS Markit, we were the world's largest solar EPC solutions provider in the utility-scale PV segment in 2018 as well as being the largest such provider in India, Africa and the Middle East and therefore have a large geographical presence compared to other solar EPC solutions providers and we believe that we are well-positioned to meet our customer's requirements. In addition, we believe that our competitive pricing, relationships with lenders and their engineers, strong customer focus, excellent track record, financial strength and group parentage allows us to compete favorably with these companies.

Employees

As of December 31, 2018, we had 1,179 employees. The following table provides a breakdown of our employees by function as of December 31, 2018:

Sterling and Wilson Solar Limited		
As of December 31,		
2018		
Function	Number of employees	% of total
Administration.....	56	4.75%
Business Development.....	79	6.70%
Commercial	36	3.05%
Design and Engineering.....	138	11.70%
Finance and Accounts.....	16	1.36%
Health, Safety and Environment	33	2.80%
Human Resources	21	1.78%
Information Technology	5	0.42%
Legal.....	14	1.19%
Operation & Maintenance.....	210	17.81%
Project Execution.....	445	37.74%
Quality	28	2.37%
Supply Chain Management.....	64	5.43%
Testing and Commissioning	26	2.21%
CEO/HOD	8	0.68%
Total.....	1,179	100.00%

The following table sets forth our employees by location of employment as of December 31, 2018:

	India	Middle East and North Africa⁽¹⁾	Rest of Africa⁽²⁾	United States and Latin America⁽³⁾	Australia	Europe⁽⁴⁾
Number of employees.....	867	233 ⁽¹⁾	6 ⁽²⁾	22 ⁽³⁾	40	11 ⁽⁴⁾

(1) Represents employees in the United Arab Emirates, Egypt and Jordan.

- (2) Represents employees in South Africa.
(3) Represents employees in the United States and Argentina.
(4) Represents employees in Spain.

Insurance

Under our EPC contracts we are generally required to maintain insurance. Our operations are subject to risks inherent in our industry, such as risks of work accidents, explosions, terrorist attacks, riots, fire, earthquakes, floods and other force majeure events. These hazards may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. We maintain insurance policies to cover various risks related to our operations. Such insurance policies include general liability insurance, group personal accident policy for employees and insurance coverage for fire, special perils, loss of profit on account of fire and burglary on all our facilities.

Quality Control

For selecting solar equipment, such as modules and inverters, for our operations, we follow a defined quality management procedure. The procedure includes a pre-selection stage, where we conduct a thorough diligence of the available suppliers in the market. We typically engage suppliers who fulfill our basic selection criteria. We then engage in a supplier validation process through which we conduct a factory audit of the supplier. As part of the internal factory audit, we evaluate the supplier's key processes and procedures, provide training to their engineers and works and review their daily records. We also engage in production validation procedures which involve inspecting raw materials, evaluating their manufacturing process and conduct equipment safety checks. We then engage in an operating performance evaluation of the equipment through pre-shipping inspections and external lab tests.

Safety, health and environmental regulations

We are subject to extensive, evolving and increasingly stringent occupational safety, health and environmental laws and regulations governing our operations. Our safety, health and environmental practices are robust and are continuously updated to adapt to the safety, health and environmental practices, rules and regulations of the geography we operate in. We conduct external audits of our safety mechanisms every year to comply with the rules under the Occupational Health and Safety Assessment Series (BS OHSAS 18001:2007) standards, and are in the process of adopting the International Organization of Standardization's ISO 14001:2015 standards.

Our management processes, including our commitment to the environment and sustainability, aim to reflect the robust governance practices of the SP Group. We focus on deploying sustainable project execution techniques that have minimal impact on the environment, and among other things, focus on air emissions (particularly greenhouse gases), waste water discharges, the generation, handling, storage, transportation and disposal of chemicals, hazardous materials and waste, workplace conditions and employee exposure to hazardous substances. For example, we intend to implement the robotic dry-cleaning mechanism developed by SWPL to reduce dependency on water in arid terrains. We have also adopted environmentally sustainable technologies, such as, the earth screw method to reduce dust generation at solar power projects.

We have implemented work safety measures and standards to ensure healthy and safe working conditions for all the employees, contractors, visitors and customers at project sites. We have established a Health, Safety and Environment ("HSE") department, which ensures compliance with applicable safety regulations and measures. The HSE department interacts closely with the management and provides quality control reports directly to the management which ensures efficiency and quick turnaround of responses. We have incurred, and expect to continue to incur, operating costs to comply with such laws and regulations. In addition, we have made and expect to continue to make capital expenditures on an ongoing basis to comply with safety, health and environmental laws and regulations. We believe we are in compliance in all material respects with all applicable safety, health and environmental laws and regulations.

Property

Our registered and corporate office is located at 9th Floor, Universal Majestic, P.L. Lokhande Marg Chembur (West), Mumbai 400 043. We currently provide our services through 15 foreign branch offices some of which are owned by SWPL and through our Subsidiaries' offices.

Intellectual property rights

We do not own any intellectual property rights that are material to our business. Under the Framework Agreement we have the right to use the S&W brand, without payment. Our Subsidiary, SW FZCO and our Company have entered into the Brand Sharing Agreements with SPCPL, under which we have the right to use intellectual property belonging to the SP group. For further details on these agreements, please see “*History and Other Corporate Matters – Other Material Agreements*” on page 146 of this Draft Red Herring Prospectus.

Corporate social responsibility

We collaborate with the SP Group and S&W in their corporate social responsibility initiatives. The SP Group and S&W are engaged in corporate social initiatives through programmes in India aimed at promoting education among tribal students, construction of toilets in schools and promoting healthcare, sanitation and safe drinking water.

KEY REGULATIONS AND POLICIES

Our Company is a pure play end-to-end solar EPC solutions provider. The following description is a summary of certain key statutes, bills, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company and the industry we cater to.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, the relevant goods and services tax legislation and applicable shops and establishments' statutes apply to us as they do to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 438.

The information detailed in this chapter, is based on the current provisions of key statutes, bills, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Key regulations and policies in India

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("CERC"), the State Electricity Regulatory Commissions ("SERCs") or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

Under the Electricity Act, the appropriate commission, guided by, *inter alia*, the methodologies specified by the CERC, with the aim of promotion of co-generation and generation of electricity from renewable sources of energy shall specify the terms and conditions for the determination of tariff.

The Electricity Act currently requires the GoI to, from time to time, prepare the national electricity policy and tariff policy, in consultation with the state governments and Central Electricity Authority. The Draft Electricity (Amendment) Act, 2018 ("**Draft EAA**") is sought to be enacted to amend certain provisions of the Electricity Act. Among others, the amendment empowers the GoI to establish and review a national renewable energy policy, tariff policy and electricity policy. Further, the GoI may in consultation with the state governments, notify policies and adopt measures for promotion of the national renewable energy fund, development of the renewable energy industry and for effective implementation and enforcement of related measures. The Draft EAA also seeks to *inter alia* exempt persons intending to generate and supply electricity from renewable energy resources from the requirement of obtaining a license for the generation and supply of electricity, subject to compliance with certain requirements specified under the Electricity Act.

Draft National Renewable Energy Act, 2015 ("Draft NRE Act")

The Draft NRE Act has been formulated by the MNRE with the stated purpose of promoting the production of energy through use of renewable energy sources. The Draft NRE Act seeks to provide a framework to facilitate and promote the use of renewable energy. It aims to address issues with respect to renewable energy such as the principles of grid planning and operation and the concept of national targets and its compliance by utilities. It proposes the creation of a framework for governance of renewable energy at the national level as well as the state level, creating a national renewable energy committee and a national renewable energy advisory group and requiring states to establish a state-level implementing agency responsible for implementing renewable projects in the state. It would require the MNRE to, from time to time, prepare and publish a national renewable energy policy in consultation with the state governments to from time to time, formulate and implement a state level renewable energy policy, and renewable energy plan taking into consideration the applicable national renewable energy policy and national renewable energy plan.

Among other things, the Draft NRE Act proposes to empower the GoI and State Governments to establish national renewable energy funds and state green funds respectively, in order to meet the expenses incurred for implementing the national renewable energy policy and national renewable energy plan. Further, unlike the

Electricity Act, no license is required for supply of electricity, if generated from renewable energy sources under the provisions of the Draft NRE Act.

National Electricity Policy

The GoI approved the National Electricity Policy on February 12, 2005, in accordance with the provisions of the Electricity Act. The National Electricity Policy lays down the guidelines for development of the power sector including renewable energy and aims to accelerate the development of power sector by providing supply of electricity to all areas and protecting interests of consumers and other stakeholders. The National Electricity Policy provides that the SERCs should specify appropriate tariffs in order to promote renewable energy, until renewable energy power producers relying on non-conventional technologies can compete with conventional sources of energy.

The SERCs are required to ensure progressive increase in the share of generation of electricity from non-conventional sources and provide suitable measures for connectivity with grid and sale of electricity to any person. Further, the SERCs are required to specify, for the purchase of electricity from renewable energy sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Furthermore, the National Electricity Policy provides that such purchase of electricity by distribution companies should be through a competitive bidding process. The National Electricity Policy permits the SERCs to determine appropriate differential prices for the purchase of electricity from renewable energy power producers, in order to promote renewable sources of energy.

Jawaharlal Nehru National Solar Mission (“JNNSM”)

The JNNSM was approved by the GoI on November 19, 2009 and launched on January 11, 2010. The JNNSM has set a target of 100 GW of solar power in India by 2022 and seeks to implement and achieve the target in three phases (Phase I from 2012 to 2013, Phase II from 2013 to 2017 and Phase III from 2017 to 2022). The target will principally comprise of 40 GW rooftop solar power projects and 60 GW large and medium scale grid connected solar power projects. The JNNSM aims at creating conditions for rapid scale up of capacity and technological innovation to drive down costs towards grid parity. In addition, the GoI on March 22, 2017 sanctioned the implementation of a scheme to enhance the capacity of solar parks from 20,000 MW to 40,000 MW for setting up at least 50 solar parks each with a capacity of 500 MW and above by 2019 or 2020.

National Tariff Policy

The GoI notified the revised National Tariff Policy effective from January 28, 2016. Among others, the National Tariff Policy seeks to ensure availability of electricity to consumers at reasonable and competitive rates, financial viability of the sector and attract investments and promote generation of electricity from renewable sources. The National Tariff Policy mandates that SERCs must reserve a minimum percentage for purchase of solar energy equivalent to 8% of total consumption of energy by March 2022.

Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017

The Central Electricity Regulatory Commission has announced the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017 (“**Tariff Regulations**”), which prescribe the criteria that may be taken into consideration by the relevant electricity regulatory commissions while determining the tariff for the sale of electricity generated from renewable energy sources which include, among others, return on equity, interest on loan and working capital, operations and maintenance expenses, cost of capital and depreciation. Pursuant to the National Tariff Policy, the CERC is required to determine the rate of return on equity which may be adopted by the relevant electricity regulatory commissions to determine the generic tariff, keeping in view the overall risk and prevalent cost of capital, which factors are also to be taken into consideration by relevant electricity regulatory commissions while determining the tariff rate. The Tariff Regulations prescribe that the normative return on equity will be 14%, to be grossed up by the prevailing Minimum Alternate Tax (“**MAT**”) as on April 1st of the previous year for the entire useful life of the project.

The Tariff Regulations also provide the mechanism for sharing of carbon credits from approved clean development mechanism projects between renewable energy generating companies and the concerned beneficiaries.

Under the Tariff Regulations, the project developer is entitled to retain 100% of the gross proceeds on account of clean development mechanism project benefit in the first year after the date of commercial operation of the generating station. Subsequently, in the second year, the share of the beneficiaries will be then progressively increased by 10% every year until it reaches 50% after which the clean development mechanism project proceeds are to be shared equally between the generating company and the beneficiaries.

Renewable Purchase Obligations

The Electricity Act promotes the development of renewable sources of energy by requiring the relevant electricity regulatory commission to ensure grid connectivity and the sale of electricity generated from renewable sources. In addition, it requires the relevant electricity regulatory commission to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which are known as renewable purchase obligations (“RPOs”). Pursuant to this mandate, most of the relevant electricity regulatory commission have specified solar and non-solar RPOs in their respective states. RPOs are required to be met by obligated entities (that is, distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by entering into power purchase agreements with renewable energy power producers or by purchasing renewable energy certificates.

Pursuant to the order dated June 14, 2018 (no. 23/03/2016-RandR) issued by the Ministry of Power, Government of India (the “MoP”), the MoP has notified the long-term growth trajectory of renewable purchase obligations for solar and non-solar, uniformly for all states/Union Territories for a period of three years i.e. Fiscal 2020 to Fiscal 2022.

Notification dated July 30, 2018 (no. 01/2018-Customs (SG) issued by the Department of Revenue, Ministry of Finance, Government of India (the “Customs Notification”)

The Department of Revenue, Ministry of Finance, Government of India has issued the Customs Notification in terms of the Customs Tariff Act, 1975 and the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997, imposing on “solar cells whether or not assembled in models or panels” (the “**Subject Goods**”), falling under heading 8541 of Schedule I of the Customs Tariff Act, 1975, when imported into India a safeguard duty at the following rate; (a) 25% *ad valorem* minus anti-dumping duty payable, if any, when imported during the period from July 30, 2018 to July 29, 2019; (b) 20% *ad valorem* minus anti-dumping duty payable, if any, when imported during the period from July 30, 2019 to January 29, 2020; (c) 15% *ad valorem* minus anti-dumping duty payable, if any, when imported during the period from January 30, 2020 to July 29, 2020. The Customs Notification is not applicable to countries notified as developing countries pursuant to the notification dated February 5, 2016 (notification no. 19/2016-Customs (N.T.), except China and Malaysia.

Bureau of Indian Standards Act, 2016 (the “BIS Act”) and the Solar Photovoltaics, Systems, Devices and Components Goods (Requirements for Compulsory Registration) Order, 2017 (“Compulsory Registration Order”)

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, *inter-alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service confirms to an Indian Standard.

The Compulsory Registration Order issued by MNRE was published on the Gazette of India on August 30, 2017 and was scheduled to come into effect on the expiry of one year from the date of such publication. In terms of the Compulsory Registration Order, any manufacturer who *inter alia* manufactures, stores for sale, sells or distributes; (a) utility interconnected photovoltaic inverters, (b) power converters for use in PV power system, (c) PV modules (si wafer and thin film) and (d) thin film terrestrial PV modules; and (e) crystalline silicon terrestrial PV modules (collectively the “**Goods**”) would require registration from the Bureau of Indian Standards for use of the Standard Mark as specified in the Schedule of the Compulsory Registration Order. The Compulsory Registration Order seeks to prohibit the manufacture or storage for sale, import, sale or distribution of the Goods which do not conform to the standard specified under the Compulsory Registration Order. However, pursuant to the

notifications of MNRE dated April 16, 2018 and October 12, 2018, considering the time taken for tests and the framing of the guidelines for such tests, manufacturers of SPV modules and inverters were permitted in the interim to continue operations by submitting a self-certification that their products conform to the relevant Indian standards or their IEC counterparts along with proof of submission of samples to laboratories with the expected date of completion of testing. With respect to SPV modules ((c), (d) and (e) above), the timeline for submission of such self-certification together with samples for a test lab recognised by BIS pending results was January 1, 2019. However, pursuant to the notification dated January 4, 2019 of the MNRE subsequently, manufacturers of inverters ((a) and (b) above) have been at this stage permitted to continue operations by only submitting self-certification by June 30, 2019 without submission of samples to test labs till the series guidelines for submission of samples was under preparation, provided that the manufacturers have valid IEC corresponding to the Indian Standard.

Public Procurement (Preference to Make in India) Order for Renewable Energy Sector, 2018 (“Make in India Renewable Energy Order”)

Pursuant to the Public Procurement (Preference to Make in India) Order, 2017 dated June 15, 2017 issued by the DIPP (the “**Make in India Order**”) to promote the manufacture and production of goods and services in India, the Ministry of New and Renewable Energy, Government of India (“**MNRE**”) has issued the Make in India Renewable Energy Order, directing all departments/attached offices/subordinate offices of the MNRE or autonomous bodies controlled by the Government of India or government companies (as defined under the Companies Act) to adhere to the Make in India Order with respect to all of their procurements. For grid connected solar power projects, apart from civil construction, central ministries, departments, and central public sector undertakings, are required to give preference to domestically manufactured components, with solar modules required to be 100% locally manufactured and other components such as invertors required to be at least 40% locally manufactured. With respect to off grid/ decentralised solar power, the requirement of local content in solar street lights, solar home lighting systems, solar power packs/micro grid, solar water pumps, inverters, batteries, and any other solar PV balance of system is at least 70%. However, products purchased for research and development/demonstration projects are exempt from the Make in India Renewable Energy Order. If the procurement exceeds ₹10 crore, the local supplier would be required to provide a certificate from the statutory or cost auditor of the company or from a practicing cost or chartered accountant, giving the percentage of local content.

Approved Models and Manufacturers of Solar Photovoltaic Modules (Requirement for Compulsory Registration) Order, 2019 (“ALMM Order”)

To ensure the quality of solar cells, solar modules, used in solar PV power plants, the MNRE issued the ALMM Order on January 2, 2019. The AMM Order provides that the government will enlist eligible models and manufacturers of solar PV power plants complying with the applicable BIS standard, and publish a list titled the “Approved List of models and manufacturers” (“**ALMM**”). Only the models and manufacturers included in the ALMM would be eligible for use in government/ government assisted/ projects under government schemes and programmes installed in the country, including the projects set-up for sale of electricity to the government under the “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects” dated August 3, 2017 and the amendments thereof (collectively, the “**Applicable Projects**”). The ALMM will consist of LIST-I specifying models and manufacturers of solar PV modules and LIST-II specifying models and manufacturers of solar PV cells. Both List I and List II would come into effect from March 31, 2020. Further with respect to the Applicable Projects, solar PV module manufacturers from List I, would have to mandatorily source PV solar cells only from manufacturers in List II. For being eligible to be included in List-I, the manufacturers are required to obtain a BIS certification in accordance with the Compulsory Registration Order. Manufacturers are required to make an application to the MNRE for registration, and if enlisted, such enlistment shall be valid for a two-year period and can be renewed by submitting necessary documents and satisfactory performance of products. Prior to inclusion in the ALMM, a team of MNRE will inspect the manufacturing facility. Enlisted models and manufacturers will be subjected to random quality tests and failure or non-compliance will lead to removal from ALMM. The ALMM Order will not apply to projects for which bids have been finalised before the issuance of the ALMM Order.

State solar policies

Our Company’s operations are also subject to the solar policies formulated in the states in which we undertake/may undertake projects. States which have notified solar policies, include Chhattisgarh, Gujarat, Haryana, Jharkhand, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttarakhand and Uttar Pradesh. Such policies typically provide for a framework for the governance of the solar power industry and projects, the procedure for the undertaking of bids, the terms of the renewable purchase

obligation, connectivity to grid lines and the measures to be taken to promote the development of solar power in the state, including certain incentives to manufacturers including the grant of concessions on certain taxes, research and development initiatives.

Environmental Laws

The Environment (Protection) Act, 1986 (“EPA”)

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Labour related legislations

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolishment) Act, 1970;
- The Employee’s Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employee’s State Insurance Act, 1948;
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Workmen Compensation Act, 1923;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI intends to frame four labour codes, namely, (i) the Code on Wages Bill, 2017, (ii) the Draft Labour Code on Industrial Relations, 2015, (iii) the Draft Labour Code on Social Security and Welfare, and (iv) the Draft Code on Occupational Safety, Health and Working Conditions. The Code on Wages Bill, 2017 was introduced in the Lok Sabha on August 10, 2017 which will subsume four existing laws, if enacted, namely, (i) the Minimum Wages Act, 1948, (ii) the Payment of Wages Act, 1936, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976.

Intellectual Property Rights

In general, the Intellectual Property Rights of our Company includes but is not limited to the following enactments:

The Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trade marks.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, tax related legislations and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Further, presently we carry on our operations and business in foreign jurisdictions and may continue to expand our operations. For further details, see “*Our Business*” on page 115. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated at Mumbai on March 9, 2017 as Rashmika Energy Private Limited, as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 10, 2017 issued by the RoC. Subsequently, the Solar EPC Division of Sterling and Wilson Private Limited was demerged into our Company pursuant to the order dated March 28, 2018 of the NCLT, Mumbai approving the Scheme of Arrangement, with the appointed date for the transfer of such Solar EPC Division being April 1, 2017. Thereafter, to reflect the association of our Company with the Sterling and Wilson group, the name of our Company was changed to Sterling and Wilson Solar Private Limited pursuant to the resolution passed by our Shareholders at their EGM held on March 29, 2018 and the certificate of incorporation pursuant to change of name was issued by the RoC on April 24, 2018.

Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an EGM held on January 11, 2019. Consequently, the name of our Company was changed to Sterling and Wilson Solar Limited and a fresh certificate of incorporation consequent upon conversion from private company to a public company was issued by the RoC on January 25, 2019.

Change in the Registered Office

The details of the change in our registered office since incorporation are detailed below:

Effective date of change	Details of Change	Reason(s) for change
July 15, 2018	The registered office of our Company was changed from 10 th Floor, Universal Majestic, P.L. Lokhande Marg, Chembur (West), Mumbai-400 043 to 9 th Floor, Universal Majestic, P.L. Lokhande Marg, Chembur (West), Mumbai 400 043	Administrative convenience

Main Object of our Company

The main object contained in the Memorandum of Association of our Company is as mentioned below:

“Setting up of green field Solar Plants of various sizes, envisaging, identifying and acquiring and selling suitable land, developing the site for Solar Parks; design, engineer, supply, erect, commission and, or operate and maintain the plants, accessories, components, spare parts thereof and provide renewable energy solutions; Sell or otherwise dispose of part or whole of the Solar Plants, both in India and abroad.”

The main object as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since incorporation:

Date of Shareholders’ Resolution	Particulars
March 29, 2018	Clause 1 of our Memorandum of Association was amended to reflect the change in the name of our Company from Rashmika Energy Private Limited to Sterling and Wilson Solar Private Limited. Clause 5 our Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹100,000 comprising of 10,000 equity shares of ₹10 each to ₹180,000,000 comprising of 18,000,000 equity shares of ₹10 each.
January 11, 2019	Clause 1 of our Memorandum of Association was amended to reflect the change in the name of our Company to Sterling and Wilson Solar Limited pursuant to the conversion of our Company from a private limited company to a public limited company. Clause 5 of our Memorandum of Association was amended to reflect the sub-division of the face value of the equity shares from ₹10 each to ₹1 each and the consequent change in the authorised share capital from ₹180,000,000 comprising of 18,000,000 equity shares of ₹10 each to ₹180,000,000 comprising of 180,000,000 equity shares of ₹1 each.

Date of Shareholders' Resolution	Particulars
	<p>Clause 3 of our Memorandum of Association was amended in the following manner:</p> <p>(a) Clause 3(a) of our Memorandum of Association was amended to reflect the change in numbering as Clause 3(a)(1); and</p> <p>(b) Existing sub-clauses from serial no. 2 to serial no. 45 in Clause 3(b) i.e. "Matters which are necessary for furtherance of the Objects specified in Clause 3(a)" were renumbered as serial no. 1 to serial no. 44.</p> <p>Clause 5 of our Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹180,000,000 comprising of 180,000,000 equity shares of ₹1 each to ₹600,000,000 comprising of 500,000,000 equity shares of ₹1 each and 1,000,000 preference shares of ₹100 each.</p>

Major events and milestones of our Company and the Solar EPC Division

The table below sets forth the key events and milestones in the history of the Solar EPC Division and our Company:

Calendar year	Particulars
2011	Received our first solar EPC project
2013	Completed our first Turnkey EPC project, a 36 MWp solar power plant located in India
2014	Commenced our first international project
2015	Recognised as the largest Indian solar EPC player according to an independent industry data provider
2016	Ventured into roof-top solar
2017	Commenced operations as the EPC contractor with respect to the world's largest single location solar PV plant in Abu Dhabi according to CRISIL
2017	Expanded our operations in the USA by incorporating our Subsidiary, Sterling and Wilson Solar Solutions Inc.
2017	Incorporated our Subsidiary, Renovable Energia Contracting S.L. in Spain to cater to European and Latin American markets
2018	Expanded operations in Australia by acquiring a controlling stake in GCO Electrical Pty Limited
2019	Recognised as the world's largest solar EPC solutions provider in 2018 based on annual installations of utility-scale photovoltaic systems of more than five mega-watt peak by IHS Markit

Awards, accreditations or recognitions

The Solar EPC Division and our Company has received the following awards, accreditation and recognitions:

Sr. No.	Awards, Accreditations and Recognitions	Year of award
1.	Energise Award for Excellence in Innovation in Solar Energy (2013-14)	2014
2.	Solar Quarter Rooftop Award for the most promising firm and outstanding contribution towards the development of Solar Energy at the Global Solar EPC Awards	2014
3.	Energize Award for Excellence in Solar Power EPC (2013-2014)	2014
4.	Intersolar Award 2015 (Solar Projects in India) for the 11 MWp Total Turnkey Solar Project in Maharashtra under JNNSM PH II	2015
5.	Renewable Energy India Awards in the category of "Excellence in EPC"	2015
6.	Certificate of special recognition in the category of Excellence in EPC at the Renewable Energy India Awards	2015
7.	Solar Today trophy in the category of Utility Scale Solar EPC Contractor at the Solar Today Awards	2016
8.	Recognised for "immense contribution to the infrastructure sector" by the Economic Times Best Infrastructure Brands	2016
9.	Excellence in Renewable Energy Project Execution Award from Central Board of Irrigation and Power	2017

Sr. No.	Awards, Accreditations and Recognitions	Year of award
10.	Awarded as the gold winner in the category of Solar O&M contractor of the year -Roof top scale by RE Assets India 2017	2017
11.	Awarded the certificate of honour as a “Leading EPC – Solar – Ground Based” at the Renewable Energy India Awards	2017
12.	“Project of the Year” by Middle Eastern Solar Industry Association at the MESIA Solar Awards	2017
13.	Awarded the certificate of honour as a “Leading EPC – Solar – Ground Based” at the Renewable Energy India Awards	2018
14.	Awarded “Specialist Contractor of the Year” at the MEED Awards	2018
15.	Awarded the certificate of honour in the category “RE International Excellence - Indian Companies” at the Renewable Energy India Awards	2018
16.	Awarded the “EPC of the Year” at the Solar + Power Awards	2018
17.	World’s EPC Excellence for Solar and Storage by the Organising Committee of Global Solar and Energy Storage	2018

Our Holding Company

As on the date of this Draft Red Herring Prospectus, SPCPL is our holding company. For details with respect to SPCPL, see “*Our Promoters and Promoter Group- SPCPL*” beginning on page 177.

Our Subsidiaries

For details with respect to our Subsidiaries, see “*Our Subsidiaries*” beginning on page 149.

Time/cost overrun

We have experienced delays in completion of certain of our international and domestic projects. In certain cases, liquidated damages have been levied by our customers in connection with such delays. While we are discussing such levy of liquidated damages with our customers, based on estimate of management, our Company has made provisions for liquidated damages aggregating to ₹321.75 million as on December 31, 2018.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Mergers or amalgamation

Our Board has on March 27, 2019, noted the proposal for the amalgamation of our Subsidiary, Sterling and Wilson - Waaree Private Limited into our Company through a scheme of arrangement, once the project for which Sterling and Wilson - Waaree Private Limited was incorporated is completed.

Except as mentioned below, our Company has not undertaken any merger, demerger or amalgamation since incorporation:

Scheme of arrangement between Sterling and Wilson Private Limited and our Company and their respective shareholders

The Scheme of Arrangement was filed by SWPL and our Company with the National Company Law Tribunal, Mumbai under Sections 230 to 232 of the Companies Act, 2013, seeking approval for the demerger of the Solar EPC Division from SWPL into our Company. The Scheme of Arrangement was approved by our Board at its meeting held on September 7, 2017 and by our Shareholders at their EGM held on January 3, 2018. The stated rationale for the Scheme of Arrangement was *inter alia* to enable the Solar EPC Division and the other businesses of SWPL (the “**Other Business**”) to capitalise on growth opportunities in an independent manner, given that the nature of the offerings, operating and working capital requirements and risk and return profile of the Solar EPC Division were distinct from the Other Business. Further, since the Solar EPC Division had its own management

team and set-up, the demerger of the Solar EPC Division would enable the maximization of growth potential of both the Solar EPC Division and the Other Business, with focused leadership, specialisation and superior efficiency.

The Scheme of Arrangement provided for the transfer and vesting of the Solar EPC Division with effect from April 1, 2017 (the “**Appointed Date**”) upon the Scheme of Arrangement becoming effective (the “**Effective Date**”), into our Company as a going concern, including all assets, receivables and investments, employees, permits, licenses, agreements, qualifications, technical experience, request for proposal, tenders, bid acceptances, intellectual property, litigation proceedings, debts, borrowings and liabilities of the Solar EPC Division.

The Scheme of Arrangement was approved by the NCLT, Mumbai pursuant to its order dated March 28, 2018 (the “**Order**”) and the Order was filed by our Company with the RoC on May 14, 2018. Accordingly, the Effective Date of the Scheme of Arrangement was May 14, 2018.

In terms of the Scheme of Arrangement, from the Appointed Date till the Effective Date (the “**Transition Period**”), SWPL was to carry on the business and activities pertaining to the Solar EPC Division and hold all the properties and assets of the Solar EPC Division for and on account of and in trust for our Company. All profits or income which accrued or arose to the Solar EPC Division or expenditure or losses which arose or were incurred or suffered by the Solar EPC Division, during the Transition Period, would be treated and be deemed to be accrued as the income or profits or losses or expenditure, as the case may be of our Company, and SWPL was not to utilise the profits or income of the Solar EPC Division, if any, without the prior consent of our Company.

Prior to the Scheme of Arrangement, our issued and paid-up equity share capital comprised of 3,588 equity shares of ₹10 each, of which SWPL held 3,558 equity shares of ₹10 each. Under the terms of the Scheme of Arrangement, as consideration for the transfer of the Solar EPC Division to our Company, each shareholder of SWPL was allotted one equity share for every equity share held by them in SWPL. Our Company took necessary corporate actions to increase our authorized share capital to enable the issuance of such equity shares. Upon the issuance and allotment of the equity shares to the shareholders of SWPL, the existing equity share capital of our Company prior to the Scheme of Arrangement stood cancelled without any further acts, application or deed.

Our Company has to give effect to the accounting treatment of the Scheme of Arrangement in our books of accounts in accordance with Ind AS 103 (Business Combinations) and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013.

In order to give effect to the Scheme of Arrangement and the Order, our Subsidiaries, Sterling and Wilson Middle East Solar Energy L.L.C. (“**Sterling ME Solar**”) and Sterling and Wilson International Solar FZCO (“**SW FZCO**”) have each executed a business transfer agreement (collectively the “**BTAs**”) with Sterling and Wilson Middle East Electromechanical LLC (“**Sterling ME Electromechanical**”) and Sterling and Wilson International FZE (“**Sterling FZE**”) respectively. Under the terms of the BTAs: (a) the solar EPC business of Sterling ME Electromechanical LLC (the “**Sterling ME Solar Business**”) including all assets, technical and financial pre-qualifications, liabilities including shareholder loans and bank facilities and carry forward losses of the Sterling ME Solar Business, would transfer to and vest with Sterling ME Solar with effect from the Appointed Date; and (b) the solar EPC business of Sterling FZE (the “**Sterling FZE Solar Business**”), including all assets, technical and financial pre-qualifications, liabilities including shareholder loans and bank facilities and carry forward losses of the Sterling FZE Solar Business, would transfer to and vest with SW FZCO with effect from the Appointed Date.

Details of acquisition or divestments

Other than the Demerger of the Solar EPC Division into our Company pursuant to the order of the NCLT, Mumbai dated March 28, 2018 approving the Scheme of Arrangement and the transactions in relation thereto, our Company has not acquired or divested any business/undertaking since incorporation. However, our Subsidiary, SW FZCO has acquired interest in two step-down Subsidiaries namely GCO Electrical Pty. Limited and Sterling and Wilson International LLP during Fiscal 2019. For further details, see “*Restated Consolidated Summary Financial Information - Annexure VI*” on page 243.

Financial and/or Strategic Partners

Our Company does not have any financial and/or strategic partners as of the date of this Draft Red Herring Prospectus.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Company, which our Company is aware of.

Other material agreements

Except as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business:

1. Framework agreement dated October 11, 2018 between our Company and SWPL ("**Framework Agreement**")

Pursuant to the Scheme of Arrangement, our Company has entered into the Framework Agreement in order to facilitate the transition of various assets, liabilities and rights and obligations pursuant to the demerger of the Solar EPC Division into our Company and ensuring the continuation of operations, obligations and liabilities with respect to the business of the Solar EPC Division. The key terms of the Framework Agreement are as set out below:

1. Agency:

- **Agency with respect to business agreements:** Our Company has appointed SWPL and its foreign branches, project offices ("**Foreign Branches**") and the relevant subsidiaries of SWPL i.e. Sterling and Wilson International FZE and Sterling and Wilson Middle East Electromechanical LLC of SWPL ("**SWPL Subsidiaries**"), to act as agents of our Company, Sterling and Wilson Middle East Solar Energy L.L.C. and Sterling and Wilson International Solar FZCO (the "**SWSL Relevant Subsidiaries**") respectively. SWPL has agreed that the economic benefits and liabilities pertaining to the Solar EPC Division shall remain with our Company.
- **Agency with respect to certain assets:** Our Company has also appointed SWPL, its Foreign Branches and SWPL Subsidiaries to act as its agents in relation to certain movable and immovable assets, export and import benefits, intellectual property, liabilities etc, which are in the process or yet to be transferred to our Company ("**Transition Assets**") pursuant to the Scheme of Arrangement.

Pursuant to the Framework Agreement, our Company has authorised SWPL, its Foreign Branches and SWPL Subsidiaries to represent our Company and the SWSL Relevant Subsidiaries, respectively, in relation to the business agreements and Transition Assets; and to undertake all necessary actions in connection with the above, including, *inter alia*, (i) receiving payments and dealing with such payments in accordance with the instructions of our Company; (ii) tracking payment due dates and notifying our Company of impending payments; (iii) initiating or defending any action, suit or other legal proceeds before any court or tribunal; (iv) executing any necessary documents as may be required; and (v) generally facilitate dealing with counter-parties. Provided that, our Company, may through written instructions direct SWPL, its Foreign Branches and SWPL Subsidiaries from taking or refraining to take any action in connection with the aforementioned.

Further, SWPL, its Foreign Branches and SWPL Subsidiaries are required to notify our Company of any event of default or breach of the business agreements or any adverse effect in connection with the above ("**Adverse Event**"). Upon becoming aware of any Adverse Event, SWPL, its Foreign Branches and SWPL Subsidiaries shall take or refrain from taking such actions as it may deem necessary or advisable in the interest of our Company.

2. **Inter-corporate loans:** Pursuant to the Scheme of Arrangement, on and from the Appointed Date, all rights, title and interests of SWPL in relation to an inter-corporate loan provided by SWPL to Sterling and Wilson International FZE (“**SW FZE**”, and the inter-corporate loan, the “**SW FZE Loan**”) were transferred, assigned and conveyed to SW FZCO. SWPL has agreed to act as a representative of our Company for the SW FZE Loan, until all obligations of SW FZE in relation to the SW FZE Loan is transferred from SW FZE to SW FZCO after procuring all relevant approvals in relation thereto. Until the repayment of the SW FZE Loan, all rights, title and interest of SWPL and the money realised by SWPL in relation to the SW FZE Loan shall be transferred to SW FZCO.
3. **Shared services:** SWPL has agreed to share with our Company certain resources and services. These include human resources and information technology services, indirect tax services, common management services until such date as may be mutually agreed between SWPL and our Company. Further, SWPL had also agreed to share account and treasury services until December 31, 2018.
4. **Intellectual Property:** SWPL has granted our Company permission to use all the logos and brands of SWPL without payment of any consideration until such date as may be mutually agreed between parties.
5. **Non-compete Right of first refusal:** In terms of the Framework Agreement, our Company shall not bid or execute any hybrid projects (i.e. a project that generates power using two or more energy sources *i.e.* hydel, thermal, solar etc.). However, in the event SWPL proposes to bid for any hybrid project, our Company shall have a right of first refusal to participate in such hybrid project for executing the solar portion of such project.
6. **Non-compete:** SWPL, its Foreign Branches and SWPL Subsidiaries, their affiliates or any person controlled by SWPL and/or its Foreign Branches and/or the SWPL Subsidiaries, shall not, whether through themselves or through an agent, directly or indirectly, engage in, invest, associate, assist or have any financial interest in any venture or solicit any activity that competes with the business of our Company. Such non-compete arrangement shall survive termination of the Framework Agreement.
7. **Fees and expenses:** Our Company shall pay SWPL, its Foreign Branches and SWPL Subsidiaries such fees as may be mutually agreed for acting as an agent of our Company and for using the shared services in terms of the Framework Agreement. Our Company shall also reimburse SWPL, its Foreign Branches and SWPL Subsidiaries for reasonable out-of-pocket and other costs incurred by them in connection with the agency services and shared services.
8. **Term and Termination:** The agency obligations of SWPL, its Foreign Branches and SWPL Subsidiaries under the Framework Agreement shall terminate upon the termination or expiry of the term of each business agreement or the date on which SWPL and/or its Foreign Branches novate its obligations to our Company under each business agreement (“**Relevant Agreement Termination Date**”). Further, the obligations in relation to shared services may be terminated by mutual agreement between SWPL and our Company (“**Shared Services Termination Date**”).

The Framework Agreement shall remain valid until the later of Relevant Agreement Termination Date or the Shared Services Termination Date. The parties may terminate the agreement prior to such dates by mutual agreement between parties.

2. **Brand Sharing Agreements**

Our Company has entered into an agreement dated September 26, 2018 with SPCPL, pursuant to which our Company has been permitted to use certain trademarks, copyrights and intellectual property of the SP group (collectively the “**Brand**”).

The Brand Sharing Agreement is valid from April 1, 2018 till March 31, 2021. The term of the Brand Sharing Agreement may be extended by the mutual exchange of letters between our Company and SPCPL. Pursuant to the Brand Sharing Agreement, SPCPL has also agreed to provide certain strategic support services to our Company.

As consideration for SPCPL permitting such use of the Brand and for providing certain other strategic support services, our Company is required to pay fees to SPCPL, ranging from 0.10% to 0.40% of the turnover (excluding turnover from related parties) depending on the financial performance of our Company and the percentage of shareholding by SPCPL (directly or indirectly) in our Company.

The Brand Sharing Agreement shall stand automatically terminated if our Company ceases to belong to the SP group. Either our Company or SPCPL may terminate the Brand Sharing Agreement by providing written notice of 30 days and the Brand Sharing Agreement shall stand terminated on the expiry of such 30 days.

Our Subsidiary, SW FZCO has separately entered into an agreement dated September 26, 2018 with SPCPL (the “**SW FZCO Brand Agreement**”) pursuant to which our SW FZCO has been permitted to use certain trademarks, copyrights and intellectual property of the SP group. The terms of the SW FZCO Brand Agreement are similar to the Brand Agreement detailed above.

Guarantees given by our Promoter Selling Shareholders

The Promoter Selling Shareholders have not provided any guarantees to third parties on behalf of our Company and Subsidiaries.

Other confirmations

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has eight directly held Subsidiaries and nine indirectly held Subsidiaries, details of which are provided below.

Directly held Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has the following eight directly held Subsidiaries under the Companies Act, 2013:

1. Sterling and Wilson International Solar FZCO (“**SW FZCO**”);
2. Sterling and Wilson (Thailand) Limited (“**SW Thailand**”);
3. Sterling and Wilson - Waaree Private Limited (“**SW Waaree**”);
4. Sterling and Wilson Saudi Arabia Limited (“**SW SA**”);
5. Sterling and Wilson Brasil Servicos Ltda. (“**SW Brazil**”);
6. Esterlina Solar Engineers Private Limited (“**Esterlina**”); and
7. Sterling and Wilson Solar LLC (“**SW Oman**”)

Additionally, Sterling Wilson - SPCPL - Chint Moroccan Venture (“**SW Chint Morocco**”) is a directly held Subsidiary of our Company pursuant to Ind AS 110.

Indirectly held Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has the following nine indirectly held Subsidiaries under the Companies Act, 2013:

1. Sterling and Wilson Middle East Solar Energy L.L.C. (“**SW Middle East**”);
2. Sterling and Wilson Singapore Pte. Limited. (“**SW Singapore**”);
3. Sterling and Wilson Engineering (Pty) Limited (“**SW Engineering**”);
4. Sterling and Wilson Solar Solutions Inc (“**SW USA**”);
5. Renovable Energia Contracting S.L. (“**SW Spain**”);
6. Sterling and Wilson Solar Solutions LLC (“**SW USA LLC**”); and
7. GCO Electrical Pty. Limited (“**GCO Australia**”).

Additionally, Sterling and Wilson Kazakhstan LLP (“**SW Kazakhstan**”) and Sterling and Wilson International LLP (“**SWK International**”) are indirectly held Subsidiaries of our Company pursuant to Ind AS 110.

Details regarding our Subsidiaries

Unless stated otherwise, the details in relation to our Subsidiaries, provided below, are as on the date of this Draft Red Herring Prospectus:

Directly held Subsidiaries

Subsidiaries under the Companies Act, 2013

1. SW FZCO

Corporate Information

SW FZCO was incorporated on December 7, 2017 as a free zone company with limited liability pursuant to Regulation no. 1 of 2000, Law no. 2 of 1996 and its amendment No.2 of 2000 by H.H. Sheikh Maktoum Bin

Rashid Al Maktoum, Ruler of Dubai and the UAE Federal Law No. 8 of 1984 regarding Commercial Companies and its amendments and decisions made and issued thereunder by Dubai Airport Free Zone Authority. Its registration number is 1704. Its registered address is 5WA 419, DAFZA, Building 5WA (West Side) P O Box 54811, Dubai, UAE.

Nature of Business

SW FZCO is engaged in the business of solar energy systems and components trading and solar energy systems installation .

Capital Structure

The details of the capital structure of SW FZCO is as follows:

Authorised capital	Aggregate nominal value (in AED)
1,000 equity shares of AED 1,000 each	1,000,000
Issued, subscribed and paid-up capital	
1,000 equity shares of AED 1,000 each	1,000,000

Shareholding Pattern

The shareholding pattern of SW FZCO is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of AED 1,000 each	Percentage of shareholding (%)
1.	Sterling and Wilson Solar Limited	1,000	100.00

2. SW Thailand

Corporate Information

SW Thailand was registered on April 24, 2015 as a juristic person under the Civil and Commercial Code at the Registry of Partnerships and Companies, Bangkok, Thailand. Its registration number is 0105558069677. Its registered office is situated at Sathorn Square Room no. S-08, 37th Floor, No. 98, Sathorn Road, Kwaeng Silom, Khet Bangrak, Bangkok, Thailand.

Nature of Business

SW Thailand is engaged in the business of supplying, installing, testing, commissioning, engineering, procuring and constructing solar turnkey projects.

Capital Structure

The details of the capital structure of SW Thailand is as follows:

Authorised capital	Aggregate nominal value (in Baht)
1,000 shares of 100 Baht each	100,000
Issued, subscribed and paid-up capital	
490 ordinary shares of 100 Baht each with 25 Baht paid-up per ordinary share	12,250
510 preference shares of 100 Baht each with 25 Baht paid-up per preference share	12,750

Shareholding Pattern

The shareholding pattern of SW Thailand is as follows:

Ordinary shares

Sr. No.	Name of the shareholder	No. of ordinary shares of 100 Baht each with 25 Baht paid-up per ordinary share	Percentage of shareholding (%) of ordinary shares
1.	Sterling and Wilson Solar Limited	488	99.60
2.	Neville Dinsha Madan	1	0.20
3.	Aniruddha Choudhuri	1	0.20
Total		490	100.00

Preference shares

Sr. No.	Name of the shareholder	No. of preference shares of 100 Baht each with 25 Baht paid-up per preference share	Percentage of shareholding (%) of preference shares
1.	Warot Wanakankowit	510	100.00
Total		510	100.00

3. SW Waaree

Corporate Information

SW Waaree was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated December 16, 2016 issued by the Registrar of Companies, Maharashtra at Mumbai. Its corporate identification number is U93000MH2016PTC288571. Its registered office is situated at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400 043.

Nature of Business

SW Waaree is engaged in the business of, *inter alia*, designing, engineering, supplying, erecting, commissioning, maintaining and repairing solar power plants, accessories, components, spare parts thereof and providing renewable energy solutions, both in India and abroad.

Capital Structure

The details of the capital structure of SW Waaree is as follows:

Authorised capital	Aggregate Nominal Value (in ₹)
50 equity shares of ₹1,000 each with voting rights	50,000
50 equity share of ₹1,000 each with differential voting rights	50,000
Total	100,000
Issued, subscribed and paid-up capital	
49 equity shares of ₹1,000 each with voting rights	49,000
1 equity share of ₹1,000 each with differential voting rights	1,000
Total	50,000

Shareholding Pattern

The shareholding pattern of SW Waaree is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹1,000 each	Percentage of shareholding (%)
1.	Sterling and Wilson Solar Limited with voting rights	49	98.00
2.	Waaree Energies Limited with differential voting rights	1	2.00
Total		50	100.00

4. SW SA

Corporate Information

SW SA was incorporated on December 14, 2016 as a limited liability company under Companies Law promulgated by the Royal Decree No. (M/6) dated 22/03/1385H, as amended, Foreign Investment Law

promulgated by the Royal Decree No. M/1 dated 05/01/1421H of Saudi Arabia. Its identification number is 1010455378. Its registered office is at Building No: 7¹⁹, 2nd Floor, Olayya Avenue, Opposite Riyadh Gallery Gate Number 3, King Fahad Road, Riyadh, KSA 2995-12262.

Nature of Business

SW SA is engaged in the business of construction of electrical and mechanical works.

Capital Structure

The details of the capital structure of SW SA is as follows:

Authorised capital	Aggregate nominal value (in SAR)
10,000 equity shares of SAR 100 each	1,000,000
Issued, subscribed and paid-up capital	
10,000 equity shares of SAR 100 each	1,000,000

Shareholding Pattern

The shareholding pattern of SW SA is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of SAR 100 each	Percentage of shareholding (%)
1.	Sterling and Wilson Solar Limited	9,500	95.00
2.	Sterling Wilson Middle East W.L.L.	500	5.00
Total		10,000	100.00

5. SW Brazil

Corporate Information

SW Brazil was incorporated on March 21, 2017 as a private limited company under the Municipality of Sao Paulo. Its registration number is with the Board of Trade of Sao Paulo NIRE °35.230.329.607. Its registered office is situated at Rua Manoel da Nóbrega, n° 1280, 10° floor, Paraíso, Zip Code 04001-902, São Paulo, Brazil.

Nature of Business

SW Brazil is engaged in the business of supporting and advisory services and participation in other national or foreign companies as quota holder or shareholder.

Capital Structure

The capital structure of SW Brazil is as follows:

Authorised capital	Aggregate nominal value (in R\$)
100,000 equity shares of R\$ 1 each	100,000

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, SW Brazil does not have any issued, subscribed and paid-up capital.

6. Esterlina

Corporate Information

Esterlina was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated October 16, 2018, issued by the Registrar of Companies, Maharashtra at Mumbai. Its corporate identification number is U74999MH2018PTC315871. Its registered office is at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400 043.

Nature of Business

Esterlina is engaged in the business in India or elsewhere of erection and commissioning, developing, maintaining and operating of power projects based on conventional and non-conventional sources of energy, either individually or through its subsidiaries or SPVs formed directly or indirectly or as joint venture in India or elsewhere.

Capital Structure

The details of the capital structure of Esterlina is as follows:

Authorised capital	Aggregate Nominal Value (in ₹)
10,000 equity shares of ₹ 10 each	100,000
Issued, subscribed and paid-up capital	
10,000 equity shares of ₹ 10 each	100,000

Shareholding Pattern

The shareholding pattern Esterlina is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹10 each	Percentage of shareholding (%)
1.	Sterling and Wilson Solar Limited	9,999	100.00
2.	Zarine Yazdi Daruvala (as a nominee of Sterling and Wilson Solar Limited)	1	Negligible
Total		10,000	100.00

7. SW Oman

Corporate Information

SW Oman was incorporated on January 1, 2019 as a limited liability company under the Oman Chamber of Commerce and Industry of Oman. Its commercial registration number is 1334217. Its registered office is at Muscat Al Watayah, Sultanate of Oman, PO Box 117, PC 116.

Nature of Business

SW Oman is engaged in the business of construction, operation and maintenance of power plants.

Capital Structure

The share capital of SW Oman is OMR 150,000 divided into 150 shares of OMR 1,000 each.

Shareholding Pattern

The shareholding pattern of SW Oman is as follows:

Sr. No.	Name of the shareholder	No. of shares of OMR 1,000 each	Percentage of shareholding (%)
1.	Sterling and Wilson Solar Limited	105	70.00
2.	Mukthar Hasan	45	30.00
Total		150	100.00

Under the Ind AS 110

1. SW Chint Morocco

Corporate Information

SW Chint Morocco was registered as a partnership firm on November 28, 2016 under the Indian Partnership Act, 1932 pursuant to the partnership deed dated November 26, 2016 entered between SWPL, SPCPL and Astronergy Solar India Private Limited (“**Astronergy**”). Subsequent to the Demerger, a reconstituted deed

of partnership dated March 15, 2019 was entered into between our Company, SPCPL and Astronergy (the “**Reconstituted Partnership Deed**”). The current partners of SW Chint Morocco are our Company, SPCPL and Astronergy.

Its principal place of business is Bengaluru, India and such other place(s) as agreed upon by the partners and its present place of business is situated at 4A/14, 6th Main, Chikka Adugodi, New Extension, Thavarekere Main Road, Bangalore 560 029.

Nature of Business

SW Chint Morocco was formed with the primary objective of carrying out the turnkey execution of three solar EPC projects in Morocco, including the supply, erection, installation, testing and commissioning of such projects and other things which may be incidental, ancillary or conducive to the aforesaid.

Profit/loss sharing ratio

The profit/loss sharing ratio between the partners of SW Chint Morocco is as follows:

Sr. No.	Name of partner	Profit and loss sharing ratio (in %)
1.	Sterling and Wilson Solar Limited	92.00
2.	SPCPL	5.00
3.	Astronergy Solar India Private Limited	3.00
Total		100.00

The details of our indirect Subsidiaries are as follows:

Under the Companies Act, 2013

1. SW Middle East

Corporate Information

SW Middle East was originally incorporated in the name of Sterling and Wilson Powergen LLC on May 16, 2010 as a limited liability company under the commercial companies Law, Federal Law No. (2) of 2015 of UAE. As per the amendment of MOA attested by the Notary Public of Dubai Court under no. 265005/1/2017 dated December 6, 2017, the trade name of the Company was changed from Sterling and Wilson Powergen LLC to its current name. It holds a license number is 639466. Its registered office is at 1803, Park Place Building, Sheikh Zayed Road , Dubai, UAE. SW Middle East is the direct subsidiary of SW FZCO.

Nature of Business

SW Middle East is engaged in the business of solar energy systems installation, solar energy systems and components trading and solar energy systems rental.

Capital Structure

The capital structure of SW Middle East is as follows:

Authorised capital	Aggregate nominal value (in AED)
300 equity shares of 1,000 AED each	300,000
Issued, subscribed and paid-up capital	
300 equity shares of 1,000 AED each	300,000

Shareholding Pattern

The shareholding pattern of SW Middle East is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of AED 1,000 each	Percentage of shareholding (%)
1.	SW FZCO	147	49.00
2.	Ahmed Mohammed Jassim Aljassim	153	51.00
Total		300	100.00

Pursuant to the sale share memorandum of association of SW Middle East notarised on April 9, 2018 between Ahmed Mohammed Jassim Aljassim, SW FZCO and Sterling Generators Private Limited, SW FZCO is entitled to 80% of the profits and losses of SW Middle East, while Ahmed Mohammed Jassim Aljassim is entitled to the remaining 20% of the profits and losses of SW Middle East. Further, pursuant to the agreement relating to the Articles of Incorporation of Sterling and Wilson Middle East Solar Energy L.L.C. dated April 7, 2018 between Ahmed Mohammed Jassim Aljassim and SW FZCO, Ahmed Mohammed Jassim Aljassim pledged 153 shares of AED 1,000 each held by him along with all the rights attached to it, as security to SW FZCO. As a result, SW FZCO accordingly holds the beneficial ownership of the 51% shares pledged in the SW Middle East pursuant to which it receives all profits, dividends and shares losses in accordance with the percentage of shareholding.

2. SW Singapore

Corporate Information

SW Singapore was incorporated on December 27, 2013 as a private limited company in Singapore under the Companies Act, C 50 of Singapore. Its registration number is 201334603N. Its registered office is at 33 UBI Avenue 3, #08-68, Vertex, Singapore 408 868. SW Singapore is the direct subsidiary of SW FZCO.

Nature of Business

SW Singapore is engaged in the business of executing EPC contracts.

Capital Structure

The capital structure of SW Singapore is as follows:

Authorised capital	Aggregate nominal value (in SGD)
50,000 ordinary shares of SGD 1 each	50,000
Issued, subscribed and paid-up capital	
50,000 ordinary shares of SGD 1 each	50,000

Shareholding Pattern

The shareholding pattern of SW Singapore is as follows:

Sr. No.	Name of the shareholder	No. of ordinary shares of SGD 1 each	Percentage of shareholding (%)
1.	SW FZCO	50,000	100.00
Total		50,000	100.00

3. SW Engineering

Corporate Information

SW Engineering was incorporated on October 11, 2013 as a private for profit company in South Africa under the South African Companies Act, no. 71 of 2008, as amended. Its name was changed from K2013189325 (Pty) Ltd to its current name on December 10, 2013. It is registered with the South African Companies and Intellectual Property Commission with registration number 2013/189325/07. The registered office is at 119-123, Hertzog Boulevard, Foreshore, Cape Town, Western Cape 8001, South Africa. SW Engineering is the direct subsidiary of SW FZCO.

Nature of Business

SW Engineering is engaged in the business of engineering, procurement and construction, operation and maintenance, services in relation to the design and development of solar power plants in South Africa.

Capital Structure

The capital structure of SW Engineering is as follows:

Authorised capital
1,000 ordinary shares of no par value
Issued, subscribed and paid-up capital
120 ordinary shares of no par value

Shareholding Pattern

The shareholding pattern of SW Engineering is as follows:

Sr. No.	Name of the shareholder	No. of ordinary shares of no par value	Percentage of shareholding (%)
1.	SW FZCO	72	60.00
2.	Orange Oak Investments 26 Proprietary Limited	48	40.00
Total		120	100.00

4. SW USA

Corporate Information

SW USA was incorporated on December 19, 2017 as a limited company under the General Corporation Law of Delaware. Its employer registration number is 82-3759824. Its registered office is situated at 251, Little Falls Drive, City of Wilmington, Country of New Castle Delaware 19808. SW USA is a direct subsidiary of SW FZCO.

Nature of Business

SW USA is engaged in the business of developing, planning, building and operating utility-scale, commercial and industrial photovoltaic plants.

Capital Structure

The share capital structure of SW USA is as follows:

Authorised capital	Aggregate nominal value (in \$)
1,000 shares of \$0.01 each	10.00
Issued, subscribed and paid-up capital	
100 shares of \$0.01 each	1.00

Shareholding Pattern

The shareholding pattern of SW USA is as follows:

Sr. No.	Name of the shareholder	No. of shares of \$0.01 each	Percentage of shareholding (%)
1.	SW FZCO	100	100.00
Total		100	100.00

5. SW Spain

Corporate Information

SW Spain was incorporated on October 27, 2017 as a limited liability company under the Companies Registry of Madrid, Volume 36638, folio 1, 8th Section, page number M-657238, first registration. Its name was changed from Caleidos Gestion S.L to its current name on December 27, 2017. Its registration number is 3100. Its registered office is situated at Madrid -28016, Avenida de Alberto, Alocer 46 b, 2nd A. SW Spain is a direct subsidiary of SW FZCO.

Nature of Business

SW Spain is engaged in the business of installation and maintenance of electromechanical equipment.

Capital Structure

The share capital of SW Spain in Euro 4,000 divided into 400 equity shares of Euro 10 each.

Shareholding Pattern

The shareholding pattern of SW Spain is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Euro 10 each	Percentage of shareholding (%)
1.	SW FZCO	396	99.00
2.	Jose Maria	4	1.00
Total		400	100.00

6. GCO Australia

Corporate Information

GCO Australia was incorporated on January 23, 2007 as a company limited by shares under the Corporations Act, 2001 of Australia as Geraldton Electrical Coy Pty Limited. Subsequently, its name was changed to Geraldton Electrical Co Pty Limited with effect from July 11, 2007. Subsequently, its name was further changed to GCO Pty Limited with effect from February 16, 2012. Subsequently, its name was changed to its current name GCO Electrical Pty. Limited with effect from April 16, 2012. Its Australian company number is 123 571 059. Its registered office is situated at Globe BD Unit 6 78-84 Catalano Circuit Canning Vale WA 6155. GCO Australia is a direct subsidiary of SW FZCO.

Nature of Business

GCO Australia is engaged in the business of EPC contractor for installation of electrical equipment in Australia.

Capital Structure

The share capital of GCO Australia is AUD 3,300,000 divided into 3,300,000 ordinary shares of AUD 1 each.

Shareholding Pattern

The shareholding pattern of GCO Australia is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of AUD 1 each	Percentage of shareholding (%)
1.	SW FZCO	2,508,000	76.00
2.	Hadley Investments Pty Limited	660,000	20.00
3.	Gada Investments Pty Limited	132,000	4.00
Total		3,300,000	100.00

7. SW USA LLC

Corporate Information

SW USA LLC was incorporated on October 17, 2018 as a limited liability company under the General Corporation Law of Delaware, USA. Its registration number is 83-2342896. Its registered office is at 8 The Green, Ste. B, City of Dover, Delaware 19901. SW USA LLC is a direct subsidiary of SW USA.

Nature of Business

SW USA LLC is engaged in the business of holding state licenses for SW USA.

Capital Structure

The share capital of SW USA LLC is \$251,000 (represented by permanent shareholder loan.)

Shareholding Pattern

The shareholding pattern of SW USA LLC is as follows:

Sr. No.	Name of the shareholder	Percentage of holding (%)
1.	SW USA	100.00
Total		100

Under Ind AS 110

8. SW Kazakhstan

Corporate Information

SW Kazakhstan was registered as a limited liability partnership firm under the Law of Republic of Kazakhstan on Partnership on March 18, 2014. Its business identification number is 140340016420. Its registered office is at Kazakhstan Almaty City Medeu district, Lugaskiy st. 21a, flat 2, office 4b, Zip Code 050000.

Nature of Business

SW Kazakhstan is engaged in the business of construction of distributive engineering facilities.

Capital Structure

The charter capital of SW Kazakhstan is Tenge 900,000.

Sole Partner

The sole partner of SW Kazakhstan is SW Singapore.

9. SWK International

Corporate Information

SWK International was registered as a limited liability partnership firm under the Civil Code of the Republic of Kazakhstan dated December 27, 1994 and the Law of the Republic of Kazakhstan “On Limited and Additional Liability Partnerships” dated April 22, 1998 on August 24, 2005. SWK International was re-registered on June 27, 2018. Its business identification number is 050840003577. Its registered office is at Building 1, Apartment 156, Luganskiy St, Almaty City, Medeu Dist, Kazakhstan 050051.

Nature of Business

SWK International is engaged in the business of construction and installation works.

Capital Structure

The charter capital of SWK International is 97,100 Tenge.

Sole Partner

The sole partner of SWK International is SW FZCO.

Other confirmations

There are no accumulated profits or losses of any of our Subsidiaries not accounted for by our Company.

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor has any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

Business interest of our Subsidiaries in our Company

Our Subsidiaries do not have any interest in our Company's business other than as stated in "*Our Business*" and "*Financial Information*", beginning on pages 115 and 195, respectively.

Common pursuits

Our Subsidiaries are in the same line of business as our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company. All of our Subsidiaries are engaged in business activities similar to that of our Company. Our Subsidiaries have been incorporated/acquired to undertake various projects in line with our business model. Most of our Subsidiaries, operate in different jurisdictions and accordingly, there is no conflict of interest between our Company and such Subsidiaries. Our Company and our Subsidiaries will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

OUR MANAGEMENT

Board of Directors

The Articles of Association of our Company require that our Board comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on date of this Draft Red Herring Prospectus, our Board comprises of six Directors including three Non-Executive Non-Independent Directors and three Independent Directors (including one woman Director). Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p>Khurshed Yazdi Daruvala</p> <p><i>Designation:</i> Chairman and Non-Executive Non-Independent Director</p> <p><i>Date of birth:</i> March 22, 1969</p> <p><i>Address:</i> Unit 4101, Address Boulevard Dubai Residences, Mohammed Bin Rashid Boulevard, Downtown Dubai, PO Box 214477, Dubai, United Arab Emirates</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since April 25, 2018</p> <p><i>DIN:</i> 00216905</p>	50	<ol style="list-style-type: none"> 1. Costell SRL; 2. Delsys Infotech Private Limited; 3. Esterlina Solar Engineers Private Limited; 4. Range Consultants Private Limited; 5. Sashwat Energy Private Limited; 6. Sterling and Wilson Co-Gen Solutions Private Limited; 7. Sterling and Wilson Energy Systems Private Limited; 8. Sterling and Wilson International FZE; 9. Sterling and Wilson International Solar FZCO 10. Sterling and Wilson Private Limited; 11. Sterling and Wilson Powergen Private Limited; 12. Sterling and Wilson Security Systems Private Limited; 13. Sterling and Wilson Services Private Limited; 14. Sterling and Wilson Waaree Private Limited; 15. Sterling Generators Private Limited; 16. Sterling Viking Power Private Limited; 17. STC Power SRL; and 18. Transtel Utilities Private Limited.

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p>Pallon Shapoorji Mistry</p> <p><i>Designation:</i> Non-Executive Non-Independent Director</p> <p><i>Date of birth:</i> March 12, 1992</p> <p><i>Address:</i> Sterling Bay 103, Walkeshwar Road, Malabar Hill, Mumbai 400 006</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since August 2, 2018</p> <p><i>DIN:</i> 05229734</p>	27	<ol style="list-style-type: none"> 1. Afcons Infrastructure Limited; 2. Eureka Forbes Limited; 3. Forvol International Services Limited; 4. Forbes Technosys Limited; 5. Imperial College India Foundation; 6. Oman Shapoorji Company LLC; 7. Shapoorji Pallonji and Company Private Limited; 8. Shapoorji Pallonji Infrastructure Capital Company Private Limited; 9. Shapoorji Pallonji Oil and Gas Private Limited; and 10. Sterling and Wilson Private Limited
<p>Bikesh Ogra</p> <p><i>Designation:</i> Non-Executive Non-Independent Director</p> <p><i>Date of birth:</i> October 6, 1972</p> <p><i>Address:</i> Villa B-105, Executive Towers Podium VI, Villa B-105 Happiness ST. PO Box 4321, Dubai, United Arab Emirates</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since March 27, 2019</p> <p><i>DIN:</i> 08378235</p>	46	<ol style="list-style-type: none"> 1. GCO Electrical Pty. Limited
<p>Keki Manchershya Elavia</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> April 9, 1946</p> <p><i>Address:</i> Flat no. 603, 36AB, 36th Road, Bandra (West), Mumbai 400 050</p> <p><i>Occupation:</i> Chartered accountant</p>	73	<ol style="list-style-type: none"> 1. Britannia Industries Limited; 2. Dai-ichi Karkaria Limited; 3. Go Airlines (India) Limited; 4. Goa Carbon Limited; 5. Godrej & Boyce Manufacturing Company Limited; 6. Godrej Industries Limited; 7. Grindwell Norton Limited; 8. Phoenix Arc Private Limited; 9. Tata Asset Management Limited;

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Current term:</i> Five years with effect from March 27, 2019</p> <p><i>Period of directorship:</i> Since March 27, 2019</p> <p><i>DIN:</i> 00003940</p>		<p>10. The Bombay Dyeing and Manufacturing Company Limited; and</p> <p>11. Wonder City Buildcon Private Limited.</p>
<p>Arif Saleh Doctor</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> July 17, 1972</p> <p><i>Address:</i> S3003, The Imperial, B.B. Nakashe Marg, Tardeo, Mumbai 400 034</p> <p><i>Occupation:</i> Advocate</p> <p><i>Current term:</i> Five years with effect from March 27, 2019</p> <p><i>Period of directorship:</i> Since March 27, 2019</p> <p><i>DIN:</i> 08390169</p>	46	Nil
<p>Rukhshana Jina Mistry</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> September 24, 1956</p> <p><i>Address:</i> Flat no. 19, Rose Minar, 87, Chapel Road, Near Mount Carmel Church, Bandra (West), Mumbai 400 050</p> <p><i>Occupation:</i> Chartered Accountant</p> <p><i>Current term:</i> Five years with effect from March 27, 2019</p> <p><i>Period of directorship:</i> Since March 27, 2019</p> <p><i>DIN:</i> 08398795</p>	62	Nil

Brief profiles of our Directors

Khurshed Yazdi Daruvala is the Chairman and a Non-Executive Non-Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai. He is an associate member of the ICAI. He has been part of the Sterling and Wilson group for about 25 years and has held the position of managing director of SWPL. He has been on our Board since April 25, 2018.

Pallon Shapoorji Mistry is a Non-Executive Non-Independent Director of our Company. He holds a master's degree in science with merit in strategic marketing from Imperial College, London. He is on the board of companies such as Shapoorji Pallonji and Company Private Limited, Afcons Infrastructure Limited, Shapoorji Pallonji Infrastructure Capital Company Private Limited, Shapoorji Pallonji Oil and Gas Private Limited and Sterling and Wilson Private Limited. He has been on our Board since August 2, 2018.

Bikesh Ogra is a Non-Executive Non-Independent Director of our Company and global CEO. He holds a bachelor's degree in electrical engineering from the University of Burdwan. He joined the Sterling and Wilson group in 1996 and has over 22 years of experience in the EPC sector. During his tenure he had been appointed as the chief executive officer – renewable energy of SWPL. He has been on our Board since March 27, 2019.

Keki Manchershya Elavia is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and is a practicing chartered accountant. He is a fellow member of the ICAI. He has, in the past, served as a partner of Kalyaniwalla & Mistry, Chartered Accountants and S.R. Batliboi & Co, Chartered Accountants. He has over 35 years of experience in audit and finance related matters. He has been on our Board since March 27, 2019.

Arif Saleh Doctor is an Independent Director of our Company. He holds a bachelor's degree in arts as well as law from the University of Mumbai. He has been a member of the bar council of Maharashtra and Goa for the past 20 years. He is a practicing advocate in areas including commercial disputes, human rights and environmental law and has been previously appointed as an *amicus curiae* by the High Court of Bombay in the *suo moto* public interest litigation pertaining to the environmental damage caused to mangroves on account of coal handling. He is on the panel of Advocates for the State of Maharashtra. He has been on our Board since March 27, 2019.

Rukhshana Jina Mistry is an Independent Director of our Company. She is a qualified chartered accountant. She has been practicing as a chartered accountant for over 29 years. She has been on our Board since March 27, 2019.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

Except as disclosed below, none of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

S. No.	Particulars	Details
1.	Name of Director	Keki Manchershya Elavia
2.	Name of the company	Sulzer India Limited
3.	Name of the stock exchange(s) on which the company was listed	BSE
4.	Date of delisting on stock exchanges	September 13, 2010
5.	Whether delisting was compulsory or voluntary	Voluntary
6.	Reasons for delisting	The promoter seeking to obtain full ownership of the company and integrate it into its global operations.
7.	Whether the company has been relisted	No
8.	Date of relisting	Not applicable
9.	Term of directorship (along with relevant dates) in the above company	April 29, 2004 to February 6, 2011

None of our other Directors are related to each other.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Directors

Pursuant to the resolution passed by our Board at their meeting held on March 27, 2019, our Non-Executive Non-Independent Directors and Independent Directors (i.e. our current Directors) shall be entitled to sitting fees of: (a) ₹100,000 for each meeting of our Board; (b) ₹75,000 for each meeting of our Audit Committee; (c) ₹25,000 for each meeting of our Nomination and Remuneration Committee; (d) ₹25,000 for each meeting of our Corporate Social Responsibility Committee; and (e) ₹10,000 for each meeting of our Stakeholders Relationship Committee.

Further, pursuant to resolutions passed by our Board on March 27, 2019 and our Shareholders on April 1, 2019, effective from Fiscal 2020, our Board has been authorised to pay our Non-Executive Non-Independent Directors and Independent Directors commission as may be determined by it, provided that the aggregate commission does not exceed 2.5% of the net profit of our Company in accordance with Section 197 of the Companies Act, computed in accordance with Section 198 of the Companies.

Payments or benefits to Directors by our Company

Other than as disclosed below, our Company and our Subsidiaries has not paid any compensation or granted any benefit to any of our Directors (including contingent or deferred compensation) in all capacities in Fiscal 2019.

Remuneration paid to our Directors.

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the last two years.

1. Non-Executive Non-Independent Directors

No sitting fees or remuneration were paid by our Company to our Non-Executive Non-Independent Directors in Fiscal 2019.

2. Independent Directors

No sitting fees or remuneration were paid by our Company to any of our Independent Directors in Fiscal 2019.

Remuneration paid by our Subsidiaries

Khurshed Yazdi Daruvala who was paid ₹45.24 million and Bikesh Ogra who was paid ₹40.37 million, none of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in Fiscal 2019.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	Number of equity shares held
1.	Khurshed Yazdi Daruvala	53,452,930*
2.	Pallon Shapoorji Mistry	720,000

*In addition to the above, Khurshed Yazdi Daruvala is the second holder of 200 equity shares held by Kainaz Khurshed Daruvala.

Shareholding of Directors in our Subsidiaries

None of our Directors have any shareholding in any of our Subsidiaries.

Borrowing Powers

Pursuant to a resolution passed by our Shareholders at their EGM held on April 1, 2019, our Board has been authorised to borrow any sum or sums of monies (including fund based and non-fund based working capital facilities), notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from our Company's bankers in the ordinary course of business), will or may exceed our Company's aggregate paid-up share capital, free reserves and securities premium (i.e. reserves not set apart for any specific purpose), provided that the maximum amount of money so borrowed by the Board and outstanding at any time shall not exceed a sum of ₹ 150,000 million.

Bonus or profit-sharing plan for our Directors

Except as mentioned below, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors:

In accordance with the terms of employment of Bikesh Ogra with SW FZCO, Bikesh Ogra is entitled to a profit linked commission of two percent of the audited consolidated profit before tax of SW FZCO with effect from April 1, 2019.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof, the reimbursement of expenses payable to them and to the extent of commission payable to them, if any, each as approved by our Board and/or the relevant committees thereof.

Khurshed Yazdi Daruvala may be deemed to be interested to the extent of the remuneration payable to him as a director of SW FZCO. Bikesh Ogra may also be deemed to be interested to the extent of the remuneration and profit commission payable to him by SW FZCO as disclosed in “- Bonus or profit sharing plan for our Directors” on page 165.

Khurshed Yazdi Daruvala and Pallon Shapoorji Mistry may also be interested to the extent of their respective shareholding in our Company, if any, and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

SPCPL has pursuant to a letter dated April 10, 2019, agreed to pay Bikesh Ogra a strategic advisory fee aggregating to ₹ 1,400 million prior to the listing of the Equity Shares, on such terms and conditions to be mutually agreed between SPCPL and Bikesh Ogra prior to the date of registration of the red herring prospectus by our Company.

Further, pursuant to the letter dated April 10, 2019 (the “**Share Transfer Letter**”), subject to applicable laws, our Promoter, Khurshed Yazdi Daruvala has agreed to transfer an aggregate of 1% (comprising 1,603,600 Equity Shares) of our current paid-up Equity Share capital to Bikesh Ogra, our Non-Executive Non-Independent Director, without any consideration, on expiry of two years from the date of listing of the Equity Shares. Such transfer shall be made on the terms and conditions to be agreed upon prior to the date of registration of the red herring prospectus by our Company.

Other than Khurshed Yazdi Daruvala, none of our Directors are interested in the promotion or formation of our Company. However, Pallon Shapoorji Mistry is a director on the Board of our corporate Promoter, SPCPL, which as one of our Promoters, has an interest in the promotion or formation of our Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Draft Red Herring Prospectus.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery since incorporation.

Changes to our Board since incorporation*

Aniruddha Choudhuri, Kalpathy Hariharan Parameswaran and Ravi Ananthkrishnan were the first directors of our Company. The subsequent changes to the composition of our Board are as below:

Name	Designation at the time of change	Date of appointment/ change in designation/ cessation	Reason
Keki Manchershya Elavia	Independent Additional Director***	March 27, 2019	Appointment
Arif Saleh Doctor	Independent Additional Director***	March 27, 2019	Appointment
Rukhshana Jina Mistry	Independent Additional Director***	March 27, 2019	Appointment
Bikesh Ogra	Non-Executive Non-Independent Additional Director****	March 27, 2019	Appointment
Zarine Daruvala	Non-Executive Non-Independent Director	March 27, 2019	Cessation
Pallon Shapoorji Mistry	Non-Executive Additional Director**	August 2, 2018	Appointment
Aniruddha Choudhuri	Director	May 25, 2018	Resignation
Kalpathy Hariharan Parameswaran	Director	May 25, 2018	Resignation
Ravi Ananthkrishnan	Director	May 25, 2018	Resignation
Zarine Yazdi Daruvala	Non-Executive Additional Director**	April 25, 2018	Appointment
Khurshed Yazdi Daruvala	Non-Executive Additional Director**	April 25, 2018	Appointment

* The aforementioned changes to our Board since incorporation do not include extension in the period of appointment of a Director without a change in designation and the retirement of Directors by rotation who were reappointed.

** The appointments of Khurshed Yazdi Daruvala, Zarine Yazdi Daruvala and Pallon Shapoorji Mistry were regularised and each of their designations changed to Non-Executive Non-Independent Director pursuant to the resolution of our Shareholders at their annual general meeting held on September 28, 2018.

*** The appointments of Rukhshana Jina Mistry, Keki Manchershya Elavia and Arif Saleh Doctor were regularised and each of their designations changed to Non-Executive Independent Director pursuant to the resolution of our Shareholders at their EGM held on April 1,

2019.

**** The appointment of Bikesh Ogra was regularised and his designation changed to Non-Executive Non-Independent Director pursuant to the resolution of our Shareholders at their EGM held on April 1, 2019.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

A. Audit committee

The Audit committee was constituted by a resolution of our Board at their meeting held on March 27, 2019. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation on the Board
Rukhshana Jina Mistry	Chairperson	Independent Director
Keki Manchershya Elavia	Member	Independent Director
Khurshed Yazdi Daruvala	Member	Chairman and Non-Executive Non-Independent Director

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The roles and responsibilities of the Audit Committee include the following:

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
 - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
 - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
 - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
 - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
 - (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
 - (k) Scrutiny of inter-corporate loans and investments;
 - (l) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (m) Evaluation of internal financial controls and risk management systems;
 - (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (p) Discussion with internal auditors of any significant findings and follow up there on;
 - (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

- (u) Reviewing the functioning of the whistle blower mechanism;
 - (v) Approval of the appointment of the Chief Financial Officer of the Company (“CFO”) (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
 - (w) To appoint a person having such qualifications and experience as a registered valuer for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities, in such manner, on such terms and conditions as may be prescribed;
 - (x) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
 - (y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
 - (z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 - (aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - (bb) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
 - (cc) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management’s discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
 - (f) Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
 - (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.
 - (h) Such other information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of our Company

The company secretary of our Company shall act as secretary to the Audit Committee.

B. Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution passed by our Board at their meeting held on March 27, 2019. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation on the Board
Keki Manchersha Elavia	Chairman	Independent Director
Khurshed Yazdi Daruvala	Member	Chairman and Non-Executive Non-Independent Director
Rukhshana Jina Mistry	Member	Independent Director

The scope and function of the Nomination and Remuneration committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director). The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- (k) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (l) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (m) Administering the any employee stock option scheme/plan, employee stock purchase scheme, stock appreciation rights scheme, general employee benefits scheme and retirement benefit scheme, approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**");
- (n) delegating the administration and superintendence of the ESOP Schemes to any trust set up with respect to the ESOP Schemes;

- (o) formulating detailed terms and conditions for the ESOP Schemes including provisions specified by the board of directors of the Company in this regard;
- (p) Determining the eligibility of employees to participate under the ESOP Scheme;
- (q) Granting options to eligible employees and determining the date of grant;
- (r) Determining the number of options to be granted to an employee;
- (s) Determining the exercise price under the ESOP Scheme;
- (t) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (u) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,
 by the Company and its employees, as applicable.
- (v) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- (w) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

C. *Stakeholders' Relationship Committee*

The Stakeholder Relationship Committee was constituted by a resolution of our Board dated March 27, 2019. The current constitution of the Stakeholder Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation on the Board
Khurshed Yazdi Daruvala	Chairman	Chairman and Non-Executive Non-Independent Director
Rukhshana Jina Mistry	Member	Independent Director
Pallon Shapoorji Mistry	Member	Non-Executive Non-Independent Director

The scope and function of the Stakeholder Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

- (e) Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services; and
- (g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations or other applicable law, or by any other regulatory authority.

D. Corporate Social Responsibility Committee

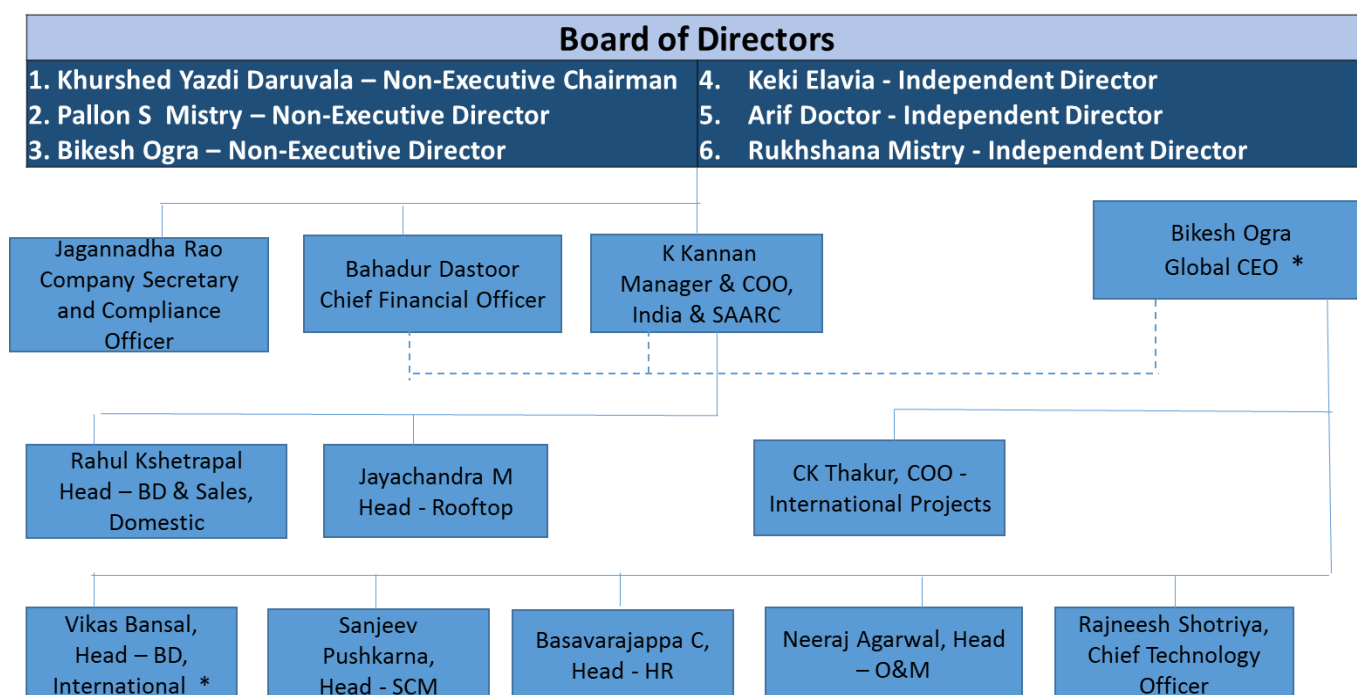
The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated August 21, 2018. It was last reconstituted by a resolution of our Board dated March 27, 2019. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of Director	Position in the Committee	Designation on the Board
Keki Manchershya Elavia	Chairman	Independent Director
Khurshed Yazdi Daruvala	Member	Chairman and Non-Executive Non-Independent Director
Pallon Shapoorji Mistry	Member	Non-Executive Non-Independent Director

The terms of reference of the Corporate Social Responsibility Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of the corporate social responsibility policy, corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

Management organisation chart



* Employed with Sterling and Wilson International Solar FZCO

Key Managerial Personnel

Our Key Managerial Personnel includes certain employees of the Solar EPC Division, who have been transferred to our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement.

The details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Bahadur Dastoor, aged 48, is the Chief Financial Officer of our Company. He has been part of our Company since July 1, 2018. He has been associated with the Sterling and Wilson group since December 1, 2010. He holds a bachelor's degree in science from the University of Mumbai. He is a fellow member of the ICAI and is a certified information systems auditor as certified by the Information Systems Audit and Control Association. He has over 23 years of experience in finance and audit related matters. He has previously worked with Godrej and Boyce Manufacturing Company Limited as general manager – finance, Lovelock and Lewes as manager in assurance and business advisory services department, and Kalyaniwalla and Mistry. In Fiscal 2019, he received ₹21.14 million from us.

Jagannadha Rao Ch. V., aged 56, is the Company Secretary and Compliance Officer of our Company. He joined our Company on May 8, 2018. He holds a bachelor's degree in commerce and law from Nagarjuna University and Bangalore University, respectively. He is also a fellow member of the Institute of Company Secretaries of India. He has about 29 years of experience in secretarial and legal matters. He has previously worked with Sri Vishnu Cement Limited as company secretary cum deputy general manager (legal), Lazard India Limited as vice president and KEC International Limited as vice president – legal and company secretary. In Fiscal 2019, he received ₹10.48 million from us.

Kannan Krishnan, aged 47, is the Manager and Chief Operations Officer - Solar (India and SAARC) of our Company. He has been designated as our Manager for a period of three years from March 27, 2019. He has been a part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since September 18, 2008. He holds a bachelor's degree in

engineering. He has previously worked with Asea Brown Boveri Limited. He has 23 years of experience in electric and solar business. In Fiscal 2019, he received ₹14.41 million from us.

Chandra Kishore Thakur, aged 58, is the Chief Operations Officer – Solar International Projects of our Company. He has been part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since January 9, 2018. He holds a master's degree in business administration from the Indira Gandhi National Open University. He has completed the programme for development managers from the Asian Institute of Management, Philippines. He has over 33 years of experience in the power and infrastructure sector. He has previously worked with National Thermal Power Corporation, Punj Lloyd Limited as president and chief executive officer – infrastructure and power and with Lanco Infratech Limited as the chief operating officer. He is the vice-president of the national management committee of Project Management Associates, a not-for-profit organisation. In Fiscal 2019, he received ₹11.62 million from us.

M. A. Jayachandra, aged 52, is the Head – Solar Rooftop of our Company. He has been part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since May 19, 2016. He holds a bachelor's degree in engineering from Bangalore University. He also holds a post graduate diploma in management, a post graduate diploma in operations management and a diploma in management, each from Indira Gandhi National Open University. He has experience in construction and project management and has previously worked with Tata Power Solar Systems, Webb India Limited, Thapar Chemtex Consultants Limited, United Phosphorus Limited and Parasrampur Industries Limited. In Fiscal 2019, he received ₹5.95 million from us.

Rajneesh Shrotriya, aged 47, is the Chief Technology Officer- Solar of our Company. He has been part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since March 16, 2015. He holds a provisional bachelor's degree in engineering from the University of Rani Durgavati Vishwavidyalaya, Jabalpur and a master's degree in business administration from Symbiosis Centre for Distance Learning, Pune. He has previously worked with Green Infra Limited as vice president - engineering, Lanco Solar Energy Private Limited as general Manager, Suzlon Energy Limited, Core Healthcare Limited, Gokul Refoils and Solvent Limited, Adani Wilmar Limited and The Arvind Mills Limited. He has over 23 years of experience in power plants, renewable energy - solar PV and wind energy. In Fiscal 2019, he received ₹11.84 million from us.

Neeraj Agarwal, aged 57, is the Head – Solar Operations and Maintenance of our Company. He joined our Company in December 5, 2018. He holds a bachelor's degree in mechanical engineering from the University of Delhi and a post graduate diploma in business management from the Management Development Institute, Gurgaon. He has also completed the European Business Environment Seminar held by the European School of Management in partnership with ESCP-EAP. He has previously worked with Walwhan Renewable Energy Limited, Sterlite Energy Limited, National Thermal Power Corporation Limited and ACC- Babcock Limited. He has over 35 years of experience in the power sector, in both conventional and non-conventional (renewable energy) segments. In Fiscal 2019, he received ₹2.72 million from us.

Rahul Kshetrapal, aged 45, is the Head- All India Sales and Business Development– Solar of our Company. He has been part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since September 1, 2014. He holds a bachelor's degree in engineering from Mangalore University. He has previously worked with First Solar Power India (P) Limited, Confederation of Indian Industry, Scatec Solar India Private Limited, Tata BP Solar Limited, Reliance Industries Limited and Eltek SGS Private Limited. He has over 20 years of experience in business development and sales. In Fiscal 2019, he received ₹10.38 million from us.

Sanjeev Pushkarna, aged 47, is the Head - Supply Chain Management – Solar of our Company. He has been part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since May 20, 2008. He holds a bachelor's degree in engineering from the University of Pune. He also holds an advanced diploma in finance conferred by the Institute of Chartered Financial Analyst of India. He has previously worked with Crompton Greaves Limited, Suzlon Power Infrastructure Private Limited and Asea Brown Boveri Limited. He has over 23 years of experience in marketing, quality inspection and purchase. In Fiscal 2019, he received ₹7.40 million from us.

Basavarajappa C, aged 54, is the Head- Human Resources of our Company. He has been part of our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement. He has been associated with the Sterling and Wilson group since September 1, 2007. He holds a bachelor's degree in arts and a master's degree in economics from Bangalore University. He has previously worked with Jindal Aluminium Limited as deputy

general manager – human resources and administration, BPL Limited as deputy manager – human resource management and Electronic Research Private Limited as assistant general manager – human resource management. He has 28 years of experience in human resource management. In Fiscal 2019, he received ₹5.83 million from us.

Vikas Bansal, aged 34, is the Head – Business Development, International. He has been part of SW FZCO since February 1, 2019. He has been associated with the Sterling and Wilson group since September 1, 2011. He holds a bachelor's degree in engineering from Punjab Engineering College, Chandigarh and a master's degree in business administration from the Indian Institute of Technology, Madras. He has participated in the programme on international business held at the Indian Institute of Management, Ahmedabad. He has over 8 years of experience in business development and sales. He has previously worked with Aricent Technologies (Holdings) Limited and Asea Brown Boveri Limited. In Fiscal 2019, he received ₹31.61 million from us.

Except Vikas Bansal who is a permanent employee of our Subsidiary, SW FZCO, all our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory benefits none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Family relationships of Directors with Key Managerial Personnel

None of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Except as disclosed below, we do not have any formal bonus or profit-sharing plan:

Our Subsidiary, SW FZCO has entered into a performance bonus agreement dated April 1, 2019 with Vikas Bansal, Head – International Business Development (the “**Performance Bonus Agreement**”), pursuant to which Vikas Bansal will be entitled to a performance bonus payable by SW FZCO calculated on the basis of profitability of turnkey international solar projects. The Performance Bonus Agreement shall be applicable for all the solar projects which receive notice to proceed from April 1, 2019.

Interest of Key Managerial Personnel

Our Key Managerial Personnel are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Changes in the Key Managerial Personnel:

Other than as mentioned below, there has been no changes to our Key Managerial Personnel since the Effective Date of the Scheme of Arrangement with effect from the Appointed Date of the Scheme of Arrangement or pursuant to the transfer of certain Key Managerial Personnel from the Sterling and Wilson group to our Company with effect from July 1, 2018 pursuant to the Scheme of Arrangement:

Name	Designation	Date of Change	Reason
Kannan Krishnan	Manager and Chief Operations Officer - Solar (India and SAARC)	March 27, 2019	Appointment as Manager
Neeraj Agarwal	Head – Global Operations – Operations and Maintenance	December 5, 2018	Appointment as Head – Global Operations – Operations and Maintenance
Bahadur Dastoor	Chief Financial Officer	July 1, 2018*	Appointment as Chief Financial Officer
Jagannadha Rao Ch. V.	Company Secretary and Compliance Officer	May 8, 2018	Appointment as Company Secretary

**The appointment of Bahadur Dastoor as the Chief Financial Officer of our Company was approved by our Board at their meeting held on August 2, 2018 with effect from July 1, 2018.*

Payment or Benefit to officers of our Company (non-salary related)

Except as disclosed in this section, no amount or benefit has been paid or given in the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our directors and Key Managerial Personnel

Employees Stock Options

Our Board in its meeting held on March 27, 2019 has, subject to Shareholders' approval, approved the institution of an employee stock option scheme, to grant employee stock options aggregating up to 16,03,600 employee stock options i.e. 1% of the current paid-up Equity Share capital of our Company, which shall be in accordance with the SEBI SBEB Regulations.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala. As on the date of this Draft Red Herring Prospectus, Shapoorji Pallonji and Company Private Limited and Khurshed Yazdi Daruvala hold 105,466,670 Equity Shares and 53,452,930 Equity Shares, respectively, aggregating 158,919,600 Equity Shares, collectively representing 99.10% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” beginning on page 80.

Details of our Promoters

Corporate Promoter

1. Shapoorji Pallonji and Company Private Limited (“SPCPL”)

Corporate Information and history

SPCPL was incorporated on January 23, 1943 as a private limited company under the Companies Act, 1913. SPCPL’s name was changed from Shapoorji Pallonji and Company Private Limited to Shapoorji Pallonji and Company Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai upon conversion from a private limited company to a public limited company on September 6, 2001. Thereafter, SPCPL’s name was changed from Shapoorji Pallonji and Company Limited to Shapoorji Pallonji and Company Private Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai upon conversion from a public limited company to a private limited company on September 3, 2014. The registered office of SPCPL is situated at 70 Nagindas Master Road, Fort, Mumbai - 400 023.

SPCPL is primarily engaged in the business of construction, execution, improvement, development, administration, tender or acquisition of contracts and concessions for construction in major business areas namely, EPC, infrastructure, water, energy and real estate. There have been no changes to the primary business activities undertaken by SPCPL.

Board of directors of SPCPL

The board of directors of SPCPL as on date of this Draft Red Herring Prospectus is as follows:

1. Shapoorji Pallonji Mistry
2. Firoze Kavshah Bhathena
3. Kekoo Homji Colah
4. Jai Laxmikant Mavani
5. Subodh Chandra Dixit
6. Mohan Dass Saini
7. Pallon Shapoorji Mistry

Capital structure

The authorised capital of SPCPL as on date of this Draft Red Herring Prospectus is ₹ 10,000 million divided into 1,000 million shares of ₹ 10 each.

Issued, paid-up and subscribed share capital of SPCPL as on date of this Draft Red Herring Prospectus is as follows:

Particulars	Aggregate value at face value (₹ in million)
705,020,200 equity shares of ₹ 10 each	7,050.20
100,000,200 preference shares of ₹ 10 each	1000.00
Total	8.050.20

Shareholding pattern of SPCPL

The equity shareholding pattern of SPCPL as on date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of equity shares of ₹10 each	% of Shareholding
Shapoorji Pallonji Mistry	7,255,100	1.03
Cyrus Pallonji Mistry	7,255,100	1.03
Sterling Investment Corporation Private Limited	9,038,100	1.28
Cyrus Investments Private Limited	9,038,100	1.28
SP Finance Private Limited	336,202,900	47.69
SC Finance and Investments Private Limited	336,202,900	47.69
Blue Arrow Finance Company Private Limited	28,000	Negligible
Total	705,020,200	100.00

The preferred shareholding pattern of SPCPL as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of preference shares of ₹ 10 each	% of Shareholding
Shapoorji Pallonji Mistry	50,000,100	50.00
Cyrus Pallonji Mistry	50,000,100	50.00
Total	100,000,200	100.00

Persons in control of SPCPL

The persons in control of SPCPL are Shapoorji Pallonji Mistry and Cyrus Pallonji Mistry.

Change in control of SPCPL

There has been no change in the control of SPCPL during the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and address of the registrar of companies where SPCPL is registered have been submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Individual Promoter

2. Khurshed Yazdi Daruvala



Khurshed Yazdi Daruvala, aged 50 years, is one of our Promoters and the Chairman and a Non-Executive and Non-Independent Director of our Company.

Date of birth: March 22, 1969

Address: Unit 4101, Address Boulevard Dubai Residences, Mohammed Bin Rashid Boulevard, Downtown Dubai, PO Box 214477, Dubai, United Arab Emirates

Permanent Account Number: AACPD7565R

Aadhaar Card Number: 7368 1809 4717

Driving License: MH01 20090035359

For the complete profile of Khurshed Yazdi Daruvala, along with details of his educational qualifications, experience in business, position/posts held in the past and business and financial activities, see “*Our Management – Brief Profiles of our Directors*” beginning on page 163.

Our Company confirms that the permanent account number, bank account number and passport number of Khurshed Yazdi Daruvala shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

Pursuant to the Scheme of Arrangement between Sterling and Wilson Private Limited (“SWPL”) and our Company and their respective shareholders, sanctioned vide an order dated March 28, 2018 of the National Company Law Tribunal, Mumbai, the Solar EPC Division of SWPL was demerged into our Company with the appointed date for such transfer being April 1, 2017. For further details in relation to the Scheme of Arrangement, see “*History and Certain Corporate Matters – Mergers or Amalgamation*” beginning on page 144. Prior to the Scheme of Arrangement, our entire issued and paid-up share capital comprising 3,588 Equity Shares was held by SWPL (3,578 Equity Shares) and Khurshed Yazdi Daruvala (jointly with SWPL) (10 Equity Shares) which were subsequently cancelled. Subsequent to the sanctioning of the Scheme of Arrangement, our Company allotted 16,036,000 Equity Shares to the shareholders of SWPL of which 10,546,667 Equity Shares and 5,345,293 Equity Shares were allotted to SPCPL and Khurshed Yazdi Daruvala respectively, representing 65.77% and 33.33% of our paid-up capital respectively. For further details, see “*Capital Structure – Notes to the capital structure- Equity Share capital history of our Company*” beginning on page 75.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our individual Promoter is also interested to the extent of shareholding of his relatives in our Company. For further details, see “*Capital Structure - Details of Shareholding of our Promoters, members of the Promoter Group and directors of SPCPL in our Company*” beginning on page 80.

For further details of interest of our Promoters in our Company, see “*Restated Consolidated Summary Financial Information-Annexure VI- Note 47. Related Party Transactions*” beginning on page 276.

Our individual Promoter, Khurshed Yazdi Daruvala may also be deemed to be interested to the extent of the sitting fees, commission and reimbursement of expenses payable to him as our Chairman and Non-Executive Non-Independent Director and the remuneration payable to him as a director of our Subsidiary, SW FZCO. For further details, see “*Our Management*” beginning on page 160.

Our corporate Promoter, SPCPL may also be deemed to be interested in our Company to the extent of the intellectual property of SPCPL being utilised by us and the fees payable by our Company to SPCPL, in accordance with the Brand Sharing Agreement. For further details, see “*History and Certain Corporate Matters- Other material agreements*” on page 146.

Except Khurshed Yazdi Daruvala who is a Promoter and Non-Executive Director of our Company, none of our Directors or Group Companies have any interest in the promotion of our Company.

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of filing of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Except for the interest of Khurshed Yazdi Daruvala as a director of certain Subsidiaries and the shareholding of SPCPL in one of our Group Companies, Shapoorji Pallonji Infrastructure Capital Company Private Limited, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, see “*Our Management*” beginning on page 160.

Payment or benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in “*Restated Consolidated Summary Financial Information-Annexure VI-Note 47. Related Party Transactions*” beginning on page 276, there has been no amounts paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Disassociation by Promoters in the last three years

Except as stated below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the entity	Promoter	Date of disassociation	Reason/ circumstances and terms of disassociation
1.	Doris Properties Private Limited	SPCPL	March 31, 2016	Pursuant to the control being acquired by a third party and subsequent sale of balance shareholding
2.	Think Ahead Properties Private Limited		March 31, 2016	
3.	PNP Maritime Services Private Limited		March 1, 2017	Strategic decision of divestment
4.	Manjri Developers Private Limited		March 24, 2017	
5.	S D Suburban Development Private Limited		March 31, 2017	
6.	Blessing Properties Private Limited		May 5, 2017	
7.	Phenomenon Developers Private Limited		September 12, 2017	
8.	Cyrus Chemicals Private Limited		January 9, 2018	
9.	Transform Sun Energy Private Limited		March 29, 2019	
10.	Suryoday Energy Private Limited		March 29, 2019	
11.	SP Photovoltaic Private Limited		March 29, 2019	
12.	SP Solren Private Limited		March 29, 2019	
13.	Wilson Electric Works	Khurshed Yazdi Daruvala	February 1, 2019	Retirement of Khurshed Yazdi Daruvala as a partner to focus on other businesses

Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group are as follows:

1. Kainaz Khurshed Daruvala;
2. Zarine Yazdi Daruvala;
3. Jehangir Yazdi Daruvala;
4. Zenobia Farhad Unwalla;
5. Delna Khurshed Daruvala;
6. Jehan Khurshed Daruvala;
7. Pervin Zarir Madan;
8. Cyrus Pallonji Mistry; and
9. Pallon Shapoorji Mistry

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity
1	Abhipreet Trading Private Limited	71	Forbes Bumi Armada Limited	141	Paikar Real Estates Private Limited	211	SP Advanced Engineering Materials Private Limited
2	Acreage Farm Private Limited	72	Forbes Campbell Finance Limited	142	Palchin Real Estates Private Limited	212	SP Agri Management Services P Limited
3	Afcons Corrosion Protection Private Limited	73	Forbes Campbell Services Limited	143	Precaution Properties Private Limited	213	SP Aluminum Systems Private Limited
4	Afcons Gulf International Projects Services FZE	74	Forbes Container Lines Pte Limited	144	PT. Nusantara Global Resources.	214	SP Architectural Coatings Private Limited
5	Afcons Infra projects Kazakhstan LLP	75	Forbes Enviro Solutions Limited	145	Radiance Solar Private Limited	215	SP Armada Oil Exploration Private Limited
6	Afcons Infrastructure Limited	76	Forbes Facility Services Private Limited	146	Range Consultants Private Limited (India)	216	SP Bio Sciences Private Limited
7	Afcons Mauritius Infrastructure Limited	77	Forbes Lux FZCO	147	Relationship Properties Private Limited	217	SP Biofuel Ventures Private Limited
8	Afcons Offshore and Marine Services Private Limited	78	Forbes Lux International AG	148	Renaissance Commerce Private Limited	218	SP Energy Ventures AG
9	Afcons Overseas Project Gabon SARL	79	Forbes Technosys Limited	149	Ricardo Constructions Private Limited	219	SP Engineering Services Pte Limited
10	Afcons Overseas Singapore Pte Limited	80	Forvol International Service Limited	150	Rihand Floating Solar Private Limited	220	SP Fabricators Private Limited
11	Afcons Saudi Constructions LLC	81	Gallops Developers Private Limited	151	S C Motors Private Limited	221	SP Finance Private Limited
12	Alaya Properties Private Limited	82	Global Bulk Minerals FZE	152	S P Global Operation Limited	222	SP Imperial Star Private Limited
13	Aqualgnis Technologies Private Limited	83	Global Energy (S.L.) Limited	153	S P Kam Synthetics Private Limited	223	SP Infocity Developers Private Limited
14	Archaic Properties Private Limited	84	Global Energy Projects Holding	154	S P Properties Holdings Limited	224	SP International, Cayman Island
15	Arena Stud Farm Private Limited	85	Global Energy Ventures Mauritius	155	S. C. Impex Private Limited	225	SP Jammu Udhampur Highway Limited
16	Arina Solar Private Limited	86	Global Infra FZCO	156	S. P. Oil and Gas Malaysia Sdn. Bhd.	226	SP Lanka Properties (Private) Limited
17	Armada 98/2 Pte. Limited	87	Global Resource and Logistics Pte. Limited	157	Sabeena Properties Private Limited	227	SP Nano Products Private Limited
18	Armada C7 Pte Ltd	88	Global Solar Energy Holdings	158	Sagar Premi Builders and Developers Private Limited	228	SP Oil Exploration Private Limited
19	Armada D1 Pte Ltd	89	Gokak Textiles Limited	159	Samalpatti Power Co Private Limited	229	SP Ports Private Limited
20	Armada Madura EPC Limited	90	Gossip Properties Private Limited	160	Sashwat Energy Private Limited	230	SPCL Holdings Pte Limited

Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity
21	Arme Investment Company Limited	91	Grand View Estates Private Limited	161	SC Finance and Investments Private Limited	231	SP-NMJ Project Private Limited
22	Aspire Properties Holdings Limited, JAFZA, Dubai	92	GRL Mozambique S A	162	Shachin Real Estate Private Limited	232	STC Power SRL
23	Ativa Real Estate Developers Private Limited	93	Haul Power Private Limited	163	Shapoorji AECOS Construction Private Limited	233	Sterling & Wilson Nigeria Limited
24	Atnu Solar Private Limited	94	Hazarat & Co. Private Limited	164	Shapoorji Data Processing Private Limited	234	Sterling & Wilson Powergen Private Limited
25	Aurinko Energy Private Limited	95	Hermes Commerce Limited	165	Shapoorji Holdings Limited JAFZA, Dubai	235	Sterling & Wilson UK Holdings Limited
26	Awesome Properties Private Limited	96	High Point Properties Private Limited	166	Shapoorji Hotels Private Limited	236	Sterling and Wilson Australia (Pty) Limited
27	Awesome Space Creations LLP	97	Instant Karma Properties Private Limited	167	Shapoorji Pallonji Saurpower Private Limited	237	Sterling and Wilson Cogen Solutions AG
28	Balgad Power Company Private Limited	98	Isolux Ingeneria S.A and SW Private Limited (India)	168	Shapoorji Pallonji Suryprakash Private Limited	238	Sterling and Wilson Cogen Solutions LLC
29	Bangalore Streetlighting Private Limited	99	Jaykali Developer Private Limited	169	Shapoorji Pallonji Ports Private Limited	239	Sterling and Wilson Co-Gen Solutions Limited
30	Behold Space Developers Private Limited	100	JEDEL Consulting International Limited (Hong Kong)	170	Shapoorji Pallonji Power Company Limited	240	Sterling and Wilson Energy Systems Private Limited
31	Belva Farms Private Limited	101	Joyville Shapoorji Housing Private Limited	171	Shapoorji Pallonji (Malta) Limited	241	Sterling and Wilson International FZE
32	Bengal Shapoorji Housing Development Private Limited	102	Kamal Power Limited	172	Shapoorji Pallonji 98/2 Company Pte. Limited	242	Sterling and Wilson Middle East WLL (Qatar)
33	Bengal Shapoorji Infrastructure Development Private Limited	103	Kanpur River Management Private Limited	173	Shapoorji Pallonji Bumi Armada Godavari Private Limited	243	Sterling and Wilson Nigeria Limited (Nigeria)
34	Bisho Infra Projects Limited	104	Karapan Armada Madura Pte. Ltd	174	Shapoorji Pallonji Bumi Armada Offshore Private Limited	244	Sterling and Wilson Power Solutions LLC (UAE)
35	Blue Riband Properties Private Limited	105	Kavinam Property Development Private Limited	175	Shapoorji Pallonji Cement (Gujarat) Private Limited	245	Sterling and Wilson Powergen FZE
36	BNV Gujarat Rail Private Limited	106	Khvafar Investments Private Limited	176	Shapoorji Pallonji Construction Private Limited	246	Sterling and Wilson Powergen Private Limited
37	Bracewall Builders Private Limited	107	Khvafar Property Developers Private Limited	177	Shapoorji Pallonji Consulting Services DMCC UAE	247	Sterling and Wilson Private Limited
38	Callidora Farms Private Limited	108	Leader Shipyard Private Limited	178	Shapoorji Pallonji Defence and Marine Engineering Private Limited	248	Sterling and Wilson Security Systems Private Limited
39	Campbell Properties and Hospitality services Limited	109	LIAG Trading and Investments Limited	179	Shapoorji Pallonji Energy (Gujarat) Private Limited	249	Sterling and Wilson Services Private Limited

Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity
40	Chinsha Property Private Limited	110	Lucrative Properties Private Limited	180	Shapoorji Pallonji Energy Company Inc	250	Sterling Generators Private Limited
41	Co.Stell SRL	111	Lux (Deutschland) GmbH	181	SP Energy (Egypt) S.A.E.	251	Sterling Viking Power Private Limited
42	Cyrus Engineers Private Limited	112	Lux Aqua Paraguay SA	182	Shapoorji Pallonji Europe Limited (Ireland)	252	Stonebricks Developers Private Limited
43	Delna Finance & Investments Private Limited	113	Lux Hungária Kereskedelmi Kft.	183	Shapoorji Pallonji Finance Private Limited	253	Stonebricks Property Development Private Limited
44	Delphi Properties Private Limited	114	Lux International AG	184	Shapoorji Pallonji Ghana Limited	254	Sun Energy One Private Limited
45	Delsys FZCO	115	Lux International Services & Logistics GmbH	185	Shapoorji Pallonji Infrastructure (Gujarat) Private Limited	255	Sunny View Estates Private Limited
46	Delsys Infotech Private Limited	116	Lux Italia srl	186	Shapoorji Pallonji Infrastructure Capital Co Private Limited	256	Sunrays Power One (Private) Limited
47	Devine Realty & Construction Private Limited	117	Lux Norge A/S	187	Shapoorji Pallonji International FZC, Fujairah. UAE	257	Sunrise Energy Private Limited
48	Dynamic Sun Energy Private Limited	118	Lux Oesterreich GmbH	188	Shapoorji Pallonji International FZE, Dafza . UAE	258	Sunshine Energy Kenya Limited
49	EFL Mauritius Limited	119	Lux Schweiz AG	189	Shapoorji Pallonji Investment Advisors Private Limited	259	Surya Power One Private Limited
50	Egni Generation Private Limited	120	Magpie Finance Private Limited	190	Shapoorji Pallonji Kazakhstan LLC	260	Surya Prakash Vietnam Energy Company Limited
51	Elaine Renewable Energy Private Limited	121	Make Home Realty & Construction Private Limited	191	Shapoorji Pallonji Lanka Private Limited	261	Suryoday One Energy Private Limited
52	Eloise Energy Private Limited	122	Malabar Trustee Co. Limited	192	Shapoorji Pallonji Libya Company JSC. Libya	262	SW Power Systems INC USA
53	Empower Builder Private Limited	123	Manjri Farmstead Private Limited	193	Shapoorji Pallonji Logispace & Investment Advisors Private Limited	263	SWB Power Limited
54	ESEM Stables Private Limited	124	Manjri Horse Breeders Farm Private Limited	194	Shapoorji Pallonji Middle East General Contracting LLC	264	The Coromandel Garments Limited under liquidation
55	ESPI Farms Private Limited	125	Manor Stud Farm Private Limited	195	Shapoorji Pallonji Mideast LLC	265	The Design Artifacts Haven LLP
56	ESPI Holdings Mauritius Limited	126	Mazson Builders & Developers Private Limited	196	Shapoorji Pallonji Nigeria FZE (NEPZA Nigeria)	266	The Svadeshi Mills Company Limited
57	ESPI Home Stead Private Limited	127	Meriland Estates Private Limited	197	Shapoorji Pallonji Nigeria Limited	267	TN Solar Power Energy Private Limited
58	ESPI Stables & Farms Private Limited	128	Mileage Properties Private Limited	198	Shapoorji Pallonji Oil and Gas Godavari Private Limited	268	Transtel Systems Mauritius
59	Eureka Forbes Limited	129	Mrunmai Properties Limited	199	Shapoorji Pallonji Oil and Gas Private Limited	269	Transtel Utilities Private Limited
60	Euro Forbes Financial Services Limited	130	Musandam Rock LLC	200	Shapoorji Pallonji Pandoh Takoli Highway Private Limited	270	Turner Property Developers LLP

Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity	Sr. No	Promoter Group Entity
61	Euro Forbes Limited Dubai	131	Nandadevi Infrastructure Private Limited	201	Shapoorji Pallonji Projects Private Limited	271	United Motors (India) Private Limited
62	Fayland Estates Private Limited	132	National Power Generation Company Limited	202	Shapoorji Pallonji Renewables Private Limited	272	Universal Mine Developers and Service Providers Private Limited
63	Filippa Farms Private Limited	133	Natural Oil Ventures Co Limited	203	Shapoorji Pallonji Roads Private Limited	273	Vakratunda Buildcon Private Limited
64	Fine Energy Solar Private Limited	134	Neil Properties Private Limited	204	Shapoorji Pallonji Rural Solutions Private Limited	274	Vizion Business Parks Private Limited
65	Flamboyant Developers Private Limited	135	Next Gen Publishing Private Limited	205	Shapoorji Pallonji Solar Holdings Private Limited	275	Volkart Fleming Shipping & Services Limited
66	Flooraise Developers Private Limited	136	Nuevo Consultancy Services Private Limited	206	Shapoorji Pallonji Solar PV Private Limited	276	Wilson Electrical Works (India)
67	Floral Finance Private Limited	137	Nursery Projects and Agri Development Private Limited	207	Shapoorji Pallonji Technologies FZE	277	Yactraq Online Inc. (Canada)
68	Floreat Investments Private Limited	138	Nutan Bidyut (Bangladesh) Limited	208	Sharus Steel Products Private Limited	278	Yactraq Services LLP (India)
69	Flotilla Finance Private Limited	139	P T Gokak Indonesia	209	Simar Port Private Limited		
70	Forbes and Company Limited	140	P.T.C. S.A.S. di Barzanti Massimo	210	Solar Edge Power and Energy Private Limited		

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies (other than SPCPL and our Subsidiaries) with which our Company had related party transactions as per the Restated Consolidated Summary Financial Information and Solar EPC Division had related party transactions as per the Carved Out Combined Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Draft Red Herring Prospectus if: (i) such company: (a) is a member of the Promoter Group (other than SPCPL); and (b) has entered into one or more transactions with our Company during the last completed full financial year or the most recent period included in the Restated Consolidated Summary Financial Information, which, individually or cumulatively, in value, exceeds 10% of the consolidated total income our Company for such financial year or period, as applicable, as per the Restated Consolidated Summary Financial Information; or (ii) such company is considered to be a material Group Company by our Board.

Our Company has filed an application dated April 15, 2019 with SEBI in terms of Regulation 300(1)(c) of the SEBI ICDR Regulations seeking an exemption for not classifying SP Photovoltaic Private Limited, SP Solren Private Limited, Suryoday Energy Private Limited and Transform Sun Energy Private Limited as Group Companies of our Company, as such companies have ceased to be related parties of our Company with effect from March 29, 2019.

Based on the above, our Group Companies are as set forth below:

1. Shapoorji Pallonji Mideast LLC;
2. Afcons Infrastructure Limited;
3. Sterling and Wilson Private Limited;
4. Shapoorji Pallonji Infrastructure Capital Company Private Limited;
5. Sterling Generators Private Limited;
6. Sterling and Wilson Powergen Private Limited;
7. Sterling and Wilson International FZE;
8. Sterling and Wilson Powergen FZE;
9. Shapoorji Pallonji Solar PV Private Limited;
10. Universal Mine Developers and Service Providers Private Limited;
11. TN Solar Power Energy Private Limited;
12. Sterling and Wilson Middle East Electromechanical LLC;
13. Sterling Viking Power Private Limited;
14. Forvol International Services Limited;
15. SP Energy (Egypt) S.A.E.; and
16. Sashwat Energy Private Limited.

Details of our top five Group Companies

As on the date of this Draft Red Herring Prospectus, none of our Group Companies are listed on any stock exchange.

The details of our top five Group Companies, determined based on turnover in Fiscal 2018 are as provided below:

1. Shapoorji Pallonji Mideast LLC (“SP ME”)

SP ME was incorporated on August 3, 1975 under license number 208635 with the Department of Economic Development at Dubai, UAE.

SP ME is currently engaged in the business of *inter alia* building and contracting.

Financial Performance

The financial information derived from the audited consolidated financial results of SP ME for the Fiscals 2018, 2017 and 2016 on a standalone basis are set forth below. SP ME is not required to prepare audited standalone financial statements in accordance with the local law applicable to it.

(₹ in million except per share data)

Particulars	Fiscal		
	2018	2017	2016
Equity Capital	17.74	17.66	18.02
Reserves and surplus (Excluding Revaluation Reserve)	7,071.75	5,994.59	5,237.07
Sales	88,960.30	67,785.81	58,037.88
Profit/(loss) after tax	1,045.34	818.24	1,709.54
Earnings per share (Basic)	N/A	N/A	N/A
Earnings per share (Diluted)	N/A	N/A	N/A
Net asset value	7,089.49	6,012.25	5,255.09
Net asset value per share	7,089,488.65	6,012,253.21	5,255,091.81

The are no significant notes by the auditors of SP ME in relation to the above mentioned financial statements for the specified last three audited Fiscals.

2. Afcons Infrastructure Limited (“Afcons”)

Corporate Information

Afcons was incorporated on November 22, 1976 under the Companies Act 1956, with the Registrar of Companies, Maharashtra at Mumbai.

Nature of Activities

Afcons is currently engaged in the business of construction and infrastructure.

Financial Performance

The financial information derived from the audited financial results of Afcons for the Fiscals 2018, 2017 and 2016 on a standalone basis are set forth below:

(Figures in ₹ million except per share data)

Particulars	Fiscal		
	2018	2017	2016
Equity capital	719.70	719.70	719.70
Reserves and surplus (excluding revaluation reserve)	10,877.80	9,818.70	9,394.10
Sales	58,053.10	57,396.60	41,747.00
Profit/(Loss) after tax	1,288.50	751.20	877.30
Earnings per share (Basic)*	17.90	10.43	2.57
Earnings per share (Diluted)*	3.78	2.20	2.57
Net asset value**	11,597.50	10,538.40	10,113.80

Particulars	Fiscal		
	2018	2017	2016
Net asset value per share* *	161.14	146.43	140.53

*Basic and diluted earnings per share have been computed considering equity as well as convertible preference share capital.

**In computation of the net asset value and net asset value per share, convertible preference share capital of ₹4,500 million has not been considered.

The significant notes of the auditors of Afcons in relation to the above mentioned financial statements for the specified last three Fiscals are as follows:

Fiscal 2017

Emphasis of Matters

“We draw attention to Note 42 (a) of the financial statements regarding legal opinion received by the Company that the interest free advances made towards financing the unincorporated joint operations do not attract Section 186 of the Companies Act, 2013 for the reasons stated therein. The outstanding amount of such advances given by the Company (without giving effect of elimination) aggregates to Rs. 901.12 crores as on 31st March 31, 2017 (As at 31st March, 2016: Rs 683.10 crores; As at 1st April, 2015 Rs. 333.60 crores).”

Fiscal 2016

Emphasis of Matters

“We draw attention to Note 45(a) of the financial statements regarding legal opinion obtained by the company that the interest free advances made towards financing the unincorporated joint ventures do not attract section 186 of the companies Act, 2013 for the reasons stated therein. The balance of such as advances net of payments is aggregating to Rs. 68,309 lacs as on 31st March, 2016 (As at 31st March, 2015: 33,359.55 lacs).”

3. Sterling and Wilson Private Limited (“SWPL”)

Corporate Information

SWPL was incorporated on June 13, 1974 under the Companies Act, 1956 with the Registrar of Companies Maharashtra at Mumbai.

Nature of Activities

SWPL is currently engaged in the business of *inter alia* mechanical, electrical, plumbing and fire-fighting services.

Financial Performance

The financial information derived from the audited financial results of SWPL for the Fiscals 2018, 2017 and 2016 on a standalone basis are set forth below:

(Figures in ₹ million except per share data)

Particulars	Fiscal		
	2018	2017	2016*
Equity capital	160.36	160.36	160.36
Reserves and surplus (excluding revaluation reserve)	1,825.07	3,133.58	2,917.20
Sales	25,715.62	20,081.91	32,572.23
Profit/(Loss) after tax	(328.32)	(218.61)	805.46
Earnings per share (Basic)	(20.47)	(13.63)	47.04
Earnings per share (Diluted)	(20.47)	(13.63)	47.04
Net asset value	1,954.43	3,293.94	3,077.56
Net asset value per share	123.81	205.41	191.92

*The above financial information includes financial information in relation to the Solar EPC Division.

The significant notes by the auditors of SWPL in relation to the above mentioned financial statements for the specified last three Fiscals are as follows:

Fiscal 2018:

Emphasis of matter

“Without qualifying our opinion, we draw attention to note 52 of the Standalone Ind AS financial statements regarding uncertainties relating to recoverability of trade receivables, unbilled receivables and advance for projects aggregating to ₹ 9,696.89 lakhs as at March 31, 2018 which represents contractual dues in respect of two contracts for developing, constructing and commissioning 50 MW (AC) photovoltaic solar plants in Madhya Pradesh. The said contracts have currently been suspended pursuant to termination of the Power Purchase Agreements (“PPAs”) by the ultimate customer. The customer has initiated legal recourse against the ultimate customer challenging termination of the said PPAs relating to the aforementioned contracts, and the same is currently in progress. Pending the ultimate outcome of the litigation, which is presently unascertainable, no adjustments have been made in the accompanying standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.”

4. Shapoorji Pallonji Infrastructure Capital Company Private Limited (“SP Infrastructure”)

Corporate Information

SP Infrastructure was incorporated on June 9, 1997 under the Companies Act, 1956 with the Registrar of Companies Maharashtra at Mumbai.

Nature of Activities

SP Infrastructure is engaged in the business of *inter alia* “investment by way of acquisition” (by way of purchase, subscription, tender or otherwise) of shares and other securities of or providing long term finance (whether secured or unsecured and whether for meeting project costs, capital expenditure, working capital requirements or otherwise) to any enterprise engaged or proposing to engage in the business of setting up, establishing, developing, maintaining, running, operating and managing infrastructure facilities and projects and also carrying on the business of operation and maintaining electricity generating stations and their associated coal mines, roads, highways, bridges, airports, water supply projects, projects for providing telecommunication services or other Infrastructure facilities set up by any company.

Financial Performance

The financial information derived from the audited financial results of SP Infrastructure for the Fiscals 2018, 2017 and 2016 on a standalone basis are set forth below:

(Figures in ₹ million except per share data)

Particulars	Fiscal		
	2018	2017	2016
Equity capital	4,092.92	4,082.92	3,939.92
Reserves and surplus (excluding revaluation reserve)	2,477.48	2,154.10	2,793.69
Sales	11,856.25	6,449.83	2,273.28
Profit/(Loss) after tax	434.66	234.22	142.40
Earnings per share (Basic)	0.82	0.48	0.33
Earnings per share (Diluted)	0.82	0.48	0.33
Net asset value	6,570.40	6,237.02	6,733.61
Net asset value per share	16.05	15.28	17.09

Except as mentioned below, there are no significant notes by the auditors of SP Infrastructure in relation to the above mentioned financial statements for the last three audited Fiscals:

Fiscal 2017

Emphasis of Matter

“Investment in subsidiaries are carried at cost which is higher than the fair value of the same. The diminution in value of investments is considered temporary in nature, in view of Company’s long term financial involvement in these subsidiaries and hence no provision for diminution has been made in FS.”

Fiscal 2016

Emphasis of Matter

“Investment in subsidiaries are carried at cost which is higher than the fair value of the same. The diminution in value of investments is considered temporary in nature, in view of Company’s long term financial involvement in these subsidiaries and hence no provision for diminution has been made in FS.”

5. Sterling Generators Private Limited (“Sterling Generators”)

Corporate Information

Sterling Generators was incorporated on February 24, 1995 under the Companies Act, 1956 with the Registrar of Companies Maharashtra at Mumbai.

Nature of Activities

Sterling Generators is currently engaged in the business of *inter alia* manufacturing generators.

Financial Performance

The financial information derived from the audited financial results of Sterling Generators for the Fiscals 2018, 2017 and 2016 on a standalone basis are set forth below:

(Figures in ₹ million except per share data)

Particulars	Fiscal		
	2018	2017	2016
Equity capital	300.00	300.00	300.00
Reserves and surplus (excluding revaluation reserve)	144.50	45.48	(336.37)
Sales	6,403.82	5,880.81	4,706.58
Profit/(Loss) after tax	112.93	383.32	(3.96)
Earnings per share (Basic)	3.76	12.78	(0.14)
Earnings per share (Diluted)	3.76	12.78	(0.14)
Net asset value	444.50	345.48	(36.37)
Net asset value per share	14.82	11.52	(1.21)

The significant notes by the auditors of Sterling Generators in relation to the above mentioned financial statements for the specified last three Fiscals are as follows:

Fiscal 2018

CARO observations

“Undisputed dues in respect of Wealth Tax were in arrears as at March 31, 2018 for the period of more than six months from the date they become payable to the appropriate authorities as stated below”

Name of the statute	Nature of Dues	Amount in ₹	Period which the amount relates to	Due Date	Date of payment
Wealth Tax Act, 1957	Wealth Tax	818,435	A.Y 2008-09 to A.Y 2015-16	Various	Not Paid

Fiscal 2017

CARO observations

“Undisputed dues in respect of Wealth Tax were in arrears as at March 31, 2017 for the period of more than six months from the date they become payable to the appropriate authorities as stated below”

Name of the statute	Nature of Dues	Amount in ₹	Period which the amount relates to	Due Date	Date of payment
Wealth Tax Act, 1957	Wealth Tax	818,435	A.Y 2008-09 to A.Y 2015-16	Various	Not Paid

Fiscal 2016

CARO observations

“According to information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees’ state insurance, Profession Tax, Income Tax, Sales Tax, Value added Tax, Service Tax, Duties of Excise , duty of customs and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities , through there have been slight delays in the few cases . Amount deducted/ accrued in the books of accounts in respect of undisputed statutory dues of wealth tax have not been regularly deposited during the year by the company with the appropriate authorities and there have been significant delays .

No undisputed amounts payable in respect of Provident Fund , Employees state insurance, Profession Tax, Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, duty of Customs , duty of Excise and other material statutory dues were in arrears as at March 31, 2016 for a period of more than Six month from the date they become payable to the appropriate authorities

Undisputed dues in respect of Profession Tax and Wealth Tax were in arrears as at March 31, 2016 for the period of more than six months from the date they become payable to the appropriate authorities as stated below”

Name of the statute	Nature of Dues	Amount in ₹	Period which the amount relates to	Due Date	Date of payment
Wealth Tax Act, 1957	Wealth Tax	818,435	A.Y 2008-09 to A.Y 2015-16	Various	Not Paid
Profession Tax Act, 1975	Profession Tax	6600	May 2015	June 30, 2015	July 2016

Other Group Companies:

Certain details with respect to our other Group Companies are as follows:

1. Sterling and Wilson Powergen Private Limited (“SW Powergen”)

SW Powergen was incorporated on May 22, 1995 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai.

SW Powergen is engaged in the business of *inter alia* marketing and trading of diesel generator sets and electronic panels. It also undertakes installation of diesel generator sets and after sale services of goods sold to the customers.

2. Sterling and Wilson International FZE (“SW FZE”)

SW FZE was incorporated as an FZE company on March 11, 2008 with the Registrar of Companies, at Dubai Airport Free Zone.

SW FZE is engaged in the business of *inter alia* import, export and trading of business materials and related accessories.

3. Sterling and Wilson Powergen FZE (“SW Powergen FZE”)

SW Powergen FZE was incorporated on September 25, 2016 pursuant to Dubai Law No. (9) of 1992 and implementing regulations issued thereunder by the Jebel Ali Free Zone Authority.

SW Powergen FZE is currently engaged in the business of *inter alia* trading in industrial plant equipment and spare parts, oilfield and natural gas equipment and spare parts, well drilling equipment, power generation, transmission and distribution equipment, construction equipment and machinery spare parts.

4. Shapoorji Pallonji Solar PV Private Limited (“SP Solar”)

SP Solar was incorporated on May 6, 2010 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai.

SP Solar is currently engaged in the business of *inter alia* generation and distribution of electricity.

5. Universal Mine Developers and Service Providers Private Limited (“Universal Mine Developers”)

Universal Mine Developers was incorporated on July 11, 2008 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai.

Universal Mine Developers is currently engaged in the business of *inter alia* manufacturing and distribution of all kinds of renewable energy modules and systems and generation and distribution of electricity from conventional and non-conventional renewable sources.

6. Sterling and Wilson Middle East Electromechanical LLC (“Sterling ME Electromechanical”)

Sterling ME Electromechanical was incorporated on May 8, 2008 under the Commercial Companies Law Federal Law No 8 of 1984 with the Dubai Economic Department, at Dubai in United Arab Emirates.

Sterling ME Electromechanical is engaged in the business of *inter alia* electric power line contracting, air-conditioning ventilation and air filtration systems, electricity transmission and control systems apparatus installation, electromechanical equipment installation and maintenance, measuring control systems, installation and repairing, plumbing and sanitary contracting electrical fitting contracting.

7. Sterling Viking Power Private Limited (“Sterling Viking Power”)

Sterling Viking Power was incorporated on November 14, 1996 under the Companies Act 1956 with the Registrar of Companies, Delhi and Haryana at Delhi.

Sterling Viking Power is currently engaged in the business of *inter alia* marketing and trading of spare parts of diesel generator sets and electrical panels and the operation and maintenance of diesel generating set and electrical panels.

8. TN Solar Power Energy Private Limited (“TN Solar”)

TN Solar was incorporated on October 14, 2013 under the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu at Chennai.

TN Solar is currently engaged in the business of *inter alia* manufacturing and distribution of all kinds of renewable energy modules and systems and the generation and distribution of electricity from conventional and non-conventional renewable sources.

9. Forvol International Services Limited (“Forvol International”)

Forvol International was incorporated on May 19, 1977 under the Companies Act, 1956 with the Registrar of Companies Maharashtra at Mumbai.

Forvol International is engaged in the business of *inter alia* tours and travels and allied business.

10. SP Energy (Egypt) S.A.E. (“SP Egypt”)

SP Egypt was incorporated on March 16, 2015, under the incorporation decree no. 341/T given by the Chairman of General Authority for Investment and Free Zones at Cairo, Egypt.

SP Egypt is engaged in the business of *inter alia* designing, establishing, managing, operating and maintaining an electric power generation station from renewable sources (solar energy).

11. Sashwat Energy Private Limited (“SEPL”)

SEPL was incorporated on January 11, 2017, under the Companies Act, 2013 with the Registrar of Companies, Maharashtra at Mumbai.

SEPL is authorised to carry on the business, in India or elsewhere, of *inter alia* electricians, mechanical, engineers, contractors, installers, service providers and operate, run, manage and use power generating stations based on conventional/non-conventional (other than solar) resources.

Litigation

There is no pending litigation involving any Group Company which may have a material impact on our Company.

Group Companies which are sick industrial companies

None of our Group Companies has become a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Group Companies under winding up/insolvency proceedings

None of our Group Companies are under winding up/insolvency proceedings.

Loss making Group Companies

The following tables set forth the details of our Group Companies (other than SP Egypt) which have incurred loss in the last audited Fiscal and profit/(loss) made by them in the last three audited Fiscals, on the basis of the standalone audited financial statements with respect to such Group Companies available:

Name of the company	Profit/(loss) after tax for Fiscal (amount in ₹ million)		
	2018	2017	2016
SEPL	(16.00)	N/A	N/A
SP Solar	(67.44)	(41.26)	(8.69)
SWPL	(328.32)	(218.61)	805.46*
SW FZE	(702.12)	(288.56)	(436.26)
SW Powergen FZE	(163.42)	(25.07)	N/A
TN Solar	(21.57)	(19.95)	8.09
Universal Mine Developers	(38.13)	(36.05)	6.26

*The above financial information includes financial information in relation to the Solar EPC Division.

Further, our Group Company, SP Egypt incurred loss in the last audited financial year (financial year ended December 31, 2017). Accordingly, the following table sets forth the details of the losses incurred by SP Egypt in the audited financial years since its incorporation on March 16, 2015.

(amount in ₹ million)

Name of the company	Financial year ended on December 31, 2017	Period from March 16, 2015* to December 31, 2016
SP Egypt	(7.91)**	(49.45)**

* March 16, 2015 is the date of incorporation of SP Egypt. Hence, the first financials were prepared from the date of inception to December 31, 2016.

**For the financial year ended December 31, 2017: 1 Egyptian Pound = ₹3.89; and for the period ended December 31, 2016: 1 Egyptian Pound = ₹3.75

Nature and extent of interest of Group Companies

None of our Group Companies have any interest in the promotion of our Company.

None of our Group Companies are interested in the properties acquired by our Company since incorporation or proposed to be acquired by our Company.

Except as disclosed in “Restated Consolidated Summary Financial Information- Annexure VI- Notes to the Restated Consolidated Summary Financial Information- 47. Related Party Transactions” on page 276, none of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Defunct Group Companies

During the five years preceding the date of this Draft Red Herring Prospectus, no Group Company has remained defunct and no application has been made to the relevant registrar of companies for striking off the name of the Group Company.

Common pursuits

Except SP Infrastructure which is involved in business activities similar to our Company, there are no common pursuits amongst our Group Companies and our Company. SP Infrastructure, *inter alia*, provides EPC services for turnkey solar projects only for its subsidiary companies. For execution of these projects, the engineering and procurement of plant equipment except modules and construction activities are normally sub-contracted to our Company. SP Infrastructure does not compete with our Company for any solar project developed by a third party. Accordingly, although SP Infrastructure undertakes activities similar to our Company, there exists no conflict of interest between our Company and SP Infrastructure.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in “Restated Consolidated Summary Financial Information- Annexure VI- Notes to the Restated Consolidated Summary Financial Information- 47. Related Party Transactions” on page 276, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in “Restated Consolidated Summary Financial Information- Annexure VI- Notes to the Restated Consolidated Summary Financial Information- 47. Related Party Transactions” on page 276, none of our Group Companies have any business interest in our Company.

Other Confirmations

None of our Group Companies have any securities listed on a stock exchange. Further, none of our Group Companies have made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

Further, neither have any of the securities of our Company or any our Group Companies been refused listing by any stock exchange in India or abroad, nor has our Company or any of our Group Companies failed to meet the listing requirements of any stock exchange in India or abroad.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Board has adopted a dividend policy in its meeting held on April 1, 2019 (“**Dividend Policy**”). In accordance with the Dividend Policy and the Companies Act, dividend shall be declared out of the current year’s profit or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in the Policy and as per the provisions of Companies Act. The Board may choose to declare one or more interim dividends in a financial year to be approved by the Shareholders of our Company at the ensuing general meeting.

Our Board may recommend dividend after considering various financial parameters, internal and external factors, including, *inter alia*, distributable surplus available as per the Companies Act and SEBI Listing Regulations; stability of earnings of our Company on a consolidated basis; cash flows; future organic and inorganic growth plans; reinvestment opportunities; other capital expenditure requirements on a consolidated basis; industry outlook; funding; leverage profile; liquidity considerations; overall financial position; and any other contingency plan of our Company. Our Company shall not recommend dividend if the Board is of the opinion that it is financially not prudent to do so or if it is restrained due to insufficient profits or due to any of the internal or external factors. Further, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded while computing the profits for the purpose of declaration of dividend. The Board may, at its discretion, deviate from the Policy subject to suitable disclosures of such deviation.

Further, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into, to finance our fund requirements for our business activities.

Our Company has not declared any dividend since incorporation.

SECTION V: FINANCIAL INFORMATION

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations:

- The standalone audited financial statements of our Company for the period of March 9, 2017 to March 31, 2018;
- The standalone audited financial statements of SPCPL – Chint Moroccan Venture for Fiscals 2017 and 2018;
- The standalone audited financial statements of SW FZCO and Sterling and Wilson Middle East Solar Energy L.L.C for Fiscal 2018 translated to INR in accordance with the IndAS 21- The effect of changes in foreign exchange rates issued;
- The standalone audited financial statements of Sterling and Wilson Middle East Solar Energy L.L.C. translated to INR in accordance with the IndAS 21- The effect of changes in foreign exchange rates issued; and
- The standalone audited financial statements of Sterling and Wilson Engineering (Pty) Limited for Fiscal 2016, Fiscal 2017 and Fiscal 2018 denominated in ZAR and the certified translations to INR in accordance with the IndAS 21- The effect of changes in foreign exchange rates issued.

(collectively, the “**Audited Financial Statements**”) are available on our website at www.sterlingandwilsonsolar.com/investorrelations/financials.

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, its Subsidiaries or any entity in which its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor GCBRLMs and BRLMs or the Promoter Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

For details of accounting ratios, see “*Annexure VIII: Restated Consolidated Summary Statement of Accounting Ratios*” of the *Restated Consolidated Summary Financial Information*” on page 311.

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RESTATED CONSOLIDATED SUMMARY FINANCIAL INFORMATION

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Examination Report on Restated Consolidated Summary Financial Information

The Board of Directors
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)
9th Floor, Universal Majestic
P.L.Lokhande Marg, Chembur
MUMBAI 400 043

Dear Sirs

- 1) We have examined, the attached Restated Consolidated Summary Financial Information of Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited and prior to that as Rashmika Energy Private Limited) (the “Company” or the “Holding company” or the “Issuer”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), comprising the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 December 2018, 31 December 2017 and 31 March 2018, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity, the Restated Consolidated Summary Statement of Cash Flows for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018, the summary statement of significant accounting policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 9 below (collectively, the ‘Restated Consolidated Summary Financial Information’), as approved by the Board of Directors of the Company at their meeting held on 1 April 2019, for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed initial public offer of equity shares (“IPO”) prepared in terms of the requirements of:
 - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);
 - (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) (the “Guidance Note”).
- 2) The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Summary Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited (“BSE”) and National Stock Exchange (“NSE”) (together with BSE the “Stock Exchanges”) in connection with the proposed IPO. The Restated Consolidated Summary Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 of Annexure V to the Restated Consolidated Summary Financial Information.

The respective Board of Directors of the companies/ Designated Partners of the Partnership firm included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Financial Information. The respective Board of Directors of the companies/ Designated Partners of the Partnership firm are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

- 3) We have examined such Restated Consolidated Summary Financial Information after taking into consideration:
 - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 6 March 2019 in connection with the proposed IPO of equity shares of the Company;
 - (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Financial Information; and
 - (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

- 4) These Restated Consolidated Summary Financial Information have been compiled by the management from:
 - (a) The audited consolidated interim Ind AS financial statements of the Group as at and for the nine months periods ended 31 December 2018 and 31 December 2017, prepared in accordance with the Indian Accounting Standards (Ind AS) 34 “Interim Financial Reporting”, specified under Section 133 of the Act and other accounting principles generally accepted in India (the “Consolidated Interim Ind AS Financial Statements”), which have been approved by the Board of Directors at their Board meeting held on 1 April 2019; and
 - (b) The audited consolidated Ind AS financial statements of the Group as at and for the period beginning from 9 March 2017 to 31 March 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the “consolidated Ind AS financial statements”), which have been approved by the Board of Directors at their Board meeting held on 11 August 2018.

- 5) For the purpose of our examination, we have relied on:
- Auditors' reports issued by us dated 1 April 2019 on the Consolidated Interim Ind AS Financial Statements of the Group as at and for the nine months periods ended 31 December 2018 and 31 December 2017 as referred in paragraph 4 above; and
 - Auditors' report issued by us dated 11 August 2018 on the consolidated Ind AS financial statements of the Group as at and for the period beginning from 9 March 2017 to 31 March 2018 as referred in paragraph 4 above.
- 6) As indicated in our audit reports referred above:
- We did not audit the financial statements of certain branches included in the financial statements of the companies / partnership firm included in the Group for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018, whose share of total assets and total revenues included in the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements for the relevant periods is tabulated below, which have been audited by other auditors, as set out in Appendix A, and whose reports have been furnished to us by the Company's management and our opinion on the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the report of the other auditors:

(Rs in million)

Particulars	As at/ for the nine months period ended 31 December 2018	As at/ for the nine months period ended 31 December 2017	As at/ for the period beginning from 9 March 2017 to 31 March 2018
Total assets	3,954.41	476.55	1,606.82
Total revenues	3,487.02	303.81	1,557.96

- We did not audit the financial statements of certain subsidiaries, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements, for the relevant periods is tabulated below, which have been audited by other auditors, as set out in Appendix A, and whose reports have been furnished to us by the Company's management and our opinion on the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at / for the nine months period ended 31 December 2018	As at / for the nine months period ended 31 December 2017	As at/ for the period beginning from 9 March 2017 to 31 March 2018
Total assets	23,586.94	10,679.53	23,550.72
Total revenues	25,981.61	11,495.75	28,312.96
Net cash inflows/ (outflows)	425.34	97.75	240.26

- (c) We did not audit the financial information of a subsidiary, whose financial information reflect total assets, total revenues and net cash inflows / (outflows), included in the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements, for the relevant periods which is tabulated below. This financial information is unaudited and has been furnished to us by the Company's management and our opinion on the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Company's management, this financial information is not material to the Group:

(Rs in million)

Particulars	As at / for the nine months period ended 31 December 2018	As at / for the nine months period ended 31 December 2017	As at/ for the period beginning from 9 March 2017 to 31 March 2018
Total assets	19.97	0.31	17.49
Total revenues	117.08	Nil	Nil
Net cash inflows/ (outflows)	(1.79)	0.04	Nil

The examination report on the Restated Consolidated Summary Financial Information for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018, in so far as it relates to the certain subsidiaries, is based solely on the reports issued by other auditors as set out in Appendix B.

These other auditors of the subsidiaries, as mentioned above, have examined the restated summary financial information for the aforementioned branches and subsidiaries and have confirmed that the restated summary financial information:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the nine months period ended 31 December 2017 and the period beginning from 9 March 2017 to 31 March 2018 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended 31 December 2018;
- (b) have been prepared after incorporating adjustments for the material amounts in the respective periods to which they relate;
- (c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the restated summary financial information and do not contain any qualifications requiring adjustments; and
- (d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

- 7) Based on our examination and in accordance with the requirements of the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraph 4 above and for reliance placed on the reports of the other auditors as referred to in paragraph 6 above, we report that:
- (a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at 31 December 2018, 31 December 2017 and 31 March 2018 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information;
 - (b) The Restated Consolidated Summary Statement of Profit and Loss of the Group for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information;
 - (c) The Restated Consolidated Summary Statement of Changes in Equity of the Group for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information;
 - (d) The Restated Consolidated Summary Statement of Cash Flows of the Group for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information.
- 8) Based on the above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by other auditors for the respective periods, we further report that the Restated Consolidated Summary Financial Information:
- i. have been prepared after incorporating adjustments for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the nine months period ended 31 December 2017 and the period beginning from 9 March 2017 to 31 March 2018 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended 31 December 2018;
 - ii. have been prepared after incorporating adjustments for the material amounts in the respective periods to which they relate;

- iii. do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Consolidated Summary Financial Information in the respective periods and do not contain any qualifications requiring adjustments; and
 - iv. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
- 9) We have also examined the following Restated Consolidated Summary Financial Information of the Group as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors, on 1 April 2019, for the nine months periods ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 (in respect of certain branches and subsidiaries for the nine months periods ended 31 December 2018 and December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 this information has been included based upon the examination reports submitted by the other auditors for the relevant periods as set out in Appendix B and relied upon by us):
- (i) Annexure V - Basis of preparation and Significant Accounting Policies;
 - (ii) Annexure VI - Notes to the Restated Consolidated Summary Financial Information;
 - (iii) Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements;
 - (iv) Annexure VIII - Restated Consolidated Summary Statement of Accounting Ratios;
 - (v) Annexure IX - Restated Consolidated Summary Statement of Capitalisation;
 - (vi) Annexure X - Restated Consolidated Summary Statement of Tax Shelter;
 - (vii) Annexure XI - Restated Consolidated Summary Statement of Dividend; and
 - (viii) Annexure XII – Statement of Related Party Transactions of the Consolidated Entities.

10) Emphasis of Matter

We draw attention to the following matter in Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements in the Restated Consolidated Summary Financial Information:

For the nine months period ended 31 December 2017:

We draw attention to the note 2 to the Consolidated Interim Ind AS Financial Statements, which describes the basis of preparation. The Group has not presented the corresponding figures for the previous period in these audited Consolidated Interim Ind AS Financial Statements as these have been prepared for inclusion in the Restated Consolidated Summary Financial Information in the Draft Red Herring Prospectus in connection with the proposed issue of Equity Shares of the Holding Company by way of an offer for sale by the existing shareholders. These Consolidated Interim Ind AS Financial Statements are not the statutory Ind AS Financial Statements of the Holding Company.

Our audit report is not qualified in respect of this matter.

- 11) The Restated Consolidated Summary Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Consolidated Interim Ind AS Financial Statements and the consolidated Ind AS financial statements mentioned in paragraph 4 above.
- 12) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 13) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 14) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India and stock exchanges where the equity shares of the Company are proposed to be listed in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **BSR & Co. LLP**

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

1 April 2019

Appendix A

Periods ended	Relation	Name of the auditor
Nine months period ended 31 December 2018		
Sterling and Wilson Solar Limited <i>(formerly known as Sterling and Wilson Solar Private Limited and prior to that Rashmika Energy Private Limited)</i>	Company	B S R & Co. LLP
Sterling & Wilson Philippines	Branch	KPMG.
Sterling & Wilson Zambia	Branch	CMI Solutions Chartered Accountants
Sterling & Wilson Namibia	Branch	BDO
Sterling & Wilson Bangladesh	Branch	Snehasish Mahmud & Co
Sterling & Wilson Argentina	Branch	Mazas
Sterling & Wilson Egypt	Branch	B S R & Co. LLP
Sterling & Wilson Australia	Branch	B S R & Co. LLP
Sterling & Wilson Kenya	Branch	B S R & Co. LLP
Sterling & Wilson Indonesia	Branch	B S R & Co. LLP
Sterling & Wilson Jordan	Branch	B S R & Co. LLP
Sterling & Wilson Dubai	Branch	B S R & Co. LLP
Sterling & Wilson Mexico	Branch	B S R & Co. LLP
Sterling & Wilson Vietnam	Branch	CPA Vietnam Auditing Company
Sterling & Wilson – Waaree Private Limited	Subsidiary	B S R & Co. LLP.
Sterling and Wilson (Thailand) Limited*	Subsidiary	G N Shanbhag & Co
Sterling and Wilson Saudi Arabia Limited	Subsidiary	Dr. Mohamed Al Amri & Co.
Sterling & Wilson Brasil Servicos Ltda.	Subsidiary	B S R & Co. LLP
Esterlina Solar Engineers Private Limited	Subsidiary	B S R & Co. LLP
Sterling Wilson – SPCPL – Chint Moroccan Venture	Subsidiary	B S R & Co. LLP
Sterling & Wilson Morocco	Branch	Moore Stephens
Sterling & Wilson International Solar FZCO	Subsidiary	Moore Stephens
Sterling and Wilson Engineering (Pty) Ltd.	Subsidiary	RSM South Africa Inc.
Renovable Energia Contracting S.L.	Subsidiary	Unaudited
Sterling and Wilson Solar Solutions Inc.	Subsidiary	Bajwa CPA & Associates LLC
Sterling and Wilson Solar Solutions LLC	Subsidiary	Moore Stephens
Sterling & Wilson Middle East Solar Energy LLC	Subsidiary	Moore Stephens
Sterling and Wilson Singapore Pte Ltd	Subsidiary	Moore Stephens
Sterling and Wilson Kazakhstan LLP	Subsidiary	Alite Audit LLP
Sterling and Wilson International LLP <i>(formerly known as A&S Company LLP)</i>	Subsidiary	Moore Stephens, Kazakhstan
GCO Electrical Pty. Ltd.	Subsidiary	Moore Stephens (WA) Pty Ltd

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

Appendix A (Continued)

Periods ended	Relation	Name of the auditor
Nine months period ended 31 December 2017		
Sterling and Wilson Solar Limited <i>(formerly known as Sterling and Wilson Solar Private Limited and prior to that Rashmika Energy Private Limited)</i>	Company	B S R & Co. LLP
Sterling & Wilson Philippines	Branch	KPMG
Sterling & Wilson Zambia	Branch	CMI
Sterling & Wilson Namibia	Branch	BDO
Sterling & Wilson Bangladesh	Branch	Snehasish Mahmud & Co
Sterling & Wilson Argentina	Branch	Mazas
Sterling & Wilson Egypt	Branch	B S R & Co. LLP
Sterling & Wilson Dubai	Branch	B S R & Co. LLP
Sterling & Wilson – Waaree Private Limited*	Subsidiary	B S R & Co. LLP.
Sterling and Wilson (Thailand) Limited*	Subsidiary	G N Shanbhag & Co
Sterling and Wilson Saudi Arabia Limited*	Subsidiary	Dr. Mohamed Al Amri & Co.
Sterling & Wilson Brasil Servicos Ltda.*	Subsidiary	B S R & Co. LLP
Sterling Wilson – SPCPL – Chint Moroccan Venture*	Subsidiary	B S R & Co. LLP
Sterling & Wilson Morocco	Branch	Moore Stephens
Sterling & Wilson International Solar FZCO*	Subsidiary	Moore Stephens
Sterling and Wilson Engineering (Pty) Ltd.*	Subsidiary	RSM South Africa Inc
Renovable Energia Contracting S.L.*	Subsidiary	Unaudited
Sterling and Wilson Solar Solutions Inc.*	Subsidiary	Bajwa CPA & Associates LLC
Sterling and Wilson Singapore Pte Ltd*	Subsidiary	Moore Stephens
Sterling and Wilson Kazakhstan, LLP*	Subsidiary	Alite Audit LLP
Sterling & Wilson Middle East Solar Energy LLC*	Subsidiary	Moore Stephens

* - The Company was in the process of completing the relevant statutory and regulatory procedures to transfer the legal ownership of the said subsidiaries to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

Appendix A (Continued)

Periods ended	Relation	Name of the auditor
Period beginning from 9 March 2017 to 31 March 2018		
Sterling and Wilson Solar Limited <i>(formerly known as Sterling and Wilson Solar Private Limited and prior to that Rashmika Energy Private Limited)</i>	Company	B S R & Co. LLP
Sterling & Wilson Philippines	Branch	KPMG
Sterling & Wilson Zambia	Branch	CMI Solutions Chartered Accountants
Sterling & Wilson Namibia	Branch	BDO
Sterling & Wilson Bangladesh	Branch	Snehasish Mahmud & Co
Sterling & Wilson Argentina	Branch	Mazas
Sterling & Wilson Egypt	Branch	B S R & Co. LLP
Sterling & Wilson Dubai	Branch	B S R & Co. LLP
Sterling & Wilson – Waaree Private Limited*	Subsidiary	B S R & Co. LLP
Sterling and Wilson (Thailand) Limited*	Subsidiary	G N Shanbhag & Co
Sterling and Wilson Saudi Arabia Limited*	Subsidiary	Dr. Mohamed Al Amri & Co.
Sterling & Wilson Brasil Servicos Ltda.*	Subsidiary	B S R & Co. LLP
Sterling Wilson – SPCPL – Chint Moroccan Venture*	Subsidiary	B S R & Co. LLP.
Sterling & Wilson Morocco	Branch	Moore Stephens
Sterling & Wilson International Solar FZCO*	Subsidiary	Moore Stephens
Sterling and Wilson Engineering (Pty) Ltd.*	Subsidiary	RSM South Africa Inc.
Renovable Energia Contracting S.L.	Subsidiary	Unaudited
Sterling and Wilson Solar Solutions Inc.	Subsidiary	Bajwa CPA & Associates LLC
Sterling & Wilson Middle East Solar Energy LLC*	Subsidiary	Moore Stephens
Sterling and Wilson Singapore Pte Ltd*	Subsidiary	Moore Stephens
Sterling and Wilson Kazakhstan, LLP*	Subsidiary	Alite Audit LLP

* - The Company was in the process of completing the relevant statutory and regulatory procedures to transfer the legal ownership of the said subsidiaries to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

Appendix B

Name of entity	Relation	Name of the auditor
Sterling and Wilson (Thailand) Limited	Subsidiary	G N Shanbhag & Co
Sterling & Wilson International Solar FZCO	Subsidiary	Moore Stephens
Sterling and Wilson Engineering (Pty) Ltd.	Subsidiary	RSM South Africa Inc.
Sterling and Wilson Solar Solutions Inc.	Subsidiary	Bajwa CPA & Associates LLC
Sterling & Wilson Middle East Solar Energy LLC	Subsidiary	Moore Stephens
Sterling and Wilson Singapore Pte Ltd	Subsidiary	Moore Stephens
GCO Electrical Pty. Ltd.	Subsidiary	Moore Stephens (WA) Pty Ltd

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(Currency: Indian rupees in million)

Particulars	Notes to Annexure VI	31 December 2018	31 December 2017	31 March 2018
Assets				
Non-current assets				
Property, plant and equipment	2	261.48	188.06	202.15
Capital work-in-progress	2	-	10.17	28.74
Goodwill	3	34.73	-	-
Other intangible assets	4	15.37	9.92	10.36
Deferred tax assets (net)	5	252.12	124.24	110.23
Non-current tax assets (net)	6	-	-	10.21
Other non-current assets	7	17.05	56.11	53.95
Total non-current assets		580.75	388.50	415.64
Current assets				
Inventories	8	141.87	37.11	185.56
Financial assets				
(i) Investments	9	1.69	2.91	1.59
(ii) Trade receivables	10	14,068.17	12,687.55	18,214.70
(iii) Cash and cash equivalents	11A	2,301.15	351.92	954.66
(iv) Bank balances other than cash and cash equivalents	11B	266.18	2.27	86.67
(v) Loans	12	17,434.05	68.27	93.63
(vi) Derivatives	13	2.18	-	-
(vii) Other financial assets	14	1,913.88	10,276.03	10,298.76
Current tax assets (net)	15	8.17	8.39	9.00
Other current assets	16	11,155.20	11,878.75	18,943.60
Total current assets		47,292.54	35,313.20	48,788.17
Total assets		47,873.29	35,701.70	49,203.81
Equity and liabilities				
Equity				
Equity share capital	17	160.36	160.36	160.36
Other equity	18			
Capital reserve on demerger		(1,817.37)	(1,817.37)	(1,817.37)
Capital reserve		(16.50)	(16.50)	(16.50)
Foreign currency translation reserve		(31.51)	13.06	(35.18)
Legal reserve		2.65	2.65	2.65
Effective portion of cash flow hedge		-	-	-
Retained earnings		7,102.08	904.20	3,671.95
Total equity attributable to owners of the Company		5,399.71	(753.60)	1,965.91
Non-controlling interest	54	(18.37)	(37.03)	(27.15)
Total equity		5,381.34	(790.63)	1,938.76

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities (Continued)

(Currency: Indian rupees in million)

Particulars	Notes to Annexure VI	31 December 2018	31 December 2017	31 March 2018
Non - current liabilities				
Financial liabilities				
(i) Borrowings	19	0.02	0.02	0.02
Provisions	20	108.40	46.90	55.74
Total non - current liabilities		108.42	46.92	55.76
Current liabilities				
Financial liabilities				
(i) Borrowings	21	18,380.22	216.47	1,841.35
(ii) Trade payables	22			
Total outstanding dues of micro enterprises and small enterprises		35.57	8.58	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16,649.29	24,778.90	37,397.94
(iii) Derivatives	23	-	191.32	104.21
(iv) Other financial liabilities	24	501.06	97.70	204.84
Other current liabilities	25	5,741.04	10,494.52	7,025.59
Provisions	26	744.69	464.63	551.97
Current tax liabilities (net)	27	331.66	193.29	83.39
Total current liabilities		42,383.53	36,445.41	47,209.29
Total equity and liabilities		47,873.29	35,701.70	49,203.81

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

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

For and on behalf of the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited, prior to that
Rashmika Energy Private Limited)
CIN: U74999MH2017PLC292281

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905

Pallon Mistry
Director
DIN:05229734

K. Kannan
Manager

Bahadur Dastoor
Chief Financial Officer
Membership No: 48936

Jagannadha Rao
Company Secretary
Membership No: F2808

Place: Mumbai
Date: 1 April 2019

Place: Mumbai
Date: 1 April 2019

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(Currency: Indian rupees in million)

Particulars	Notes to Annexure VI	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Income				
Revenue from operations	28	59,151.44	32,324.81	68,717.08
Other income	29	1,666.16	89.69	127.12
Total income		60,817.60	32,414.50	68,844.20
Expenses				
Cost of construction materials, stores and spare parts	30	44,489.18	23,670.55	53,734.49
Purchase of traded goods	31	1,785.39	-	-
Changes in inventories of stock-in-trade	32	9.24	106.19	118.97
Direct project costs	33	7,341.49	4,730.95	7,336.27
Employee benefits expense	34	1,278.05	652.20	986.24
Other expenses	37	1,145.76	1,036.58	1,163.60
Total expenses		56,049.11	30,196.47	63,339.57
Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA)		4,768.49	2,218.03	5,504.63
Finance costs	35	530.31	99.52	186.17
Depreciation and amortisation expense	36	55.78	21.67	31.68
Consolidated profit before income tax		4,182.40	2,096.84	5,286.78
Tax expense:	38			
Current tax		861.61	443.29	850.14
Current tax for earlier periods		28.22	-	-
Deferred tax (credit)		(141.73)	(80.07)	(68.71)
		748.10	363.22	781.43
Consolidated profit for the period after income tax		3,434.30	1,733.62	4,505.35
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
(i) Remeasurements of defined benefit liability		(2.24)	(12.75)	(2.46)
(ii) Income tax relating to the items that will not be reclassified to profit or loss		1.37	4.45	0.86
Items that will be reclassified subsequently to profit or loss:				
(i) Exchange differences in translating financial statements of foreign operations		4.87	34.50	(14.54)
(ii) Effective portion of gain on hedging instruments in cash flow hedges		-	33.12	33.12
Other comprehensive income for the period, net of tax		4.00	59.32	16.98
Total comprehensive income for the period		3,438.30	1,792.94	4,522.33
Consolidated profit attributable to:				
Owners of the Company		3,431.00	1,760.71	4,521.76
Non-controlling interests		3.30	(27.09)	(16.41)
Consolidated profit for the period		3,434.30	1,733.62	4,505.35

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(Currency: Indian rupees in million)

Particulars	Notes to Annexure VI	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Other comprehensive income attributable to:				
Owners of the Company		2.81	60.70	19.16
Non-controlling interests		1.19	(1.38)	(2.18)
Other comprehensive income for the period		4.00	59.32	16.98
Total comprehensive income attributable to:				
Owners of the Company		3,433.81	1,821.41	4,540.92
Non-controlling interests		4.49	(28.47)	(18.59)
Total comprehensive income for the period		3,438.30	1,792.94	4,522.33
Earnings per equity share				
Basic and diluted earnings per share (Rs) (face value of Rs 10 split into face value of Re 1 each post balance sheet date)	39	21.40	10.98	29.97

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

For and on behalf of the Board of Directors of

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

CIN: U74999MH2017PLC292281

Aniruddha Godbole

Partner

Membership No.: 105149

Khurshed Daruvala

Chairman

DIN:00216905

Pallon Mistry

Director

DIN:05229734

K. Kannan

Manager

Bahadur Dastoor

Chief Financial Officer

Membership No: 48936

Jagannadha Rao

Company Secretary

Membership No: F2808

Place: Mumbai

Date: 1 April 2019

Place: Mumbai

Date: 1 April 2019

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure III - Restated Consolidated Summary Statement of Changes in Equity

(Currency: Indian rupees in million)

(a) **Equity share capital**

Particulars	31 December 2018	31 December 2017	31 March 2018
Balance at the beginning of the period	160.36	160.36	-
Add: Issued during the period	-	-	0.04
Add: Shares issued pursuant to Scheme of Arrangement (Refer note 1)	-	-	160.36
Less: Shares cancelled Pursuant to Scheme of Arrangement (Refer note 1)	-	-	(0.04)
Balance at the end of the period	160.36	160.36	160.36

(b) **Other equity**

Particulars	Attributable to the owners of the Parent						Total attributable to owners of the parent	Attributable to non-controlling interests of the Company	Total
	Capital reserve on Demerger	Reserves and Surplus Capital Reserve	Legal Reserve	Retained earnings	Items of other comprehensive income Effective portion of cash flow hedge	Foreign currency translation reserve			
Balance at 1 April 2018	(1,817.37)	(16.50)	2.65	3,671.95	-	(35.18)	1,805.55	(27.15)	1,778.40
Adjustments:									
Total comprehensive income for the period									
Profit for the period	-	-	-	3,431.00	-	-	3,431.00	3.30	3,434.30
<i>Items of OCI for the period, net of tax:</i>									
Remeasurement of the net defined benefit liability	-	-	-	(0.87)	-	-	(0.87)	-	(0.87)
Arising on acquisition of subsidiaries during the period (refer note 3)	-	-	-	-	-	-	-	4.29	4.29
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	3.68	3.68	1.19	4.87
Balance at 31 December 2018	(1,817.37)	(16.50)	2.65	7,102.08	-	(31.51)	5,239.35	(18.37)	5,220.98
Balance as at 1 April 2017	(1,817.37)	(16.50)	2.65	(848.21)	(33.12)	(22.82)	(2,735.37)	(8.56)	(2,743.93)
Adjustments:									
Total comprehensive income for the period									
Profit for the period	-	-	-	1,760.71	-	-	1,760.71	(27.09)	1,733.62
<i>Items of OCI for the period, net of tax:</i>									
Remeasurement of the net defined benefit liability	-	-	-	(8.30)	-	-	(8.30)	-	(8.30)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	35.88	35.88	(1.38)	34.50
Effective portion of gain on hedging instruments in cash flow hedges	-	-	-	-	33.12	-	33.12	-	33.12
Balance at 31 December 2017	(1,817.37)	(16.50)	2.65	904.20	-	13.06	(913.96)	(37.03)	(950.99)
Balance as at 9 March 2017	-	-	-	-	-	-	-	-	-
Adjustments:									
Acquired Pursuant to Scheme of Arrangement (refer note 1)	(1,817.37)	(16.50)	2.65	(848.21)	(33.12)	(22.82)	(2,735.37)	(8.56)	(2,743.93)
Total comprehensive income for the period									
Profit for the period	-	-	-	4,521.76	-	-	4,521.76	(16.41)	4,505.35
<i>Items of OCI for the period, net of tax:</i>									
Remeasurement of the net defined benefit liability, net of tax	-	-	-	(1.60)	-	-	(1.60)	(2.18)	(3.78)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	(12.36)	(12.36)	-	(12.36)
Effective portion of gain/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	-	-	-	-	33.12	-	33.12	-	33.12
Balance at 31 March 2018	(1,817.37)	(16.50)	2.65	3,671.95	-	(35.18)	1,805.55	(27.15)	1,778.40

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure III - Restated Consolidated Summary Statement of Changes in Equity *(Continued)*

(Currency: Indian rupees in million)

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

For and on behalf of the Board of Directors of

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

CIN: U74999MH2017PLC292281

Aniruddha Godbole

Partner

Membership No: 105149

Khurshed Daruvala

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Director

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Manager

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Chief Financial Officer

Membership No: 48936

Jagannadha Rao

Company Secretary

Membership No: F2808

Place: Mumbai

Date: 1 April 2019

Place: Mumbai

Date: 1 April 2019

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure IV-Restated Consolidated Summary Statement of Cash Flows

(Currency: Indian rupees in million)

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
A. Cash flow from operating activities			
Consolidated profit before income tax	4,182.40	2,096.84	5,286.78
<i>Adjustments for :</i>			
Depreciation and amortisation expense	55.78	21.67	31.68
Provision for bad and doubtful debts	40.00	8.51	13.50
Bad debts written off	22.06	-	29.02
Loans and advances written off	-	0.63	2.54
Supplier balances written back	(12.55)	-	-
Provision for foreseeable losses	111.04	-	-
Provision no longer required written back	(14.50)	-	(9.30)
Profit on sale of property, plant and equipments (net)	-	-	(0.43)
Provision for onerous contracts	-	14.50	14.50
Finance costs	530.31	99.52	186.17
Interest income	(1,258.27)	(88.37)	(5.68)
Financial assets measured at FVTPL - net change in fair value	-	-	(108.81)
Provision for mark-to-market (gain)/ loss on derivative instruments	(106.40)	133.96	57.60
Unrealised Foreign exchange loss (net)	163.10	45.76	64.63
Operating profit before working capital changes	3,712.97	2,333.02	5,562.20
Changes in working capital :			
Decrease / (increase) in inventories	57.50	112.13	(36.32)
Decrease / (increase) in trade receivables	4,057.68	(6,035.34)	(10,337.15)
(Increase) in loans and advances	(190.82)	(40.89)	(50.02)
(Increase) in other current financial assets *	(672.77)	(11,352.20)	(22,553.54)
Decrease / (increase) in other current assets	7,788.36	(10,304.71)	(5,136.19)
Decrease in restricted cash (refer note 2)	2.07	1.63	1.03
Increase / (decrease) in trade payables, other current liabilities and provisions	(21,837.44)	28,877.59	35,846.70
Increase / (decrease) in other non-current assets	36.90	(56.11)	-
Net changes in working capital	(10,758.52)	1,202.10	(2,265.49)
Cash flow (used in) / generated from from operating activities	(7,045.55)	3,535.12	3,296.71
Income tax (paid) (net)	(630.52)	(246.08)	(773.77)
Effect of exchange differences on translation of assets and liabilities	4.87	34.50	(12.36)
Net cash flows (used in) / generated from operating activities (A)	(7,671.20)	3,323.54	2,510.58
B. Cash flow from investing activities			
(Purchase) of property, plant and equipment, capital work-in-progress and intangible assets	(69.51)	(141.59)	(181.14)
(Investment in) / redemption of fixed deposits (net)	(181.59)	67.13	(16.66)
Proceeds from sale of property, plant and equipment	13.52	-	2.98
(Investment in) / redemption of treasury bills (net)	(0.10)	0.39	1.72
Interest received	17.18	88.18	5.68
Loans given to related parties *	(10,217.15)	-	-
Loans repaid by related parties	3,366.32	-	-
Acquisition of subsidiary	(4.16)	-	-
Net cash flows (used in) / generated from investing activities (B)	(7,075.49)	14.11	(187.42)
C. Cash flow from financing activities			
Proceeds from / (repayment) of secured short-term borrowings (net)	234.45	(2,934.78)	(1,309.90)
Proceeds from unsecured short-term borrowings	16,654.42	-	-
(Repayment) of unsecured short-term borrowings	(350.00)	-	-
Payment of Equity Dividend tax	-	-	(2.82)
Finance costs paid	(492.77)	(91.04)	(97.00)
Net cash generated from / (used in) financing activities (C)	16,046.10	(3,025.82)	(1,409.72)
Net movement in currency translation (D)	40.66	0.71	1.84
Cash and cash equivalents of subsidiaries acquired during the period (refer note 1)	6.42	-	39.38
Net increase in cash and cash equivalents (A+B+C+D)	1,340.07	312.54	915.28
Cash and cash equivalents at the beginning of the period	954.66	39.38	-
Cash and cash equivalents at the end of the period	2,301.15	351.92	954.66

* During the period ended 31 December 2018, receivables from related party amounting to Rs 3,278.14 millions have been converted into loan.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure IV-Restated Consolidated Summary Statement of Cash Flows (Continued)

(Currency: Indian rupees in million)

Notes:

- 1) The above consolidated statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Statement of Cash Flows notified u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.
- 2) Current account balances with banks include Rs 0.80 million (31 December 2017: 2.27 million; 31 March 2018: 2.87 million) held at foreign branch at Phillipines which are not freely remissible to the Group because of exchange restrictions.
- 3) Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition)
- 4) Components of cash and cash equivalents

	31 December 2018	31 December 2017	31 March 2018
Balance with banks			
- Current accounts	2,288.63	343.98	951.76
Cash on hand	12.52	7.94	2.90
	<u>2,301.15</u>	<u>351.92</u>	<u>954.66</u>

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

Particulars	As at 1 April 2018	Changes considered in statement of cash-flow	Non-cash changes on account of acquisition	As at 31 December 2018
Long-term borrowings	0.02	-	-	0.02
Short-term borrowings	1,841.35	16,538.87	-	18,380.22

Particulars	As at 1 April 2017	Changes considered in statement of cash-flow	Non-cash changes on account of acquisition	As at 31 December 2017
Long-term borrowings	0.02	-	-	0.02
Short-term borrowings	3,151.25	(2,934.78)	-	216.47

Particulars	As at 9 March 2017	Changes considered in statement of cash-flow	Non-cash changes on account of acquisition	As at 31 March 2018
Long-term borrowings	-	-	0.02	0.02
Short-term borrowings	-	(1,309.90)	3,151.25	1,841.35

- 6) The above consolidated statement of cash flows included Rs Nil (31 December 2017: Rs Nil; 31 March 2018: Rs 1.70 million) towards corporate social responsibility.

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

For and on behalf of the Board of Directors of

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

CIN: U74999MH2017PLC292281

Aniruddha Godbole

Partner

Membership No: 105149

Khurshed Daruvala

Chairman

DIN:00216905

Pallon Mistry

Director

DIN:05229734

K. Kannan

Manager

Bahadur Dastoor

Chief Financial Officer

Membership No: 48936

Jagannadha Rao

Company Secretary

Membership No: F2808

Place: Mumbai

Date: 1 April 2019

Place: Mumbai

Date: 1 April 2019

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure V: Basis of preparation and Significant Accounting Policies

(Currency: Indian rupees in million)

1 Background

Sterling and Wilson Solar Limited (formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited) ("the Company") was incorporated as a Private Limited Company on 9 March 2017 under the Companies Act, 2013. The Company is a Solar EPC contractor with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe, South America, Latin America, Australia and USA. These Restated Consolidated Summary Financial Information comprise the Company and its subsidiaries (hereinafter collectively referred to as "the Group").

The Group is specialised in complete turn-key and Roof top solutions for Solar EPC solutions with having experience of executing more than 161 projects. The principal activity of the Group includes import, export and trading of Solar modules, structures, invertors and related accessories, installation and maintenance of Solar power generating facilities and other related activities.

The Company was incorporated on 9 March 2017 as Rashmika Energy Private Limited. The Company was renamed as Sterling and Wilson Solar Private Limited on 24 April 2018. Further the company was renamed to Sterling and Wilson Solar Limited on 25 January 2019.

During the period ended 31 December 2018, 31 December 2017 and 31 March 2018, the Company had acquired the Solar EPC business ('Demerged undertaking') along with its subsidiaries and overseas branch offices related to Solar Division from Sterling and Wilson Private Limited, on a going concern basis, under "Scheme of Arrangement" (the Scheme) with effect from the appointed date of 1 April 2017 (Refer note 1).

Sterling and Wilson Solar Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited, effective from 1 April 2017.

2 Basis of preparation of the Restated Consolidated Summary Financial Information

a Statement of compliance

The accompanying restated consolidated summary statement of assets and liabilities as at 31 December 2018, 31 December 2017 and 31 March 2018, the Restated Consolidated Summary Statement of Profit and Loss, the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the nine months period ended 31 December 2018 and 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 and the Summary of Significant Accounting Policies and Other Restated Consolidated Summary Financial Information from Annexure I to Annexure VII (hereinafter collectively referred as 'Restated Consolidated Summary Financial Information') have been prepared in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

The Restated Consolidated Summary Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

(i) Section 26 of Chapter III of the Act;

(ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018 in pursuance of the Securities and Exchange Board of India Act, 1992; and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

These Restated Consolidated Summary Financial Information and Other Consolidated Summary Financial Information have been extracted by the Management from the Audited Consolidated Financial Statements and

(a) there were no changes in accounting policies during the period of these financial statements, except for the new and amended Ind AS-115- 'Revenue from contracts with customers'- Refer Annexure V, Note 3.14 and Annexure VI, Note 45;

(b) there were no material amounts which have been adjusted for in arriving at profit/loss of the respective periods; and

(c) adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Group as at and for the period ended 31 December 2018 and the requirements of the SEBI Regulations.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

2 Basis of preparation of the Restated Consolidated Summary Financial Information (Continued)

b Functional and presentation currency

These Restated Consolidated Summary Financial Information 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 Restated Consolidated Summary Financial Information have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

d Use of estimates and judgments

The preparation of the Restated Consolidated Summary Financial Information 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 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 Restated Consolidated Summary Financial Information for the period in which such changes are determined.

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

The Group 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 Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Group 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 defined benefit obligations and other employee benefit obligations

The Group's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

2 Basis of preparation of the Restated Consolidated Summary Financial Information (Continued)

d Use of estimates and judgments (Continued)

(v) Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the Restated Consolidated Summary Statement of Profit and Loss, the Group makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vi) Impairment losses on trade receivables

The Group reviews its trade receivables to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the Restated Consolidated Summary Statement of Profit and Loss, the Group 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.

(vii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group 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. 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

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 Group 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 48 – financial instruments

(viii) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

2 Basis of preparation of the Restated Consolidated Summary Financial Information (Continued)

d Use of estimates and judgments (Continued)

(ix) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(x) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

3 Significant accounting policies

3.1 Principles of consolidation

a Subsidiaries

The Restated Consolidated Summary Financial Information comprise the financial statements of the Company and its subsidiaries. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Summary Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Summary Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Consolidated Summary Financial Information to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., 31 December 2018, 31 December 2017 and 31 March 2018. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Summary Financial Information at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.1 Principles of consolidation (Continued)

a Subsidiaries (Continued)

- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Summary Financial Information. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

For a list of Legal entities / business fully included in these financial statements, refer Note 50 - List of branches and subsidiaries

b Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Restated Consolidated Summary Statement of Profit and Loss, Restated Consolidated Summary Statement of Changes in Equity and Restated Consolidated Summary Statement of Assets and Liabilities.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

c Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

3.2 Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Sterling and Wilson Solar Limited

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.2 Business combinations (Continued)

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (v) The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.3 Current/ non-current classification

The Schedule III to the Act requires

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 Group'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 Group'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 Group 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 Group's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the Solar engineering, procurement and construction services (EPC) segment of the Group, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 18 months for the purpose of current - non-current classification of assets and liabilities. For the Solar operations and maintenance services, the operating cycle is ascertained as 12 months for the purpose of current - non-current classification of the assets and liabilities.

Sterling and Wilson Solar Limited

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.4 Foreign currency

(i) Foreign currency transactions

- Initial Recognition

All transactions that are not denominated in the Group'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 period are recognised in the consolidated statement of profit and loss.

- Measurement of foreign currency

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 at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. 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 Restated Consolidated Summary Statement of Profit and Loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the consolidated statement profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Restated Consolidated Summary Statement of Profit and Loss.

3.5 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 Group 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.

(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.

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.5 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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 Group 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 Group 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 Group 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 Group'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 Group'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.

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.5 Financial instruments (Continued)

(b) Classification and subsequent measurement (Continued)

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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 Group 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 Group'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.

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 Restated Consolidated Summary 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 Restated Consolidated Summary Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Restated Consolidated Summary 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 consolidated 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 Restated Consolidated Summary 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 Restated Consolidated Summary 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 Restated Consolidated Summary 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 Restated Consolidated Summary 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 Restated Consolidated Summary Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Restated Consolidated Summary Statement of Profit and Loss. See Note 3.5 (e) for financial liabilities designated as hedging instruments.

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(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.5 Financial instruments (Continued)

(c) Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Restated Consolidated Summary 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 Group 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.

(e) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Restated Consolidated Summary Statement of Profit and Loss.

The Group designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the Restated Consolidated Summary Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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3 Significant accounting policies (Continued)

3.5 Financial instruments (Continued)

(e) Derivative financial instruments and hedge accounting (Continued)

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the Restated Consolidated Summary Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the Restated Consolidated Summary Statement of Profit and Loss.

3.6 Fair Value

The Group 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.

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Summary Financial Information 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 Restated Consolidated Summary Financial Information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

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 Group 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 Group.

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 Restated Consolidated Summary Statement of Profit and Loss as and when incurred.

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(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.7 Property, plant and equipment (Continued)

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method over the estimated useful lives prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Group's management based on the technical evaluation carried out by the projects team. 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 to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Assets costing INR 5,000 or less are fully depreciated in the period of purchase.

3.8 Goodwill

For measurement of goodwill that arises on a business combination (see Note 3.2). Subsequent measurement is at cost less any accumulated impairment losses.

3.9 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems) and construction licence. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to five years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss in the period the asset is derecognised.

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

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3 Significant accounting policies (Continued)

3.10 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

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

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

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

In case of trade receivables, contract revenue receivables and lease receivables, the Group 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

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

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

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Restated Consolidated Summary Statement of Profit and Loss.

Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Restated Consolidated Summary Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

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3 Significant accounting policies (Continued)

3.12 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Group pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The Group has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Restated Consolidated Summary Statement of Profit and Loss in the periods during which the related services are rendered by employees. In respect of overseas entities, the Group's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.

(ii) Defined benefit plans

The Group's gratuity benefit scheme and terminal benefit scheme (in overseas jurisdictions) are a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the Restated Consolidated Summary Statement of Other Comprehensive Income in the period in which they occur and not reclassified to the Restated Consolidated Summary Statement of Profit and Loss in the subsequent period. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Restated Consolidated Summary Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the Restated Consolidated Summary Statement of Profit and Loss.

In respect of the overseas subsidiaries, upto 31 March 2018, provisions were made for employees' terminal benefits on the basis prescribed under the labour laws of the respective countries in which the overseas subsidiaries operates and was determined based on arithmetic calculation. Subsequently, the present value of the obligation is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method.

Other long-term employee benefits

The Group's net obligation in respect of long-term employment benefits, other than gratuity and terminal benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

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3 Significant accounting policies (Continued)

3.12 Employee benefits (Continued)

Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Restated Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group 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 Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

3.14 Revenue recognition

The Group has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. However, as required by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the SEBI, the standard has been effected retrospectively with effect from 9 March 2017 and accordingly prior year financial statements for the period ended 31 December 2017 and 31 March 2018 have been restated. The Group has applied the following accounting policy in the preparation of the Restated Consolidated Summary Financial Information:

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3 Significant accounting policies (Continued)

3.14 Revenue recognition (Continued)

Revenue from contracts with customers

The Group 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 Group 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 Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group 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 Group 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 Group; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

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.

When the Group 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 Group.

Revenue from sale of goods

The Group recognises revenue from sale of goods once the customer takes possession of the goods. Revenue represents the invoice value of goods provided to third parties net of discounts and sales taxes/value added taxes/goods and service tax.

Operation and maintenance income

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

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.14 Revenue recognition (Continued)

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

3.15 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other operating income in the Restated Consolidated Summary Financial Information.

3.16 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.

3.17 Leases

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 Group 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 Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Restated Consolidated Summary Statement of Assets and Liabilities.

Lease payments

Payments made under operating leases are generally recognised in the Restated Consolidated Summary 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 period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.18 Recognition of dividend income, interest income or expense

Dividend income is recognised in the Restated Consolidated Summary Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense 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 and expense, 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.

3.19 Income tax

Income tax comprises current and deferred tax. It is recognised in the Restated Consolidated Summary 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.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. 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 applicable tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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 and joint arrangements to the extent that the Group 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.

Sterling and Wilson Solar Limited

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

3.19 Income tax (Continued)

Deferred tax (Continued)

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 Group 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 will be realised.

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 Group 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.

3.20 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.21 Consolidated statement of cash flows

The Group's consolidated statement of cash flows are prepared using the Indirect method, whereby profit for the period 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 Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

3.22 Earnings per share

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

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

3.23 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 consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Sterling and Wilson Solar Limited

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Annexure V: Basis of preparation and Significant Accounting Policies (Continued)

(Currency: Indian rupees in million)

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

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss for the period ended 31 December 2018, 31 December 2017 and 31 March 2018. The Group measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.

3.25 Standards issued but not yet effective

Standards and amendments to published standards that have been published but will be effective from 1 April 2019:

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group is in the process of analysing the impact of new lease standard on its financial statements.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular prepayable financial assets

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

- Amendments to Ind AS 28, Investments in Associates and Joint Ventures: When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information

(Currency: Indian rupees in million)

1 Scheme of Arrangement

A The Board of Directors at their meeting held on 7 September 2017 had approved the "Scheme of Arrangement" ('the Scheme') for the demerger of the Solar EPC ("S-EPC") business of Sterling and Wilson Private Limited ("SWPL") along with certain subsidiaries engaged in the S-EPC business (together referred to as 'Demerged undertaking'), at Mumbai under Section 230 to Section 232 of the Companies Act, 2013, with effect from 1 April 2017, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders and National Company Law Tribunal ('NCLT') Mumbai.

The said Scheme received the approval of the NCLT, Mumbai Bench vide orders passed on 28 March 2018. The NCLT order was filed with the Registrar of Companies on 1 May 2018. The Appointed Date for the Scheme is 1 April 2017. The impact of merger has been given with effect from the Appointed date.

In accordance with the provisions of the aforesaid Scheme:

- The approved share swap ratio is 1 equity share of the face value of Rs 10 each fully paid-up of the Company for every 1 equity share of the face value of Rs 10 each fully paid-up of SWPL. Accordingly, in consideration of demerger, the Company had allotted and issued 16,036,000 equity shares of Rs 10 each, fully paid-up, to the shareholders of SWPL vide board resolution dated 31 March 2018.
- The Indian Accounting Standard 103 (Ind AS - 103) - Business Combination, deals with amalgamations, and the accounting treatment in respect of the merger under common control transaction. The demerger has been given effect to as per the accounting treatment specified in the Scheme and approved by the NCLT, and the same is in line with the accounting treatment specified under Ind AS - 103.
- The transfer of assets and liabilities of the Demerged Undertaking at book value has been effected from the "Appointed date" of 1 April 2017, as defined in the Scheme.
- Book value of assets and liabilities related to the Demerged Undertaking acquired and certain direct subsidiaries with effect from the Appointed date i.e. 1 April 2017 are as under:

Particulars	Sterling and Wilson Private Limited	Sterling and Wilson Saudi Arabia Limited	Sterling and Wilson Waree Private Limited	Sterling Wilson - SPCPL - Chint Moroccan Venture	Sterling and Wilson (Thailand) Limited
Assets					
Non-current assets					
Property, plant and equipment	75.21	-	-	-	-
Other intangible assets	8.78	-	-	-	-
Financial assets					
(i) Investments	17.87	-	-	-	-
Deferred tax assets (net)	26.33	-	-	-	-
Other non-current assets	4.88	-	-	-	-
Total non-current assets	133.06	-	-	-	-
Current assets					
Inventories	149.24	-	-	-	-
Financial assets					
(i) Investments	3.30	-	-	-	-
(ii) Trade receivables	7,066.61	-	-	-	-
(iii) Cash and cash equivalents	1.82	-	-	-	0.21
(iv) Bank balances other than cash and cash eq	3.90	-	-	-	-
(v) Loans	2,128.55	-	-	-	-
(vi) Other financial assets	1,439.56	17.26	-	-	-
Other current assets	473.53	-	-	-	-
Total current assets	11,266.51	17.26	-	-	0.21
Total assets	11,399.57	17.26	-	-	0.21
Equity and liabilities					
Equity					
Other equity	2,654.74	5.72	(0.10)	-	(0.60)
Equity attributable to owners of the Comp	2,654.74	5.72	(0.10)	-	(0.60)
Non-controlling interests	-	-	-	-	-
Total equity	2,654.74	5.72	(0.10)	-	(0.60)
Non-current liabilities					
Financial liabilities					
(i) Borrowings	-	-	-	-	0.02
Provisions	31.86	-	-	-	-
Total non-current liabilities	31.86	-	-	-	0.02

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

1 Scheme of Arrangement (Continued)

Particulars	Sterling and Wilson Private Limited	Sterling and Wilson Saudi Arabia Limited	Sterling and Wilson Waree Private Limited	Sterling Wilson - SPCPL - Chint Moroccan Venture	Sterling and Wilson (Thailand) Limited
Current liabilities					
Financial liabilities					
(i) Borrowings	3,151.25	-	-	-	0.67
(ii) Trade payables	4,158.23	-	0.10	-	0.07
(iii) Derivatives	194.48	-	-	-	-
(iv) Other financial liabilities	11.54	11.54	-	-	0.04
Other current liabilities	2,799.59	-	-	-	-
Provisions	54.89	-	-	-	-
Total current liabilities	10,369.98	11.54	0.10	-	0.78
Total equity and liabilities	13,056.58	17.26	-	-	0.21
Net assets taken over	(1,657.01)	-	-	-	-
Consideration paid - Issue of equity shares	160.36	-	-	-	-
Capital Reserve on merger	(1,817.37)	-	-	-	-

B Further to the Scheme, the following subsidiaries of SWPL also became the subsidiaries of the Company, subject to the consent /approval of the Reserve Bank of India or such other statutory agencies, if any:

No.	Name of the Company/Partnership	Country
1	Sterling and Wilson International Solar FZCO ("SWIS")	United Arab Emirates
2	Sterling and Wilson Brasil Servicos Ltda	Brazil
3	Sterling and Wilson (Thailand) Limited	Thailand
4	Sterling and Wilson Saudi Arabia Limited	Kingdom of Saudi Arabia
5	Sterling & Wilson - Waaree Private Limited	India
6	Sterling Wilson -SPCPL - Chint Moroccan Venture (Partnership firm)	India

C Pursuant to the Scheme of Arrangement with an appointed date of 1 April 2017 and approval of National Company Law Tribunal and other statutory and regulatory authorities, SWPL carried out operations of the demerged undertaking in trust on behalf of the Company.

D SWIS, which is into Solar-EPC business also, as part of this restructuring arrangement undertook the following transactions :

a. A subsidiary of SWPL, Sterling and Wilson International FZE ("SWIFZE"), registered in UAE, has transferred to SWIS the following subsidiaries incorporated during the period ended 31 December 2017:

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

b. SWIFZE has transferred its following subsidiaries into SWIS effective from 1 April 2017:

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

The legal formalities for giving effect to the change in shareholding has been completed on 19 January 2019 for Sterling and Wilson Engineering (Pty) Ltd, South Africa.

c. In addition to the above, SWIFZE and its subsidiary Sterling and Wilson Middle East Electromechanical L.L.C ("SWME"), have transferred their accumulated losses amounting to Rs 3,534.79 million as of 1 April 2017 to SWIS and SWME SE respectively. The transfer of accumulated losses was effected based on a resolution passed by the Boards of SWIFZE, SWME, SWIS and SWME SE pursuant to a provision in the arrangement whereby it was necessary for the amount of the transfers to be approved by the respective Boards from the view of the appropriateness of the transfer.

Sterling and Wilson Solar Limited

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

1 Scheme of Arrangement (Continued)

D SWIS, which is into Solar-EPC business also, as part of this restructuring arrangement undertook the following transactions : (Continued)

d. The restructuring arrangement as discussed in a), b) and c) above have been given effect to by entering into Business Transfer Agreements ('BTA') which has been ratified by resolutions passed by the Board of Directors of SWIFZE and SWIS.

e. The following table summarizes the assets and liabilities taken over as relating to the subsidiary companies by SWIS from SWIFZE:

Particulars	Sterling and Wilson Middle East Solar Energy L.L.C (formerly known as Sterling and Wilson Powergen L.L.C)	Sterling and Wilson International FZE	Sterling and Wilson Singapore Pte. Ltd.	Sterling and Wilson Engineering (Pty) Ltd.	Sterling and Wilson Kazakhstan LLP
Property, plant and equipment	-	-	-	0.90	-
Investment in subsidiary	-	-	0.25	-	-
Deferred tax asset	-	-	-	12.69	-
Loans	-	57.31	-	-	-
Other financial assets	-	2,201.19	-	-	-
Current tax receivable	-	-	-	7.47	-
Accounts and other receivables	6.23	-	-	697.14	-
Bank and cash balances	-	-	1.46	102.94	0.05
Other current assets	-	13.18	-	-	-
Legal reserve	(2.65)	-	-	-	-
Foreign currency translation reserve	-	2.27	0.28	3.54	(0.02)
Non-Controlling Interest	2.70	-	-	-	-
Accumulated losses/(retained earnings)	(0.99)	188.16	1.46	34.04	0.23
Borrowings	-	(2,100.27)	-	-	-
Other financial liabilities	-	(361.85)	-	-	-
Accounts and other payables	-	-	(0.78)	(858.72)	(0.00)
Net book value of assets	5.29	-	2.66	-	0.26
Group interest acquired	49.00%	100%	100%	70%	100%
Net book value of assets acquired (Parent Co)	2.59	-	2.66	-	0.26
Less: Purchase consideration					
- Payable in cash	(19.09)	-	-	-	-
- credited to related party account	-	-	(2.66)	-	(0.24)
Translation adjustment	-	-	-	-	(0.02)
Capital reserve	(16.50)	-	-	-	-

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

2 Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount for the nine months period ended 31 December 2018

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount:								
Balance as at 1 April 2018	3.07	196.14	20.03	4.18	30.40	253.82	28.74	282.56
Add: Acquisition of a subsidiary (refer note 3)	1.03	42.01	-	40.68	-	83.72	-	83.72
Add: Additions during the period	33.08	41.35	6.90	1.58	11.70	94.61	-	94.61
Less: Disposals during the period	-	0.03	14.85	-	-	14.88	-	14.88
Less: Capitalised during the period	-	-	-	-	-	-	28.74	28.74
Add: Exchange differences on translation of foreign operations	(0.03)	5.95	0.23	(0.09)	0.04	6.10	-	6.10
Balance as at 31 December 2018	37.15	285.42	12.31	46.35	42.14	423.37	-	423.37
Accumulated depreciation and amortisation:								
Balance as at 1 April 2018	0.26	34.34	1.50	1.30	14.27	51.67	-	51.67
Add: Acquisition of a subsidiary (refer note 3)	-	31.26	-	26.98	-	58.24	-	58.24
Add: Depreciation for the period	8.67	33.48	2.97	0.62	7.32	53.06	-	53.06
Less: Disposals during the period	-	0.00	1.36	-	-	1.36	-	1.36
Add: Exchange differences on translation of foreign operations	0.02	(0.33)	0.62	(0.00)	(0.03)	0.28	-	0.28
Balance as at 31 December 2018	8.95	98.75	3.73	28.90	21.56	161.89	-	161.89
At 1 April 2018	2.81	161.80	18.53	2.88	16.13	202.15	28.74	230.89
At 31 December 2018	28.20	186.67	8.58	17.45	20.58	261.48	-	261.48

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

2 Property, plant and equipment and capital work-in-progress (Continued)

Reconciliation of carrying amount for the nine months period ended 31 December 2017

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount:								
Balance as at 1 April 2017	-	73.90	1.62	5.10	20.14	100.76	-	100.76
Add: Additions during the period	3.02	110.74	7.60	0.30	6.64	128.30	10.17	138.47
Less: Disposals during the period	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	0.36	0.06	0.45	(0.00)	0.26	1.13	-	1.13
Balance as at 31 December 2017	3.38	184.70	9.67	5.40	27.04	230.19	10.17	240.36
Accumulated depreciation and amortisation:								
Balance as at 1 April 2017	-	13.76	0.06	1.15	7.44	22.41	-	22.41
Add: Depreciation for the period	0.15	12.88	0.78	0.41	5.46	19.68	-	19.68
Less: Disposals during the period	-	-	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	0.00	0.01	0.02	(0.00)	0.01	0.04	-	0.04
Balance as at 31 December 2017	0.15	26.65	0.86	1.56	12.91	42.13	-	42.13
Carrying amounts (net):								
At 1 April 2017	-	60.14	1.56	3.95	12.70	78.35	-	78.35
At 31 December 2017	3.23	158.05	8.81	3.84	14.13	188.06	10.17	198.23

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

2 Property, plant and equipment and capital work-in-progress (Continued)

Reconciliation of carrying amount for the period beginning 9 March 2017 to 31 March 2018

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount:								
Balance as at 9 March 2017	-	-	-	-	-	-	-	-
Add: Acquisitions pursuant to the scheme of arrangement / acquisition of subsidiary (refer note 1 and note (e) below)	-	73.90	1.62	5.10	20.14	100.76	-	100.76
Add: Additions during the period	3.02	123.98	17.30	0.42	10.20	154.92	28.63	183.55
Less: Disposals during the period	-	2.27	-	1.34	0.26	3.87	-	3.87
Add: Exchange differences on translation of foreign operations	0.05	0.53	1.11	-	0.32	2.01	0.11	2.12
Balance as at 31 March 2018	3.07	196.14	20.03	4.18	30.40	253.82	28.74	282.56
Accumulated depreciation and amortisation:								
Balance as at 9 March 2017	-	-	-	-	-	-	-	-
Add: Acquisitions pursuant to the scheme of arrangement / acquisition of subsidiary (refer note 1 and note (e) below)	-	13.76	0.06	1.15	7.44	22.41	-	22.41
Add: Depreciation for the period	0.25	21.26	1.45	0.54	7.02	30.52	-	30.52
Less: Disposals during the period	-	0.69	-	0.39	0.24	1.32	-	1.32
Add: Exchange differences on translation of foreign operations	0.01	0.01	(0.01)	0.00	0.05	0.06	-	0.06
Balance as at 31 March 2018	0.26	34.34	1.50	1.30	14.27	51.67	-	51.67
Carrying amounts (net)								
At 9 March 2017	-	-	-	-	-	-	-	-
At 31 March 2018	2.81	161.80	18.53	2.88	16.13	202.15	28.74	230.89

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

2 Property, plant and equipment and capital work-in-progress (Continued)

Notes:

- Borrowing cost capitalised Rs Nil for the period ended 31 December 2018 (31 December 2017: Rs Nil; 31 March 2018: Rs Nil).
- Impairment loss recognised Rs Nil for the period ended 31 December 2018 (31 December 2017: Rs Nil; 31 March 2018: Rs Nil)
- Adjustments includes the exchange fluctuation of Rs 6.10 million for the period ended 31 December 2018 (31 December 2017: Rs 1.13 million; 31 March 2018: Rs 2.12 million) on gross block and Rs 0.28 million for the period ended 31 December 2018 (31 December 2017: Rs 0.04 million; 31 March 2018: Rs 0.06 million) on accumulated depreciation / amortisation due to translation of property, plant and equipment and capital work-in-progress of all foreign operations at closing exchange rate.
- Movable fixed assets with carrying amount of Rs Nil for the period ended 31 December 2018 (31 December 2017: Rs 89.48 million; 31 March 2018: Rs 92.33 million) are subject to first charge to secured bank loans obtained by a fellow subsidiary of the Company.
- For the period ended 31 March 2018, Acquisitions pursuant to the scheme of arrangement / acquisition of subsidiary includes following property, plant and equipment acquired due to acquisition of controlling interest in a subsidiary company:

Particulars	Plant and equipment	Furniture and fixtures	Computer hardware	Total
Gross carrying amount	0.11	1.37	0.87	2.35
Less: Accumulated depreciation and amortisation	0.07	0.02	0.02	0.11
Balance	0.04	1.35	0.85	2.24

f) Transferred to direct project costs

	31 December 2018	31 December 2017	31 March 2018
Depreciation on property, plant and equipment	53.06	19.68	30.52
Amortisation on intangible assets	2.72	1.99	2.68
	55.78	21.67	33.20
Less: Transferred to direct project costs	-	-	1.52
Depreciation and amortisation expense as per the Restated Consolidated Summary Statement of Profit and Loss	55.78	21.67	31.68

Sterling and Wilson Solar Private Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian Rupees in million)

3 Business Combination

A Acquisition of GCO Electrical Proprietary Limited

On 31 December 2018, the Group acquired 76% ownership interest in a subsidiary registered in Australia. Acquisition of the subsidiary is accounted for using the acquisition method of accounting. As at 31 December 2018, the Group is in the process of performing purchase price allocation exercise, applying the exemption under the standards which gives the Group 12 months from the acquisition date to complete the exercise and record the resulting adjustments. Therefore as at 31 December 2018, the Group has accounted for the acquisition based on provisional amount resulting to provisional goodwill. The estimated fair values of the acquired assets and liabilities are not finalized and therefore remain preliminary in all respects.

Management of the Group is in the process of determining fair value of intangibles acquired and accordingly, suitable adjustment if any will be made in the amount of goodwill determined as on 31 December 2018.

GCO Electrical Proprietary Limited is in the business of EPC contracting in Australia. This acquisition will help the Group to expand its presence in Australia.

(a) Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

	Amount
Liability to acquire stake (refer note 24)	48.30
Total consideration	48.30

The purchase consideration shall be payable on the respective dates as follows:

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

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

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

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

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

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

(b) Acquisition-related costs

The Company incurred acquisition related cost: Rs 8.88 million

(c) Identifiable assets acquired and liabilities assumed and Goodwill

The following table summarises the acquisition date provisional fair value of assets acquired, fair value of the consideration transferred, share of NCI and goodwill:

Description	Amounts
Property, plant and Equipment	25.48
Inventories	13.81
Trade receivables	41.34
Cash and cash equivalents	6.42
Trade payables	(56.58)
Other financial liabilities	(12.61)
Total identifiable net assets acquired	17.86
Share of NCI in total net assets	4.29
Purchase Consideration	48.30
Goodwill	34.73

The gross contractual amounts and the fair value of trade receivables acquired is Rs 41.34 million. None of the trade receivables are credit impaired and it is expected that the full contractual amounts will be recoverable. Goodwill on acquisition was Rs 34.73 million and it is not expected to be deductible for tax purpose.

From the date of acquisition, GCO Electrical Proprietary Limited contributed Rs Nil of revenue and Rs Nil of profit to the Group. If the acquisition had taken place at the beginning of the period, the Group's revenue and profit would have been Rs 59,668.00 millions and Rs. 3,257.15 millions respectively.

Sterling and Wilson Solar Private Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian Rupees in million)

3 Business Combination (Continued)

B Acquisition of Sterling and Wilson International LLP- Kazakhstan (formerly known as A&S Company LLP)

- (a) On 22 June 2018, the Group acquired 100% ownership interest in Sterling and Wilson International LLP in Kazakhstan for a total consideration of INR 4.16 million. As at 31 December 2018, the Group is in the process of performing purchase price allocation exercise, applying the exemption under the standards which gives the Group 12 months from the acquisition date to complete the exercise and record the resulting adjustments. The management of the Group has provisionally allocated the excess of purchase consideration over the net identifiable assets acquired to the expected synergies arising from a construction license held by A&S Company LLP. The estimated fair values of the acquired assets and liabilities are not finalized and therefore remain preliminary in all respects.

The provisionally determined fair values of the assets and liabilities of Sterling and Wilson International LLP as at the date of acquisition are as follows:

Description	Amounts
Other receivables	0.07
Net identifiable assets acquired	0.07
Purchase consideration paid in cash	4.16
Provisional Intangible asset (Construction license) arising on acquisition	4.09

From the date of acquisition, Sterling and Wilson International LLP contributed Rs Nil of revenue and Rs Nil of profit to the Group. If the acquisition had taken place at the beginning of the period, the Group's revenue and profit will remain unchanged as the Sterling and Wilson International LLP did not have any operations during the period.

(b) Acquisition-related costs

The Company incurred acquisition related cost: Rs 0.31 million

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

4 Other intangible assets

Reconciliation of carrying amount for the nine months period ended 31 December 2018

Particulars	Computer software	Construction License	Total
Gross carrying amount :			
Balance as at 1 April 2018	15.70	-	15.70
Add: Additions during the period	3.64	-	3.64
Add: Acquisition of a subsidiary (refer note 3)	-	4.09	4.09
Balance as at 31 December 2018	19.34	4.09	23.43
Accumulated amortisation and impairment losses:			
Balance as at 1 April 2018	5.34	-	5.34
Add: Depreciation for the period	2.72	-	2.72
Balance as at 31 December 2018	8.06	-	8.06
Carrying amounts (net)			
At 1 April 2018	10.36	-	10.36
At 31 December 2018	11.28	4.09	15.37

Reconciliation of carrying amount for the nine months period ended 31 December 2017

Particulars	Computer software	Construction License	Total
Gross carrying amount :			
Balance as at 1 April 2017	11.45	-	11.45
Add: Additions during the period	3.12	-	3.12
Balance as at 31 December 2017	14.57	-	14.57
Accumulated amortisation and impairment losses:			
Balance as at 1 April 2017	2.66	-	2.66
Add: Depreciation for the period	1.99	-	1.99
Balance as at 31 December 2017	4.65	-	4.65
Carrying amounts (net):			
At 1 April 2017	8.79	-	8.79
At 31 December 2017	9.92	-	9.92

Reconciliation of carrying amount for the period beginning 9 March 2017 to 31 March 2018

Particulars	Computer software	Construction License	Total
Gross carrying amount :			
Balance as at 9 March 2017	-	-	-
Add: Acquisitions pursuant to the scheme of arrangement (refer note 1)	11.45	-	11.45
Add: Additions during the period	4.25	-	4.25
Balance as at 31 March 2018	15.70	-	15.70
Accumulated amortisation and impairment losses:			
Balance as at 9 March 2017	-	-	-
Add: Acquisitions pursuant to the scheme of arrangement (refer note 1)	2.66	-	2.66
Add: Depreciation for the period	2.68	-	2.68
Balance as at 31 March 2018	5.34	-	5.34
Carrying amounts (net)			
At 9 March 2017	-	-	-
At 31 March 2018	10.36	-	10.36

Notes:

- Borrowing cost capitalised Rs Nil for the period ended 31 December 2018 (31 December 2017: Rs Nil; 31 March 2018: Rs Nil).
- Impairment loss recognised Rs Nil for the period ended 31 December 2018 (31 December 2017: Nil; 31 March 2018: Rs Nil)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

Particulars	31 December 2018	31 December 2017	31 March 2018
5 Deferred tax assets (net)			
<i>Deferred tax assets</i>			
Carry forward business losses	-	19.65	12.18
Employee benefits	96.01	42.15	50.15
Provision for bad and doubtful debts	24.66	2.42	7.19
Provision for mark to market losses on derivative instruments	-	66.85	35.54
Provision for onerous contract	-	5.02	5.02
Fair value of financial assets	-	-	2.17
Provision for anticipated loss and liquidated damages	128.58	-	-
Amortisation of expenses on demerger	0.39	-	0.52
Others	5.19	0.01	3.47
	254.83	136.10	116.24
<i>Deferred tax liabilities</i>			
Excess of depreciation as per book depreciation over Income tax Act, 1961	(1.64)	(3.24)	(3.44)
Mark to market gain on derivative instruments	(0.76)	-	-
Fair valuation of financial liabilities	-	-	(2.57)
Others	(0.31)	(8.62)	-
	(2.71)	(11.86)	(6.01)
Deferred tax assets (net)	252.12	124.24	110.23
In addition to above, the subsidiary of the Company, Sterling Wilson - SPCPL - Chint Moroccan Venture and the subsidiaries of Sterling and Wilson International Solar FZCO, UAE, in Singapore and Kazakhstan are subject to income tax in accordance with the countries' respective income tax laws. Even though some of the subsidiaries had incurred losses in the previous periods, the management had decided not to consider the potential deferred tax assets arising from carry forward tax losses of the aforementioned entities in absence of convincing evidence that future profitability will be consistently demonstrated.			
6 Non-current tax assets (net)			
Advance tax {net of provision for tax Rs Nil (31 December 2017: Rs Nil; 31 March 2018: Rs Nil)}	-	-	10.21
	-	-	10.21
7 Other non-current assets			
<i>(Unsecured, considered good)</i>			
<i>To parties other than related parties</i>			
Prepayments	2.26	2.72	2.61
Balance with government authorities	14.79	53.39	51.34
	17.05	56.11	53.95
8 Inventories			
<i>(valued at lower of cost or net realisable value unless otherwise stated)</i>			
Stock-in-trade	14.81	36.83	24.05
Construction materials, stores and spare parts	127.06	0.28	161.51
	141.87	37.11	185.56
Carrying amount of inventories (included above) pledged	-	37.11	185.56
The write-down/ (reversal of write down) of inventories to net realisable value during the period	(4.40)	4.40	4.40
Carrying amount of inventory in transit	-	-	-

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

Particulars	31 December 2018	31 December 2017	31 March 2018
9 Current investments			
Investment in government securities (unquoted)			
(Measured at amortised cost)			
Treasury bills	1.69	2.91	1.59
	1.69	2.91	1.59
The aggregate book value of unquoted current investments are as follows:			
Aggregate book value of unquoted current investments	1.69	2.91	1.59
Aggregate amount of impairment in value of current investments	-	-	-
10 Trade receivables			
(Unsecured)			
Trade receivables			
- Considered good (refer note 56)	14,068.17	12,687.55	18,214.70
- Significant increase in credit risk	-	-	-
- Credit impaired	60.50	15.51	20.50
	14,128.67	12,703.06	18,235.20
Less: Loss allowance*	(60.50)	(15.51)	(20.50)
	14,068.17	12,687.55	18,214.70
Of the above, trade receivables from related parties are as below:			
Total trade receivables from related parties	4,896.84	676.07	1,791.43
Loss allowances	-	-	-
* 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 Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 48.			
As at 31 December 2018, trade receivables includes retention of Rs Nil (31 December 2017: Rs Nil; 31 March 2018: Rs Nil) relating to construction contracts in progress.			
Dues from firms or private companies in which any director is a partner or a director or member:			
Shapoorji Pallonji Infrastructure Capital Company Private Limited	2,429.29	654.80	1,596.36
Shapoorji Pallonji and Company Private Limited	464.90	2.38	2.38
Sterling and Wilson Private Limited	43.84	-	-
Sterling and Wilson Powergen Private Limited	11.14	-	-
Afcons Infrastructure Limited	-	-	169.88
	2,949.17	657.18	1,768.62
11A Cash and cash equivalents			
Balance with banks			
- In current accounts	2,288.63	343.98	951.76
Cash on hand	12.52	7.94	2.90
	2,301.15	351.92	954.66

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

Particulars	31 December 2018	31 December 2017	31 March 2018
11B Bank balances other than cash and cash equivalents			
Balances with banks			
- in current accounts*	0.80	2.27	2.87
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)**	265.38	-	83.80
	266.18	2.27	86.67

* Current account balances with banks include Rs 0.80 million (31 December 2017: Rs 2.27 million; 31 March 2018: Rs 2.87 million) held at a foreign branch at Philippines which are not freely remissible to the Group because of exchange restrictions.

** the balance in deposit accounts is under lien against the bank guarantees / performance guarantees issued by the Group in favour of various customers.

12 Loans

(Unsecured, considered good)

To related parties

Loans given to fellow subsidiaries	17,149.59	-	-
To parties other than related parties			
Security deposits	228.01	45.18	88.33
Loan to employees	56.45	23.09	5.30
	17,434.05	68.27	93.63

Dues from firms or private companies in which any director is a partner or a director or member:

Loans given to fellow subsidiaries*

Sterling and Wilson Powergen Private Limited	130.00	-	-
Sterling and Wilson Private Limited	10,772.20	-	-
Sterling and Wilson International FZE	6,247.39	-	-
	17,149.59	-	-

*Loans given to fellow subsidiaries are unsecured, repayable on demand and carry interest ranging from 9.90% to 13.50% for loans given by Indian entities and 7% for loans given by the overseas entities.

13 Derivatives

Foreign currency forward exchange contract assets	2.18	-	-
	2.18	-	-

14 Other financial assets

(Unsecured, considered good)

From related parties			
Interest accrued on loan to fellow subsidiaries	1,018.92	-	-
Interest accrued on receivables from fellow subsidiary	221.10	-	-
Other receivables	7.53	10,240.54	10,298.76
From parties other than related parties			
Interest accrued on fixed deposits	1.08	-	-
Other receivables (refer note 56)	665.25	35.49	-
	1,913.88	10,276.03	10,298.76

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

Particulars	31 December 2018	31 December 2017	31 March 2018
14 Other financial assets (Continued)			
Dues from firms or private companies in which any director is a partner or a director or member:			
<i>Interest accrued on loan to fellow subsidiaries</i>			
Sterling and Wilson International FZE	511.32	-	-
Sterling and Wilson Private Limited	500.58	-	-
Sterling and Wilson Powergen Private Limited	7.02	-	-
	1,018.92	-	-
<i>Interest accrued on receivables from fellow subsidiaries</i>			
Shapoorji Pallonji Infrastructure Capital Company Private Limited	221.10	-	-
	221.10	-	-
<i>Other receivables</i>			
Sterling and Wilson Private Limited	0.69	9,171.91	3,278.14
Sterling and Wilson International FZE	-	1,062.51	7,020.62
Sterling & Wilson Powergen FZE	6.68	6.13	-
Sashwat Energy Private Limited	0.16	-	-
	7.53	10,240.54	10,298.76
15 Current tax assets (net)			
Advance tax {net of provision for tax Rs Nil (31 December 2017: Nil; 31 March 2018:Nil)}	8.17	8.39	9.00
	8.17	8.39	9.00
16 Other current assets (Unsecured, considered good)			
<i>From related parties</i>			
Unbilled receivables	210.52	110.49	15.31
<i>From parties other than related parties</i>			
Advances for supply of goods	2,540.76	455.42	5,057.86
Advance for projects	-	32.92	33.56
Other recoverables	5.07	1.56	0.85
Balance with government authorities	2,356.17	231.91	440.38
Prepayments	139.52	17.51	61.20
Advances to employees	2.76	0.60	-
Unbilled receivables	5,900.40	11,028.34	13,334.44
	11,155.20	11,878.75	18,943.60
Dues from firms or private companies in which any director is a partner or a director or member			
<i>Unbilled receivables</i>			
Shapoorji Pallonji and Company Private Limited	0.29	-	15.31
Shapoorji Pallonji Infrastructure Capital Co Private Limited	164.48	101.91	-
Sterling and Wilson Private Limited	45.75	-	-
Afcons Infrastructure Limited	-	8.58	-
	210.52	110.49	15.31

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

17 Share capital

a. Details of authorised, issued, subscribed and fully paid up share capital are as follows:

Particulars	31 December 2018		31 December 2017		31 March 2018	
	Number	Amount	Number	Amount	Number	Amount
Authorised Capital						
Equity Shares of Rs 10 each	18,000,000	180.00	18,000,000	180.00	18,000,000	180.00
Issued, Subscribed and fully Paid up						
Equity Shares of Rs 10 each fully paid up	16,036,000	160.36	16,036,000	160.36	16,036,000	160.36
	16,036,000	160.36	16,036,000	160.36	16,036,000	160.36

b. Rights, preferences, restrictions attached to equity shares:

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

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

c. Reconciliation of number of shares at the beginning and at the end of the period:

Particulars	31 December 2018		31 December 2017		31 March 2018	
	Number	Amount	Number	Amount	Number	Amount
Balance as at beginning of the period	16,036,000	160.36	16,036,000	160.36	-	-
Add: Issued during the period	-	-	-	-	3,588	0.04
Add: Issued during the period pursuant to scheme of arrangement (refer note 1)	-	-	-	-	16,036,000	160.36
Less: Cancelled pursuant to scheme of arrangement (refer note 1)	-	-	-	-	3,588	0.04
Balance as at the end of the period	16,036,000	160.36	16,036,000	160.36	16,036,000	160.36

d. Shares held by holding company

	31 December 2018		31 December 2017		31 March 2018	
	Number	Amount	Number	Amount	Number	Amount
Equity shares						
Shapoorji Pallonji and Company Private Limited, the holding company	10,546,667	105.47	10,546,667	105.47	10,546,667	105.47

e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	31 December 2018		31 December 2017		31 March 2018	
	Number	Amount	Number	Amount	No. of shares	Percentage
Equity shares						
Shapoorji Pallonji and Company Private Limited, the holding company	10,546,667	65.77%	10,546,667	65.77%	10,546,667	65.77%
Khurshed Daruvala, Director	5,345,293	33.33%	5,345,293	33.33%	5,345,293	33.33%

f. Equity Shares allotted as fully paid-up without payment being received in cash

During the period ended 31 December 2018:

a) 16,036,000 (31 December 2017: 16,036,000; 31 March 2018: 16,036,000) shares were issued without payment being received in cash pursuant to the scheme of arrangement (refer note 1).

b) Nil (31 December 2017: 3,558; 31 March 2018: 3,558) shares were issued without payment being received in cash on conversion of loan to equity.

g. Share Split

On 28 December 2018, the Board of Directors of the Company approved a split of the Company's equity shares in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs 10 per share to Re 1 per share. This stock split became effective on the date of intimation to Registrar of Companies ('RoC') i.e. 23 January 2019.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

Particulars	31 December 2018	31 December 2017	31 March 2018
18 Other equity			
Capital reserve on demerger (i)	(1,817.37)	(1,817.37)	(1,817.37)
Capital reserve (ii)	(16.50)	(16.50)	(16.50)
Foreign currency translation reserve (iii)	(31.51)	13.06	(35.18)
Legal reserve (iv)	2.65	2.65	2.65
Effective portion of cash flow hedge (v)	-	-	-
Retained earnings (vi)	7,102.08	904.20	3,671.95
	5,239.35	(913.96)	1,805.55
(i) Capital reserve on demerger			
Balance at the beginning of the period	(1,817.37)	(1,817.37)	-
Add : Acquired pursuant to scheme of arrangement (refer note 1)	-	-	(1,817.37)
Balance at the end of the period	(1,817.37)	(1,817.37)	(1,817.37)
(ii) Capital reserve			
Balance at the beginning of the period	(16.50)	(16.50)	-
Add : Acquired pursuant to scheme of arrangement (refer note 1)	-	-	(16.50)
Balance at the end of the period	(16.50)	(16.50)	(16.50)
(iii) Foreign currency translation reserve			
Balance at the beginning of the period	(35.19)	(22.82)	-
Add : Acquired pursuant to scheme of arrangement (refer note 1)	-	-	(22.82)
Add: Exchange difference on translation of foreign operations arisen during the period	3.68	35.88	(12.36)
Balance at the end of the period	(31.51)	13.06	(35.18)
(iv) Legal reserve			
Balance at the beginning of the period	2.65	2.65	-
Add : Acquired pursuant to scheme of arrangement (refer note 1)	-	-	2.65
Balance at the end of the period	2.65	2.65	2.65
(v) Effective portion of cash flow hedge			
Balance at the beginning of the period	-	(33.12)	-
Add : Acquired pursuant to scheme of arrangement (refer note 1)	-	-	(33.12)
Less: Effective portion of gain on hedging instruments in cash flow hedges reclassified to profit or loss	-	33.12	33.12
Balance at the end of the period	-	-	-
(vi) Retained earnings			
Balance at the beginning of the period	3,671.95	(848.21)	-
Acquired Pursuant to Scheme of Arrangement (refer note 1)	-	-	(848.21)
Profit for the period	3,431.00	1,760.71	4,521.76
Remeasurements of defined benefit liability, net of tax	(0.87)	(8.30)	(1.60)
Balance at the end of the period	7,102.08	904.20	3,671.95
Total other equity	5,239.35	(913.96)	1,805.55

Nature and purpose of reserves

- (i) **Capital reserve on demerger**
The Company's capital reserve on demerger is on account of the difference between the net assets and liabilities taken over relating to the S-EPC business pursuant to the scheme of arrangement. (refer note 1)
- (ii) **Capital reserve**
Capital Reserve is mainly on account of acquisition of ownership interests in Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen L.L.C.), registered in UAE.

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(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

18 Other equity (Continued)

(iii) Foreign currency translation reserve

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

(iv) Legal Reserve

Legal reserve is created out of net profits of subsidiary company, in accordance with article 255 of the Federal Law No 8 of 1984 and its amendments relating to Commercial Companies Law of United Arab Emirates.

10% of net income for the period is to be transferred to legal reserve. Further, in accordance with the provisions of the said laws, the subsidiary companies have resolved to discontinue such annual transfers since the balance in the reserve account is 50% of the share capital. The reserve is not available for distribution except in circumstances as stipulated in the said laws.

(v) Effective portion of cash flow hedge

The Company has designated its hedging instruments obtained after 1 April 2016 as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Restated Consolidated Summary Statement of Profit and Loss .

(vi) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to owners of the Group.

Particulars	31 December 2018	31 December 2017	31 March 2018
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19 Non-current borrowings

Preference shares (Unsecured)
(Measured at amortised cost)

510 7%, Non-convertible, non-cumulative preference shares of 100 baht each, 25 baht paid-up (refer note below)	0.02	0.02	0.02
	0.02	0.02	0.02

7%, Non-convertible, Non-cumulative Preference shares of 100 baht each, 25 baht paid-up, were issued by Sterling and Wilson (Thailand) Limited, a subsidiary of the Company. Preference shares carry a preferential right as to dividend over equity shareholders These preference shares are entitled to one vote per thirty shares at every general meeting of the subsidiary. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

20 Long-term provisions

Provision for employee benefits (refer note 42):

Gratuity	58.31	46.80	54.67
Terminal benefits	50.09	0.10	1.07
	108.40	46.90	55.74

21 Current borrowings

Secured loans

Buyers credit (refer note (a) and (b) below)	-	216.47	665.24
Trust receipt (refer note (c) below)	2,075.81	-	1,176.11

Unsecured loans

Working capital loan from banks (refer note (e) , (f), (g), (l), (m) and (n) below)	11,228.07	-	-
Working capital loan from others (refer note (d) and (h) below)	2,500.00	-	-
Commercial Papers (refer note (i) and (j) below)	2,500.00	-	-
Loan from others (refer note (k) below)	76.34	-	-
	18,380.22	216.47	1,841.35

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

21 Current borrowings (Continued)

Details of the security and repayment terms :

- (a) Pursuant to the Scheme of Arrangement, the Business of the Company was held in trust by Sterling and Wilson Private Limited (SWPL) with effect from 1 April 2017. As at 31 December 2017 and 31 March 2018, pending split of existing banking facilities, the above borrowings are within the combined limits sanctioned to the Company and SWPL.
- (b) Buyers credit facility is secured by hypothecation of book debts and stock, ranking pari passu, carrying an interest ranging 1.40% to 1.80% i.e. Euribor plus 60 basis points to Euribor plus 135 basis points (in case of buyers' credit in Euros) and 1.47% to 1.60% i.e. Libor plus 26 basis points to Libor plus 165 basis points (in case of buyers' credit in USD) and repayable within a period of 180 days.
- (c) Trust receipts are availed from a commercial bank by a related party on behalf of the Group and carry an interest of 4.01% i.e. 1 month Libor plus 225 basis points (31 December 2017: Libor plus 225 basis points) and are secured by the corporate guarantee of SWPL. Trust receipts are repayable within a period of 180 days.
- (d) Unsecured working capital loan from HDFC Limited having carrying amount as at 31 December 2018 Rs 1,500 million (31 December 2017: Nil) carries a variable interest rate of CPLR plus 660 basis points. For the period the interest rate was 11.75% to 12.50%. The loan has been repaid in the month of March 2019.
- (e) Unsecured working capital loan from ICICI bank having carrying amount as at 31 December 2018 Rs 2,000 million (31 December 2017: Nil and 31 March 2018: Nil) carries a variable interest rate of MCLR (1 year) plus 60 basis points. For the period the interest rate was 9%. The loan is repayable in August 2019.
- (f) Unsecured working capital loan from HSBC bank having carrying amount as at 31 December 2018 Rs 2,500 million (31 December 2017: Nil and 31 March 2018: Nil) carries a variable interest rate of MCLR plus mutually agreed basis points. For the period the interest rate was 9.5%. The loan is repayable in May 2019.
- (g) Unsecured working capital loan from First Rand Bank having carrying amount as at 31 December 2018 Rs 250 million (31 December 2017: Nil and 31 March 2018: Nil) carries a variable interest rate mutually agreed on each draw down date. For the year the interest ranges between 9.80% to 10.10%. The loan has been repaid in the month of February 2019.
- (h) Unsecured working capital loan from L & T Finance Ltd having carrying amount as at 31 December 2018 Rs 1,000 million (31 December 2017: Nil and 31 March 2018: Nil) carries a fixed interest of 10%. The loan has been repaid in the month of March 2019.
- (i) Unsecured commercial paper from UTI having carrying amount as at 31 December 2018 Rs 2,000 million (31 December 2017: Nil and 31 March 2018: Nil) carries a fixed interest of 9.75%. The loan has been repaid in the month of February 2019.
- (j) Unsecured commercial paper from ICICI having carrying amount as at 31 December 2018 Rs 500 million (31 December 2017: Nil and 31 March 2018: Nil) carries a fixed interest of 9.25%. The loan has been repaid in the month of February 2019.
- (k) Unsecured loan from others having carrying amount as at 31 December 2018 Rs 76.34 million (USD 1.10 million) (31 December 2017: Nil and 31 March 2018: Nil) carries a fixed interest of 3.00%. The loan is repayable within a period of 365 days.
- (l) Unsecured working capital loan from SBI bank having carrying amount as at 31 December 2018 Rs 1,388.20 million (USD 19.99 million) (31 December 2017: Nil and 31 March 2018: Nil) carries a variable interest rate of LIBOR plus 2%. For the period the interest rate was 4.90%. The loan is repayable in December 2019.
- (m) Unsecured working capital loan from Axis bank having carrying amount as at 31 December 2018 Rs 2,313.42 million (USD 33.32 million) (31 December 2017: Nil and 31 March 2018: Nil) carries a variable interest rate of 3-month LIBOR plus 125 basis points. For the period the interest rate was 4.90%. The loan is repayable in two tranches- 40% of carrying amount as at 31 December 2018 in July 2019 and 60% of carrying value as at 31 December 2018 in August 2019.
- (n) Unsecured working capital loan from Deutsche bank having carrying amount as at 31 December 2018 Rs 2,776.45 million (USD 39.98 million) (31 December 2017: Nil and 31 March 2018: Nil) carries a variable interest rate of LIBOR plus 3.5%. For the period the interest rate was 4.89%. The loan is repayable within a period of 180 days.

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

	31 December 2018	31 December 2017	31 March 2018
22 Trade payables			
Total outstanding dues of micro enterprises and small enterprises	35.57	8.58	-
Total outstanding dues of creditors other than micro enterprises and small enterpri	15,550.43	22,730.51	34,373.63
Acceptances*	1,098.86	2,048.39	3,024.31
	16,684.86	24,787.48	37,397.94

*Acceptances are repayable within a period ranging between 90 to 180 days from the date of acceptance.

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 with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

Particulars	31 December 2018	31 December 2017	31 March 2018
The principal amount remaining unpaid to any supplier as at the end of each accounting year	35.57	8.58	Nil
Interest due thereon	0.75	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	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	Nil
The amount of interest accrued and remaining unpaid at the end of the each accounting year	0.75	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	Nil

	31 December 2018	31 December 2017	31 March 2018
23 Derivatives			
Foreign currency forward exchange contract liabilities	-	191.32	104.21
	-	191.32	104.21

	31 December 2018	31 December 2017	31 March 2018
24 Other financial liabilities			
<i>To related parties</i>			
Other payables	16.97	0.66	-
<i>To parties other than related parties</i>			
Interest accrued and due :			
- to micro enterprises and small enterprises (refer note 22)	0.75	-	-
- to others	12.80	8.49	19.60
Interest accrued and not due			
- to banks	1.21	-	1.30
- to others	43.67	-	-
Employee benefits payable	367.27	88.55	183.94
Other payables	10.09	-	-
Payable for acquisition of subsidiary (refer note 3)	48.30	-	-
	501.06	97.70	204.84

	31 December 2018	31 December 2017	31 March 2018
25 Other current liabilities			
<i>To related parties</i>			
Advances from customers	120.19	331.20	260.61
<i>To parties other than related parties</i>			
Advances from customers	5,542.70	10,097.83	6,673.05
Statutory liabilities			
- TDS payable	47.94	45.68	3.59
- Provident fund payable	9.07	8.44	17.77
- Profession tax payable	0.40	-	0.07
- Employees State Insurance payable	0.56	1.50	0.04
- Value added tax payable	20.18	9.87	70.46
	5,741.04	10,494.52	7,025.59

Sterling and Wilson Solar Limited

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

	31 December 2018	31 December 2017	31 March 2018
26 Short-term provisions			
Provision for employee benefits (refer note 42):			
- Gratuity	1.77	1.05	1.25
- Compensated absences	122.41	80.14	88.92
Other provisions:			
- Provision for product warranty	187.72	368.94	298.00
- Provision for liquidated damages	321.75	-	149.30
- Provision for foreseeable losses/ onerous contracts	111.04	14.50	14.50
	744.69	464.63	551.97

Provision for liquidated damages:

Liquidated damages are contractual obligations affecting the contract revenue in case of the construction contracts arising as a result of penalties arising from delays caused in the completion of a contract. For contracts delayed beyond the stipulated contract completion periods, management has estimated the liability that could arise on these contracts.

Provision for product warranty:

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

Provision for foreseeable loss/ onerous contracts:

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

Particulars	Liquidated damages	Product warranty	Onerous contracts/ Foreseeable Loss
As at 1 April 2018	149.30	298.00	14.50
Additions during the period	319.93	-	111.04
Utilisation/ Write back during the period	(147.48)	(110.28)	(14.50)
As at 31 December 2018	321.75	187.72	111.04
As at 1 April 2017	-	324.01	-
Additions during the period	-	44.93	14.50
Utilisation/ Write back during the period	-	-	-
As at 31 December 2017	-	368.94	14.50
As at 9 March 2017	-	-	-
Acquired pursuant to scheme of arrangement (refer note 1)	-	324.01	-
Additions during the period	149.30	44.93	14.50
Utilisation/ Write back during the period	-	(70.94)	-
As at 31 March 2018	149.30	298.00	14.50

27 Current tax liabilities (net)

Provision for current tax (net of advance tax 31 December 2018: Rs 645.12 million; 31 December 2017: Rs 250.00 million; 31 March 2018: Rs 766.75 million)	331.66	193.29	83.39
	331.66	193.29	83.39

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
28 Revenue from operations			
Sale of services			
Income from works contracts	56,563.39	31,997.25	68,272.43
Revenue from operation and maintenance services	590.58	325.28	437.49
Sale of products			
Sale of traded goods	1,982.30	-	-
Other operating income			
Sale of scrap	13.16	-	2.46
Export incentive	-	2.28	3.65
Others	2.01	-	1.05
	59,151.44	32,324.81	68,717.08
29 Other income			
Interest income under the effective interest method on:			
- deposits with banks	11.41	3.71	5.17
- financial assets	-	81.38	104.66
- loan to fellow subsidiaries	1,020.02	-	-
- loan to employees	0.69	0.36	0.51
- deferred payment terms	5.05	2.91	4.16
- receivables from fellow subsidiaries	221.10	-	-
Insurance claim received	-	-	1.56
Provision no longer required written back	14.50	-	9.30
Profit on sale of property, plant and equipments (net)	-	-	0.43
Supplier balances written back	12.55	-	-
Mark-to-market gains on derivative instruments (net)	106.40	-	-
Foreign exchange gain (net)	250.97	-	-
Liquidated damages recovered	16.00	-	-
Miscellaneous income	7.47	1.33	1.33
	1,666.16	89.69	127.12
30 Cost of construction materials, stores and spare parts			
Inventory of materials at the beginning of the period	161.51	6.22	-
Add: Inventory of materials acquired pursuant to scheme of arrangement (refer note 1)	-	-	6.22
Add: Purchases during the period	44,454.73	23,664.61	53,889.78
Inventory of materials at the end of the period	127.06	0.28	161.51
	44,489.18	23,670.55	53,734.49
31 Purchase of traded goods			
Cost of traded goods purchased during the period	1,785.39	-	-
	1,785.39	-	-

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
32 Changes in inventories of stock-in-trade			
Inventory of stock-in-trade at the beginning of the period	24.05	143.02	-
Inventory of stock-in-trade acquired pursuant to scheme of arrangement (refer note 1)	-	-	143.02
Inventory of stock-in-trade at the end of the period	14.81	36.83	24.05
Decrease in inventory	9.24	106.19	118.97
33 Direct project costs			
Communication expenses	11.99	5.55	15.19
Stores and spare parts consumed	166.11	23.74	52.86
Commission expenses	2.67	114.26	114.32
Legal and professional fees	201.56	45.29	181.91
Printing and stationery expenses	5.17	1.75	7.73
Insurance costs	89.57	58.80	29.56
Repairs and maintenance - others	73.29	45.36	91.61
Selling and marketing expenses	0.50	0.91	2.06
Traveling and conveyance expenses	79.94	24.78	77.73
Rent (refer note 40)	56.21	40.15	66.12
Rates and taxes	70.35	2.51	12.58
Electricity, power and fuel	55.35	17.34	36.82
Donation	-	0.03	0.04
Loans and advances written off	-	0.17	0.17
Bank charges	184.54	435.65	529.96
Provision for foreseeable losses (net)	111.04	-	-
Land development charges	1.07	23.63	179.28
Forward cover cancellation charges	-	0.03	27.54
Depreciation	-	-	1.52
Miscellaneous expenses	199.49	98.96	141.91
	1,308.85	938.91	1,568.91
Employee benefits expense			
Salaries, wages and bonus	666.12	308.78	510.10
Contributions to provident and other funds (refer note 42)	13.73	6.38	21.91
Staff welfare expenses	42.47	26.83	86.01
	722.32	341.99	618.02
Sub-contractor expenses	5,310.32	3,450.05	5,149.34
	7,341.49	4,730.95	7,336.27
34 Employee benefits expense			
Salaries, wages and bonus	1,098.81	557.20	824.82
Contributions to provident and other funds (refer note 42)	45.39	22.14	46.88
Compensated absences (refer note 42)	35.78	38.55	45.26
Gratuity and terminal benefits (refer note 42)	59.56	6.44	24.20
Staff welfare expenses	38.51	27.87	45.08
	1,278.05	652.20	986.24

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Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
35 Finance costs			
Interest expense			
- on secured loans	55.62	24.37	34.33
- on income tax	3.07	3.11	19.60
- on retention payable	-	45.35	66.81
- on unsecured loans	243.47	10.20	-
- on others	123.68	8.04	0.16
Bill discounting charges	-	8.45	63.17
Other borrowing costs	104.47	-	2.10
	530.31	99.52	186.17
36 Depreciation and amortisation expense			
Depreciation of property, plant and equipment	53.06	19.68	30.52
Less : Transferred to direct project cost	-	-	(1.52)
Amortisation of intangible assets	2.72	1.99	2.68
	55.78	21.67	31.68
37 Other expenses			
Communication expenses	31.58	26.04	38.02
Stores and spare parts consumed	2.82	9.25	11.40
Commission expenses	-	-	2.14
Legal and professional fees	335.44	181.10	240.29
Printing and stationery expenses	9.89	4.13	9.79
Insurance costs	68.52	25.00	39.60
Repairs and maintenance - others	38.00	26.48	36.77
Selling and marketing expenses	10.67	12.37	17.88
Traveling and conveyance expenses	200.93	103.86	190.73
Rent (refer note 40)	95.18	57.28	106.05
Rates and taxes	9.36	19.61	29.32
Electricity, power and fuel	8.86	8.30	11.23
Payment to auditors (refer note (a) below)	3.09	2.84	3.70
Foreign exchange loss (net)	2.66	306.87	149.40
Donation	0.80	9.48	10.28
Management support fees	82.70	45.00	60.00
Bank charges	99.33	27.83	41.99
Corporate social responsibility expenses (refer note 44)	-	-	1.70
Loans and advances written off	-	0.46	2.37
Bad debts written off	22.06	-	29.02
Provision for bad and doubtful debts	40.00	8.51	13.50
Land development charges	0.03	1.26	5.66
Provision for onerous contracts	-	14.50	14.50
Mark-to-market losses on derivative instruments (net)	-	133.96	57.60
Miscellaneous expenses	83.84	12.45	40.66
	1,145.76	1,036.58	1,163.60
Note (a)			
Payment to auditors			
As auditor			
Statutory audit	1.95	2.69	3.25
In other capacity			
Tax audit	0.15	0.15	0.20
Certification services	0.99	-	0.03
Other services	-	-	0.22
	3.09	2.84	3.70

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

38 Income taxes

(a) Amounts recognised in Restated Consolidated Summary Statement of Profit and Loss

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Current tax expense			
Current period	861.61	443.29	850.14
Adjustment of tax relating to earlier periods	28.22	-	-
Deferred tax (credit)			
Origination and reversal of temporary differences	(141.73)	(80.07)	(68.71)
Tax expense for the period	748.10	363.22	781.43

(b) Amounts recognised in other comprehensive income

Particulars	31 December 2018		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(2.24)	1.37	(0.87)
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	4.87	-	4.87

Particulars	31 December 2017		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(12.75)	4.45	(8.30)
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	34.50	-	34.50
Effective portion of gains on hedging instruments in cash flow hedges	33.12	-	33.12

Particulars	31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement (losses) on post employment defined benefit plan	(2.46)	0.86	(1.60)
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	(14.54)	-	(14.54)
Effective portion of gains on hedging instruments in cash flow hedges	33.12	-	33.12

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

38 Income taxes (Continued)

(c) Reconciliation of effective tax rate

Particulars	For the nine months period ended	For the nine months period ended	For the period beginning
	31 December 2018	31 December 2017	9 March 2017 to 31 March 2018
Profit before tax	4,182.40	2,096.84	5,286.78
Tax using the Company's domestic tax rate at 34.944%	1,461.50	732.72	1,847.41
Tax effects of:			
Difference in tax rates	(16.87)	0.73	(0.74)
Tax relating to previous periods	28.22	-	-
Tax losses utilised on which deferred tax was not created earlier	(9.86)	-	-
Current period losses on which no deferred tax asset was recognised	152.66	132.06	82.24
Items on which deferred tax was not recognised in the previous period, now recognised	(69.83)	-	-
Effect of consolidation of profits of subsidiaries in tax free zone	(757.09)	(536.43)	(1,158.45)
Impact due to consolidation adjustments	34.06	32.30	-
Non-deductible expenses	(74.69)	1.84	10.97
Total tax expense	748.10	363.22	781.43

(d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Movement in deferred tax balances for the nine month period ended 31 December 2018

Particulars	Net asset / (liability)	Recognised in profit and loss	Recognised in OCI during	Other adjustments	Net asset / (liability)
	1 April 2018	during the period	the period		31 December 2018
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(3.44)	1.80	-	-	(1.64)
Carry forward tax losses	12.18	(11.36)	-	(0.82)	-
Provision for onerous contracts	5.02	(5.02)	-	-	-
Provision for bad and doubtful debts	7.19	17.47	-	(0.00)	24.66
Employee benefits	50.15	44.48	1.37	(0.00)	96.00
Provision for mark to market losses on derivative instruments	35.54	(36.31)	-	-	(0.77)
Fair valuation of financial assets	2.17	(2.17)	-	-	-
Amortisation of expenses on merger	0.52	(0.13)	-	-	0.39
Provision for anticipated losses and liquidated damages	-	128.58	-	-	128.58
Other adjustments	3.47	1.82	-	(0.39)	4.90
Fair valuation of financial liabilities	(2.57)	2.57	-	-	-
Deferred tax asset / (liability)	110.23	141.73	1.37	(1.21)	252.12

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

38 Income taxes (Continued)

(d) The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows: (Continued)

Movement in deferred tax balances for the nine month period ended 31 December 2017

Particulars	Net asset / (liability) 1 April 2017	Recognised in profit and loss during the period	Recognised in OCI during the period	Other adjustments	Net asset / (liability) 31 December 2017
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961	(4.37)	1.13	-	-	(3.24)
Carry forward tax losses	10.55	7.88	-	1.22	19.65
Provision for onerous contracts	-	5.02	-	-	5.02
Provision for bad and doubtful debts	2.42	0.02	-	0.00	2.42
Employee benefits	30.06	7.64	4.45	0.00	42.15
Provision for mark to market losses on derivative instruments	-	66.85	-	-	66.85
Fair valuation of financial assets	4.66	(4.66)	-	-	-
Fair valuation of financial liabilities	(4.74)	4.74	-	0.01	0.01
Amortisation of expenses on merger	-	-	-	-	-
Others	0.46	(8.55)	-	(0.53)	(8.62)
Deferred tax asset / (liability)	39.04	80.07	4.45	0.70	124.24

Movement in deferred tax balances for the period from 9 March 2017 to 31 March 2018

Particulars	Balance as at 9 March 2017	Acquired Pursuant to Scheme of Arrangement	Recognised in profit and loss during the period	Recognised in OCI during the period	Other adjustments	Net asset / (liability) 31 March 2018
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961	-	(4.37)	0.94	-	-	(3.44)
Carry forward tax losses	-	10.55	-	-	1.63	12.18
Provision for onerous contracts	-	-	5.02	-	-	5.02
Provision for bad and doubtful debts	-	2.42	4.77	-	-	7.19
Employee benefits	-	30.06	19.23	0.86	-	50.15
Provision for mark to market losses on derivative instruments	-	-	35.54	-	-	35.54
Fair valuation of financial assets	-	4.66	(2.49)	-	-	2.17
Fair valuation of financial liabilities	-	(4.74)	2.17	-	-	(2.57)
Amortisation of expenses on merger	-	-	0.52	-	-	0.52
Others	-	0.46	3.01	-	-	3.47
Deferred tax asset / (liability)	-	39.04	68.71	0.86	1.63	110.23

As at 31 March 2018, the Group has recognised deferred tax asset on unused tax losses of its subsidiary in South Africa to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of its subsidiary company. The subsidiary company has generated taxable income in subsequent periods. The business losses can be carried forward indefinitely as per current tax regulations.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

38 Income taxes (Continued)

(e) Unrecognised deferred tax assets

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

	31 December 2018		31 December 2017		31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward losses	762.20	(123.20)	164.89	(54.90)	233.17	(81.48)
Unabsorbed depreciation	-	-	-	-	2.07	(0.72)
Capital losses carried forward	5.54	(1.58)	-	-	-	-
Total	767.74	(124.78)	164.89	(54.90)	235.24	(82.20)

Unrecognised deferred tax liabilities

Deferred tax liabilities is not recognised amounting Rs 37.12 million for the period ended 31 December 2018 (31 December 2017: Rs 49.36 million; 31 March 2018: Rs 45.40 million) for temporary differences related to investments in subsidiaries to the extent that the Group 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.

As included in the table above, the subsidiary of the Company, Sterling Wilson - SPCPL - Chint Moroccan Venture and the subsidiaries of Sterling and Wilson International Solar FZCO, UAE, in Singapore and Kazakhstan are subject to income tax in accordance with the countries' respective income tax laws. Since the subsidiaries had incurred losses in the previous periods, the management had decided not to consider the potential deferred tax assets arising from carry forward tax losses of the aforementioned entities in absence of convincing evidence that future profitability will be consistently demonstrated.

(f) Tax losses carried forward

Particulars	Nine months period ended	Expiry date	Nine months period ended	Expiry date	Period beginning	Expiry date
	31 December 2018		31 December 2017		9 March 2017 to 31 March 2018	
Expire	400.48	2033-39	132.06	2025-26	233.17	2025-26
	<u>400.48</u>		<u>132.06</u>		<u>233.17</u>	
Never expire	367.26		32.83		2.07	

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

39 Earnings per share (EPS)

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period from 9 March 2017 to 31 March 2018
<i>Basic and diluted earnings per share</i>			
Numerator:			
Consolidated profit after tax attributable to equity shareholders (A)	3,431.00	1,760.71	4,521.76
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the period	16,036,000	16,036,000	-
Equity shares issued during the period	-	-	16,039,588
Equity shares cancelled during the period	-	-	(3,588)
Number of equity shares outstanding at the end of the period	16,036,000	16,036,000	16,036,000
Effect of share split (refer note 1)	144,324,000	144,324,000	144,324,000
Revised number of equity shares outstanding at the end of the period	160,360,000	160,360,000	160,360,000
Weighted average number of equity shares outstanding during the period (based on date of issue of shares and share split) (B)	160,360,000	160,360,000	150,854,318
Basic and diluted earnings per share (Rs) (A/B)	21.40	10.98	29.97
Face value per share (Re)	1.00	1.00	1.00

Notes:

- On 28 December 2018, the Board of Directors of the Company approved a split of the Company's equity shares in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs. 10 per share to Re.1 per share. This stock split became effective on 23 January 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.
- Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

40 Operating leases

The Group has taken office premises on cancellable and non-cancellable operating leases and has taken vehicles on cancellable operating leases. The future minimum lease payments in respect of office premises and vehicles is as follows:

Particulars	31 December 2018	31 December 2017	31 March 2018
Lease payments recognised in the Restated Consolidated Summary Statement of Profit and Loss			
- Cancellable	109.87	89.18	163.11
- Non-cancellable	41.52	8.25	9.06
Future minimum lease payments under non-cancellable operating leases			
Due not later than one year	52.40	18.27	10.69
Due later than one year but not later than five years	53.02	26.99	11.03
Later than five years	-	-	-
Minimum lease payment	105.42	45.26	21.72

41 Contingent Liabilities and Commitments

(to the extent not provided for)

A. Contingent Liabilities

Particulars	31 December 2018	31 December 2017	31 March 2018
Claims against the Group not acknowledged as debts	-	-	-
Letters of credit	-	-	1,759.78
Total	-	-	1,759.78

B. Capital and other commitments

Particulars	31 December 2018	31 December 2017	31 March 2018
Capital Commitment towards partner's capital contribution in Sterling Wilson - SPCPL - Chint Moroccan Venture	0.10	0.10	0.10
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance Rs Nil: 31 December 2017: Rs Nil, 31 March 2018: Rs 0.90 million)	-	-	0.90

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's management does not reasonably expect that these legal notices, when ultimately concluded and determined, will have a material and adverse effect on Group's results of operations or financial condition.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

42 Employee benefits

Defined contribution plan:

Contribution to Provident fund and Employees State Insurance Scheme aggregating to Rs 59.12 million (31 December 2017: Rs 28.52 million; 31 March 2018: Rs 68.79 million) is recognised as an expense and included in 'employee benefits expense' and 'direct project costs'.

Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

In accordance with Indian law, the Company and its subsidiaries in India has a defined benefit gratuity plan. Every employee in India who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn basic salary) for each completed year of service subject to maximum of Rs 2 million.

Terminal benefits (Defined benefit plan)

In respect of the overseas subsidiaries, the Group has made provision of Rs 50.09 million for the nine month period ended 31 December 2018, for employees' terminal benefits on the basis prescribed under the labour laws of respective countries in which the overseas subsidiaries operates and same is determined based on actuarial valuation basis. The overseas subsidiaries has made a provision for the period ended 31 December 2017 amounting to Rs 0.10 million and 31 March 2018 amounting to Rs 1.07 million, for employees' terminal benefits on the basis prescribed under the labour laws of the respective countries in which the overseas subsidiaries operates and the same is determined based on arithmetic calculation. Accordingly, the Group has disclosed information related to defined benefits for overseas subsidiaries in the table below.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement.

Change in the present value of the defined benefit obligation

i. Reconciliation of present value of defined benefit obligation

Particulars	31 December 2018	31 December 2017	31 March 2018
Defined benefit obligation at the beginning of the period	45.61	32.81	-
Acquired pursuant to scheme of arrangement (refer note 1)	-	-	32.81
Benefits paid	(1.41)	(4.66)	(3.10)
Current service cost	54.46	4.57	6.09
Past Service Cost- Vested Benefits	-	-	4.37
Interest cost	5.10	1.77	2.36
Liability transferred in / acquisitions	9.23	0.61	0.61
Liability transferred out	(4.95)	-	-
Impact of foreign exchange translation	(0.10)	-	-
Actuarial (gains) losses recognised in other comprehensive income			
- changes in financial assumptions	(0.90)	(3.82)	(4.62)
- experience adjustments	3.14	16.57	7.09
Balance at the end of the period	110.17	47.85	45.61
Reconciliation of net (assets)/liability recognised			
Provision for gratuity recognised as per actuarial valuation report	110.17	47.85	45.61
Add: Additional provision retained for employees transferred within the Group	-	-	10.31
Add: Additional provision on account of terminal benefits done under arithmetic calculation	-	0.10	1.07
Liability/ (assets) recognised in the Balance Sheet	110.17	47.95	56.99

ii. Amount recognised in the Consolidated Summary Statement of Profit and Loss under employee benefits expense

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
(i) Expense recognised in the Restated Consolidated Summary Statement of Profit and Loss			
Current service cost	56.88	4.57	10.46
Interest cost	2.68	1.77	2.36
	59.56	6.34	12.82
(ii) Reconciliation of net (assets)/liability recognised in the Consolidated Summary Statement of profit and loss			
Provision for gratuity recognised as per actuarial valuation report	59.56	6.34	12.82
Add: Additional provision retained for employees transferred within the Group	-	-	10.31
Add: Additional provision on account of terminal benefits done under arithmetic calculation	-	0.10	1.07
Liability/ (assets) recognised in the Restated Consolidated Summary Statement of Profit and Loss	59.56	6.44	24.20

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

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42 Employee benefits (Continued)

iii. Remeasurement recognised in other comprehensive income

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
(i) Expense recognised in the Restated Consolidated Summary Statement of other comprehensive income			
Actuarial gains / (losses) on obligation for the period	(2.24)	(12.75)	(2.46)
	(2.24)	(12.75)	(2.46)

iv. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Group's plan is shown below:

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Actuarial assumptions for the Company and its subsidiaries in India:			
Discount rate	7.74%	7.68%	7.83%
Salary escalation	7.00%	7.00%	7%
Employee Turnover			
0 - 5 years	14%	14%	14%
More than 5 years	2%	2%	2%
Mortality tables	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Weighted average duration of the projected benefit obligation	16 years	16 years	17 years

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Actuarial assumptions taken for overseas subsidiaries:			
Discount rate	5.00%	NA	NA
Salary escalation	2.50%	NA	NA
Employee Turnover			
20 - 30 years age	15.00%	NA	NA
31 - 49 years age	15.00%	NA	NA
Mortality tables			
20 years old	0.42%	NA	NA
25 years old	0.51%	NA	NA
30 years old	0.45%	NA	NA
Weighted average duration of the projected benefit obligation	16 years	NA	NA

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published Statistics and Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions.

v. Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	For the nine months period ended 31 December 2018		For the nine months period ended 31 December 2017		For the period beginning 9 March 2017 to 31 March 2018	
For the Company and its subsidiaries in India:						
Discount rate (100 basis point movement)	(52.04)	70.03	(41.05)	56.29	(6.17)	7.64
Salary escalation rate (100 basis point movement)	66.95	(53.84)	56.26	(40.96)	5.42	(5.13)
Employee turnover (100 basis point movement)	61.72	(58.10)	48.20	(47.39)	1.12	(1.36)

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

42 Employee benefits (Continued)

v. Sensitivity analysis (Continued)

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
For overseas subsidiaries:			
Discount rate (100 basis point movement)	(3.93)	4.58	-
Salary escalation rate (100 basis point movement)	2.52	(2.29)	-
Employee turnover (100 basis point movement)	2.77	(3.19)	-

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The Group's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable

vi. Maturity profile of defined benefit obligation

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Within next 12 months	7.72	1.05	1.25
Between 1 and 5 years	17.41	5.72	16.63
Above 5 years	282.74	208.70	194.63

Compensated absences:

Compensated absences for employee benefits of Rs 35.78 million for the period ended 31 December 2018 (31 December 2017: Rs 38.55 million; 31 March 2018: Rs 45.26 million) expected to be paid in exchange for the services is recognised as an expense during the period.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

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43 Loans and investments

The details of loans, guarantees and investments given by the Company and Indian subsidiaries under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Investments in government securities (unquoted)

Particulars	Period ended	Opening amount	Acquired pursuant to the scheme of arrangement	Investment/ (Redemption) during the period	Amount at the end of the period
Treasury bills	31 December 2018	1.59	-	0.10	1.69
Treasury bills	31 December 2017	3.30	-	(0.39)	2.91
Treasury bills	31 March 2018	-	3.30	(1.71)	1.59

B. Details of loans given by the Indian entities of the Group are as follows:

Particulars	Period ended	Opening amount	Converted to loan	Loan given during the period	Loan repaid during the period	Amount at the end of the period
Sterling and Wilson Powergen Private Limited (refer note 1 below)	31 December 2018	-	-	130.00	-	130.00
Sterling and Wilson Private Limited (refer note 2 below)	31 December 2018	-	3,278.14	10,087.15	(2,593.09)	10,772.20

Note 1: Sterling and Wilson Powergen Private Limited

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	10.50% to 12.00% p.a.

Note 2: Sterling and Wilson Private Limited

Purpose of utilization of loan given to the entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of Interest	9.90% to 13.50% p.a.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

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44 Corporate social responsibility expenses

The Company has constituted 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.

The funds utilised during the period on the activities are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards various activities.

The details set below are for the amount spent by the Company. None of the Indian subsidiaries qualify for CSR contribution, based on threshold prescribed in the Act.

Particulars	31 December 2018		
A. Gross amount required to be spent by the Company during the period			42.08
	In cash	Yet to be paid in cash	Total
B. Amount spent during the period ended 31 December 2018	Nil	Nil	Nil
C. Related party transactions in relation to Corporate Social Responsibility			Nil

Particulars	31 December 2017		
A. Gross amount required to be spent by the Company during the period			
	In cash	Yet to be paid in cash	Total
B. Amount spent during the period ended 31 December 2017	Nil	Nil	Nil
C. Related party transactions in relation to Corporate Social Responsibility			Nil

Particulars	31 March 2018		
A. Gross amount required to be spent by the Company during the period			Nil
B. Amount spent during the period beginning 9 March 2017 to 31 March 2018	In cash	Yet to be paid in cash	Total
i) Installation of solar panels at hospital in Mumbai	1.70	-	1.70
C. Related party transactions in relation to Corporate Social Responsibility			Nil

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

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

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

B) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Group's reportable segments is given in the note 46.

C) Reconciliation of contract assets and liabilities

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Contract assets*			
Unbilled receivables			
Contract assets at the beginning of the period	13,349.74	1,062.46	-
Add: Acquisitions pursuant to the scheme of arrangement (refer note 1)	-	-	1,062.46
Add: Addition during the period	49,915.15	42,398.90	80,997.21
Less: Revenue recognised during the period	(57,153.97)	(32,322.53)	(68,709.92)
Contract assets as at end of the period	6,110.92	11,138.83	13,349.75
Contract liabilities**			
Advance from customers			
Contract liabilities at the beginning of the period	6,933.65	1,809.76	-
Add: Acquisitions pursuant to the scheme of arrangement (refer note 1)	-	-	1,809.76
Add: Addition during the period	5,662.89	10,429.03	6,933.66
Less: Applied during the period	(6,933.65)	(1,809.76)	(1,809.76)
Contract liabilities as at end of the period	5,662.89	10,429.03	6,933.66

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

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

D) Reconciliation of revenue as per Ind AS 115

Particulars	For the nine months period ended 31 December 2018	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
Income from works contracts	56,798.84	31,997.25	68,421.73
<i>Adjustment on account of:</i>			
Provision for liquidated damages	(319.93)	-	(149.30)
Reversal of provision for liquidated damages	84.48	-	-
Total	56,563.39	31,997.25	68,272.43
Revenue from operation and maintenance services	590.58	325.28	437.49
<i>Adjustment on account of:</i>			
Adjustment during the period	-	-	-
Total	590.58	325.28	437.49
Sale of traded goods	1,982.30	-	-
<i>Adjustment on account of:</i>			
Adjustment during the period	-	-	-
Total	1,982.30	-	-

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

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

E) Performance obligation

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

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

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

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

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

F) Remaining performance obligations

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially satisfied):

For the period ended 31 December 2018

**The time buckets are suggestive time buckets.*

Particulars*	1 year	2 year	Total
Solar EPC business	3,741.81	-	3,741.81
Total	3,741.81	-	3,741.81

For the year ended 31 December 2017

**The time buckets are suggestive time buckets.*

Particulars*	1 year	2 year	Total
Solar EPC business	35,795.71	-	35,795.71
Total	35,795.71	-	35,795.71

For the period ended 31 March 2018

**The time buckets are suggestive time buckets.*

Particulars*	1 year	2 year	Total
Solar EPC business	20,119.50	-	20,119.50
Total	20,119.50	-	20,119.50

G) Practical expedients:

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

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

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

46 Segment reporting

A. Basis for segmentation

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

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

B Business Segment

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

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

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

Information about reportable segments

31 December 2018

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	58,545.69	590.58	15.17	59,151.44
Total revenue	58,545.69	590.58	15.17	59,151.44
Segment Results	3,538.31	285.83	15.17	3,839.31
Other expenses				
Interest expense	-	-	530.31	530.31
Depreciation	-	-	55.78	55.78
Employee benefits and other expenses	-	-	332.95	332.95
Total unallocated expenses	-	-	919.04	919.04
Other income				
Interest income	-	-	1,032.12	1,032.12
Miscellaneous income	-	-	230.01	230.01
Total unallocated income	-	-	1,262.13	1,262.13
Consolidated profit before income tax				4,182.40
Tax expense				748.10
Consolidated profit for the period after income tax	-	-	-	3,434.30
Other information				
Segment assets	23,054.49	461.02	24,357.78	47,873.29
Segment liabilities	22,928.93	39.31	19,523.71	42,491.95
Capital Expenditure	-	-	186.06	186.06
Depreciation and amortisation	-	-	55.78	55.78

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

46 Segment reporting (Continued)

B Business Segment (Continued)

31 December 2017

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	31,999.53	325.28	-	32,324.81
Total revenue	31,999.53	325.28	-	32,324.81
Segment Results	2,308.74	142.20	-	2,450.94
Other expenses				
Interest expense	-	-	45.72	45.72
Depreciation	-	-	21.67	21.67
Employee benefits and other expenses	-	-	292.12	292.12
Total unallocated expenses	-	-	359.51	359.51
Other income				
Miscellaneous income	-	-	5.39	5.39
Total unallocated income	-	-	5.39	5.39
Consolidated profit before income tax				2,096.84
Tax expense				363.22
Consolidated profit for the period after income tax	-	-	-	1,733.62
Other information				
Segment assets	24,049.39	191.95	11,460.36	35,701.70
Segment liabilities	35,622.64	53.94	815.75	36,492.33
Capital Expenditure	-	-	141.59	141.59
Depreciation and amortisation	-	-	21.67	21.67

31 March 2018

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
External customers	68,276.08	437.49	3.51	68,717.08
Total revenue	68,276.08	437.49	3.51	68,717.08
Segment Results	5,722.80	123.61	3.51	5,849.92
Unallocable Expenses				
Interest expense	-	-	56.19	56.19
Depreciation	-	-	31.68	31.68
Employee benefits and other expenses	-	-	484.27	484.27
Total unallocated expenses	-	-	572.14	572.14
Unallocable Income				
Interest income	-	-	5.68	5.68
Miscellaneous income	-	-	3.32	3.32
Total unallocated income	-	-	9.00	9.00
Consolidated profit before income tax				5,286.78
Tax expense				781.43
Consolidated profit for the period after income tax	-	-	-	4,505.35
Other information				
Segment assets	23,105.76	352.36	25,745.69	49,203.81
Segment liabilities	38,564.67	325.12	8,375.26	47,265.05
Capital Expenditure	-	-	187.80	187.80
Depreciation and amortisation	-	-	33.20	33.20

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

46 Segment reporting (Continued)

C. Geographical information

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

a) Revenue from external customers

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
	31 December 2018	31 December 2018	31 December 2018
India	20,114.89	493.51	15.17
South East Asia	252.47	-	-
Middle East and North Africa	29,136.51	-	-
Rest of Africa	5,761.75	97.07	-
United States of America and Latin America	3,280.07	-	-
	58,545.69	590.58	15.17

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
	31 December 2017	31 December 2017	31 December 2017
India	11,406.76	263.38	-
Middle East and North Africa	20,103.61	-	-
Rest of Africa	489.16	61.90	-
	31,999.53	325.28	-

Particulars	Solar EPC business	Operation and maintenance service	Unallocated
	31 March 2018	31 March 2018	31 March 2018
India	27,741.74	354.50	3.51
South East Asia	4.05	-	-
Middle East and North Africa	39,797.99	-	-
Rest of Africa	666.97	82.99	-
United States of America and Latin America	65.33	-	-
	68,276.08	437.49	3.51

Business in India, the Company's country of domicile, represented approximately 34.01% during the period ended 31 December 2018 (31 December 2017: 35.29% ; 31 March 2018 :40.37%) of its consolidated net revenues.

The Company's business in UAE and Egypt represented 30.80% and 14.53% of its consolidated net revenues during the period ended 31 December 2018 (31 December 2017: UAE represented 45.07% ; 31 March 2018 : UAE and Morocco represented 44.02% and 13.07% respectively). No other country individually comprised 10% or more of the Company's consolidated net revenues during these periods.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

46 Segment reporting (Continued)

C. Geographical information (Continued)

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

Particulars	31 December 2018	31 December 2017	31 March 2018
India	121.22	154.22	153.24
South East Asia	3.90	0.19	4.27
Middle East and North Africa	114.39	108.08	137.36
Rest of Africa	5.68	1.76	1.38
United States of America and Latin America	11.58	-	9.15
Australia	64.30	-	-
Europe	7.55	-	-
	328.62	264.25	305.40

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

Particulars	31 December 2018	31 December 2017	31 March 2018
United Arab Emirates	30.06%	29.36%	34.29%
Australia	19.57%	-	-
Morocco	4.09%	11.46%	10.17%

c) Information about major customers

Revenue from one customer of the Group is Rs 17,504.66 million (31 December 2017: two customers of the Group is Rs 20,075.25 million, 31 March 2018: two customers of the Group is Rs 39,228.62 million) which is more than 10% of the Group's total revenue.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. List of related parties

Relationship	Name of the related parties		
	31 December 2018	31 December 2017	31 March 2018
Holding Company	Shapoorji Pallonji and Company Private Limited	Shapoorji Pallonji and Company Private Limited	Shapoorji Pallonji and Company Private Limited
Fellow subsidiaries	Abhipreet Trading Pvt. Ltd. Acreage Farm Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Infra projects Kazakhstan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Offshore and Marine Services Pvt. Ltd. Afcons Overseas Construction LLC Afcons Overseas Project Gabon SARL Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC Alaya Properties Pvt. Ltd. Aquadiagnostics Water Research & Technology Centre Ltd. Aquamall Water Solutions Ltd. Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Armada Madura EPC Ltd Arina Solar Private Limited Arme Investment Company Ltd Aurinko Energy Private Limited Balgad Power Company Pvt. Ltd.	Abhipreet Trading Pvt. Ltd. Acreage Farm Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Infra projects Kazakhstan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Offshore and Marine Services Pvt. Ltd. Afcons Overseas Construction LLC Afcons Overseas Project Gabon SARL Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC Alaya Properties Pvt. Ltd. Aquadiagnostics Water Research & Technology Centre Ltd. Aquamall Water Solutions Ltd. Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Armada Madura EPC Ltd Arina Solar Private Limited Arme Investment Company Ltd Aurinko Energy Private Limited Balgad Power Company Pvt. Ltd.	Abhipreet Trading Pvt. Ltd. Acreage Farm Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Infra projects Kazakhstan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Offshore and Marine Services Pvt. Ltd. Afcons Overseas Construction LLC Afcons Overseas Project Gabon SARL Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC Alaya Properties Pvt. Ltd. Aquadiagnostics Water Research & Technology Centre Ltd. Aquamall Water Solutions Ltd. Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Armada Madura EPC Ltd Arina Solar Private Limited Arme Investment Company Ltd Aurinko Energy Private Limited Balgad Power Company Pvt. Ltd.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	Name of party		
	31 December 2018	31 December 2017	31 March 2018
Fellow subsidiaries (continued)			
	Belva Farms Pvt. Ltd.	Belva Farms Pvt. Ltd.	Belva Farms Pvt. Ltd.
	Bengal Shapoorji Infrastructure Development Pvt. Ltd.	Bengal Shapoorji Infrastructure Development Pvt. Ltd.	Bengal Shapoorji Infrastructure Development Pvt. Ltd.
	Blue Riband Properties Pvt. Ltd.	Blue Riband Properties Pvt. Ltd.	Blue Riband Properties Pvt. Ltd.
	Bracewall Builders Pvt. Ltd.	Bracewall Builders Pvt. Ltd.	Bracewall Builders Pvt. Ltd.
	Callidora Farms Pvt. Ltd.	Callidora Farms Pvt. Ltd.	Callidora Farms Pvt. Ltd.
	Campbell Properties and Hospitality Services Ltd.	Campbell Properties and Hospitality Services Ltd.	Campbell Properties and Hospitality Services Ltd.
	Chinsha Property Pvt. Ltd.	Chinsha Property Pvt. Ltd.	Chinsha Property Pvt. Ltd.
	Cyrus Engineers Pvt. Ltd.	Cyrus Engineers Pvt. Ltd.	Cyrus Engineers Pvt. Ltd.
	Dahej Standby Jetty Project Undertaking	Dahej Standby Jetty Project Undertaking	Dahej Standby Jetty Project Undertaking
	Delna Finance & Investments Pvt. Ltd.	Delna Finance & Investments Pvt. Ltd.	Delna Finance & Investments Pvt. Ltd.
	Delphi Properties Pvt. Ltd.	Delphi Properties Pvt. Ltd.	Delphi Properties Pvt. Ltd.
	Devine Realty & Construction Pvt. Ltd.	Devine Realty & Construction Pvt. Ltd.	Devine Realty & Construction Pvt. Ltd.
	Dhan Gaming Solution (India) Pvt. Ltd.	Dhan Gaming Solution (India) Pvt. Ltd.	Dhan Gaming Solution (India) Pvt. Ltd.
	Dharamtar Infrastructure Pvt. Ltd. (up to 25/03/2017)	Dharamtar Infrastructure Pvt. Ltd. (up to 25/03/2017)	Dharamtar Infrastructure Pvt. Ltd. (up to 25/03/2017)
	EFL Mauritius Ltd.	EFL Mauritius Ltd.	EFL Mauritius Ltd.
	Empower Builder Pvt. Ltd.	Empower Builder Pvt. Ltd.	Empower Builder Pvt. Ltd.
	ESPI Holdings Mauritius Ltd.	ESPI Holdings Mauritius Ltd.	ESPI Holdings Mauritius Ltd.
	Eureka Forbes Ltd.	Eureka Forbes Ltd.	Eureka Forbes Ltd.
	Euro Forbes Financial Services Ltd.	Euro Forbes Financial Services Ltd.	Euro Forbes Financial Services Ltd.
	Euro Forbes Ltd. Dubai	Euro Forbes Ltd. Dubai	Euro Forbes Ltd. Dubai
	Fayland Estates Pvt. Ltd.	Fayland Estates Pvt. Ltd.	Fayland Estates Pvt. Ltd.
	Filippa Farms Pvt. Ltd.	Filippa Farms Pvt. Ltd.	Filippa Farms Pvt. Ltd.
	Fine Energy Solar Pvt. Ltd.	Fine Energy Solar Pvt. Ltd.	Fine Energy Solar Pvt. Ltd.
	Flamboyant Developers Pvt. Ltd.	Flamboyant Developers Pvt. Ltd.	Flamboyant Developers Pvt. Ltd.
	Flooraise Developers Pvt. Ltd.	Flooraise Developers Pvt. Ltd.	Flooraise Developers Pvt. Ltd.
	Floral Finance Pvt. Ltd.	Floral Finance Pvt. Ltd.	Floral Finance Pvt. Ltd.
	Floreat Investments Ltd.	Floreat Investments Ltd.	Floreat Investments Ltd.
	Flotilla Finance Pvt. Ltd.	Flotilla Finance Pvt. Ltd.	Flotilla Finance Pvt. Ltd.
	Forbes & Company Ltd.	Forbes & Company Ltd.	Forbes & Company Ltd.

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	Name of party		
	31 December 2018	31 December 2017	31 March 2018
Fellow subsidiaries (continued)			
Forbes Campbell Finance Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Finance Ltd.
Forbes Campbell Services Ltd.	Forbes Campbell Services Ltd.	Forbes Campbell Services Ltd.	Forbes Campbell Services Ltd.
Forbes Container Lines Pte Ltd.	Forbes Container Lines Pte Ltd.	Forbes Container Lines Pte Ltd.	Forbes Container Lines Pte Ltd.
Forbes Edumetry Ltd.	Forbes Edumetry Ltd.	Forbes Edumetry Ltd.	Forbes Edumetry Ltd.
Forbes Enviro Solutions Ltd.	Forbes Enviro Solutions Ltd.	Forbes Enviro Solutions Ltd.	Forbes Enviro Solutions Ltd.
Forbes Facility Services Pvt. Ltd.	Forbes Facility Services Pvt. Ltd.	Forbes Facility Services Pvt. Ltd.	Forbes Facility Services Pvt. Ltd.
Forbes International AG	Forbes International AG	Forbes International AG	Forbes International AG
Forbes Lux FZCO	Forbes Lux FZCO	Forbes Lux FZCO	Forbes Lux FZCO
Forbes Lux International AG	Forbes Lux International AG	Forbes Lux International AG	Forbes Lux International AG
Forbes Technosys Ltd.	Forbes Technosys Ltd.	Forbes Technosys Ltd.	Forbes Technosys Ltd.
Forbesline Shipping Services LLC	Forbesline Shipping Services LLC	Forbesline Shipping Services LLC	Forbesline Shipping Services LLC
Forvol International Service Ltd.	Forvol International Service Ltd.	Forvol International Service Ltd.	Forvol International Service Ltd.
Gallops Developers Pvt. Ltd.	Gallops Developers Pvt. Ltd.	Gallops Developers Pvt. Ltd.	Gallops Developers Pvt. Ltd.
Global Bulk Minerals FZE ("GBM")	Global Bulk Minerals FZE ("GBM")	Global Bulk Minerals FZE ("GBM")	Global Bulk Minerals FZE ("GBM")
Global Energy S.L. Ltd.	Global Energy S.L. Ltd.	Global Energy S.L. Ltd.	Global Energy S.L. Ltd.
Global Energy Ventures Mauritius.	Global Energy Ventures Mauritius.	Global Energy Ventures Mauritius.	Global Energy Ventures Mauritius.
Global Resource and Logistics Pte. Ltd.	Global Resource and Logistics Pte. Ltd.	Global Resource and Logistics Pte. Ltd.	Global Resource and Logistics Pte. Ltd.
Gokak Power & Energy Ltd.	Gokak Power & Energy Ltd.	Gokak Power & Energy Ltd.	Gokak Power & Energy Ltd.
Gokak Textiles Ltd.	Gokak Textiles Ltd.	Gokak Textiles Ltd.	Gokak Textiles Ltd.
Gossip Properties Pvt. Ltd.	Gossip Properties Pvt. Ltd.	Gossip Properties Pvt. Ltd.	Gossip Properties Pvt. Ltd.
GRL Mozambique S A	GRL Mozambique S A	GRL Mozambique S A	GRL Mozambique S A
Hazarat & Co Pvt. Ltd.	Hazarat & Co Pvt. Ltd.	Hazarat & Co Pvt. Ltd.	Hazarat & Co Pvt. Ltd.
Hermes Commerce Ltd.	Hermes Commerce Ltd.	Hermes Commerce Ltd.	Hermes Commerce Ltd.
High Point Properties Pvt. Ltd.	High Point Properties Pvt. Ltd.	High Point Properties Pvt. Ltd.	High Point Properties Pvt. Ltd.
Instant Karma Properties Pvt. Ltd.	Instant Karma Properties Pvt. Ltd.	Instant Karma Properties Pvt. Ltd.	Instant Karma Properties Pvt. Ltd.
Jaykali Developers Pvt. Ltd.	Jaykali Developers Pvt. Ltd.	Jaykali Developers Pvt. Ltd.	Jaykali Developers Pvt. Ltd.
Kamal Power Ltd. (Tanzania)	Kamal Power Ltd. (Tanzania)	Kamal Power Ltd. (Tanzania)	Kamal Power Ltd. (Tanzania)
Khvafar Investments Pvt. Ltd.	Khvafar Investments Pvt. Ltd.	Khvafar Investments Pvt. Ltd.	Khvafar Investments Pvt. Ltd.
Khvafar Property Developers Pvt. Ltd.	Khvafar Property Developers Pvt. Ltd.	Khvafar Property Developers Pvt. Ltd.	Khvafar Property Developers Pvt. Ltd.
Leader Shipyard Pvt. Ltd.	Leader Shipyard Pvt. Ltd.	Leader Shipyard Pvt. Ltd.	Leader Shipyard Pvt. Ltd.
LIAG Trading and Investments Ltd.	LIAG Trading and Investments Ltd.	LIAG Trading and Investments Ltd.	LIAG Trading and Investments Ltd.
Lucrative Properties Pvt. Ltd.	Lucrative Properties Pvt. Ltd.	Lucrative Properties Pvt. Ltd.	Lucrative Properties Pvt. Ltd.
Lux (Deutschland) GmbH	Lux (Deutschland) GmbH	Lux (Deutschland) GmbH	Lux (Deutschland) GmbH
Lux /SK/s.r.o.	Lux /SK/s.r.o.	Lux /SK/s.r.o.	Lux /SK/s.r.o.
Lux Aqua Czech s.r.o.	Lux Aqua Czech s.r.o.	Lux Aqua Czech s.r.o.	Lux Aqua Czech s.r.o.
Lux Aqua Hungaria Kft	Lux Aqua Hungaria Kft	Lux Aqua Hungaria Kft	Lux Aqua Hungaria Kft
Lux Aqua Paraguay SA	Lux Aqua Paraguay SA	Lux Aqua Paraguay SA	Lux Aqua Paraguay SA
Lux CZ s.r.o.	Lux CZ s.r.o.	Lux CZ s.r.o.	Lux CZ s.r.o.
Lux del Paraguay S.A.	Lux del Paraguay S.A.	Lux del Paraguay S.A.	Lux del Paraguay S.A.
Lux Hungária Kereskedelmi Kft.	Lux Hungária Kereskedelmi Kft.	Lux Hungária Kereskedelmi Kft.	Lux Hungária Kereskedelmi Kft.
Lux Norge A/S	Lux Norge A/S	Lux Norge A/S	Lux Norge A/S
Lux Osterreich GmbH	Lux Osterreich GmbH	Lux Osterreich GmbH	Lux Osterreich GmbH
Lux Osterreich Professional GmbH, Austria	Lux Osterreich Professional GmbH, Austria	Lux Osterreich Professional GmbH, Austria	Lux Osterreich Professional GmbH, Austria
Lux Professional GmbH, Germany	Lux Professional GmbH, Germany	Lux Professional GmbH, Germany	Lux Professional GmbH, Germany
Lux Professional International GmbH	Lux Professional International GmbH	Lux Professional International GmbH	Lux Professional International GmbH
Lux Schweiz AG	Lux Schweiz AG	Lux Schweiz AG	Lux Schweiz AG
Lux Service GmbH	Lux Service GmbH	Lux Service GmbH	Lux Service GmbH
Lux Waterline GmbH	Lux Waterline GmbH	Lux Waterline GmbH	Lux Waterline GmbH
Lux Interantional AG	Lux Interantional AG	Lux Interantional AG	Lux Interantional AG
Lux Italia srl	Lux Italia srl	Lux Italia srl	Lux Italia srl

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	Name of party		
	31 December 2018	31 December 2017	31 March 2018
Fellow subsidiaries (continued)			
Magpie Finance Pvt. Ltd.	Magpie Finance Pvt. Ltd.	Magpie Finance Pvt. Ltd.	Magpie Finance Pvt. Ltd.
Make Home Realty & Construction Pvt. Ltd.	Make Home Realty & Construction Pvt. Ltd.	Make Home Realty & Construction Pvt. Ltd.	Make Home Realty & Construction Pvt. Ltd.
Malabar Trustee Co. Ltd.	Malabar Trustee Co. Ltd.	Malabar Trustee Co. Ltd.	Malabar Trustee Co. Ltd.
Manjri Developers Pvt. Ltd.	Manjri Developers Pvt. Ltd.	Manjri Developers Pvt. Ltd.	Manjri Developers Pvt. Ltd.
Manjri Horse Breeders Farm Pvt. Ltd.	Manjri Horse Breeders Farm Pvt. Ltd.	Manjri Horse Breeders Farm Pvt. Ltd.	Manjri Horse Breeders Farm Pvt. Ltd.
Manor Stud Farm Pvt. Ltd.	Manor Stud Farm Pvt. Ltd.	Manor Stud Farm Pvt. Ltd.	Manor Stud Farm Pvt. Ltd.
Mazsons Builders & Developers Pvt. Ltd.	Mazsons Builders & Developers Pvt. Ltd.	Mazsons Builders & Developers Pvt. Ltd.	Mazsons Builders & Developers Pvt. Ltd.
Meriland Estates Pvt. Ltd.	Meriland Estates Pvt. Ltd.	Meriland Estates Pvt. Ltd.	Meriland Estates Pvt. Ltd.
Mileage Properties Pvt. Ltd.	Mileage Properties Pvt. Ltd.	Mileage Properties Pvt. Ltd.	Mileage Properties Pvt. Ltd.
Musamdram Rock LLC	Musamdram Rock LLC	Musamdram Rock LLC	Musamdram Rock LLC
Neil Properties Pvt. Ltd.	Neil Properties Pvt. Ltd.	Neil Properties Pvt. Ltd.	Neil Properties Pvt. Ltd.
Next Gen Publishing Ltd.	Next Gen Publishing Ltd.	Next Gen Publishing Ltd.	Next Gen Publishing Ltd.
Nuevo Consultancy Services Ltd.	Nuevo Consultancy Services Ltd.	Nuevo Consultancy Services Ltd.	Nuevo Consultancy Services Ltd.
Nursery Projects and Agri Development Pvt. Ltd.	Nursery Projects and Agri Development Pvt. Ltd.	Nursery Projects and Agri Development Pvt. Ltd.	Nursery Projects and Agri Development Pvt. Ltd.
Nutan Bidyut (Bangladesh) Ltd.	Nutan Bidyut (Bangladesh) Ltd.	Nutan Bidyut (Bangladesh) Ltd.	Nutan Bidyut (Bangladesh) Ltd.
Palchin Real Estates Pvt. Ltd.	Palchin Real Estates Pvt. Ltd.	Palchin Real Estates Pvt. Ltd.	Palchin Real Estates Pvt. Ltd.
Phenomenon Developers Pvt. Ltd.	Phenomenon Developers Pvt. Ltd.	Phenomenon Developers Pvt. Ltd.	Phenomenon Developers Pvt. Ltd.
PNP Maritime Services Pvt. Ltd.	PNP Maritime Services Pvt. Ltd.	PNP Maritime Services Pvt. Ltd.	PNP Maritime Services Pvt. Ltd.
Precaution Properties Pvt. Ltd.	Precaution Properties Pvt. Ltd.	Precaution Properties Pvt. Ltd.	Precaution Properties Pvt. Ltd.
PT. Nusantara Global Resources.	PT. Nusantara Global Resources.	PT. Nusantara Global Resources.	PT. Nusantara Global Resources.
Radiance Solar Pvt. Ltd.	Radiance Solar Pvt. Ltd.	Radiance Solar Pvt. Ltd.	Radiance Solar Pvt. Ltd.
Range Consultants Private Limited	Range Consultants Private Limited	Range Consultants Private Limited	Range Consultants Private Limited
Relationship Properties Pvt. Ltd.	Relationship Properties Pvt. Ltd.	Relationship Properties Pvt. Ltd.	Relationship Properties Pvt. Ltd.
Renaissance Commerce Pvt. Ltd.	Renaissance Commerce Pvt. Ltd.	Renaissance Commerce Pvt. Ltd.	Renaissance Commerce Pvt. Ltd.
Ricardo Construction Pvt. Ltd.	Ricardo Construction Pvt. Ltd.	Ricardo Construction Pvt. Ltd.	Ricardo Construction Pvt. Ltd.
S C Motors Pvt. Ltd.	S C Motors Pvt. Ltd.	S C Motors Pvt. Ltd.	S C Motors Pvt. Ltd.
S P Global Operations Ltd.	S P Global Operations Ltd.	S P Global Operations Ltd.	S P Global Operations Ltd.
S P Kam Synthetics Pvt. Ltd.	S P Kam Synthetics Pvt. Ltd.	S P Kam Synthetics Pvt. Ltd.	S P Kam Synthetics Pvt. Ltd.
S. C. Impex Pvt. Ltd.	S. C. Impex Pvt. Ltd.	S. C. Impex Pvt. Ltd.	S. C. Impex Pvt. Ltd.
Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)	Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)	Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)	Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)
Sagar Premi Builders and Developers Pvt. Ltd.	Sagar Premi Builders and Developers Pvt. Ltd.	Sagar Premi Builders and Developers Pvt. Ltd.	Sagar Premi Builders and Developers Pvt. Ltd.
Samalpatti Power Co Pvt. Ltd.	Samalpatti Power Co Pvt. Ltd.	Samalpatti Power Co Pvt. Ltd.	Samalpatti Power Co Pvt. Ltd.
Saral SP Algeria	Saral SP Algeria	Saral SP Algeria	Saral SP Algeria
Shachin Real Estate Pvt. Ltd.	Shachin Real Estate Pvt. Ltd.	Shachin Real Estate Pvt. Ltd.	Shachin Real Estate Pvt. Ltd.
Shapoorji AECOS Construction Pvt. Ltd.	Shapoorji AECOS Construction Pvt. Ltd.	Shapoorji AECOS Construction Pvt. Ltd.	Shapoorji AECOS Construction Pvt. Ltd.
Shapoorji Data Processing Pvt. Ltd.	Shapoorji Data Processing Pvt. Ltd.	Shapoorji Data Processing Pvt. Ltd.	Shapoorji Data Processing Pvt. Ltd.
Shapoorji Holding Limited	Shapoorji Holding Limited	Shapoorji Holding Limited	Shapoorji Holding Limited
Shapoorji Hotels Pvt. Ltd.	Shapoorji Hotels Pvt. Ltd.	Shapoorji Hotels Pvt. Ltd.	Shapoorji Hotels Pvt. Ltd.
Shapoorji Pallonji and Co KIPL JV (Partnership Firm)	Shapoorji Pallonji and Co KIPL JV (Partnership Firm)	Shapoorji Pallonji and Co KIPL JV (Partnership Firm)	Shapoorji Pallonji and Co KIPL JV (Partnership Firm)
Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)	Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)	Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)	Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm)
Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.
Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.	Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.	Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.	Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.
Shapoorji Pallonji Infrastructure Capital Co Private Limited	Shapoorji Pallonji Infrastructure Capital Co Private Limited	Shapoorji Pallonji Infrastructure Capital Co Private Limited	Shapoorji Pallonji Infrastructure Capital Co Private Limited
Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
Shapoorji Pallonji Energy Company INC	Shapoorji Pallonji Energy Company INC	Shapoorji Pallonji Energy Company INC	Shapoorji Pallonji Energy Company INC
Shapoorji Pallonji Finance Pvt. Ltd.	Shapoorji Pallonji Finance Pvt. Ltd.	Shapoorji Pallonji Finance Pvt. Ltd.	Shapoorji Pallonji Finance Pvt. Ltd.
Shapoorji Pallonji Forbes Shipping Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.
Shapoorji Pallonji General Trading For Construction Company WLL	Shapoorji Pallonji General Trading For Construction Company WLL	Shapoorji Pallonji General Trading For Construction Company WLL	Shapoorji Pallonji General Trading For Construction Company WLL

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	31 December 2018	Name of party 31 December 2017	31 March 2018
Fellow subsidiaries (continued)			
	Shapoorji Pallonji Ghana Ltd.	Shapoorji Pallonji Ghana Ltd.	Shapoorji Pallonji Ghana Ltd.
	Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.	Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.
	Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.
	Shapoorji Pallonji International, Dafza. UAE	Shapoorji Pallonji International, Dafza. UAE	Shapoorji Pallonji International, Dafza. UAE
	Shapoorji Pallonji International, Fujairah. UAE	Shapoorji Pallonji International, Fujairah. UAE	Shapoorji Pallonji International, Fujairah. UAE
	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Shapoorji Pallonji Investment Advisors Pvt. Ltd.
	Shapoorji Pallonji Kazakhstan LLC	Shapoorji Pallonji Kazakhstan LLC	Shapoorji Pallonji Kazakhstan LLC
	Shapoorji Pallonji Lanka Pvt. Ltd.	Shapoorji Pallonji Lanka Pvt. Ltd.	Shapoorji Pallonji Lanka Pvt. Ltd.
	Shapoorji Pallonji Libya JSC. Libya	Shapoorji Pallonji Libya JSC. Libya	Shapoorji Pallonji Libya JSC. Libya
	Shapoorji Pallonji Malta Ltd	Shapoorji Pallonji Malta Ltd	Shapoorji Pallonji Malta Ltd
	Shapoorji Pallonji Mid East LLC	Shapoorji Pallonji Mid East LLC	Shapoorji Pallonji Mid East LLC
	Shapoorji Pallonji Nigeria Ltd.	Shapoorji Pallonji Nigeria Ltd.	Shapoorji Pallonji Nigeria Ltd.
	Shapoorji Pallonji Oil and Gas International FZE	Shapoorji Pallonji Oil and Gas International FZE	Shapoorji Pallonji Oil and Gas International FZE
	Shapoorji Pallonji Oil and Gas Pvt Ltd	Shapoorji Pallonji Oil and Gas Pvt Ltd	Shapoorji Pallonji Oil and Gas Pvt Ltd
	Shapoorji Pallonji Ports Pvt. Ltd.	Shapoorji Pallonji Ports Pvt. Ltd.	Shapoorji Pallonji Ports Pvt. Ltd.
	Shapoorji Pallonji Power Company Ltd	Shapoorji Pallonji Power Company Ltd	Shapoorji Pallonji Power Company Ltd
	Shapoorji Pallonji Projects Pvt. Ltd.	Shapoorji Pallonji Projects Pvt. Ltd.	Shapoorji Pallonji Projects Pvt. Ltd.
	Shapoorji Pallonji Qatar WLL	Shapoorji Pallonji Qatar WLL	Shapoorji Pallonji Qatar WLL
	Shapoorji Pallonji Renewables Pvt. Ltd.	Shapoorji Pallonji Renewables Pvt. Ltd.	Shapoorji Pallonji Renewables Pvt. Ltd.
	Shapoorji Pallonji Roads Pvt. Ltd.	Shapoorji Pallonji Roads Pvt. Ltd.	Shapoorji Pallonji Roads Pvt. Ltd.
	Shapoorji Pallonji Rural Solutions Pvt Ltd.	Shapoorji Pallonji Rural Solutions Pvt Ltd.	Shapoorji Pallonji Rural Solutions Pvt Ltd.
	Shapoorji Pallonji Solar Holdings Pvt Ltd	Shapoorji Pallonji Solar Holdings Pvt Ltd	Shapoorji Pallonji Solar Holdings Pvt Ltd
	Shapoorji Pallonji Solar PV Pvt. Ltd.	Shapoorji Pallonji Solar PV Pvt. Ltd.	Shapoorji Pallonji Solar PV Pvt. Ltd.
	Shapoorji Pallonji Transportation Projects Pvt. Ltd.	Shapoorji Pallonji Transportation Projects Pvt. Ltd.	Shapoorji Pallonji Transportation Projects Pvt. Ltd.
	Sharus Steels Products Pvt. Ltd.	Sharus Steels Products Pvt. Ltd.	Sharus Steels Products Pvt. Ltd.
	Simar Port Pvt. Ltd.	Simar Port Pvt. Ltd.	Simar Port Pvt. Ltd.
	Solar Edge Power and Energy Pvt. Ltd.	Solar Edge Power and Energy Pvt. Ltd.	Solar Edge Power and Energy Pvt. Ltd.
	SP Advanced Engineering Materials Pvt. Ltd.	SP Advanced Engineering Materials Pvt. Ltd.	SP Advanced Engineering Materials Pvt. Ltd.
	SP Agri Management Services P Ltd.	SP Agri Management Services P Ltd.	SP Agri Management Services P Ltd.
	SP Aluminium System Pvt. Ltd.	SP Aluminium System Pvt. Ltd.	SP Aluminium System Pvt. Ltd.
	SP Architectural Coatings Pvt. Ltd.	SP Architectural Coatings Pvt. Ltd.	SP Architectural Coatings Pvt. Ltd.
	SP Bio Science Pvt. Ltd.	SP Bio Science Pvt. Ltd.	SP Bio Science Pvt. Ltd.
	SP Biofuel Ventures Pvt. Ltd.	SP Biofuel Ventures Pvt. Ltd.	SP Biofuel Ventures Pvt. Ltd.
	SP Consulting Services DMCC UAE	SP Consulting Services DMCC UAE	SP Consulting Services DMCC UAE
	SP Energy (Egypt) S.A.E.	SP Energy (Egypt) S.A.E.	SP Energy (Egypt) S.A.E.
	SP Energy Venture AG	SP Energy Venture AG	SP Energy Venture AG
	SP Engineering Services Pte. Ltd.	SP Engineering Services Pte. Ltd.	SP Engineering Services Pte. Ltd.
	SP Fabricators Pvt. Ltd.	SP Fabricators Pvt. Ltd.	SP Fabricators Pvt. Ltd.
	SP Imperial Star Pvt. Ltd. (up to 25 March 2017)	SP Imperial Star Pvt. Ltd. (up to 25 March 2017)	SP Imperial Star Pvt. Ltd. (up to 25 March 2017)
	SP Infocity Developers Pvt. Ltd.	SP Infocity Developers Pvt. Ltd.	SP Infocity Developers Pvt. Ltd.
	SP International Property Developer LLC	SP International Property Developer LLC	SP International Property Developer LLC
	SP International, Cayman Island	SP International, Cayman Island	SP International, Cayman Island
	SP Jammu Udhampur Highway Pvt. Ltd.	SP Jammu Udhampur Highway Pvt. Ltd.	SP Jammu Udhampur Highway Pvt. Ltd.
	SP Nano Products Pvt. Ltd.	SP Nano Products Pvt. Ltd.	SP Nano Products Pvt. Ltd.
	SP Oil Exploration Pvt. Ltd	SP Oil Exploration Pvt. Ltd	SP Oil Exploration Pvt. Ltd
	SP Photovoltaic Pvt. Ltd.	SP Photovoltaic Pvt. Ltd.	SP Photovoltaic Pvt. Ltd.
	SP Port Maintenance Pvt. Ltd. (up to 25 March 2017)	SP Port Maintenance Pvt. Ltd. (up to 25 March 2017)	SP Port Maintenance Pvt. Ltd. (up to 25 March 2017)
	SP Ports Pvt. Ltd.	SP Ports Pvt. Ltd.	SP Ports Pvt. Ltd.
	SP Properties Holding Ltd.	SP Properties Holding Ltd.	SP Properties Holding Ltd.
	SP Solren Pvt. Ltd.	SP Solren Pvt. Ltd.	SP Solren Pvt. Ltd.
	SP Trading (Partnership Firm)	SP Trading (Partnership Firm)	SP Trading (Partnership Firm)
	SPCL Holdings Pte Ltd.	SPCL Holdings Pte Ltd.	SPCL Holdings Pte Ltd.
	Steppe Developers Pvt. Ltd.	Steppe Developers Pvt. Ltd.	Steppe Developers Pvt. Ltd.
	Sterling and Wilson Private Limited	Sterling and Wilson Private Limited	Sterling and Wilson Private Limited
	Sterling & Wilson Australia Pty Ltd	Sterling & Wilson Australia Pty Ltd	Sterling & Wilson Australia Pty Ltd
	Sterling & Wilson Nigeria Ltd.	Sterling & Wilson Nigeria Ltd.	Sterling & Wilson Nigeria Ltd.
	Sterling & Wilson Power Solutions LLC	Sterling & Wilson Power Solutions LLC	Sterling & Wilson Power Solutions LLC
	Sterling & Wilson Powergen LLC	Sterling & Wilson Powergen LLC	Sterling & Wilson Powergen LLC
	Sterling and Wilson Powergen Private Limited	Sterling and Wilson Powergen Private Limited	Sterling and Wilson Powergen Private Limited

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	Name of party		
	31 December 2018	31 December 2017	31 March 2018
Fellow subsidiaries (continued)			
	Sterling and Wilson Co-Gen Solutions Private Limited	Sterling and Wilson Co-Gen Solutions Private Limited	Sterling and Wilson Co-Gen Solutions Private Limited
	Sterling and Wilson Powergen FZE	Sterling and Wilson Powergen FZE	Sterling and Wilson Powergen FZE
	Sterling Generators Private Limited	Sterling Generators Private Limited	Sterling Generators Private Limited
	Sterling and Wilson Security Systems Private Limited	Sterling and Wilson Security Systems Private Limited	Sterling and Wilson Security Systems Private Limited
	Sashwat Energy Private Limited	Sashwat Energy Private Limited	Sashwat Energy Private Limited
	Sun Energy One Pvt. Ltd.	Sun Energy One Pvt. Ltd.	Sun Energy One Pvt. Ltd.
	Sunny View Estates Pvt. Ltd.	Sunny View Estates Pvt. Ltd.	Sunny View Estates Pvt. Ltd.
	Sunrays Power One (Pvt.) Ltd.	Sunrays Power One (Pvt.) Ltd.	Sunrays Power One (Pvt.) Ltd.
	Sunrise Energy Pvt. Ltd.	Sunrise Energy Pvt. Ltd.	Sunrise Energy Pvt. Ltd.
	Sunshine Energy Kenya Ltd.	Sunshine Energy Kenya Ltd.	Sunshine Energy Kenya Ltd.
	Surya Power One Pvt. Ltd.	Surya Power One Pvt. Ltd.	Surya Power One Pvt. Ltd.
	Suryoday Energy Pvt. Ltd.	Suryoday Energy Pvt. Ltd.	Suryoday Energy Pvt. Ltd.
	Sterling and Wilson Middle East Electro Mechanical L.L.C	Sterling and Wilson Middle East Electro Mechanical L.L.C	Sterling and Wilson Middle East Electro Mechanical L.L.C
	Sterling and Wilson Middle East W.L.L	Sterling and Wilson Middle East W.L.L	Sterling and Wilson Middle East W.L.L
	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Contracting Limited Liability Company- Kuwait	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Contracting Limited Liability Company- Kuwait	Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Contracting Limited Liability Company- Kuwait
	Sterling and Wilson International Solar FZE	Sterling and Wilson International Solar FZE	Sterling and Wilson International Solar FZE
	Sterling and Wilson Cogen Solutions AG	Sterling and Wilson Cogen Solutions AG	Sterling and Wilson Cogen Solutions AG
	Sterling and Wilson Royal Power Solutions Limited	Sterling and Wilson Royal Power Solutions Limited	Sterling and Wilson Royal Power Solutions Limited
	Sterling and Wilson Nigerai Limited	Sterling and Wilson Nigerai Limited	Sterling and Wilson Nigerai Limited
	TN Solar Power Energy Pvt. Ltd.	TN Solar Power Energy Pvt. Ltd.	TN Solar Power Energy Pvt. Ltd.
	Transform Sun Energy Pvt. Ltd.	Transform Sun Energy Pvt. Ltd.	Transform Sun Energy Pvt. Ltd.
	Transtonnestroy Afcons Joint Venture	Transtonnestroy Afcons Joint Venture	Transtonnestroy Afcons Joint Venture
	United Motors (India) Pvt. Ltd.	United Motors (India) Pvt. Ltd.	United Motors (India) Pvt. Ltd.
	Universal Mine Developers and Service Providers Pvt. Ltd.	Universal Mine Developers and Service Providers Pvt. Ltd.	Universal Mine Developers and Service Providers Pvt. Ltd.
	Universal Projects & Resources (Netherlands) B.V.	Universal Projects & Resources (Netherlands) B.V.	Universal Projects & Resources (Netherlands) B.V.
	Volkart Fleming Shipping & Services Ltd.	Volkart Fleming Shipping & Services Ltd.	Volkart Fleming Shipping & Services Ltd.
	West Coast Liquid Terminal Pvt. Ltd.	West Coast Liquid Terminal Pvt. Ltd.	West Coast Liquid Terminal Pvt. Ltd.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	31 December 2018	Name of party 31 December 2017	31 March 2018
Joint ventures of fellow subsidiary	Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium Sterling and Wilson-SPCPL-Chint Moroccan Venture SWPL-SPCL Abu Dhabi Ventures SWPL-SPCL Zambia Ventures STC Power SRL Co.Stell SRL P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017) Sterling and Wilson Cogen Solutions LLC	Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium Sterling and Wilson-SPCPL-Chint Moroccan Venture SWPL-SPCL Abu Dhabi Ventures SWPL-SPCL Zambia Ventures STC Power SRL Co.Stell SRL P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017) Sterling and Wilson Cogen Solutions LLC	Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium Sterling and Wilson-SPCPL-Chint Moroccan Venture SWPL-SPCL Abu Dhabi Ventures SWPL-SPCL Zambia Ventures STC Power SRL Co.Stell SRL P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017) Sterling and Wilson Cogen Solutions LLC
Key Management Personnel	Mrs Zarine Y Daruvala, Director (Upto 27 March 2019) Mr. Khurshed Y Daruvala, Chairman Mr. Pallon Shapoor Mistry, Director Mr. Bahadur Dastoor, CFO (w.e.f 1 April 2018) Mr. Jagannadha Rao, Company Secretary (w.e.f 8 May 2018) Mr. K. Kannan, Manager (w.e.f 27 March 2019)	Mrs Zarine Y Daruvala, Director Mr. Khurshed Y Daruvala, Director Mr. Pallon Shapoor Mistry, Director	Mrs Zarine Y Daruvala, Director Mr. Khurshed Y Daruvala, Director Mr. Pallon Shapoor Mistry, Director
Relatives of Key Management Personnel	Mrs Kainaz K. Daruvala Mrs Parvin Zarine Madan	Mrs Kainaz K. Daruvala Mrs Parvin Zarine Madan	Mrs Kainaz K. Daruvala Mrs Parvin Zarine Madan
Entities over which key managerial person or their relatives exercise control	Delsys Infotech Private Limited, Transtel Systems Private Limited M/S. Fahudco Sterling Viking Power Private Limited Iris Energy Private Limited Daric Consultancy FZC Sterling and Wilson Energy Systems Private Limited The Indian Hotels Company Ltd	Delsys Infotech Private Limited, Transtel Systems Private Limited M/S. Fahudco Sterling Viking Power Private Limited Iris Energy Private Limited Daric Consultancy FZC Sterling and Wilson Energy Systems Private Limited The Indian Hotels Company Ltd	Delsys Infotech Private Limited, Transtel Systems Private Limited M/S. Fahudco Sterling Viking Power Private Limited Iris Energy Private Limited Daric Consultancy FZC Sterling and Wilson Energy Systems Private Limited The Indian Hotels Company Ltd

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	Name of party		
	31 December 2018	31 December 2017	31 March 2018
Entities over which Holding Company exercise significant influence			
Afcons Pauling Joint Venture	Afcons Pauling Joint Venture	Afcons Pauling Joint Venture	Afcons Pauling Joint Venture
Afcons (Mideast) Constructions & Investments Pvt. Ltd.	Afcons (Mideast) Constructions & Investments Pvt. Ltd.	Afcons (Mideast) Constructions & Investments Pvt. Ltd.	Afcons (Mideast) Constructions & Investments Pvt. Ltd.
AFCONS Sener LNG Construction Projects Pvt.Ltd.	AFCONS Sener LNG Construction Projects Pvt.Ltd.	AFCONS Sener LNG Construction Projects Pvt.Ltd.	AFCONS Sener LNG Construction Projects Pvt.Ltd.
Afcons-Sibmost Joint Venture	Afcons-Sibmost Joint Venture	Afcons-Sibmost Joint Venture	Afcons-Sibmost Joint Venture
Afcons-Vijeta -PES Joint Venture	Afcons-Vijeta -PES Joint Venture	Afcons-Vijeta -PES Joint Venture	Afcons-Vijeta -PES Joint Venture
AMC Cookware PTE Ltd.	AMC Cookware PTE Ltd.	AMC Cookware PTE Ltd.	AMC Cookware PTE Ltd.
Aqualgnis Technologies Pvt. Ltd.	Aqualgnis Technologies Pvt. Ltd.	Aqualgnis Technologies Pvt. Ltd.	Aqualgnis Technologies Pvt. Ltd.
Armada 98/2 Pte. Ltd. (w.e.f. 15 March 2017)	Armada 98/2 Pte. Ltd. (w.e.f. 15 March 2017)	Armada 98/2 Pte. Ltd. (w.e.f. 15 March 2017)	Armada 98/2 Pte. Ltd. (w.e.f. 15 March 2017)
Armada C7 Pte Ltd.(Singapore)	Armada C7 Pte Ltd.(Singapore)	Armada C7 Pte Ltd.(Singapore)	Armada C7 Pte Ltd.(Singapore)
Armada D1 Pte Ltd.(Singapore)	Armada D1 Pte Ltd.(Singapore)	Armada D1 Pte Ltd.(Singapore)	Armada D1 Pte Ltd.(Singapore)
Armada Madura EPC Ltd	Armada Madura EPC Ltd	Armada Madura EPC Ltd	Armada Madura EPC Ltd
Awesome Properties Pvt. Ltd.	Awesome Properties Pvt. Ltd.	Awesome Properties Pvt. Ltd.	Awesome Properties Pvt. Ltd.
Behold Space Developers Pvt. Ltd.	Behold Space Developers Pvt. Ltd.	Behold Space Developers Pvt. Ltd.	Behold Space Developers Pvt. Ltd.
Bengal Shapoorji Housing Development Pvt. Ltd.	Bengal Shapoorji Housing Development Pvt. Ltd.	Bengal Shapoorji Housing Development Pvt. Ltd.	Bengal Shapoorji Housing Development Pvt. Ltd.
Bharat Renewable Energy P Ltd.	Bharat Renewable Energy P Ltd.	Bharat Renewable Energy P Ltd.	Bharat Renewable Energy P Ltd.
Bigsearch Properties Pvt. Ltd.	Bigsearch Properties Pvt. Ltd.	Bigsearch Properties Pvt. Ltd.	Bigsearch Properties Pvt. Ltd.
Blessing Properties Pvt. Ltd.	Blessing Properties Pvt. Ltd.	Blessing Properties Pvt. Ltd.	Blessing Properties Pvt. Ltd.
Blue Stone Middle East Ltd	Blue Stone Middle East Ltd	Blue Stone Middle East Ltd	Blue Stone Middle East Ltd
BNV Gujarat Rail Private Ltd.	BNV Gujarat Rail Private Ltd.	BNV Gujarat Rail Private Ltd.	BNV Gujarat Rail Private Ltd.
Coventry Properties Pvt. Ltd.	Coventry Properties Pvt. Ltd.	Coventry Properties Pvt. Ltd.	Coventry Properties Pvt. Ltd.
Cyrus Chemicals Pvt. Ltd.	Cyrus Chemicals Pvt. Ltd.	Cyrus Chemicals Pvt. Ltd.	Cyrus Chemicals Pvt. Ltd.
Dream Chalet Pvt. Ltd.	Dream Chalet Pvt. Ltd.	Dream Chalet Pvt. Ltd.	Dream Chalet Pvt. Ltd.
Forbes Aquatech Ltd.	Forbes Aquatech Ltd.	Forbes Aquatech Ltd.	Forbes Aquatech Ltd.
Forbes Concept Hospitality Services Pvt. Ltd.	Forbes Concept Hospitality Services Pvt. Ltd.	Forbes Concept Hospitality Services Pvt. Ltd.	Forbes Concept Hospitality Services Pvt. Ltd.
Forbes Bumi Armada Ltd.	Forbes Bumi Armada Ltd.	Forbes Bumi Armada Ltd.	Forbes Bumi Armada Ltd.
Forbes Bumi Armada Offshore Ltd.	Forbes Bumi Armada Offshore Ltd.	Forbes Bumi Armada Offshore Ltd.	Forbes Bumi Armada Offshore Ltd.
Forbes G4S Solutions Private Limited	Forbes G4S Solutions Private Limited	Forbes G4S Solutions Private Limited	Forbes G4S Solutions Private Limited
Grand View Estates Pvt. Ltd.	Grand View Estates Pvt. Ltd.	Grand View Estates Pvt. Ltd.	Grand View Estates Pvt. Ltd.
Heart Beat Properties Pvt. Ltd.	Heart Beat Properties Pvt. Ltd.	Heart Beat Properties Pvt. Ltd.	Heart Beat Properties Pvt. Ltd.
G. S. Enterprises (Partnership Firm)	G. S. Enterprises (Partnership Firm)	G. S. Enterprises (Partnership Firm)	G. S. Enterprises (Partnership Firm)
HPCL Shapoorji Energy Ltd.	HPCL Shapoorji Energy Ltd.	HPCL Shapoorji Energy Ltd.	HPCL Shapoorji Energy Ltd.
Image Realty LLP	Image Realty LLP	Image Realty LLP	Image Realty LLP
Infinite Water Solutions Private Limited	Infinite Water Solutions Private Limited	Infinite Water Solutions Private Limited	Infinite Water Solutions Private Limited
Insight Properties Pvt. Ltd.	Insight Properties Pvt. Ltd.	Insight Properties Pvt. Ltd.	Insight Properties Pvt. Ltd.
Iron Afcons Joint venture	Iron Afcons Joint venture	Iron Afcons Joint venture	Iron Afcons Joint venture
Jess Realty Pvt. Ltd.	Jess Realty Pvt. Ltd.	Jess Realty Pvt. Ltd.	Jess Realty Pvt. Ltd.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related Party Transactions (Continued)

A. List of related parties (continued)

Relationship	Name of party		
	31 December 2018	31 December 2017	31 March 2018
Joyous Housing Ltd.	Joyous Housing Ltd.	Joyous Housing Ltd.	Joyous Housing Ltd.
Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)	Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)	Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)	Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.)
Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture	Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture
Meridian Enterprise (Joint venture)	Meridian Enterprise (Joint venture)	Meridian Enterprise (Joint venture)	Meridian Enterprise (Joint venture)
Minean SP Construction Corporation	Minean SP Construction Corporation	Minean SP Construction Corporation	Minean SP Construction Corporation
Mirth Property Developers Pvt. Ltd.	Mirth Property Developers Pvt. Ltd.	Mirth Property Developers Pvt. Ltd.	Mirth Property Developers Pvt. Ltd.
Natural Oil Ventures Co Ltd.	Natural Oil Ventures Co Ltd.	Natural Oil Ventures Co Ltd.	Natural Oil Ventures Co Ltd.
Newtech Planners & Consultancy Services Pvt. Ltd.	Newtech Planners & Consultancy Services Pvt. Ltd.	Newtech Planners & Consultancy Services Pvt. Ltd.	Newtech Planners & Consultancy Services Pvt. Ltd.
P T Gokak Indonesia	P T Gokak Indonesia	P T Gokak Indonesia	P T Gokak Indonesia
P.T.C. S.a.s. di Barzanti Massimo	P.T.C. S.a.s. di Barzanti Massimo	P.T.C. S.a.s. di Barzanti Massimo	P.T.C. S.a.s. di Barzanti Massimo
Redstone Films Pvt Ltd	Redstone Films Pvt Ltd	Redstone Films Pvt Ltd	Redstone Films Pvt Ltd
Rock Spaces Pvt.Ltd.	Rock Spaces Pvt.Ltd.	Rock Spaces Pvt.Ltd.	Rock Spaces Pvt.Ltd.
S D Suburban Development Pvt. Ltd	S D Suburban Development Pvt. Ltd	S D Suburban Development Pvt. Ltd	S D Suburban Development Pvt. Ltd
S. D. Corporation Pvt. Ltd.	S. D. Corporation Pvt. Ltd.	S. D. Corporation Pvt. Ltd.	S. D. Corporation Pvt. Ltd.
S. D. New Samata Nagar Development Pvt. Ltd.	S. D. New Samata Nagar Development Pvt. Ltd.	S. D. New Samata Nagar Development Pvt. Ltd.	S. D. New Samata Nagar Development Pvt. Ltd.
S. D. Recreational Services Pvt. Ltd.	S. D. Recreational Services Pvt. Ltd.	S. D. Recreational Services Pvt. Ltd.	S. D. Recreational Services Pvt. Ltd.
S. D. Service Management Pvt. Ltd.	S. D. Service Management Pvt. Ltd.	S. D. Service Management Pvt. Ltd.	S. D. Service Management Pvt. Ltd.
S. D. SVP Nagar Redevelopment Pvt. Ltd.	S. D. SVP Nagar Redevelopment Pvt. Ltd.	S. D. SVP Nagar Redevelopment Pvt. Ltd.	S. D. SVP Nagar Redevelopment Pvt. Ltd.
S. D. Town Development Pvt. Ltd.	S. D. Town Development Pvt. Ltd.	S. D. Town Development Pvt. Ltd.	S. D. Town Development Pvt. Ltd.
S.D. Imperial Property Maintenance Pvt. Ltd.	S.D. Imperial Property Maintenance Pvt. Ltd.	S.D. Imperial Property Maintenance Pvt. Ltd.	S.D. Imperial Property Maintenance Pvt. Ltd.
Saipem Afcons Joint Venture	Saipem Afcons Joint Venture	Saipem Afcons Joint Venture	Saipem Afcons Joint Venture
SD Palm Lands Redevelopment Pvt. Ltd.	SD Palm Lands Redevelopment Pvt. Ltd.	SD Palm Lands Redevelopment Pvt. Ltd.	SD Palm Lands Redevelopment Pvt. Ltd.
SD Powai Redevelopment Pvt. Ltd.	SD Powai Redevelopment Pvt. Ltd.	SD Powai Redevelopment Pvt. Ltd.	SD Powai Redevelopment Pvt. Ltd.
SDC Infrastructure Pvt. Ltd.	SDC Infrastructure Pvt. Ltd.	SDC Infrastructure Pvt. Ltd.	SDC Infrastructure Pvt. Ltd.
SDC Mines Pvt Ltd	SDC Mines Pvt Ltd	SDC Mines Pvt Ltd	SDC Mines Pvt Ltd
SDC Township Pvt. Ltd.	SDC Township Pvt. Ltd.	SDC Township Pvt. Ltd.	SDC Township Pvt. Ltd.
Satori Property Developers Pvt. Ltd.	Satori Property Developers Pvt. Ltd.	Satori Property Developers Pvt. Ltd.	Satori Property Developers Pvt. Ltd.
Seaward Realty Pvt. Ltd.	Seaward Realty Pvt. Ltd.	Seaward Realty Pvt. Ltd.	Seaward Realty Pvt. Ltd.
Shapoorji Pallonji and OEG Services Private Limited	Shapoorji Pallonji and OEG Services Private Limited	Shapoorji Pallonji and OEG Services Private Limited	Shapoorji Pallonji and OEG Services Private Limited
Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.	Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.	Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.	Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd.
Solar Capital De Aar 3 (RF)Proprietary Limited	Solar Capital De Aar 3 (RF)Proprietary Limited	Solar Capital De Aar 3 (RF)Proprietary Limited	Solar Capital De Aar 3 (RF)Proprietary Limited
SP Armada Offshore Pvt. Ltd.	SP Armada Offshore Pvt. Ltd.	SP Armada Offshore Pvt. Ltd.	SP Armada Offshore Pvt. Ltd.
SP Armada Oil Exploration Pvt. Ltd.	SP Armada Oil Exploration Pvt. Ltd.	SP Armada Oil Exploration Pvt. Ltd.	SP Armada Oil Exploration Pvt. Ltd.
SP Imperial Star Pvt. Ltd.	SP Imperial Star Pvt. Ltd.	SP Imperial Star Pvt. Ltd.	SP Imperial Star Pvt. Ltd.
Space Square Developers Pvt. Ltd.	Space Square Developers Pvt. Ltd.	Space Square Developers Pvt. Ltd.	Space Square Developers Pvt. Ltd.
Sterling Motors (Partnership Firm)	Sterling Motors (Partnership Firm)	Sterling Motors (Partnership Firm)	Sterling Motors (Partnership Firm)
Sunny Recreational Property Developers Pvt. Ltd	Sunny Recreational Property Developers Pvt. Ltd	Sunny Recreational Property Developers Pvt. Ltd	Sunny Recreational Property Developers Pvt. Ltd
Strabag Afcons Joint Venture	Strabag Afcons Joint Venture	Strabag Afcons Joint Venture	Strabag Afcons Joint Venture
Turner Films Pvt Ltd	Turner Films Pvt Ltd	Turner Films Pvt Ltd	Turner Films Pvt Ltd
Zhanakorgan Energy LLP	Zhanakorgan Energy LLP	Zhanakorgan Energy LLP	Zhanakorgan Energy LLP

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related party disclosures (Continued)

B. Transactions and balances with related parties

Related party disclosures for the period ended 31 December 2018

Sr. No.	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts	1,058.03	5,403.48	-	6,461.51
II	Sale of traded goods	-	1,688.50	-	1,688.50
III	Purchase of services	-	12.90	-	12.90
IV	Purchases of construction material	-	44.58	-	44.58
V	Advance received from customers	3.76	282.21	-	285.96
VI	Management support fees	82.70	-	-	82.70
VII	Interest income	-	1,241.12	-	1,241.12
VIII	Remuneration paid	-	-	48.28	48.28
IX	Interest expense	0.25	-	-	0.25
X	Short term borrowings received	200.00	-	-	200.00
XI	Short term borrowings repaid	200.00	-	-	200.00
XII	Loan given	-	10,217.15	-	10,217.15
XIII	Loan repaid	-	3,366.32	-	3,366.32
XIV	Interest receivable	-	1,240.02	-	1,240.02
XV	Advance from customer	83.08	37.11	-	120.19
XVI	Trade Receivables	464.90	4,431.93	-	4,896.84
XVII	Trade payable	82.70	749.45	-	832.15
XIX	Other receivables	-	7.53	-	7.53
XX	Other Payables	0.11	16.85	-	16.97
XXI	Gross amount due from customer	0.29	210.23	-	210.52
XXII	Loan receivable	-	17,149.59	-	17,149.59
XXIII	Corporate Guarantee outstanding	-	277.76	-	277.76
XXIII	Reimbursement of expenses	-	124.18	-	124.18

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

Related party disclosures for the period ended 31 December 2018 (Continued)

Sr. No	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	1,058.03	-	-	1,058.03
	Shapoorji Pallonji Energy Egypt S.A.E	-	3,105.54	-	3,105.54
	Afcons Infrastructure Limited	-	34.84	-	34.84
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	2,137.64	-	2,137.64
	Shapoorji Pallonji Mideast LLC	-	0.32	-	0.32
	Sterling and Wilson Powergen Private Limited	-	19.04	-	19.04
	Sterling and Wilson Private Limited	-	60.00	-	60.00
	Transform Sun Energy Private Limited	-	46.10	-	46.10
II	Sale of traded goods				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	1,688.50	-	1,688.50
III	Purchases of services				
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	2.89	-	2.89
	Forvol International Services Limited	-	10.01	-	10.01
IV	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	5.09	-	5.09
	Sterling and Wilson Powergen FZE	-	1.00	-	1.00
	Sterling Generators Private Limited	-	38.49	-	38.49
V	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	3.76	-	-	3.76
	Shapoorji Pallonji Energy Egypt S.A.E	-	282.21	-	282.21
VI	Management support fees				
	Shapoorji Pallonji and Company Private Limited	82.70	-	-	82.70
VII	Interest income				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	221.10	-	221.10
	Sterling and Wilson Powergen Private Limited	-	7.03	-	7.03
	Sterling and Wilson Private Limited	-	500.69	-	500.69
	Sterling and Wilson International FZE	-	512.30	-	512.30
VIII	Remuneration paid*				
	Mr. Khurshed Y Daruvala, Director	-	-	34.07	34.07
	Mr. Bahadur Dastoor, CFO	-	-	14.21	14.21
IX	Interest expense				
	Shapoorji Pallonji and Company Private Limited	0.25	-	-	0.25
X	Short term borrowings received				
	Shapoorji Pallonji and Company Private Limited	200.00	-	-	200.00
XI	Short term borrowings repaid				
	Shapoorji Pallonji and Company Private Limited	200.00	-	-	200.00
XII	Loan given				
	Sterling and Wilson Powergen Private Limited	-	130.00	-	130.00
	Sterling and Wilson Private Limited	-	10,087.15	-	10,087.15
XIII	Loan repaid				
	Sterling and Wilson International FZE	-	773.23	-	773.23
	Sterling and Wilson Private Limited	-	2,593.09	-	2,593.09

*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

Related party disclosures for the period ended 31 December 2018 (Continued)

Sr. No	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
XIV	Interest receivable				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	221.10	-	221.10
	Sterling and Wilson Private Limited	-	500.58	-	500.58
	Sterling and Wilson Powergen Private Limited	-	7.02	-	7.02
	Sterling and Wilson International FZE	-	511.32	-	511.32
XV	Advance from customer				
	Shapoorji Pallonji and Company Private Limited	83.08	-	-	83.08
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	37.11	-	37.11
XVI	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	464.90	-	-	464.90
	Shapoorji Pallonji Energy Egypt S.A.E	-	1,884.88	-	1,884.88
	Shapoorji Pallonji Mideast LLC	-	0.32	-	0.32
	Sterling and Wilson Private Limited	-	43.84	-	43.84
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	2,429.29	-	2,429.29
	Sterling and Wilson Powergen Private Limited	-	11.14	-	11.14
	Transform Sun Energy Private Limited	-	62.47	-	62.47
XVII	Trade payable				
	Shapoorji Pallonji and Company Private Limited	82.70	-	-	82.70
	Forvol International Services Limited	-	1.19	-	1.19
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	733.92	-	733.92
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	2.89	-	2.89
	Sterling Generators Private Limited	-	9.82	-	9.82
	Sterling and Wilson Powegen FZE	-	1.09	-	1.09
	Sterling and Wilson Powergen Private Limited	-	0.53	-	0.53
XIX	Other receivables				
	Sashwat Energy Private Limited	-	0.16	-	0.16
	Sterling and Wilson Powergen FZE	-	6.68	-	6.68
	Sterling and Wilson Private Limited	-	0.69	-	0.69
XX	Other payables				
	Shapoorji Pallonji and Company Private Limited	0.11	-	-	0.11
	Sterling and Wilson International FZE	-	1.13	-	1.13
	Sterling and Wilson Middle East Electro Mechanical L.L.C	-	15.72	-	15.72
XXI	Gross amount due from customer				
	Shapoorji Pallonji and Company Private Limited	0.29	-	-	0.29
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	164.48	-	164.48
	Sterling and Wilson Private Limited	-	45.75	-	45.75
XXII	Loan receivable				
	Sterling and Wilson International FZE	-	6,247.39	-	6,247.39
	Sterling and Wilson Private Limited	-	10,772.20	-	10,772.20
	Sterling and Wilson Powergen Private Limited	-	130.00	-	130.00
XXIII	Corporate Guarantee outstanding				
	Sterling and Wilson Private Limited	-	277.76	-	277.76
XXIII	Reimbursement of expenses				
	Sterling and Wilson Private Limited	-	124.18	-	124.18

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

Related party disclosures for the period ended 31 December 2017

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts	-	1,629.97	-	1,629.97
II	Advance received from customers	-	474.79	-	474.79
III	Management support fees	45.00	-	-	45.00
IV	Purchases of construction material	-	198.99	-	198.99
V	Receiving of Services	-	6.67	-	6.67
VI	Advance from customer	-	331.20	-	331.20
VII	Trade receivables	2.38	673.69	-	676.07
VIII	Other receivables	-	10,240.54	-	10,240.54
IX	Gross amount due from customer	-	110.49	-	110.49
X	Trade payable	-	45.65	-	45.65
XI	Other payables	-	0.66	-	0.66

Sr. No	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Afcons Infrastructure Limited	-	8.57	-	8.57
	Shapoorji Pallonji Infra Capital Co Private Limited	-	1,584.72	-	1,584.72
	SP Photovoltaic Private Limited	-	36.68	-	36.68
II	Advance received from customers				
	Shapoorji Pallonji Infra Capital Co Private Limited	-	474.79	-	474.79
III	Management support fees				
	Shapoorji Pallonji and Company Private Limited	45.00	-	-	45.00
IV	Purchases of construction material				
	Sterling and Wilson Powergen Private Limited	-	0.55	-	0.55
	Sterling Viking Power Private Limited	-	0.15	-	0.15
	Sterling Generators Private Limited	-	198.29	-	198.29
V	Receiving of Services				
	Forvol International Services Limited	-	6.67	-	6.67
VI	Advance from customer				
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	331.20	-	331.20
VII	Trade receivables				
	Shapoorji Pallonji and Company Private Limited	2.38	-	-	2.38
	Shapoorji Pallonji Infra Capital Company Private Limited	-	654.80	-	654.80
	Universal Mine Development	-	18.89	-	18.89
VIII	Other receivables				
	Sterling and Wilson Private Limited	-	9,171.91	-	9,171.91
	Sterling and Wilson International FZE	-	1,062.51	-	1,062.51
	Sterling & Wilson Powergen FZE	-	6.13	-	6.13
IX	Gross amount due from customer				
	Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	101.91	-	101.91
	Afcons Infrastructure Limited	-	8.58	-	8.58
X	Trade payable				
	Sterling Generators Private Limited	-	26.68	-	26.68
	Forvol International Services Limited	-	0.18	-	0.18
	Sterling Generators Private Limited	-	18.79	-	18.79
XI	Other payables				
	Sterling and Wilson Private Limited	-	0.66	-	0.66

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

Related party disclosures for the period beginning 9 March 2017 to 31 March 2018

Sr. No.	Nature of transaction	Holding company	Subsidiaries and Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts	15.31	3,093.58	-	3,108.89
II	Advance received from customers	115.95	577.14	-	693.09
III	Management support fees	60.00	-	-	60.00
IV	Trade Receivables	2.38	1,789.05	-	1,791.43
V	Other receivables	-	10,298.76	-	10,298.76
VI	Gross amount due from customer	15.31	-	-	15.31
VII	Other payables	-	19.79	-	19.79
VIII	Purchases of construction material	-	625.07	-	625.07
IX	Receiving of Services	-	7.17	-	7.17
X	Advance from customer	115.95	144.65	-	260.60
XI	Trade payables	-	37.41	-	37.41
XII	Equity shares issued	105.47	0.04	54.89	160.40
XIII	Equity shares cancelled	-	0.36	-	0.36
XIV	Corporate Guarantee received	-	259.29	-	259.29
XV	Corporate Guarantee outstanding	-	259.29	-	259.29

Sr. No	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
I	Income from works contracts				
	Shapoorji Pallonji and Company Private Limited	15.31	-	-	15.31
	Afcons Infrastructure Limited	-	160.12	-	160.12
	Shapoorji Pallonji Infra Capital Co Private Limited	-	2,722.69	-	2,722.69
	Suryoday Energy Private Limited	-	25.18	-	25.18
	SP Photovoltaic Private Limited	-	49.47	-	49.47
	Transform Sun Energy Private Limited	-	136.12	-	136.12
II	Advance received from customers				
	Shapoorji Pallonji and Company Private Limited	115.95	-	-	115.95
	Shapoorji Pallonji Infra Capital Co Private Limited	-	577.14	-	577.14
III	Management support fees				
Shapoorji Pallonji and Company Private Limited	60.00	-	-	60.00	
IV	Unbilled Revenue				
Shapoorji Pallonji and Company Private Limited	-	-	-	-	
V	Trade Receivables				
	Shapoorji Pallonji and Company Private Limited	2.38	-	-	2.38
	Afcon Infrastructure Private Limited	-	169.88	-	169.88
	Shapoorji Pallonji Infra Capital Company Private Limited	-	1,596.36	-	1,596.36
	Transform Sun Energy Private Limited	-	22.82	-	22.82

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (continued)

(Currency: Indian rupees in million)

47 Related party disclosures (Continued)

B. Transactions and balances with related parties (Continued)

Transactions and balances with related parties (Continued)

Related party disclosures for the period beginning 9 March 2017 to 31 March 2018 (continued)

Sr. No	Nature of transaction	Holding company	Fellow subsidiaries	Key Management Personnel and their relatives	Total
VI	Other receivables				
	Sterling and Wilson Private Limited	-	3,278.14	-	3,278.14
	Sterling and Wilson International FZE	-	7,020.62	-	7,020.62
VII	Gross amount due from customer				
	Shapoorji Pallonji and Company Private Limited	15.31	-	-	15.31
VIII	Other Payables				
	Sterling Generators Private Limited	-	19.12	-	19.12
	Sterling and Wilson Private Limited	-	0.67	-	0.67
IX	Purchases of construction material				
	Sterling Generators Private Limited	-	620.78	-	620.78
	Sterling and Wilson Powergen Private Limited	-	2.92	-	2.92
	Sterling Viking Power Private Limited	-	0.01	-	0.01
	Sterling and Wilson International FZE	-	1.36	-	1.36
X	Receiving of Services				
	Forvol International Services Limited	-	7.17	-	7.17
XI	Advance from customer				
	Shapoorji Pallonji and Company Private Limited	115.95	-	-	115.95
	Shapoorji Pallonji Infrastructure Capital Company Private Limited	-	144.65	-	144.65
XII	Trade payables				
	Sterling Generators Private Limited	-	32.95	-	32.95
	Sterling and Wilson Powergen Private Limited	-	2.10	-	2.10
	Forvol International Services Limited	-	2.36	-	2.36
XIII	Equity shares issued				
	Sterling and Wilson Private Limited	-	0.04	-	0.04
	Shapoorji Pallonji and Company Private Limited	105.47	-	-	105.47
	Mr. Khurshed Daruvala	-	-	53.45	53.45
	Mr. Pallonji S Mistry	-	-	1.44	1.44
XIII	Equity shares cancelled				
	Sterling and Wilson Private Limited	-	0.04	-	0.04
XIV	Corporate Guarantee received				
	Sterling and Wilson Private Limited	-	259.29	-	259.29
XV	Corporate Guarantee outstanding				
	Sterling and Wilson Private Limited	-	259.29	-	259.29

Sterling and Wilson Solar Limited

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 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 the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31 December 2018	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Current financial assets								
Investments	-	-	1.69	1.69	-	-	-	-
Trade receivables	-	-	14,068.17	14,068.17	-	-	-	-
Cash and cash equivalents	-	-	2,301.15	2,301.15	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	266.18	266.18	-	-	-	-
Loans	-	-	17,434.05	17,434.05	-	-	-	-
Other financial assets	-	-	1,913.88	1,913.88	-	-	-	-
Derivatives	2.18	-	-	2.18	-	2.18	-	2.18
	2.18	-	35,985.12	35,987.30	-	2.18	-	2.18
Non-current financial liabilities								
Borrowings	-	-	0.02	0.02	-	0.02	-	0.02
Current financial liabilities								
Borrowings	-	-	18,380.22	18,380.22	-	-	-	-
Trade payables	-	-	16,684.86	16,684.86	-	-	-	-
Other financial liabilities	-	-	501.06	501.06	-	-	-	-
	-	-	35,566.17	35,566.17	-	0.02	-	0.02

31 December 2017	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Current financial assets								
Investments	-	-	2.91	2.91	-	-	-	-
Trade receivables	-	-	12,687.55	12,687.55	-	-	-	-
Cash and cash equivalents	-	-	351.92	351.92	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2.27	2.27	-	-	-	-
Loans	-	-	68.27	68.27	-	-	-	-
Other financial assets	-	-	10,276.03	10,276.03	-	-	-	-
	-	-	23,388.95	23,388.95	-	-	-	-
Non-current financial liabilities								
Borrowings	-	-	0.02	0.02	-	0.02	-	0.02
Current financial liabilities								
Borrowings	-	-	216.47	216.47	-	-	-	-
Trade payables	-	-	24,787.47	24,787.47	-	-	-	-
Derivatives	191.32	-	-	191.32	-	191.32	-	191.32
Other financial liabilities	-	-	97.70	97.70	-	-	-	-
	191.32	-	25,101.66	25,292.99	-	191.34	-	191.34

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (Continued)

(a) Accounting classification and fair values (Continued)

31 March 2018	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Current financial assets								
Investments	-	-	1.59	1.59	-	-	-	-
Trade receivables	-	-	18,214.70	18,214.70	-	-	-	-
Cash and cash equivalents	-	-	954.66	954.66	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	86.67	86.67	-	-	-	-
Loans	-	-	93.63	93.63	-	-	-	-
Other financial assets	-	-	10,298.76	10,298.76	-	-	-	-
	-	-	29,650.02	29,650.02	-	-	-	-
Non-current financial liabilities								
Borrowings	-	-	0.02	0.02	-	0.02	-	0.02
Current financial liabilities								
Borrowings	-	-	1,841.35	1,841.35	-	-	-	-
Trade payables	-	-	37,397.94	37,397.94	-	-	-	-
Derivatives	104.21	-	-	104.21	-	104.21	-	104.21
Other financial liabilities	-	-	204.84	204.84	-	-	-	-
	104.21	-	39,444.15	39,548.36	-	104.23	-	104.23

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the Restated Consolidated Summary Statement of Assets and Liabilities as well as the significant unobservable inputs used.

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

Transfers between Levels 1 and 2

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

Level 3 fair values

There are no items in Level 3 fair values.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management

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

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

Risk management framework

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

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

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

i. Credit risk

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

Trade and other receivables

The Group'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 Group grants credit terms in the normal course of business. The Group establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivable and investment.

Total trade receivable is Rs 14,068.17 million (31 December 2017: Rs 12,687.55 million; 31 March 2018 : Rs 18,214.70 million).

Three largest customers have a total concentration of 38.21% (31 December 2017: Two largest customers has a total concentration of 48.47%; 31 March 2018: One largest customer has a total concentration of 45.13%) of total trade receivable.

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

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

Particulars	Amount
Balance as at 1 April 2018	20.50
Add: Impairment losses recognised during the period	40.00
Balance as at 31 December 2018	60.50
Balance as at 1 April 2017	7.00
Add: Impairment losses recognised during the period	8.51
Balance as at 31 December 2017	15.51
Balance as at 9 March 2017	-
Add: Acquired pursuant to scheme of arrangement (refer note 1)	7.00
Add: Impairment losses recognised during the period	13.50
Balance as at 31 March 2018	20.50

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (*Continued*)

(Currency: Indian rupees in million)

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

(c) Financial risk management (*Continued*)

i. Credit risk (*Continued*)

Cash and bank balances

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 2,567.33 million, Rs 354.19 million and Rs 1,041.33 million as at 31 December 2018, 31 December 2017 and 31 March 2018 respectively. The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Loans to fellow subsidiaries

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

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

Guarantees

The Company's policy is to provide the financial guarantees only for its subsidiaries. Pursuant to the Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL') with effect from 1 April 2017. As at 31 December 2018, pending split of existing banking facilities, SWPL has issued the guarantees of Rs 277.76 million (USD 4.00 million) (31 December: Rs Nil; 31 March 2018: Rs 259.29 million (USD 4.00 million)) to a bank in respect of credit facilities availed by a subsidiary of the Company. SWPL has also provided guarantees to the customers of subsidiaries in respect of mobilisation advance received by the subsidiaries and for the performance of the contract obligations.

Security deposits given to lessors

The Group has given security deposit to lessors for premises leased by the Group as at 31 December 2018, 31 December 2017 and 31 March 2018. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

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

ii. Liquidity risk

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

Pursuant to Scheme of Arrangement, the Business of the Group was held in trust by Sterling and Wilson Private Limited ('SWPL'). As at 31 December 2017 and 31 March 2018, pending issuance of Banking facilities, SWPL has obtained fund and non-fund based working capital lines from various banks for the Group. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The management monitor's the company net liquidity position through rolling forecasts on the basis of expected cash flow.

As at 31 December 2018, the Group had buyers credit of Rs Nil (31 December 2017: Rs 216.50 million; 31 March 2018: Rs 665.20 million) trust receipts of Rs 2,075.81 million (31 December 2017: Rs Nil; 31 March 2018: Rs 1,176.10 million), unsecured borrowings from banks and others of Rs 16,304.43 million (31 December 2017: Rs Nil; 31 March 2018: Rs Nil), cash and cash equivalents of Rs 2,301.15 million (31 December 2017: Rs 351.92 million; 31 March 2018: Rs 954.66 million) and other bank balances of Rs 266.18 million (31 December 2017: 2.27 million; 31 March 2018: Rs 86.66 million).

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

ii. Liquidity risk (Continued)

Exposure to liquidity risk

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

31 December 2018	Contractual Cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02	-	-	-	0.02
Unsecured Borrowings	16,304.41	16,800.54	16,800.54	-	-	-
Secured Borrowings	2,075.81	2,138.83	2,138.83	-	-	-
Trade payables	16,684.86	16,684.86	16,684.86	-	-	-
Interest accrued and due	13.55	13.55	13.55	-	-	-
Interest accrued but not due on borrowings	44.88	44.88	44.88	-	-	-
Other current financial liabilities	442.63	442.63	442.63	-	-	-
Total	35,566.16	36,125.31	36,125.29	-	-	0.02

31 December 2017	Contractual Cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	191.32	8,314.33	8,314.33	-	-	-
Inflow	-	(8,123.01)	(8,123.01)	-	-	-
Non-current, non derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02	-	-	-	0.02
Secured Borrowings	216.47	218.31	218.31	-	-	-
Trade payables	24,787.48	24,787.48	24,787.48	-	-	-
Interest accrued and due	8.49	8.49	8.49	-	-	-
Other current financial liabilities	89.21	89.21	89.21	-	-	-
Total	25,292.99	25,294.83	25,294.81	-	-	0.02

31 March 2018	Contractual Cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	104.21	5,629.66	5,629.66	-	-	-
Inflow	-	(5,525.45)	(5,525.45)	-	-	-
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02	-	-	-	0.02
Secured Borrowings	1,841.35	1,873.85	1,873.85	-	-	-
Trade payables	37,397.94	37,397.94	37,397.94	-	-	-
Interest accrued and due	19.60	19.60	19.60	-	-	-
Interest accrued but not due on borrowings	1.30	1.30	1.30	-	-	-
Other current financial liabilities	183.93	183.93	183.93	-	-	-
Total	39,548.35	39,580.85	39,580.83	-	-	0.02

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

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

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 and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a. Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 December 2018 are as below:

Amounts in INR	USD	JOD	EUR	AED	Peso	Others *
Financial assets						
Trade receivables	5,795.12	-	-	-	-	-
Cash and Cash Equivalents	622.06	-	-	-	2.08	255.20
Bank balances other than cash and cash equivalents	0.06	-	-	-	-	-
Exposure to foreign currency assets	6,417.24	-	-	-	2.08	255.20
Financial liabilities						
Trade payables and other payable	447.30	64.94	106.13	0.69	-	13.14
Exposure to foreign currency liabilities	447.30	64.94	106.13	0.69	-	13.14
Net Exposure	5,969.94	(64.94)	(106.13)	(0.69)	2.08	242.06

*others include West African Franc (XOF), Moroccan Dirhams (MAD), Swiss Franc (CHF), Australian Dollar (AUD)

The currency profile of financial assets and financial liabilities as at 31 December 2017 are as below:

Amounts in INR	USD	JOD	EUR	AED	Peso	Others *
Financial assets						
Trade receivables	6,307.53	-	-	-	-	-
Cash and Cash Equivalents	228.25	-	-	-	11.30	2.97
Bank balances other than cash and cash equivalents	0.06	-	-	-	-	-
Exposure to foreign currency assets	6,535.84	-	-	-	11.30	2.97
Financial liabilities						
Buyers credit	216.47	-	-	-	-	-
Trade payables and other payable	949.53	-	0.17	-	-	0.03
Other financial liabilities						
Exposure to foreign currency liabilities	1,166.00	-	0.17	-	-	0.03
Net Exposure	5,369.84	-	(0.17)	-	11.30	2.93

*others include West African Franc (XOF), Moroccan Dirhams (MAD), Swiss Franc (CHF), Australian Dollar (AUD)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

iii. Market risk (Continued)

a. Currency risk (Continued)

The currency profile of financial assets and financial liabilities as at 31 March 2018 are as below:

Amounts in INR	USD	JOD	EUR	AED	Peso	Others *
Financial assets						
Trade receivables	9,135.83	-	-	-	20.26	-
Cash and Cash Equivalents	764.19	-	-	-	-	61.56
Bank balances other than cash and cash equivalents	-	-	-	-	2.87	83.07
Security deposits	-	-	-	-	0.79	3.17
Exposure to foreign currency assets	9,900.01	-	-	-	23.92	147.79
Financial liabilities						
Buyers credit	665.24	-	-	-	-	-
Interest accrued but not due	1.30	-	-	-	-	-
Trade payables and other payable	15,410.43	-	0.33	-	57.32	173.57
Exposure to foreign currency liabilities	16,076.97	-	0.33	-	57.32	184.24
Forward exchange contract	665.24	-	-	-	-	-
Net exposure to foreign currency liabilities	15,411.73	-	0.33	-	57.32	184.24
Net Exposure	(5,511.72)	-	(0.33)	-	(33.40)	(36.45)

*others include West African Franc (XOF), Moroccan Dirhams (MAD), Swiss Franc (CHF), Australian Dollar (AUD)

i. The forward contracts booked also includes the future purchase transaction exposure.

ii. Hedged foreign currency exposure

	31 December 2018		31 December 2017		31 March 2018	
	Foreign currency (in million)	Indian Rupees (in million)	Foreign currency (in million)	Indian Rupees (in million)	Foreign currency (in million)	Indian Rupees (in million)
Foreign exchange forward contracts (To hedge buyers credit)	-	-	-	-	10.26	665.24
Foreign exchange forward contracts (To hedge highly probable future transactions)	20.32	1,428.86	122.59	8,123.01	74.55	4,860.21
	20.32	1,428.86	122.59	8,123.01	84.81	5,525.45

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Group 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	For the nine months period ended 31 December 2018 Profit or loss		For the nine months period ended 31 December 2017 Profit or loss		For the period beginning 9 March 2017 to Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
USD	298.50	(298.50)	268.49	(268.49)	(275.59)	275.59
JOD	(3.25)	3.25	-	-	-	-
EUR	(5.31)	5.31	(0.01)	0.01	(0.02)	0.02
AED	(0.03)	0.03	-	-	-	-
Peso	0.10	(0.10)	0.57	(0.57)	(1.67)	1.67
Others*	12.10	(12.10)	0.15	(0.15)	(1.82)	1.82

*others include West African Franc (XOF), Moroccan Dirhams (MAD), Swiss Franc (CHF), Australian Dollar (AUD)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

iii. Market risk (Continued)

b Interest rate risk

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

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 19 and 21 of these Restated Consolidated Summary Financial Information.

Particulars	31 December 2018	31 December 2017	31 March 2018
Fixed rate instruments			
Financial assets	17,701.12	71.18	90.68
Financial liabilities	(3,826.37)	(216.49)	(1,841.37)
	13,874.75	(145.31)	(1,750.69)
Variable rate instruments			
Financial liabilities	(14,553.88)	-	-
	(14,553.88)	-	-

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

Particulars	31 December 2018		31 December 2017		31 March 2018	
	Profit or loss		Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(145.54)	145.54	-	-	-	-
Cash flow sensitivity (net)	(145.54)	145.54	-	-	-	-

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

Sterling and Wilson Solar Limited

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

48 Financial instruments – Fair values and risk management (continued)

(d) Capital management

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

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

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

Particulars	31 December 2018	31 December 2017	31 March 2018
Non-current borrowings	0.02	0.02	0.02
Current borrowings	18,380.22	216.47	1,841.35
Gross debt	18,380.24	216.49	1,841.37
Less: Cash and cash equivalents	2,301.15	351.92	954.66
Adjusted net debt	16,079.09	(135.43)	886.71
Total equity	5,381.34	(790.63)	1,938.76
Adjusted net debt to equity ratio	2.99	0.17	0.46

49 Hedge accounting

During the nine month period ended 31 December 2017 and for the period ended 31 March 2018, the Group has a number of financial instruments in a hedging relationship. The Company uses foreign currency forward to hedge changes in future cash flows as a result of foreign currency and interest rate risk arising from sales and purchases and borrowings taken.

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

Particulars	31 December 2018	31 December 2017	31 March 2018
Fair Value gain/(loss) recognised in hedge reserve	-	-	-
Gain reclassified from hedge reserve	-	33.12	33.12
Fair value gain/(loss) recognised in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship	-	-	-

Sterling and Wilson Solar Limited

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

50 Details of branches and subsidiaries

The Restated Consolidated Summary Financial Information includes the audited financial statements of the following entities:

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

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

Sterling and Wilson Solar Limited

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Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

50 Details of branches and subsidiaries (Continued)

Sr. No.	Name of Company	Country of Incorporation	% Holding as at 31 December 2017	Control and share of profit / loss as at 31 December 2017
Branches:				
1	Sterling and Wilson - Philippines	Philippines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Bangladesh	Bangladesh	NA	NA
5	Sterling and Wilson - Argentina	Argentina	NA	NA
6	Sterling and Wilson - Egypt	Egypt	NA	NA
7	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
8	Sterling and Wilson - Morocco	Morocco	NA	NA
Subsidiaries*:				
1	Sterling and Wilson International Solar FZCO		100%	100%
2	Sterling and Wilson (Thailand) Limited	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda.	Brazil	100%	100%
<u>Subsidiaries of Sterling and Wilson International Solar FZCO:</u>				
1	Sterling and Wilson Engineering (Pty) Ltd	South Africa	70%	100%
2	Sterling and Wilson Singapore Pte Ltd	Singapore	100%	100%
3	Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)	United States of America	100%	100%
4	Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)	Spain	99%	99%
5	Sterling and Wilson Middle East Solar Energy LLC	United Arab Emirates	49%	100%
<u>Subsidiary of Sterling and Wilson Singapore Pte Ltd:</u>				
1	Sterling and Wilson Kazakhstan LLP	Kazakhstan	100%	100%

*The Company was in the process of completing the relevant statutory and regulatory procedures to transfer the legal ownership of the said subsidiaries to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

Sr. No.	Name of Company	Country of Incorporation	% Holding as at 31 March 2018	Control and share of profit / loss as at 31 March 2018
Branches:				
1	Sterling and Wilson - Philippines	Philippines	NA	NA
2	Sterling and Wilson - Namibia	Namibia	NA	NA
3	Sterling and Wilson - Zambia	Zambia	NA	NA
4	Sterling and Wilson - Bangladesh	Bangladesh	NA	NA
5	Sterling and Wilson - Argentina	Argentina	NA	NA
6	Sterling and Wilson - Egypt	Egypt	NA	NA
7	Sterling and Wilson - Dubai	United Arab Emirates	NA	NA
8	Sterling and Wilson - Morocco	Morocco	NA	NA
Subsidiaries:				
1	Sterling and Wilson International Solar FZCO*	United Arab Emirates	100%	100%
2	Sterling and Wilson (Thailand) Limited*	Thailand	100%	100%
3	Sterling & Wilson - Waaree Private Limited*	India	100%	100%
4	Sterling and Wilson Saudi Arabia Limited*	Saudi Arabia	100%	100%
5	Sterling Wilson - SPCPL - Chint Moroccan Venture*	India	92%	92%
6	Sterling and Wilson Brasil Servicos Ltda.*	Brazil	100%	100%
<u>Subsidiaries of Sterling and Wilson International Solar FZCO:</u>				
1	Sterling and Wilson Engineering (Pty) Ltd*	South Africa	70%	100%
2	Sterling and Wilson Singapore Pte Ltd*	Singapore	100%	100%
3	Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)	United States of America	100%	100%
4	Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)	Spain	99%	99%
5	Sterling and Wilson Middle East Solar Energy LLC*	United Arab Emirates	49%	100%
<u>Subsidiary of Sterling and Wilson Singapore Pte Ltd:</u>				
1	Sterling and Wilson Kazakhstan LLP*	Kazakhstan	100%	100%

*The Company was in the process of completing the relevant statutory and regulatory procedures to transfer the legal ownership of the said subsidiaries to give effect to the Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') order dated 28 March 2018.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

51 Additional information required by Schedule III to the Companies Act, 2013

Particulars	31 December 2018							
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Limited	65.50%	3,524.74	34.29%	1,177.56	(64.00%)	(2.56)	34.17%	1,175.00
Subsidiaries								
Indian								
Sterling & Wilson Waaree Private Limited	5.45%	293.52	4.52%	155.12	0.00%	-	4.51%	155.12
Sterling Wilson-SPCPL-Chint Moroccan Venture	(0.13%)	(6.93)	6.11%	210.00	0.00%	-	6.11%	210.00
Esterlina Solar Engineers Pvt. Ltd.	(0.01%)	(0.31)	(0.01%)	(0.41)	0.00%	-	(0.01%)	(0.41)
Foreign								
Sterling and Wilson International Solar FZCO and its subsidiaries								
Sterling and Wilson International Solar FZCO	28.36%	1,526.09	141.78%	4,869.04	42.28%	1.69	141.66%	4,870.73
Sterling and Wilson Middle East Solar Energy LLC	(4.61%)	(248.30)	9.78%	335.72	0.00%	-	9.76%	335.72
Sterling and Wilson Singapore Pte Ltd.	(0.09%)	(4.96)	(0.16%)	(5.39)	0.00%	-	(0.16%)	(5.39)
Sterling and Wilson Kazakhstan LLP	(0.00%)	(0.02)	0.00%	0.05	0.00%	-	0.00%	0.05
Sterling and Wilson International LLP - Kazakhstan (formerly known as A&S Company LLP)	0.00%	0.07	0.00%	-	0.00%	-	0.00%	-
GCO Electrical Pty Ltd	0.33%	17.86	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson Engineering (Pty) Ltd.	(1.17%)	(63.02)	(1.26%)	(43.19)	0.00%	-	(1.26%)	(43.19)
Sterling and Wilson Solar Solutions Inc.	(5.74%)	(308.98)	(6.34%)	(217.86)	0.00%	-	(6.34%)	(217.86)
Renovable Energia Contracting S.L.	0.05%	2.61	0.45%	15.47	0.00%	-	0.45%	15.47
Sterling and Wilson Solar Solutions LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Other Foreign Subsidiaries								
Sterling and Wilson (Thailand) Limited	(0.01%)	(0.79)	(0.00%)	(0.08)	0.00%	-	(0.00%)	(0.08)
Sterling & Wilson Saudi Arabia Limited	0.13%	6.75	(0.31%)	(10.61)	0.00%	-	(0.31%)	(10.61)
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest in all subsidiaries	(0.34%)	(18.37)	0.10%	3.30	29.65%	1.19	0.13%	4.49
Total Eliminations on Consolidation	12.88%	692.90	(88.94%)	(3,054.42)	0.00%	-	(88.84%)	(3,054.42)
Exchange differences on translation of foreign operations	(0.59%)	(31.51)	0.00%	-	92.07%	3.68	0.11%	3.68
Total	100.00%	5,381.34	100.00%	3,434.30	100.00%	4.00	100.00%	3,438.30

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

51 Additional information required by Schedule III to the Companies Act, 2013 (Continued)

Particulars	31 December 2017							
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Limited	(200.65%)	1,586.39	32.44%	562.46	41.84%	24.82	32.76%	587.28
Subsidiaries								
<i>Indian</i>								
Sterling & Wilson Waaree Private Limited	(13.39%)	105.84	6.11%	105.94	0.00%	-	5.91%	105.94
Sterling Wilson-SPCPL-Chint Moroccan Venture	45.50%	(359.75)	(20.26%)	(351.18)	0.00%	-	(19.59%)	(351.18)
<i>Foreign</i>								
<i>Sterling and Wilson International Solar FZCO and its subsidiaries</i>								
Sterling and Wilson International Solar FZCO	399.40%	(3,157.75)	(78.33%)	(1,357.90)	0.00%	-	(75.74%)	(1,357.90)
Sterling and Wilson Middle East Solar Energy LLC	112.50%	(889.42)	14.33%	248.39	0.00%	-	13.85%	248.39
Sterling and Wilson Singapore Pte Ltd.	(0.09%)	0.71	(0.03%)	(0.47)	0.00%	-	(0.03%)	(0.47)
Sterling and Wilson Kazakhstan LLP	0.00%	(0.00)	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)
Sterling and Wilson Engineering (Pty) Ltd.	1.74%	(13.75)	0.46%	8.04	0.00%	-	0.45%	8.04
Sterling and Wilson Solar Solutions Inc.	(0.00%)	0.01	0.00%	-	0.00%	-	0.00%	-
Renovable Energia Contracting S.L.	(0.04%)	0.31	(0.00%)	(0.00)	0.00%	-	(0.00%)	(0.00)
<i>Other Foreign Subsidiaries</i>								
Sterling and Wilson (Thailand) Limited	0.08%	(0.60)	0.00%	-	0.00%	-	0.00%	-
Sterling & Wilson Saudi Arabia Limited	(2.18%)	17.26	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest in all subsidiaries	4.68%	(37.03)	(1.56%)	(27.09)	(2.32%)	(1.38)	(1.59%)	(28.47)
Total Eliminations on Consolidation	(245.90%)	1,944.10	146.83%	2,545.47	0.00%	-	141.97%	2,545.47
Exchange differences on translation of foreign operations	(1.65%)	13.06	0.00%	-	60.48%	35.88	2.00%	35.88
Total	100.00%	(790.62)	100.00%	1,733.62	100.00%	59.32	100.00%	1,792.93

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

51 Additional information required by Schedule III to the Companies Act, 2013 (Continued)

Particulars	31 March 2018							
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sterling and Wilson Solar Limited	121.16%	2,349.06	29.29%	1,319.81	185.68%	31.52	29.88%	1,351.32
Subsidiaries								
<i>Indian</i>								
Sterling & Wilson Waaree Private Limited	7.14%	138.40	3.07%	138.50	0.00%	-	3.06%	138.50
Sterling Wilson-SPCPL-Chint Moroccan Venture	(11.19%)	(216.94)	(4.80%)	(216.42)	0.00%	-	(4.79%)	(216.42)
<i>Foreign</i>								
<i>Sterling and Wilson International Solar FZCO and its subsidiaries</i>								
Sterling and Wilson International Solar FZCO	31.57%	612.06	60.69%	2,734.27	0.00%	-	60.46%	2,734.27
Sterling and Wilson Solar Solutions Inc. (w.e.f. 19 December 2017)	1.33%	25.85	(1.90%)	(85.47)	0.00%	-	(1.89%)	(85.47)
Renovable Energia Contracting S.L. (w.e.f. 21 December 2017)	0.05%	0.98	(0.27%)	(12.28)	0.00%	-	(0.27%)	(12.28)
Sterling and Wilson Engineering (Pty) Ltd	(8.65%)	(167.69)	0.12%	5.62	0.00%	-	0.12%	5.62
Sterling and Wilson Singapore Pte Ltd	(0.01%)	(0.12)	(0.02%)	(0.81)	0.00%	-	(0.02%)	(0.81)
Sterling and Wilson Middle East Solar Energy L.L.C. (formerly known as Sterling and Wilson Powergen LLC)	(43.47%)	(842.77)	11.89%	535.68	0.00%	-	11.85%	535.68
Sterling and Wilson Kazakhstan LLP	(0.00%)	(0.04)	(0.00%)	(0.09)	0.00%	-	(0.00%)	(0.09)
<i>Other Foreign Subsidiaries</i>								
Sterling and Wilson (Thailand) Limited	(0.04%)	(0.71)	(0.00%)	(0.12)	0.00%	-	(0.00%)	(0.12)
Sterling & Wilson Saudi Arabia Limited	0.89%	17.26	0.00%	-	0.00%	-	0.00%	-
Sterling and Wilson Brasil Servicos Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest in all subsidiaries	(1.40%)	(27.15)	(0.36%)	(16.41)	(12.86%)	(2.18)	(0.41%)	(18.59)
Total Eliminations on Consolidation	4.42%	85.75	2.29%	103.07	0.00%	-	2.28%	103.07
Exchange differences on translation of foreign operations	(1.81%)	(35.18)	0.00%	-	(72.82%)	(12.36)	(0.27%)	(12.36)
Total	100.00%	1,938.76	100.00%	4,505.35	100.00%	16.98	100.00%	4,522.33

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

52 Transfer pricing

Management believes that the Group's international transactions with related parties for the reporting periods are at arm's length and that the transfer pricing legislation will not have any impact on these Restated Consolidated Summary Statement of Assets and Liabilities, particularly on amount of tax expense and that of provision for taxation.

53 Disclosure of Specified Bank Notes

The Company was incorporated on 9 March 2017 which is after the period 8 November 2016 to 30 December 2016, hence the disclosure requirement as envisaged in Notification G.S.R. 308 (E) dated 30 March 2017 is not applicable to the Company.

54 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra-group eliminations:

31 December 2018	Sterling Wilson-SPCPL- Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Percentage of non-controlling interests	8.00%	30.00%	24.00%	
Non-current assets	13.45	9.30	25.48	48.23
Current assets	2,156.66	1,147.21	61.57	3,365.44
Non-current liabilities	-	-	-	-
Current liabilities	(2,206.93)	(1,233.18)	(69.18)	(3,509.29)
Net assets	(36.82)	(76.67)	17.87	(95.62)
Consolidation adjustment	40.83	-	-	40.83
Net assets attributable to NCI	0.33	(22.99)	4.29	(18.37)

31 December 2018	Sterling Wilson-SPCPL- Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Profit after income tax	231.81	(61.70)	-	170.11
Other comprehensive income	(21.74)	9.75	-	(11.99)
Total comprehensive income	210.07	(51.95)	-	158.12
Profit attributable to NCI	18.54	(18.51)	-	0.03
Consolidation adjustment	3.27	-	-	3.27
Total profit attributable to NCI	21.81	(18.50)	-	3.32
Other comprehensive income attributable to NCI	(1.74)	2.92	-	1.19
Total comprehensive income attributable to NCI	20.07	(15.58)	-	4.49
Cash flows generated from / (used in) operating activities	246.54	(228.97)	-	17.58
Cash flows generated from investing activities	16.24	1.25	-	17.49
Cash flows (used in) / generated from financing activities	(4.90)	235.00	-	230.10
Net increase in cash and cash equivalents	257.88	7.28	-	265.16
Net increase in cash and cash equivalents attributable to NCI	20.63	2.18	-	22.81

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

54 Non-controlling interests (Continued)

31 December 2017	Sterling Wilson-SPCPL- Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Percentage of non-controlling interests	8.00%	30.00%	NA	
Non-current assets	30.29	11.94	-	42.23
Current assets	5,333.30	988.06	-	6,321.36
Non-current liabilities	-	-	-	-
Current liabilities	(5,754.07)	(1,019.32)	-	(6,773.39)
Net assets	(390.48)	(19.32)	-	(409.80)
Intra group elimination	-	-	-	-
Net assets attributable to NCI	(31.24)	(5.79)	-	(37.03)

31 December 2017	Sterling Wilson-SPCPL- Chint Moroccan Venture	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Profit after income tax	(381.71)	11.48	-	(370.23)
Other comprehensive income	(8.76)	(2.25)	-	(11.01)
Total comprehensive income	(390.47)	9.23	-	(381.24)
Profit attributable to NCI	(30.54)	3.44	-	(27.09)
Intra group transactions	-	-	-	-
Total profit attributable to NCI	(30.54)	3.44	-	(27.09)
Other comprehensive income attributable to NCI	(0.70)	(0.67)	-	(1.38)
Total comprehensive income attributable to NCI	(31.24)	2.77	-	(28.47)
Cash flows generated from / (used in) operating activities	58.54	(19.11)	-	39.43
Cash flows (used in) / generated from investing activities	(28.72)	3.56	-	(25.16)
Cash flows (used in) financing activities	-	(3.26)	-	(3.26)
Net increase / (decrease) in cash and cash equivalents	29.82	(18.81)	-	11.01
Net increase / (decrease) in cash and cash equivalents attributable to NCI	2.39	(5.64)	-	(3.25)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

54 Non-controlling interests (Continued)

31 March 2018	Sterling Wilson-SPCPL- Chint Moroccan Venture	Renovable Energia Contracting S.L.	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Percentage of non-controlling interests	8.00%	1.00%	30.00%	NA	
Non-current assets	31.07	1.47	15.16	-	47.71
Current assets	9,813.11	(9.36)	998.08	-	10,801.83
Non-current liabilities	-	-	-	-	-
Current liabilities	(3,892.55)	(17.11)	(1,046.94)	-	(4,956.60)
Net assets	5,951.63	(25.00)	(33.70)	-	5,892.93
Intra group elimination	(6,198.50)	(12.99)	10.27	-	(6,201.20)
Net assets attributable to NCI	(19.75)	(0.37)	(7.03)	-	(27.15)

31 March 2018	Sterling Wilson-SPCPL- Chint Moroccan Venture	Renovable Energia Contracting S.L.	Sterling & Wilson Engineering Proprietary Limited	GCO Electrical Proprietary Limited	Total
Profit after income tax	(235.24)	(0.10)	8.03	-	(227.31)
Other comprehensive income	(11.63)	-	(4.18)	-	(15.81)
Total comprehensive income	(246.87)	(0.10)	3.85	-	(243.12)
Profit attributable to NCI	(18.82)	-	2.41	-	(16.41)
Intra group transactions	-	-	-	-	-
Total profit attributable to NCI	(18.82)	-	2.41	-	(16.41)
Other comprehensive income attributable to NCI	(0.93)	-	(1.25)	-	(2.18)
Total comprehensive income attributable to NCI	(19.75)	-	1.16	-	(18.59)
Cash flows (used in) / generated from operating activities	(617.09)	3.81	(73.19)	-	(686.47)
Cash flows (used in) investing activities	-	(1.47)	(0.34)	-	(1.81)
Cash flows generated from financing activities	1,106.48	0.32	68.00	-	1,174.80
Net increase / (decrease) in cash and cash equivalents	489.39	2.66	(5.53)	-	486.52
Net increase / (decrease) in cash and cash equivalents attributable to NCI	39.15	0.03	(1.66)	-	37.52

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VI: Notes to the Restated Consolidated Summary Financial Information (Continued)

(Currency: Indian rupees in million)

55 The Board of Directors at their meeting held on 27 March 2019 had proposed a "Scheme of Arrangement" ('the Scheme') for merger of the Sterling & Wilson - Waaree Private Limited ('SWWPL') with the Company subject to obtaining necessary approvals of the Shareholders.

56 The Company, entered into a contract for a 100 MW AC Photovoltaic plant in the state of Karnataka with an infrastructure company ("customer") to cater to inhouse power demands of the large office space facilities at Bangalore of a real estate developer ("developer"). The works were majorly completed by end February 2018 and the balance work was pending due to non-availability of land, which was in the scope of the customer. In October 2018 NCLT actions were initiated against the customer group and the Company issued a work suspension notice to the customer, for balance of payments, with a copy to the developer. The developer issued directions to the Company, vide a letter, to go ahead with the works/maintenance of the plant where in they also assured the Company that they would make the payment if the customer failed to pay. As on date the customer owes SWPL INR 927.97 million. In addition, an amount of INR 641.04 million under confirmed, irrevocable Letters of Credit arranged by the customer from their bank mainly for the supplies which had been discounted by SWPL, after confirmation both from the customer and their bank, became due. Due to the NCLT actions against the customer group, the customer's bank refused to make the payment to the Company's bank citing prevention against doing the same due to the NCLT order, and the Company had to return the amount back to its bank.

The Company has sought legal opinion regarding the amount due from the developer as per their assurance letter and from the customer's bank due to failure to pay confirmed Letters of Credit and has been advised that the said amounts are recoverable. The amount of INR 927.97 million and INR 641.04 million is shown under the head Trade Receivables and Other Financial Assets, respectively.

Basis the aforementioned legal opinion, it is the view of the management that the above amount is completely recoverable and no provision is necessary against the same.

57 On 27 March 2019, The Board of Directors' of the Company has proposed to Institute the Scheme for Employee Stock Option Plan ('ESOP') subject to approval of Shareholders'. Accordingly, no provision has been created in the books towards the liability of ESOP.

58 Subsequent Events

On December 28, 2018, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs. 10 per share to Re.1 per share. This stock split became effective on January 23, 2019 and has been considered as a subsequent event. Unless otherwise indicated, per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.

59 Other matters

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

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements

(Currency: Indian rupees in million)

Summarised below are the restatement adjustments made to the audited consolidated financial statements of the Group for the nine months period ended 31 December 2017 and for the period beginning from 9 March 2017 to 31 March 2018 and their impact on the profit of the Group:

Particulars	Note	For the nine months period ended 31 December 2017	For the period beginning 9 March 2017 to 31 March 2018
A. Profit after tax and before restatement		1,733.62	4,505.35
B. Adjustments:			
Material Restatement Adjustments			
(i) Audit Qualifications	1	-	-
Total		-	-
(ii) Other material adjustments			
Change in accounting policies	2	-	-
Other adjustments	3	-	-
Total		-	-
C. Profit after tax as per Restated Consolidated Summary Statement of Profit and Loss (A+B)		1,733.62	4,505.35

Summarised below are the restatement adjustments made to the opening equity as at 9 March 2017:

Particulars	Note	As at 9 March 2017
A. Total equity before restatement		-
B. Adjustments:		
Material Restatement Adjustments		
(i) Audit Qualifications	1	-
Total		-
(ii) Other material adjustments		
Change in accounting policies	2	-
Other adjustments	3	-
Total		-
C. Total Equity as Restated Consolidated Summary Statement of Assets and Liabilities (A+B)		-

A. Material adjustments

1. Impact of qualification in auditors' report: None

2. Change in accounting policies

The Group has adopted the principles of Ind AS 115 "Revenue from Contract with Customers" issued by the MCA. The change in accounting policy was given effect to retrospectively from 9 March 2017 in the Restated Consolidated Summary Financial Informations of the Group. Consequent to the adoption of the standard, there has been no impact in the Restated Consolidated Summary Statement of Profit and loss.

3. Other adjustments: None

4. Material regrouping

- (a) Appropriate adjustments have been made in the Restated Consolidated Summary Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated interim financial statements of the Group as at and for the nine months period ended 31 December 2018, prepared in accordance with Division II to Schedule III of the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, the Group has presented the Restated Consolidated Summary Financial Information as at and for the nine months periods ended 31 December 2018 and 31 December 2017 and as at and for the period from 9 March 2017 to 31 March 2018 following the requirements of Division II to Schedule III of the Act.

The following significant regroupings have been made in the Restated Consolidated Summary Statement of Profit and loss, as restated:

For the period ended 31 March 2018, Unbilled receivables have been regrouped to Other current assets from Other financial assets in the Restated Consolidated Summary Statement of Assets and Liabilities due to applicability of Ind AS 115 "Revenue from Contract with Customers".

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements (continued)

(Currency: Indian rupees in million)

B. Non-adjusting items

1. Qualification / modifications in the Auditors' report which do not require any corrective adjustments in the Restated Consolidated Summary Financial Information

Sterling and Wilson Saudi Arabia Limited

For the year ended 31 March 2018, the auditors' report was qualified for non receipt of bank confirmation in respect of bank balances aggregating to SAR 1.00 million (equivalent to Rs 17.35 million). The auditors have subsequently received the confirmation of the aforesaid amount independently from the bank.

2. Emphasis of matters in the Auditors' report which do not require any corrective adjustments in the Restated Consolidated Summary Financial

Disclosure of comparative balances for the nine months period ended 31 December 2017

We draw attention to the note 2(a) to the Consolidated Interim Ind AS Financial Statements, which describes the basis of preparation. The Group has not presented the corresponding figures for the previous period in these audited Consolidated Interim Ind AS Financial Statements as these have been prepared for inclusion in the Restated Consolidated Summary Financial Information in the Draft Red Herring Prospectus in connection with the proposed issue of Equity Shares of the Holding Company by way of an offer for sale by the existing shareholders. These Consolidated Interim Ind AS Financial Statements are not the statutory Ind AS Financial Statements of the Holding Company.

Our audit report is not qualified in respect of this matter.

3. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Summary Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India under sub-section (11) of Section 143 of the Companies Act, 2013. Certain statements /comments included in CARO, which do not require any adjustments in the Restated Consolidated Summary Financial Information are reproduced below in respect of the financial statements presented:

Sterling and Wilson Solar Limited

For the period from 9 March 2017 to 31 March 2018

Clause (vii) (a) of the CARO

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Profession tax, Income tax, Sales tax, Value added tax, Service tax, Goods and Service tax, duty of Customs and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of duty of Excise and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Profession tax, Income tax, Sales tax, Value added tax, Service tax, Goods and Service tax, duty of Customs and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Sterling & Wilson - Waaree Private Limited

For the year ended 31 March 2018

Clause (vii) (a) of the CARO

According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 a few cases. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service tax have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance, Sales tax, Value added tax, Service tax, duty of Customs, duty of Excise and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods and Service tax and other material statutory were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

As per our examination report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors of

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

CIN: U74999MH2017PLC292281

Aniruddha Godbole

Partner

Membership No: 105149

Khurshed Daruvala

Chairman

DIN:00216905

Pallon Mistry

Director

DIN:05229734

K. Kannan

Manager

Place: Mumbai

Date: 1 April 2019

Bahadur Dastoor

Chief Financial Officer

Membership No: 48936

Place: Mumbai

Date: 1 April 2019

Jagannadha Rao

Company Secretary

Membership No: F2808

Place: Mumbai

Date: 1 April 2019

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure VIII -Restated Consolidated Summary Statement of Accounting Ratios

(Currency: Indian rupees in million)

Sr. No.	Particulars	31 December 2018	31 December 2017	31 March 2018
1	Restated Consolidated net profit available to equity shareholders (Rs in million)	3,431.00	1,760.71	4,521.76
2	Weighted average number of basic Equity Shares outstanding during the period	160,360,000	160,360,000	150,854,318
3	Weighted average number of diluted Equity Shares outstanding during the period	160,360,000	160,360,000	150,854,318
4	Restated Consolidated net worth for Equity Shareholders (Rs in million)	7,265.09	1,067.21	3,834.95
5	Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,768.49	2,218.03	5,504.63
6	Accounting Ratios:			
	Basic and Diluted Earning per share (Rs) (refer note 39)	21.40	10.98	29.97
	Return on Net worth for Equity Shareholders (1)/(4)	47%	165%	118%
	Net Asset value per share (Rs) (4)/(3)	45.30	6.66	25.42

Notes:

- i) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.
- ii) The ratios have been computed as follows:
 - a) Earning per share (Basic) = $\frac{\text{Restated Consolidated net profit after tax, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period}}$
 - b) Earning per share (Diluted) = $\frac{\text{Restated Consolidated net profit after tax, available for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the period}}$
 - c) Return on Net worth for Equity Shareholders (%) = $\frac{\text{Restated Consolidated net profit after tax, available for equity shareholders}}{\text{Restated net worth for the equity shareholders at the end of the period}}$
 - d) Net Asset value per share (Rs) = $\frac{\text{Restated net worth for the equity shareholders at the end of the period}}{\text{Weighted average number of equity shares outstanding during the period}}$
- iii) Net worth for calculating ratios = Equity share capital + Other equity (includes Legal reserve, Retained earnings and Effective portion of cash flow hedge).
- iv) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.
- v) Earnings per share calculations are in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share.
- vi) On 28 December 2018, the Board of Directors of the Company approved a split of the Company's common stock in the ratio of 1:10, with a corresponding change in the nominal value per share from Rs. 10 per share to Re.1 per share. This stock split became effective on 23 January 2019 and, unless otherwise indicated, all share amounts and per share data, where applicable, has been adjusted retrospectively in accordance with the requirements of Ind AS 33 Earnings per share.
- vii) For the purposes of calculation of Net Asset Value per Share and Earnings per Share, the per share data, has been adjusted retrospectively to give the effect of share split (refer note 39)
- viii) The Group does not have any revaluation reserves or extra-ordinary items.

Sterling and Wilson Solar Private Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure IX: Restated Consolidated Summary Statement of Capitalisation

(Currency: Indian rupees in million)

Particulars	Pre-issue as at 31 December 2018	As adjusted for issue (Refer note ii below)
Total borrowings:		
Non-current borrowings	0.02	[.]
Current borrowings	18,380.22	[.]
Total borrowings (A)	18,380.24	
Total equity:		
Equity Share Capital	160.36	[.]
Other Equity	5,220.98	[.]
Total equity (B)	5,381.34	
Total borrowings/ Total equity (A/B)	3.42	[.]

Notes:

i) The above has been computed on the basis of the Restated Consolidated Summary Financial Information - Annexure I and Annexure II.

ii) The corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

Sterling and Wilson Solar Private Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure X - Restated Consolidated Summary Statement of Tax Shelter

(Currency: Indian rupees in million)

Particulars	For the nine months period	For the nine months period	For the period
	ended 31 December 2018	ended 31 December 2017	beginning 9 March 2017 to 31 March 2018
A. Profit before tax as restated	4,182.40	2,096.84	5,286.78
B. Statutory income tax rate in India	34.94%	34.94%	34.94%
C. Tax using the Company's domestic tax rate	1,461.50	732.72	1,847.41
ADJUSTMENTS			
<i>Tax impact of permanent differences due to:</i>			
Non-deductible expenses	(74.69)	1.84	10.97
Tax losses utilised on which deferred tax was not created earlier	(9.86)	-	-
Effect of consolidation of profits of subsidiaries in tax free zone	(757.09)	(536.43)	(1,158.45)
Difference in tax rates	(16.87)	0.73	(0.74)
Current year losses on which no deferred tax asset was recognised	152.66	132.06	82.24
Impact due to consolidation adjustments	34.06	32.30	-
Items on which deferred tax was not recognised in the previous period, now recognised	(69.83)	-	-
Tax relating to previous periods	28.22	-	-
D. Total tax impact of permanent differences	(713.40)	(369.50)	(1,065.98)
<i>Tax impact of timing differences due to:</i>			
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961	1.80	1.13	0.94
Carry forward tax losses	(11.36)	7.88	-
Provision for onerous contracts	(5.02)	5.02	5.02
Provision for bad and doubtful debts	17.47	0.02	4.77
Employee benefits	44.48	7.64	19.23
Provision for mark to market losses on derivative instruments	(36.31)	66.85	35.54
Provision for anticipated losses and liquidated damages	128.58	-	-
Fair valuation of financial assets	(2.17)	(4.66)	(2.49)
Fair valuation of financial liabilities	2.57	4.74	2.17
Amortisation of expenses on merger	(0.13)	-	0.52
Others	1.82	(8.55)	3.01
E. Total tax impact of timing differences	141.73	80.07	68.71
F. Net adjustments (D+E)	(571.67)	(289.43)	(997.26)
G. Tax liability (C+F)	889.83	443.29	850.14

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Financial Information of the Group.

ii) The above statement has been prepared based on the tax computations for the respective periods. The figures for the period ended 31 December 2018 is based on the provisional computations of total income prepared by the Group and are subject to any changes that may be considered at the time of filing of the return of income.

iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Summary Financial Statements appearing in Annexure VII.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XI - Restated Consolidated Summary Statement of Dividend

(Currency: Indian rupees in million)

Particulars	31 December 2018	31 December 2017	31 March 2018
Number of Equity Shares	16,036,000	16,036,000	16,036,000
Face value (in Rs)	10.00	10.00	10.00
Dividend per Equity Share (in Rs)	-	-	-
Rate of dividend	-	-	-
Dividend tax rate	-	-	-
Total dividend (in Rs million)	-	-	-
Dividend Tax (in Rs million)	-	-	-

Note:

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Summary Financial Statements appearing in Annexure VII.

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XII: Statement of Related Party Transactions of the Consolidated Entities

(Currency: Indian rupees in million)

A. List of related parties

Relationship	Name of the related parties		
	31 December 2018	31 December 2017	31 March 2018
Subsidiaries, direct and indirect holding	Sterling and Wilson International Solar FZCO	Sterling and Wilson International Solar FZCO	Sterling and Wilson International Solar FZCO
	Sterling and Wilson (Thailand) Limited (from 24 April 2015)	Sterling and Wilson (Thailand) Limited (from 24 April 2015)	Sterling and Wilson (Thailand) Limited (from 24 April 2015)
	Sterling and Wilson Engineering (Pty) Limited	Sterling and Wilson Engineering (Pty) Limited	Sterling and Wilson Engineering (Pty) Limited
	Sterling & Wilson - Waaree Private Limited (w.e.f. 16 December 2016)	Sterling & Wilson - Waaree Private Limited (w.e.f. 16 December 2016)	Sterling & Wilson - Waaree Private Limited (w.e.f. 16 December 2016)
	Sterling and Wilson Saudi Arabia Limited (w.e.f. 14 December 2016)	Sterling and Wilson Saudi Arabia Limited (w.e.f. 14 December 2016)	Sterling and Wilson Saudi Arabia Limited (w.e.f. 14 December 2016)
	Sterling & Wilson-SPCL-Chint Moroccan Venture (w.e.f. 26 November 2016)	Sterling & Wilson-SPCL-Chint Moroccan Venture (w.e.f. 26 November 2016)	Sterling & Wilson-SPCL-Chint Moroccan Venture (w.e.f. 26 November 2016)
	Sterling & Wilson Brasil Servicos Ltda. (w.e.f. 04 January 2017)	Sterling & Wilson Brasil Servicos Ltda. (w.e.f. 04 January 2017)	Sterling & Wilson Brasil Servicos Ltda. (w.e.f. 04 January 2017)
	Esterlina Solar Engineers Private Limited (w.e.f. 16 October 2018)	Sterling and Wilson Middle East Solar Energy L.L.C., Dubai	Sterling and Wilson Middle East Solar Energy L.L.C., Dubai
	Sterling and Wilson Middle East Solar Energy L.L.C., Dubai	Sterling and Wilson Singapore Pte Limited	Sterling and Wilson Singapore Pte Limited
	Sterling and Wilson Singapore Pte Ltd.	Sterling and Wilson Kazakhstan LLP	Sterling and Wilson Kazakhstan LLP
	Sterling and Wilson Kazakhstan LLP	Renovable Energia Contracting S.L.	Renovable Energia Contracting S.L.
	Renovable Energia Contracting S.L.	Sterling and Wilson Solar Solutions Inc.	Sterling and Wilson Solar Solutions Inc.
	Sterling and Wilson Solar Solutions Inc.		
	GCO Electrical Pty. Ltd.		
	Sterling Wilson Solar Solutions LLC (w.e.f 17 October 2018)		
Sterling and Wilson International LLP(w.e.f 27 June 2018)			

B. Transactions and balances with Consolidated Entities

Transactions and balances of subsidiaries for the period ended 31 December 2018

Sr. No	Nature of transaction	Total
I	Sale of traded goods	349.51
II	Interest income	250.00
III	Purchase of construction material	19,865.93
IV	Recoverable expenses	80.64
V	Purchases of services	4,055.38
VI	Loan given	270.84
VII	Loan repaid	270.84
VIII	Interest receivable	382.65
IX	Trade payables	7,861.41
X	Trade receivables	391.74
XI	Loan receivable	3,236.63
XII	Other receivables	893.26
XIII	Gross amount due from customer	320.23

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XII: Statement of Related Party Transactions of the Consolidated Entities (continued)

(Currency: Indian rupees in million)

B. Transactions and balances with Consolidated Entities (continued) Transactions and balances of subsidiaries for the period ended 31 December 2018 (continued)

Sr. No	Nature of transaction	Total
I	Sale of traded goods	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	349.51
II	Interest income	
	Sterling and Wilson International Solar FZCO	239.78
	Sterling & Wilson - Waaree Private Limited	10.13
	Esterlina Solar Engineers Private Limited	0.01
	Sterling and Wilson (Thailand) Limited	0.08
III	Purchase of construction material	
	Sterling and Wilson International Solar FZCO	19,865.93
IV	Recoverable expenses	
	Sterling and Wilson International Solar FZCO	80.64
V	Purchases of services	
	Sterling and Wilson Middle East Solar Energy LLC	4,055.38
VI	Loan given	
	Sterling & Wilson - Waaree Private Limited	270.84
	Esterlina Solar Engineers Private Limited	3.41
VII	Loan repaid	
	Sterling & Wilson - Waaree Private Limited	270.84
VIII	Interest receivable	
	Esterlina Solar Engineers Private Limited	0.01
	Sterling & Wilson - Waaree Private Limited	10.13
	Sterling and Wilson (Thailand) Limited	0.21
	Sterling and Wilson International Solar FZCO	372.30

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XII: Statement of Related Party Transactions of the Consolidated Entities (continued)

(Currency: Indian rupees in million)

B. Transactions and balances with Consolidated Entities (continued)
Transactions and balances of subsidiaries for the period ended 31 December 2018 (continued)

Sr. No	Nature of transaction	Total
IX	Trade payables	
	Sterling and Wilson International Solar FZCO	7,010.14
	Sterling and Wilson Middle East LLC	851.28
X	Trade receivables	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	391.74
XI	Loan receivable	
	Sterling and Wilson International Solar FZCO	3,232.03
	Esterlina Solar Engineers Private Limited	3.41
	Sterling and Wilson (Thailand) Limited	1.19
XII	Other receivables	
	Sterling & Wilson Middle East Solar Energy LLC	143.44
	Sterling and Wilson Singapore Pte Limited	10.58
	Sterling and Wilson Engineering (Pty) Limited	338.08
	Renovable Energia Contracting S.L.	9.34
	Sterling and Wilson Solar Solutions Inc.	379.20
	GCO Electrical Pty. Limited	12.61
XIII	Gross amount due from customer	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	320.23

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XII: Statement of Related Party Transactions of the Consolidated Entities (continued)

(Currency: Indian rupees in million)

B. Transactions and balances with Consolidated Entities (continued)
Transactions and balances of subsidiaries for the period ended 31 December 2017

Sr. No	Nature of transaction	Total
I	Sale of traded goods	3,067.10
II	Purchases of construction material	10,320.78
III	Receiving of Services	793.90
IV	Interest income	178.43
VI	Advance received from customers	475.00
VII	Advance given to suppliers and contractors	4,805.46
VIII	Loan given	631.24
IX	Loan repaid	372.52
X	Loan receivable	2,321.56
XI	Interest receivable	74.37
XII	Advance from customer	475.00
XIII	Trade Receivables	433.02
XIV	Recoverable expenses	294.78
XV	Other receivables	1,275.68
XVI	Gross amount due from customer	2,577.68
XVII	Trade payable	453.27
XVIII	Advance to suppliers	5,517.11

Sr. No	Nature of transaction	Total
I	Sale of traded goods Sterling Wilson - SPCPL - Chint Moroccan Venture	3,067.10
II	Purchases of construction material Sterling and Wilson International Solar FZCO	10,320.78
III	Receiving of Services Sterling and Wilson Middle East Solar Energy LLC	793.90
IV	Interest income Sterling and Wilson International Solar FZCO Sterling and Wilson (Thailand) Limited	178.37 0.06
VI	Advance received from customers Sterling Wilson - SPCPL - Chint Moroccan Venture	475.00
VII	Advance given to suppliers and contractors Sterling and Wilson International Solar FZCO Sterling and Wilson Middle East Solar Energy LLC	4,352.18 453.27
VIII	Loan given Sterling and Wilson International Solar FZCO Sterling and Wilson (Thailand) Limited	630.71 0.53
IX	Loan repaid Sterling and Wilson International Solar FZCO	372.52

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XII: Statement of Related Party Transactions of the Consolidated Entities (continued)

(Currency: Indian rupees in million)

B. Transactions and balances with Consolidated Entities (continued)

Transactions and balances of subsidiaries for the period ended 31 December 2017 (continued)

Sr. No	Nature of transaction	Total
X	Loan receivable	
	Sterling and Wilson International Solar FZCO	2320.40
	Sterling and Wilson (Thailand) Limited	1.16
XI	Interest receivable	
	Sterling and Wilson International Solar FZCO	74.16
	Sterling and Wilson (Thailand) Limited	0.21
XII	Advance from customer	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	475.00
XIII	Trade Receivables	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	432.32
	Sterling and Wilson Engineering (Pty) Ltd.	0.70
XIV	Recoverable expenses	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	291.47
	Sterling & Wilson - Waaree Private Limited	3.31
XV	Other receivables	
	Sterling & Wilson Singapore	1.34
	Sterling & Wilson South Africa	56.39
	Sterling and Wilson Middle East Solar Energy LLC	149.32
XVI	Gross amount due from customer	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	2,577.68
XVII	Trade payable	
	Sterling and Wilson Middle East Solar Energy LLC	453.27
XVIII	Advance to suppliers	
	Sterling and Wilson International Solar FZCO	5,433.18
	Sterling and Wilson Middle East Solar Energy LLC	83.93

Transactions and balances of subsidiaries for the period beginning 9 March 2017 to 31 March 2018

Sr. No	Nature of transaction	Total
I	Sale of traded goods	62,341.27
II	Purchases of construction material	217,861.67
III	Receiving of Services	16,894.02
IV	Advance given to suppliers and contractors	64,235.03
V	Loan given	12,831.30
VI	Loan repaid	3,725.17
VII	Interest income	2,351.48
VIII	Loan receivable	30,101.75
IX	Interest receivable	1,326.50
X	Trade receivables	58,127.12
XI	Recoverable expenses	452.94
XII	Gross amount due from customer	369.23
XIII	Trade payable	74,578.70
XIV	Advance to suppliers	43,706.70
XV	Other Receivables	523.07
XVI	Other Payables	1,797.40

Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited, prior to that Rashmika Energy Private Limited)

Annexure XII: Statement of Related Party Transactions of the Consolidated Entities (continued)

(Currency: Indian rupees in million)

B. Transactions and balances with Consolidated Entities (continued)

Transactions and balances of subsidiaries for the period beginning 9 March 2017 to 31 March 2018 (continued)

Sr. No	Nature of transaction	Total
I	Sale of traded goods	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	62,341.27
II	Purchases of construction material	
	Sterling and Wilson International Solar FZCO	217,861.67
III	Receiving of Services	
	Sterling and Wilson Middle East Solar Energy LLC	16,894.02
IV	Advance given to suppliers and contractors	
	Sterling and Wilson International Solar FZCO	64,235.03
V	Loan given	
	Sterling and Wilson International Solar FZCO	12,826.05
	Sterling and Wilson (Thailand) Limited	5.25
VI	Loan repaid	
	Sterling and Wilson International Solar FZCO	3,725.17
VII	Interest income	
	Sterling and Wilson International Solar FZCO	2,350.67
	Sterling and Wilson (Thailand) Limited	0.81
VIII	Loan receivable	
	Sterling and Wilson International Solar FZCO	30,089.90
	Sterling and Wilson (Thailand) Limited	11.85
IX	Interest receivable	
	Sterling and Wilson International Solar FZCO	1,325.32
	Sterling and Wilson (Thailand) Limited	1.18
X	Trade receivables	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	58,120.11
	Sterling and Wilson Engineering (Pty) Ltd.	7.01
XI	Recoverable expenses	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	382.95
	Sterling & Wilson - Waaree Private Limited	69.99
XII	Gross amount due from customer	
	Sterling Wilson - SPCPL - Chint Moroccan Venture	369.23

CARVED OUT COMBINED FINANCIAL STATEMENTS

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Independent Auditors' Report

To the Board of Directors of
Sterling and Wilson Solar Limited

(formerly known as Sterling and Wilson Solar Private Limited)

and

To the Board of Directors of
Sterling and Wilson Private Limited

Report on the Carved out Combined Financial Statements

We have audited the accompanying carved out combined financial statements of the Solar EPC Division of Sterling and Wilson Private Limited ('SWPL'), its subsidiaries and a joint venture related to the Solar EPC Division of SWPL (the Solar EPC Division of SWPL, its subsidiaries and joint venture together referred to as "the SWPL Solar EPC Group"), which comprise the carved out combined balance sheet as at 31 March 2017 and 31 March 2016 and the related carved out combined statement of profit and loss, carved out combined statement of changes in owner's net investment and carved out combined statement of cash flows for the financial years then ended, and a summary of the significant accounting policies and other explanatory information (collectively, referred to as the "**Carved out Combined Financial Statements**"). These Carved out Combined Financial Statements are prepared by the SWPL's management solely for the purpose of its inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and a Prospectus (together, the "Offer Document") to be filed with the Securities and Exchange Board of India, BSE Limited ("BSE") and National Stock Exchange ("NSE") (together with BSE the "Stock Exchanges") in connection with the proposed initial public offer of equity shares ("IPO") of Sterling and Wilson Solar Limited *(formerly known as Sterling and Wilson Solar Private Limited and prior to that Rashmika Energy Private Limited)* ("the Issuer"). The Carved out Combined Financial Statements and our report thereon are included in the Offer Document.

Management's responsibility for the Carved out Combined Financial Statements

The SWPL's management is responsible for the preparation of these Carved out Combined Financial Statements in accordance with (a) the Guidance Note on Combined and Carved-Out Financial Statements (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'); and (b) the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the state of affairs, profit, statement of changes in owner's net investment and cash flow of the SWPL Solar EPC Group.

Independent Auditors' Report (Continued)

To the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

and

To the Board of Directors of
Sterling and Wilson Private Limited

Management's responsibility for the Carved out Combined Financial Statements (Continued)

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the the Act for safeguarding the assets of the SWPL Solar EPC Group 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 Carved out Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Carved out Combined Financial Statements based on our audit. We conducted our audit in accordance with (a) the terms of reference vide our engagement letter dated 8 January 2019 to carry out work on such Carved out Combined Financial Statements; (b) the Guidance Note issued by ICAI and (c).the accounting principles generally accepted in India including Ind AS. Further, we conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Carved out Combined Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Carved out Combined Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Carved out Combined Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the SWPL's preparation of the Carved out Combined Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances., but not for the purpose of expressing an opinion on the effectiveness of the SWPL's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Carved out Combined Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Carved out Combined Financial Statements

Independent Auditors' Report (Continued)

To the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

and

To the Board of Directors of
Sterling and Wilson Private Limited

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of audit reports of other auditors' on the financial information of branches and subsidiaries referred to in the Other Matters paragraph below, the accompanying Carved out Combined Financial Statements give a true and fair view of the state of affairs of the SWPL Solar EPC Group as at 31 March 2017 and 31 March 2016 and of its profit (including other comprehensive income), statement of changes in owner's net investment and cash flows for the financial years then ended in accordance with the Guidance Note issued by ICAI and the accounting principles generally accepted in India, including Ind AS.

Other Matters

- (a) We did not audit the financial statements of two branches as of and for the financial year ended 31 March 2017 and financial statements of a branch as of and for the financial year ended 31 March 2016, whose total assets and total revenues, included in the Carved out Combined Financial Statements for the relevant years is tabulated below. These financial information have been audited by other auditors, whose reports have been furnished to us by the SWPL's management and our opinion in so far as it relates to the amounts and disclosures included in respect of aforesaid branch, is based solely on the reports of the other auditors.

Rupees in million

Particulars	As at/ for the year ended 31 March 2017	As at/ for the year ended 31 March 2016
Total assets	94.58	52.24
Total revenues	12.18	155.76

- (b) We did not audit the financial statements of three subsidiaries as of and for the financial years ended 31 March 2017 and 31 March 2016, whose financial statements reflect total assets, total revenues and total cash flows included in the Carved out Combined Financial Statements for the relevant years is tabulated below. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts and disclosures included in respect of such subsidiaries, is based solely on the reports of such other auditors

Independent Auditors' Report (Continued)

To the Board of Directors of
Sterling and Wilson Solar Limited
(formerly known as Sterling and Wilson Solar Private Limited)

and

To the Board of Directors of
Sterling and Wilson Private Limited

Other Matters (Continued)

Rupees in million

Particulars	As at/ for the year ended 31 March 2017	As at/ for the year ended 31 March 2016
Total assets	3,108.72	3,009.88
Total revenues	737.62	8,952.34
Total cash flows	33.72	2.10

Emphasis of matter – Basis of preparation and measurement

Without modifying our opinion, we draw attention to Note 2 to the Carved out Combined Financial Statements, which describes the basis of preparation. These Carved out Combined Financial Statements have been prepared in line with the basis of preparation as mentioned in Note no. 2. Additionally we draw attention to the fact that, the Carved out Combined Financial Statements have been prepared in connection with the proposed IPO of the Issuer.

Restriction on distribution and use

This report is addressed to the Board of Directors of SWPL and the Board of Directors of the Issuer and should not be otherwise used or shown to or otherwise distributed for any other purpose other than the purpose stated above, without our prior consent in writing..

B S R & Co. LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

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

Mumbai
1 April 2019

Aniruddha Godbole
Partner
Membership No: 105149

Sterling and Wilson Private Limited - Solar EPC Division

Carved out combined balance sheet

as at 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

Particulars	Note	31 March 2017	31 March 2016
Assets			
Non current assets			
Property, plant and equipment	4	76.11	60.95
Other intangible assets	5	8.75	5.65
Deferred tax assets (net)	6	111.14	10.20
Non current tax assets (net)	7	12.31	4.77
Total non current assets		208.31	81.57
Current assets			
Inventories	8	149.24	13.34
Financial assets			
(i) Investments	9	3.30	-
(ii) Trade receivables	10	6,480.05	4,682.59
(iii) Cash and cash equivalents	11A	37.64	2.10
(iv) Bank balances other than cash and cash equivalents	11B	71.03	307.20
(v) Loans	12	28.01	15.96
(vi) Other financial assets	13	3,296.15	1,832.00
Other current assets	14	511.61	197.45
Total current assets		10,577.03	7,050.64
Total assets		10,785.34	7,132.21
Equity and liabilities			
Equity			
Owners' net investment	15	566.15	(769.47)
Total Equity		566.15	(769.47)
Non current liabilities			
Financial liabilities			
(i) Borrowings	16	0.02	0.02
Provisions	17	31.86	11.15
Total non current liabilities		31.88	11.17
Current liabilities			
Financial liabilities			
(i) Borrowings	18	3,151.26	3.07
(ii) Trade payables	19	-	-
Total outstanding dues of micro enterprises and small enterprises		4,625.98	6,738.47
(iii) Derivatives	20	194.49	31.88
(iv) Other financial liabilities	21	26.04	21.30
Other current liabilities	22	1,810.41	771.86
Provisions	23	379.13	321.41
Income tax liabilities (net)	24	-	2.52
Total current liabilities		10,187.31	7,890.51
Total equity and liabilities		10,785.34	7,132.21

Significant accounting policies

3

The above statement should be read in conjunction with the Basis of preparation and Significant accounting policies appearing in notes 1-3 and Notes to the carved out combined financial statements.

As per our audit report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of

Sterling and Wilson Private Limited- Solar EPC division

CIN:U31200MH1974PLC017538

Aniruddha Godbole

Partner

Membership No: 105149

Khurshed Daruvala

Chairman

DIN:00216905

Zarine Daruvala

Managing Director

DIN:00190585

Mumbai

Date: 1 April 2019

Mumbai

Date: 1 April 2019

Sterling and Wilson Private Limited - Solar EPC Division

Carved out combined statement of profit and loss

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Revenue from operations	25	16,402.71	27,394.29
Other income	26	97.94	70.38
Total income		16,500.65	27,464.67
Expenses			
Cost of construction materials, stores and spare parts	27	11,760.15	18,871.09
Purchase of stock-in-trade	28	-	9.56
Changes in inventories of stock-in-trade	29	(129.68)	(13.34)
Direct project costs	30	2,640.57	5,204.02
Employee benefit expense	31	599.84	329.82
Other expenses	34	983.06	1,104.95
Total expenses		15,853.94	25,506.10
Earnings before interest, tax, depreciation and amortisation (EBITDA)		646.71	1,958.57
Finance costs	32	28.03	6.31
Depreciation and amortisation expense	33	15.66	9.34
Combined profit before share of (loss) of equity accounted investee and tax		603.02	1,942.92
Share of (loss) of equity accounted investees (net of income tax)		(0.19)	-
Combined profit before income tax		602.83	1,942.92
Tax expense:			
Current tax	35	387.25	692.31
Deferred tax (credit)	35	(98.74)	(3.02)
		288.51	689.29
Combined profit for the year		314.32	1,253.63
Other comprehensive income			
Items that will not be reclassified to the carved out combined statement of profit and loss in a subsequent period			
Remeasurements of defined benefit plans		(6.35)	(0.78)
Income tax relating to the above		2.20	0.27
Items that will be reclassified to the carved out combined statement of profit and loss in a subsequent period			
Exchange difference in translating financial statements in foreign operations		(5.28)	(6.68)
Effective portion of (losses) on hedging instruments in cash flow hedges		(33.12)	-
Income tax relating to the above		-	-
Other comprehensive income for the year		(42.55)	(7.19)
Total comprehensive income for the year		271.77	1,246.44
Combined profit attributable to:			
Owners		314.32	1,253.63
Non-controlling interests		-	-
Combined profit for the year		314.32	1,253.63

Sterling and Wilson Private Limited - Solar EPC Division

Carved out combined statement of profit and loss (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Other comprehensive income attributable to:		
Owners	(42.55)	(7.19)
Non-controlling interests		
	<u>(42.55)</u>	<u>(7.19)</u>
Total comprehensive income attributable to:		
Owners	271.77	1,246.44
Non-controlling interests		
	<u>271.77</u>	<u>1,246.44</u>

The above statement should be read in conjunction with the Basis of preparation and Significant accounting policies appearing in notes 1-3 and Notes to the carved out combined financial statements.

As per our audit report of even date attached.

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

For and on behalf of
Sterling and Wilson Private Limited- Solar EPC division
CIN:U31200MH1974PLC017538

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905

Zarine Daruvala
Managing Director
DIN:00190585

Mumbai
Date: 1 April 2019

Mumbai
Date: 1 April 2019

Sterling and Wilson Private Limited - Solar EPC Division

Carved out combined statement of cash flow

for the years ended 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
A) Cash flow from operating activities		
Combined profit before tax	602.83	1,942.92
<i>Adjustments for:</i>		
Depreciation and amortisation expense	15.66	9.34
Provision for mark-to-market losses on derivative instruments (net)	13.62	19.50
Write back of provision for bad and doubtful debts (net)	(5.00)	-
Bad debts written off	5.00	6.42
Loans and advances written off	0.60	0.04
Provision for bad debts and doubtful debt	291.64	-
Suppliers balance written back	(3.17)	(0.13)
Finance costs	28.03	6.31
Interest income	(89.77)	(26.87)
Loss on sale of property, plant and equipment	0.01	-
Share of Loss of Associates	0.19	-
Unrealised foreign exchange gain (net)	(122.35)	-
Operating profit before working capital changes	<u>737.29</u>	<u>1,957.53</u>
<i>Working capital adjustments:</i>		
(Increase) / decrease in inventories	(135.89)	16.65
(Increase) in trade receivables	(2,010.49)	(3,447.88)
(Increase) in loans and advances	(12.59)	(13.95)
(Increase) in other current financial assets	(541.42)	(4,119.96)
(Increase) in other current assets and non-current assets	(362.42)	60.02
(Decrease) / increase in trade payables, other current liabilities and provisions	(850.87)	6,190.30
Net change in working capital	<u>(3,913.68)</u>	<u>(1,314.82)</u>
Cash flows (used in) / generated from operating activities	(3,176.39)	642.71
Income tax paid (net)	(4.73)	(37.80)
Effects of exchange differences on translation of assets and liabilities	(5.26)	(6.70)
Net cash flows (used in) / generated from operating activities	(A) <u>(3,186.38)</u>	<u>598.21</u>
B) Cash flow from investing activities		
Investment in government securities (net)	(3.30)	-
(Purchase) of property, plant and equipment and intangible assets	(33.92)	(64.79)
Decrease/ (increase) in bank balances other than cash and cash equivalents	5.51	(9.41)
Interest received	11.12	26.87
Net cash flows used in investing activities	(B) <u>(20.59)</u>	<u>(47.33)</u>
C) Cash flow from financing activities		
Repayment of loans	(3.07)	(542.47)
Secured loans obtained (net)	3,273.76	-
Finance costs paid	(28.03)	(6.31)
Net cash flows generated from / (used in) financing activities	(C) <u>3,242.66</u>	<u>(548.78)</u>
Net movement in currency translation	(D) (0.15)	-
Cash and cash equivalents at the beginning of the year	2.10	-
Net increase in cash and cash equivalents	(A+B+C+D) <u>35.54</u>	<u>2.10</u>
Cash and cash equivalents at the end of the year	<u>37.64</u>	<u>2.10</u>

Sterling and Wilson Private Limited - Solar EPC Division

Carved out combined statement of cash flow (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Notes :

- 1 The carved out combined statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Statement of Cash Flows.
- 2 Current account balances with banks include Rs 3.90 million (31 March 2016: Rs 9.41 million) held at a foreign branch at Philippines which are not freely remissible to the SWPL Solar EPC Division because of exchange restrictions.
- 3 Cash comprises cash on hand and current accounts. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

	For the year ended 31 March 2017	For the year ended 31 March 2016
4 Components of cash and cash equivalents		
Cash on hand	0.21	0.27
Balance with banks		
- Current accounts	37.43	1.83
	<u>37.64</u>	<u>2.10</u>

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening borrowings	3.07	545.56
Proceeds from long-term borrowings	-	-
Repayment of long-term borrowings	3.07	542.49
Increase in short term borrowings	3,273.76	-
Unrealised foreign exchange gain/loss	122.50	-
Closing borrowings	<u>3,151.26</u>	<u>3.07</u>

The above statement should be read in conjunction with the Basis of preparation and Significant accounting policies appearing in notes 1-3 and Notes to the carved out combined financial statements.

As per our audit report of even date attached.

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

For and on behalf of
Sterling and Wilson Private Limited- Solar EPC division
CIN:U31200MH1974PLC017538

Aniruddha Godbole
Partner
Membership No: 105149

Khurshed Daruvala
Chairman
DIN:00216905

Zarine Daruvala
Managing Director
DIN:00190585

Mumbai
Date: 1 April 2019

Mumbai
Date: 1 April 2019

Sterling and Wilson Private Limited - Solar EPC Division

Carved out combined statement of changes in owner's net investment

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

	Retained earnings	Items of other comprehensive income		Total attributable to the owners or SWPL Solar EPC Group	Intercompany balance receivable	Owners' net investment
		Foreign currency translation reserve	Cash flow hedge reserve			
Balance as at 1 April 2015	704.95	-	-	704.95	(1,756.13)	(1,051.18)
Distribution to SWPL - Non Solar Division (net)					(964.73)	(964.73)
Profit during the year	1,253.63		-	1,253.63	-	1,253.63
Remeasurement of the net defined benefit liability	(0.51)	-	-	(0.51)	-	(0.51)
Exchange differences in translating financial statements of foreign operations		(6.68)		(6.68)		(6.68)
Balance as at 31 March 2016	1,958.07	(6.68)	-	1,951.39	(2,720.86)	(769.47)
Balance as at 1 April 2016	1,958.07	(6.68)	-	1,951.39	(2,720.86)	(769.47)
Contribution from SWPL - Non Solar Division (net)					1,063.85	1,063.85
Profit during the year	314.32		-	314.32	-	314.32
Remeasurement of the net defined benefit liability	(4.15)	-	-	(4.15)	-	(4.15)
Exchange differences in translating financial statements of foreign operations		(5.28)		(5.28)		(5.28)
Effective portion of (losses) on hedging instruments in cash flow hedges reclassified to profit or loss	-	-	(33.12)	(33.12)		(33.12)
Balance as at 31 March 2017	2,268.24	(11.96)	(33.12)	2,223.16	(1,657.01)	566.15

The above statement should be read in conjunction with the Basis of preparation and Significant accounting policies appearing in notes 1-3 and Notes to the carved out combined financial statements.

As per our audit report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

Date: 1 April 2019

For and on behalf of

Sterling and Wilson Private Limited- Solar EPC division

CIN:U31200MH1974PLC017538

Khurshed Daruvala

Chairman

DIN:00216905

Zarine Daruvala

Managing Director

DIN:00190585

Mumbai

Date: 1 April 2019

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

1 Background

Sterling and Wilson Private Limited ("SWPL") is engaged in carrying out Mechanical, Electricals and Plumbing and Fire-fighting services (collectively known as 'MEP services'), specialised in complete turn-key and Roof top solutions (known as 'Solar EPC' services) company with a pan India presence and international operations in Middle East, South East Asia, Africa, Philippines, Thailand, Europe and USA.

The Solar EPC division of SWPL ("SWPL Solar EPC Division") was demerged into Sterling and Wilson Solar Private Limited (formerly known as Rashmika Energy Private Limited) ("SWSPL") which was incorporated as a Private Limited Company on 9 March 2017 under Companies Act, 2013.

The SWPL Solar EPC Division along with the SWPL's subsidiaries and overseas branch offices related to Solar Division, as identified by the management, (collectively known as 'SWPL Solar EPC Group') were transferred on a going concern basis, under "Scheme of Arrangement" (the Scheme) with effect from the appointed date of 1 April 2017 by SWPL. Post the demerger, the non-solar business was retained by SWPL ('SWPL Non Solar Division').

These carved out combined financial statements reflect the financial position and performance of the SWPL Solar EPC Group for the years ended 31 March 2017 and 31 March 2016, and have been prepared as per the 'Basis of preparation' set out in Note 2a below.

2 Basis of preparation and presentation

a Statement of compliance

These carved out combined financial statements of SWPL Solar EPC Group are prepared using the principles stated below for the purposes of inclusion in the Draft Offer Document (the "Draft Offer Document") to be issued in connection with the proposed offering (the "Offering") of the SWSPL.

For the years ended 31 March 2016 and 31 March 2017, SWPL was the parent company of the various legal entities / business carrying out Solar EPC business.

As part of the Demerger transaction, SWSPL has acquired the SWPL Solar EPC Division from SWPL. This transaction includes transfer of certain entities / branches which are engaged in solar business (refer note 43). Accordingly this transaction is accounted for as a combination of legal entities / businesses under common control.

These carved out combined financial statements have been prepared in accordance with the Guidance Note on Combined and Carve-Out Financial Statements ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") to reflect the state of affairs, profit, the statement of changes in owner's net investment and the statement of cash flows of the SWPL Solar EPC Group. Per the Guidance Note, as the combined/carve-out financial statements are prepared for specific purposes, accordingly they should be referred to as 'carved out combined financial statements'. As per the Guidance Note, the procedure for preparing combined financial statements of the combining entities is the same as that for consolidated financial statements as per the applicable Accounting Standards. The information presented in these carved out combined financial statements may not be representative of the position which may prevail after the transaction. The resulting financial position may not be that which might have existed if the combining businesses had been a stand-alone business.

The carved out combined financial statements have been prepared on a going concern basis under the historical cost convention except derivative liability and certain financial assets and liabilities that are measured at fair values whereas net defined benefit (asset)/ liability are valued at fair value of plan assets less defined benefit obligation at the end of each reporting period, as explained in the accounting policies below.

The procedure followed for the preparation of these carved out combined financial statements has been provided in the paragraphs below.

The financial information for the SWPL Solar EPC Division has been extracted from the audited consolidated financial statements of SWPL along with the SWPL's subsidiaries and overseas branch offices related to Solar EPC Division (refer note 43) for the years ended 31 March 2017 and 31 March 2016 which had been prepared basis in accordance Indian Accounting Standards ('Ind AS') notified under the Section 133 of the Companies Act, 2013 ('the Act') and other generally accepted accounting principles in India.

The historical costs and expenses reflected in these Carved out Combined Financial Statements include an allocation for certain corporate and shared service functions historically provided by SWPL, including, but not limited to, executive oversight, accounting, treasury, tax, legal, human resources, occupancy, procurement, information technology, and other shared services. These expenses have been allocated to us on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of headcount considered to be a reasonable reflection of the historical utilisation levels of these services.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

2 Basis of preparation and presentation (*Continued*)

a *Statement of compliance (Continued)*

The basis of allocation of assets and liabilities, income and expenditure which are not directly allocable to the SWPL Solar EPC Group business is as below:

- a. Cash and cash equivalent, other bank balances, borrowings and certain investments are retained with SWPL and are not allocated to SWPL Solar EPC Group.
- b. Other expenses (e.g. Rent, legal and professional expenses, travelling and conveyance expenses etc) not directly attributable have been allocated on the basis of headcount.
- c. Income tax has been computed for the entities where separate tax returns are filed based on the enacted tax rates applicable in the respective tax jurisdictions. Where separate tax returns do not exist, income tax expenses have been computed by applying the effective tax rates on results of the entity/division.

Management believes the assumptions underlying our Carved out Combined Financial Statements, including the assumptions regarding the allocation of general corporate expenses from SWPL, are reasonable. Nevertheless, our Carved out Combined Financial Statements may not include all of the actual expenses that would have been incurred had we operated as a standalone company during the periods presented and may not reflect our combined results of operations, financial position and cash flows had we operated as a standalone company during the periods presented. Actual costs that would have been incurred if we had operated as a standalone company would depend on multiple factors, including organisational structure and strategic decisions made in various areas, including information technology and infrastructure. We also may incur additional costs associated with being a standalone, publicly listed company that were not included in the expense allocations and, therefore, would result in additional costs that are not reflected in our historical results of operations, financial position and cash flows.

As these carved out combined financial statements have been prepared on a carve-out basis, it is not meaningful to show share capital or provide an analysis of reserves. Owner's net investment, therefore, represents the difference between the assets and liabilities pertaining to combined businesses. Share capital of SWPL Solar EPC Group is held by the parent. Earnings per Share have not been presented in these combined financial statements, as the SWPL Solar Group did not meet the applicability criteria as specified under Ind AS 33 – Earnings per Share.

Owner's net investment disclosed in the carved out combined financial statements represents the difference between the assets and liabilities pertaining to the SWPL Solar EPC Group. Further reserves and surplus comprises of retained earnings; cash flow hedge reserve and foreign currency translation reserve pertaining to the SWPL Solar EPC Group since the commencement of solar business in SWPL.

While preparing these carved out combined financial statements, events occurring after the balance sheet date till the signing of the audited financials of SWPL dated 7 September 2017, have been adjusted if the evidence of conditions existed at the end of that period, to the extent they pertain to the SWPL Solar EPC Group Events occurring after the date of signing the audited financials of SWPL dated 7 September 2017 have not been adjusted in these carved out combined financial statements.

These carved out combined financials have been prepared on a carved out basis to present the assets and liabilities of the combining companies engaged in Solar Business at these dates, as if the SWPL Solar EPC Group had been in existence as at these dates, in order to reflect the impact of the Demerger. As a result, these financial statements may not be suitable for any other purpose.

b *Functional and presentation currency*

These carved out combined financial statements are presented in Indian Rupees (INR), which is also SWPL Solar EPC Group'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 combined financial statements have been prepared on the historical cost basis except for the following::

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- employee's defined benefit plan as per actuarial valuation.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

2 Basis of preparation and presentation (*Continued*)

d Use of estimates and judgments

The preparation of the carved-out combined 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. Significant assumptions and estimates considered are as follows:

(i) Allocation of Expenses

All costs that were specifically identifiable to the SWPL Solar EPC Group have been allocated to the SWPL Solar EPC Group and included in the carve-out financial statements. Where specific identification of expenses to the SWPL Solar EPC Group was not practicable, a reasonable method of allocation such as number of employees was used for the purpose of allocation of expenses.

(ii) Evaluation of revenue recognition

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 carved out combined financial statements for the period in which such changes are determined.

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

SWPL Solar EPC Group 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.

(iv) Recoverability of deferred income tax assets

In determining the recoverability of deferred income tax assets, the SWPL Solar EPC Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The SWPL Solar EPC Group 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.

(v) Measurement of defined benefit obligations and other employee benefit obligations

The SWPL Solar EPC Group's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

2 Basis of preparation and presentation (*Continued*)

d Use of estimates and judgments (*Continued*)

(vi) Provision for obsolete inventory

SWPL Solar EPC Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the combined statement of profit and loss, the SWPL Solar EPC Group makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(vii) Impairment losses on trade receivables and unbilled receivables

SWPL Solar Group reviews its trade receivables and unbilled receivables to assess impairment at regular intervals. The SWPL Solar EPC Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the carved-out combined statement of profit and loss, the SWPL Solar EPC Group 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.

(viii) Impairment losses on investment

SWPL Solar EPC Group reviews its carrying value of investments in joint ventures carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(ix) Measurement of fair values

A number of the SWPL Solar EPC Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The SWPL Solar EPC Group 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 SWPL Solar EPC Group's Board of Directors

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 SWPL Solar EPC Group 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 SWPL Solar EPC Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 41 – financial instruments

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies

3.1 Principles of consolidation

The carved out combined financial statements of the SWPL Solar EPC Group were prepared by applying the Guidance note on Combined and Carve out issued by ICAI as mentioned in the basis of preparation (Note 2) and principles of consolidation as per Ind AS 110- Consolidated Financial Statements.

Accordingly while applying the above guidance, financial statements of the solar division of the entities controlled by SWPL have been combined on the following basis:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the combining businesses
- (ii) Inter-company transactions, balances and unrealised gains/losses on transactions between companies within the SWPL Solar EPC Group are eliminated
- iii) Disclose non-controlling interest for the SWPL Solar EPC Group where 100% shares are not held.

Further under this approach the Solar Division of the Parent has been treated as the holding company of the businesses / entities which are controlled by the SWPL Solar EPC Group. Such manner of presentation reflects the economic substance of the business which were combined, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

The SWPL Solar EPC Group controls an entity / business when it is exposed to, or has rights to, variable returns from its involvement and has the ability to affect those returns through its power.

The SWPL Solar EPC Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an entity/ business begins when the SWPL Solar EPC Group obtains control and ceases when the SPWL Solar Group loses control of the entity / business. Assets, liabilities, income and expenses acquired or disposed of during the year are included in the combined financial statements from the date the SWPL Solar EPC Group gains control until the date the SWPL Solar EPC Group ceases to control the entity / business.

Combined financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

For a list of Legal entities / business fully included in these financial statements prior to their actual legal transfer, refer Note 43 - List of combining entities / businesses.

c Equity accounted investees

The SWPL Solar EPC Group's interests in equity accounted investees comprise interests in joint venture. A joint venture is an arrangement in which the SWPL Solar EPC Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the SWPL Solar EPC Group's share of net assets of the joint venture since the acquisition date and the SWPL Solar EPC Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the SWPL Solar EPC Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the SWPL Solar EPC Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the SWPL Solar EPC Group and its joint ventures are eliminated to the extent of the SWPL Solar EPC Group's interest in these entities until the date on which significant influence or joint control ceases.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.2 Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the SWPL Solar EPC Group accounts for these business combinations using the acquisition method when control is transferred to the SWPL Solar EPC Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the carved out combined statement of profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the carved out combined statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the carved out combined statement of profit and loss or OCI, as appropriate.

Common control transactions

Business combinations involving entities that are controlled by the SWPL Solar EPC Group are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (v) The identity of the reserves are preserved
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.3 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
- (ii) it is expected to be realised within twelve
- (iii) it is held primarily for the purposes of
- (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 SWPL Solar EPC Group'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
- (iv) the SWPL Solar EPC Group 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 SWPL Solar EPC Group's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the Solar engineering, procurement and construction services (EPC) segment of the SWPL Solar EPC Group, the construction projects usually have long gestation periods and based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the SWPL Solar EPC Group has ascertained its operating cycle as 36 months for the purpose of current - non-current classification of assets and liabilities. For the operations and maintenance operations, the operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

3.4 Foreign currency

(i) Foreign currency transactions

- Initial Recognition

All transactions that are not denominated in the SWPL Solar EPC Group'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 carved out combined statement of profit and loss.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.4 Foreign currency

(i) Foreign currency transactions (*Continued*)

- 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 at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. 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 carved out combined statement of profit and loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the SWPL Solar EPC Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the carved out combined statement profit and loss as part of the gain or loss on disposal. If the SWPL Solar EPC Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the SWPL Solar EPC Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the carved out combined statement of profit and loss.

3.5 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 SWPL Solar EPC Group 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.

(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 period the SWPL Solar EPC Group changes its business model for managing financial assets.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.5 Financial instruments (*Continued*)

(b) Classification and subsequent measurement (*Continued*)

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 SWPL Solar EPC Group 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 SWPL Solar EPC Group 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 SWPL Solar EPC Group 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 SWPL Solar EPC Group'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 SWPL Solar EPC Group'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.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.5 Financial instruments (*Continued*)

(b) Classification and subsequent measurement (*Continued*)

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 SWPL Solar EPC Group 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 SWPL Solar EPC Group 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 SWPL Solar EPC Group'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.

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 carved out combined 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 carved out combined statement of profit and loss. Any gain or loss on derecognition is recognised in the carved out combined 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 carved out combined 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 carved out combined 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 carved out combined 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 carved out combined statement of profit and loss.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.5 Financial instruments (*Continued*)

(b) Classification and subsequent measurement (*Continued*)

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 carved out combined 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 carved out combined statement of profit and loss. Any gain or loss on derecognition is also recognised in the carved out combined statement of profit and loss. See Note 3.5 (e) for financial liabilities designated as hedging instruments.

The SWPL Solar EPC Group 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 SWPL Solar EPC Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the SWPL Solar EPC Group 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 SWPL Solar EPC Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The SWPL Solar EPC Group 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 carved out combined statement of profit and loss.

(c) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the SWPL Solar EPC Group 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.

(d) Derivative financial instruments and hedge accounting

The SWPL Solar EPC Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the carved out combined statement of profit and loss.

The SWPL Solar EPC Group designates certain derivatives as hedging instruments to hedge variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the SWPL Solar EPC Group documents the risk management objective and strategy for undertaking the hedge. The SWPL Solar EPC Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.5 Financial instruments (*Continued*)

(d) Derivative financial instruments and hedge accounting (*Continued*)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the carved out combined statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the carved out combined statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or for other cash flow hedges, it is reclassified to the carved out combined statement of profit and loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the carved out combined statement of profit and loss.

3.6 Fair Value

The SWPL Solar EPC Group 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.

All assets and liabilities for which fair value is measured or disclosed in the carved out combined 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 carved out combined financial statements at fair value on a recurring basis, the SWPL Solar EPC Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (Continued)

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 SWPL Solar EPC Group 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 SWPL Solar EPC Group.

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 carved out combined statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

3.7 Property, plant and equipment (Continued)

Depreciation

Depreciation on property, plant and equipment has been provided using the straight line method over the estimated useful lives prescribed by Schedule II of the Act, except for certain items of plant and machinery (such as welding machine, drilling machine, porta cabin etc. whose useful life has been estimated to be five years) wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the SWPL Solar EPC Group's management based on the technical evaluation carried out by the projects team. 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 to 15 years	15 years
Furniture and fixtures	3 years to 10 years	10 years
Vehicles	8 years to 10 years	8 years to 10 years
Computer hardware	3 years to 6 years	3 years / 6 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the SWPL Solar EPC Group will obtain ownership by the end of the lease term.

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Assets costing INR 5,000 or less are fully depreciated in the period of purchase.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.8 Other intangible assets

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Other intangible assets are amortised over an expected benefit period of one to five years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the carved out combined statement of profit and loss in the period the asset is derecognised.

3.9 Inventories

Material at central stores comprises modules, wires, cables, components, stores and spares. Stock in trade comprises of land acquired for Solar EPC projects.

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

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 SWPL Solar EPC Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

(i) Trade receivables and lease receivables; and

In case of trade receivables, contract revenue receivables and lease receivables, the SWPL Solar EPC Group 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 SWPL Solar EPC Group 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.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.10 Impairment (*Continued*)

Impairment of non-derivative financial assets (Continued)

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

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

Impairment of non-financial assets

The carrying amount of the SWPL Solar EPC Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are SWPL Solar EPC Grouped together into cash-generating units (CGUs). Each CGU represents the smallest SWPL Solar EPC Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or SWPL Solar EPC Groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the carved out combined statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or SWPL Solar EPC Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the SWPL Solar EPC Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the SWPL Solar EPC Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.11 Employee benefits (*Continued*)

Post-employment benefits

(i) Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the SWPL Solar EPC Group pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. The SWPL Solar EPC Group has no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the carved out combined statement of profit and loss in the periods during which the related services are rendered by employees. In respect of overseas entities, the SWPL Solar EPC Group's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the carved out combined foreign entities operate.

(ii) Defined benefit plans

The SWPL Solar EPC Group's gratuity benefit scheme is a defined benefit plan. The SWPL Solar EPC Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the carved out combined statement of other comprehensive income in the period in which they occur and not reclassified to the carved out combined statement of profit and loss in the subsequent period. The SWPL Solar EPC Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the carved out combined statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the carved out combined statement of profit and loss. The SWPL Solar EPC Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the carved out combined statement of profit and loss.

In respect of the overseas subsidiaries, provision is made for employees' terminal benefits on the basis prescribed under the labour laws of the respective countries in which the overseas subsidiaries operates and is determined based on arithmetic calculation.

(iii) Other long-term employee benefits

The SWPL Solar EPC Group's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the carved out combined statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

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Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.12 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the SWPL Solar EPC Group 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 SWPL Solar EPC Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the SWPL Solar EPC Group recognises any impairment loss on the assets associated with that contract.

3.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the SWPL Solar EPC Group and the revenue can be reliably measured.

Revenue from works contracts:

Revenue is measured at the fair value of the consideration received or receivable. This inter alia involves discounting of the consideration due to present value if payment extends beyond normal credit terms. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Contract prices are either fixed or subject to price escalation clauses. Revenue from works contracts is recognised on the basis of percentage completion method, and the level of completion depends on the nature and type of each contract including:

- a) Unbilled work-in-progress valued at lower of cost and net realisable value upto the stage of completion. Cost includes direct material, labour cost and appropriate overheads; and
- b) amounts due in respect of the price and other escalation, bonus claims and/or variation in contract work approved by the customer/third parties etc. where the contract allows for such claims or variations and there is evidence that the customer/third party has accepted it.

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 SWPL Solar EPC Group, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the management and the effect of changes in estimates is recognised in the period such changes are identified.

Revenue from works contracts, where the outcome cannot be estimated reliably, is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs shall be recognised as an expense in the period in which they are incurred.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in the consolidated statement of profit and loss. Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the SWPL Solar EPC Group.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.13 Revenue recognition (*Continued*)

Revenue from sale of goods:

The SWPL Solar EPC Group recognises revenue from sale of goods once the customer takes possession of the goods. Revenue represents the invoice value of goods provided to third parties net of discounts and sales taxes/value added taxes.

Operation and maintenance income:

The SWPL Solar EPC Group recognises revenue from operation and maintenance services is recognised as and when the relevant services are rendered.

Multiple deliverable arrangements:

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

3.14 Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are disclosed as other operating income in the carved out combined financial statements.

3.15 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.

3.16 Leases

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 SWPL Solar EPC Group 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 SWPL Solar EPC Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the SWPL Solar EPC Group's Balance Sheet.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.16 Leases (*Continued*)

Lease payments

Payments made under operating leases are generally recognised in the carved out combined 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 period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.17 Recognition of dividend income, interest income or expense

Dividend income is recognised in the carved out combined statement of profit and loss on the date on which the SWPL Solar EPC Group's right to receive payment is established.

Interest income or expense 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 and expense, 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.

3.18 Income tax

Income tax comprises current and deferred tax. It is recognised in the carved out combined 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.

Current tax

Current tax has been computed by applying the statutory tax rates on results of the carved out combined financial statements as separate tax returns do not exist.

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.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the carved out combined statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the SWPL Solar EPC Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.18 Income tax (*Continued*)

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 and joint arrangements to the extent that the SWPL Solar EPC Group 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 SWPL Solar EPC Group 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 will be realised.

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 SWPL Solar EPC Group 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.

3.19 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.20 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the carved out combined statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

Profit or loss on sale of investments is determined on the basis of first in first out (FIFO) basis of carrying amount of investment disposed off.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

3 Significant accounting policies (*Continued*)

3.21 Cash flow

The SWPL Solar EPC Group's carved out combined statement of cash flows are prepared using the Indirect method, whereby profit for the period 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 SWPL Solar EPC Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

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

The SWPL Solar EPC Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the carved out combined statement of profit and loss for the year. The SWPL Solar EPC Group measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.

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Notes to the carved out combined financial statements (Continued)

as at 31 March 2017 and 31 March 2016

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4 Property, plant and equipment

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total
Gross carrying amount :					
Deemed cost as at 1 April 2015	4.76	0.01	1.22	3.62	9.61
Add: Exchange differences on translation of foreign operations	(0.01)	-	-	(0.02)	(0.03)
Add: Additions during the year	48.88	0.24	3.29	7.64	60.05
These carved out combined financial statements have been	53.63	0.25	4.51	11.24	69.63
Balance as at 1 April 2016	53.63	0.25	4.51	11.24	69.63
Add: Exchange differences on translation of foreign operations	0.08	-	-	0.02	0.10
Add: Additions during the year	20.08	0.00	0.60	8.08	28.76
Less: Disposals during the year	-	-	-	0.08	0.08
Balance as at 31 March 2017	73.79	0.25	5.11	19.26	98.41
Accumulated depreciation:					
Balance as at 1 April 2015	-	-	-	-	-
Add: Exchange differences on translation of foreign operations	(0.01)	-	-	(0.00)	(0.01)
Add: Depreciation for the year	4.90	0.01	0.59	3.19	8.69
Balance as at 31 March 2016	4.89	0.01	0.59	3.19	8.68
Balance as at 1 April 2016	4.89	0.01	0.59	3.19	8.68
Add: Exchange differences on translation of foreign operations	(0.00)	-	-	0.01	0.01
Depreciation for the year	8.73	0.03	0.56	4.29	13.61
Less: Disposals during the year	-	-	-	0.00	-
Balance as at 31 March 2017	13.62	0.04	1.15	7.49	22.30
Carrying amounts (net)					
At 31 March 2016	48.74	0.24	3.92	8.05	60.95
At 31 March 2017	60.17	0.21	3.96	11.77	76.11

* Amount less than Rs 0.01 million.

Notes:

- a) The SWPL Solar EPC Group has availed the deemed cost exemption in relation to Property, plant and equipment on the date of transition to Ind AS i.e. 1 April 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer table below for the gross block value and accumulated depreciation on 1 April 2015.

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Computer hardware	Total
Gross Block	4.94	0.01	1.31	4.30	10.56
Accumulated Depreciation	0.18	-	0.09	0.68	0.95
Net Block	4.76	0.01	1.22	3.62	9.61

- b) Nil amount of borrowing cost is capitalised during the years ended 31 March 2017 and 31 March 2016
- c) Nil amount of impairment loss is recognised during the years ended 31 March 2017 and 31 March 2016
- d) Adjustments includes the exchange fluctuation of Rs (0.02) million for the year ended 31 March 2017 (31 March 2016: Rs 0.10 million) on gross block and Rs (0.01) million for the year ended 31 March 2017 (31 March 2016: Rs 0.01 million) on accumulated depreciation due to translation of property, plant and equipment of all foreign branches and subsidiaries at closing exchange rate.
- e) Nil amount of property, plant and equipment are subject to first charge to secured bank loans during the years ended 31 March 2017 and 31 March 2016.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

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(Currency: Indian rupees in million)

5 Intangible assets

Particulars	Computer software	Total
Gross carrying amount :		
Deemed cost as at 1 April 2015	1.53	1.53
Add: Additions during the year	4.79	4.79
Add: Exchange differences on translation of foreign operations	(0.00)	(0.00)
Balance as at 31 March 2016	<u>6.32</u>	<u>6.32</u>
Balance as at 1 April 2016	6.32	6.32
Add: Additions during the year	5.16	5.16
Add: Exchange differences on translation of foreign operations	0.00	0.00
Balance as at 31 March 2017	<u>11.48</u>	<u>11.48</u>
Accumulated amortisation and impairment losses:		
Balance as at 1 April 2015	-	-
Amortisation for the year	0.65	0.65
Add: Exchange differences on translation of foreign operations	0.02	0.02
Balance as at 31 March 2016	<u>0.67</u>	<u>0.67</u>
Balance as at 1 April 2016	0.67	0.67
Amortisation for the year	2.05	2.05
Add: Exchange differences on translation of foreign operations	0.01	0.01
Balance as at 31 March 2017	<u>2.73</u>	<u>2.73</u>
Carrying amounts (net)		
At 31 March 2016	<u>5.65</u>	<u>5.65</u>
At 31 March 2017	<u>8.75</u>	<u>8.75</u>

Notes:

- a) The SWPL Solar EPC Group has availed the deemed cost exemption in relation to intangible assets on the date of transition to Ind AS i.e. 1 April 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer table below for the gross block value and accumulated depreciation on 1 April 2015.

Particulars	Computer software
Gross Block	1.66
Accumulated Depreciation	0.13
Net Block	<u>1.53</u>

- b) Nil amount of borrowing cost is capitalised during the years ended 31 March 2017 and 31 March 2016
- c) Nil amount of impairment loss is recognised during the years ended 31 March 2017 and 31 March 2016

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(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
6 Deferred tax assets (net)		
<i>Deferred tax assets</i>		
Employee benefits	28.35	11.53
Provision for doubtful debts and advances	94.39	1.73
Carry forward business losses*	5.00	-
	<u>127.74</u>	<u>13.26</u>
<i>Deferred tax liabilities</i>		
Depreciation and amortisation	(4.37)	(2.99)
Prepayments and deposits	(12.23)	(0.07)
Trade payables	-	-
	<u>(16.60)</u>	<u>(3.06)</u>
	<u><u>111.14</u></u>	<u><u>10.20</u></u>

*The SWPL Solar EPC Group has recognised deferred tax asset on the carried forward business losses after considering the relevant facts and circumstances during each financial year to the extent that the SWPL Solar EPC Group had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the SWPL Solar EPC Group has recognised deferred tax asset of Rs 5.00 million on 31 March 2017 (31 March 2016: Rs Nil) on the carried forward losses of Sterling and Wilson Engineering (Pty) Ltd.

Unrecognised deferred tax asset / liabilities

Deferred tax assets

Carry forward business losses[#]

5.51	-
<u>5.51</u>	<u>-</u>

[#] Represents deferred tax asset on carried forward business loss for foreign branch at Philippines. This has not been recognised because it is not probable that future taxable profits will be available against which the SWPL Solar EPC Group can use the benefits there from.

7 Non current tax assets (net)

Advance tax paid (net of provision for tax Rs 32.67 million (31 March 2016: Rs 32.67 million)

(Philippines branch: 31 March 2017: Rs 4.86 million (31 March 2016: Rs Nil)

12.31	4.77
<u>12.31</u>	<u>4.77</u>

8 Inventories

(valued at lower of cost or net realisable value unless otherwise stated)

Construction materials, stores and spare parts

Stock-in-trade

6.22	-
143.02	13.34
<u>149.24</u>	<u>13.34</u>

Carrying amount of inventories (included above) pledged as securities for borrowings

149.24 13.34

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

as at 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
9 Current investments		
Investment in government securities (unquoted)		
(Measured at amortised cost)		
Treasury bills	3.30	-
	<u>3.30</u>	<u>-</u>

The aggregate book value and market value of quoted current investments and book value of unquoted current investments are as follows:

Aggregate book value of unquoted current investments	3.30	-
Aggregate amount of impairment in value of current investments	-	-

10 Trade receivables

(Unsecured)

Trade receivables		
- Considered good	6,480.05	4,682.59
- Significant increase in credit risk	-	-
- Credit impaired	297.19	5.00
	<u>6,777.24</u>	<u>4,687.59</u>
Loss allowance		
- Doubtful	297.19	5.00
	<u>6,480.05</u>	<u>4,682.59</u>

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties	279.83	240.30
Loss allowances*	-	-

*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 SWPL Solar EPC Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 40.

As at 31 March 2017, trade receivables includes retention of Rs 643.68 million (31 March 2016 : Rs 205.51 million) relating to construction contracts in progress.

Dues from firms or private companies in which any director is a partner or a director or member :

Shapoorji Pallonji and Company Private Limited	-	17.99
Shapoorji Pallonji Infrastructure Capital Co Private Limited	87.95	-
	<u>87.95</u>	<u>17.99</u>

11A Cash and cash equivalents

Cash on hand	0.21	0.27
Balance with banks		
- Current accounts	37.43	1.83
	<u>37.64</u>	<u>2.10</u>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

as at 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
11B Bank balances other than cash and cash equivalents		
Balances with banks		
- in current accounts (refer note below)	3.90	9.41
- Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	67.13	297.79
	<u>71.03</u>	<u>307.20</u>
Note: Current account balances with banks include Rs 3.90 million (31 March 2016: Rs 9.41 million) held at a foreign branch at Philippines which are not freely remissible because of exchange restrictions.		
12 Loans		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Security deposits	16.88	15.83
Loan to employees	11.13	0.13
	<u>28.01</u>	<u>15.96</u>
13 Other current financial assets		
<i>(Unsecured, considered good)</i>		
From related parties		
Unbilled receivables	0.53	41.16
Recoverable expenses	15.24	22.08
Other receivables	2,201.19	1,538.17
From parties other than related parties		
Unbilled receivables	1,061.93	230.59
Other receivables	17.26	
	<u>3,296.15</u>	<u>1,832.00</u>
Dues from firms or private companies in which any director is a partner or a director or member:		
Unbilled receivables		
Shapoorji Pallonji and Company Private Limited	-	19.82
Shapoorji Pallonji Infrastructure Capital Company Private Limited	0.15	-
	<u>0.15</u>	<u>19.82</u>
Recoverable expenses		
Sterling and Wilson International FZE - Non-Solar EPC division	-	22.08
Sterling Wilson-SPCPL-Chint Moroccan Venture	15.24	-
	<u>15.24</u>	<u>22.08</u>
Other receivables		
Sterling and Wilson International FZE - Non Solar EPC division	2,201.19	1,538.17
	<u>2,201.19</u>	<u>1,538.17</u>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

as at 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
14 Other current assets <i>(Unsecured, considered good)</i>		
From parties other than related parties		
Advances for supply of goods	404.27	62.99
Advance for projects	-	79.24
Other recoverables	28.87	1.24
Balance with government and excise authorities	18.35	27.52
Prepayments	58.70	21.82
Advances to employees	1.42	4.64
	<u>511.61</u>	<u>197.45</u>
15 Owners' net investment		
Balance at the beginning of the year	(769.47)	(1,051.18)
Profit/(loss) for the year	314.32	1,253.63
Less : Remeasurement of net defined liability	(4.15)	(0.51)
Contribution from / Distributions to SWPL - Non Solar Division (net)	1,063.85	(964.73)
Add: Exchange difference on translation of foreign operations arisen during the year	(5.28)	(6.68)
Less: Effective portion of (losses) on hedging instruments in cash flow hedges	(33.12)	-
Balance at the end of the year	<u>566.15</u>	<u>(769.47)</u>
16 Non-current borrowings		
Preference shares (Unsecured)		
510 7%, Non-convertible, non-cumulative preference shares of 100 baht each, 25 baht paid-up (refer note below)	0.02	0.02
	<u>0.02</u>	<u>0.02</u>
7%, Non-convertible, Non-cumulative Preference shares of 100 baht each, were issued by Sterling and Wilson (Thailand) Limited, a subsidiary of the SWPL Solar EPC Group. Preference shares carry a preferential right as to dividend over equity shareholders. These preference shares are entitled to one vote per thirty shares at every general meeting of the subsidiary. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.		
17 Non-current - Provisions		
Provision for employee benefits:		
Gratuity (refer note 38)	31.86	11.15
	<u>31.86</u>	<u>11.15</u>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

as at 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
18 Borrowings		
Secured From Banks		
Buyers credit (refer note (i) below)	3,151.26	-
Unsecured		
Loan from related parties (refer note (ii) below)	-	3.07
	3,151.26	3.07

Details of the security and repayment terms :

- Buyers credit facility is secured by hypothecation of book debts and stock, ranking pari passu, carrying an interest ranging from 1.40% to 1.80% i.e. Euribor plus 60 basis points to Euribor plus 135 basis points (in case of buyers' credit in Euros) and Libor plus 26 basis points to Libor plus 165 basis points (in case of buyers' credit in USD) and repayable within a period of 180 days.
- Loans from related parties are interest free and repayable on demand.

	31 March 2017	31 March 2016
19 Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,397.01	4,999.36
Acceptances*	1,228.97	1,739.11
	4,625.98	6,738.47

*Acceptances are repayable within a period ranging between 90 to 180 days from the date of acceptance.

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 with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	31 March 2017	31 March 2016
The principal amount remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
Interest due thereon	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each 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
The amount of interest accrued and remaining unpaid at the end of the each 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

	31 March 2017	31 March 2016
20 Derivatives		
Foreign currency forward exchange contract liabilities	194.49	31.88
	194.49	31.88

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

as at 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	31 March 2017	31 March 2016
21 Other current financial liabilities		
To related parties		
Other payables	11.18	-
To parties other than related parties		
Tax on dividends	2.82	-
Employee benefits payable	11.55	10.75
Other payables	0.49	10.55
	<u>26.04</u>	<u>21.30</u>

22 Other current liabilities

To related parties		
Advances from customers	145.63	104.69
To parties other than related parties		
Advances from customers	1,664.13	665.93
Statutory liabilities*	0.65	1.24
	<u>1,810.41</u>	<u>771.86</u>

* Includes dues towards Tax deduction at source, Service tax, Good and service tax, Provident fund, Employee state insurance contribution, Profession tax and others.

23 Current - Provisions

Provision for employee benefits:		
- Gratuity (refer note 38)	0.96	0.46
- Compensated absences (refer note 38)	53.94	21.51
Other provisions		
- Provision for product warranty	324.04	299.44
Provision for Loss incurred by Joint Venture	0.19	-
	<u>379.13</u>	<u>321.41</u>

Provision and/or product warranty:

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

Movement in provision for product warranty:

Particulars	31 March 2017	31 March 2016
Opening balance	299.44	-
Charge during the year	-	299.44
Exchange Rate Difference	24.60	-
Closing balance	<u>324.04</u>	<u>299.44</u>

31 March 2017 31 March 2016

24 Income tax liabilities (net)

Provision for current tax (net of advance tax March 2017: Rs Nil; March 2016: Rs 2.22 million) for Philipphines branch.	-	2.52
	<u>-</u>	<u>2.52</u>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
25 Revenue from operations		
Sale of services		
Revenue from works contracts	16,157.32	27,327.72
Revenue from operation and maintenance services	242.76	56.33
	<u>16,400.08</u>	<u>27,384.05</u>
Sale of products		
Sale of traded goods	-	9.89
Other operating income		
Sale of scrap	0.25	-
Miscellaneous income	2.38	0.35
	<u>16,402.71</u>	<u>27,394.29</u>
26 Other income		
Interest income under the effective interest method on:		
- deposits with banks	10.84	26.73
- loan to employees	0.28	0.14
- retention receivable	8.66	-
- deferred payment terms	69.99	-
Supplier balances written back	3.17	0.13
Product warranty insurance	-	43.38
Write back of provision for bad and doubtful debts	5.00	-
	<u>97.94</u>	<u>70.38</u>
27 Cost of construction materials, stores and spare parts		
Inventories at the beginning of the year	-	-
Add: Purchases during the year	11,766.37	18,871.09
Less: Inventories at the end of the year	6.22	-
	<u>11,760.15</u>	<u>18,871.09</u>
28 Purchase of stock-in-trade		
Purchase of stock-in-trade	-	9.56
	<u>-</u>	<u>9.56</u>
29 Change in inventories of stock-in-trade		
Stock-in-trade		
Inventories at the beginning of the year	13.34	-
Inventories at the end of the year	143.02	13.34
Increase in inventories of stock-in-trade	<u>(129.68)</u>	<u>(13.34)</u>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
30 Direct project costs		
Communication expenses	5.13	3.46
Stores and spare parts consumed	37.94	34.36
Commission expenses	69.66	181.67
Legal and professional fees	34.59	787.99
Printing and stationery expenses	1.86	1.62
Insurance costs	33.97	37.16
Repairs and maintenance - others	43.39	21.90
Selling and marketing expenses	0.17	0.28
Traveling and conveyance expenses	30.92	26.04
Rent (refer note 37)	41.34	32.20
Rates and taxes	6.35	0.80
Electricity, power and fuel	11.32	7.47
Donation	0.20	0.03
Bank charges	44.83	271.34
Land development charges	163.72	-
Forward cover cancellation charges	84.04	24.14
Product Warranty	-	299.44
Miscellaneous expenses	76.71	203.47
	686.14	1,933.37
Employee benefits expense		
Salaries and wages	143.57	143.49
Contributions to provident and other funds	11.90	4.45
Staff welfare expenses	22.84	19.02
	178.31	166.96
Sub-contractor expenses	1,776.12	3,103.69
	2,640.57	5,204.02
31 Employee benefit expense		
Salaries and wages	465.11	267.80
Contributions to provident and other funds	33.69	22.55
Compensated absences	54.28	18.94
Gratuity expenses (refer note 38)	20.01	8.35
Staff welfare expenses	26.75	12.18
	599.84	329.82
32 Finance costs		
Interest expense		
- on secured loans	15.73	-
- on others	-	5.09
Other borrowing costs	12.30	1.22
	28.03	6.31

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency : Indian rupees in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
33 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	13.61	8.69
Amortisation of intangible assets	2.05	0.65
	<u>15.66</u>	<u>9.34</u>
34 Other expenses		
Communication expenses	27.99	12.22
Stores and spare parts consumed	5.62	1.36
Commission expenses	1.55	4.36
Legal and professional fees	206.44	577.76
Printing and stationery expenses	6.12	4.51
Insurance costs	10.79	12.77
Repairs and maintenance - others	20.00	14.03
Selling and marketing expenses	13.88	14.24
Traveling and conveyance expenses	104.47	69.27
Rent (refer note 37)	72.89	43.74
Rates and taxes	14.84	8.10
Electricity, power and fuel	9.44	6.04
Foreign exchange loss (net)	10.24	91.96
Donation	-	0.38
Management support fees	65.15	-
Bank charges	25.10	13.33
Loans and advances written off	0.60	0.04
Loss on sale of property, plant and equipment (net)	0.01	-
Forward cover cancellation charges	25.32	-
Bad debts written off	5.00	6.42
Provision for bad and doubtful debts	291.64	-
Land development charges	1.53	3.45
Provision for mark-to-market losses on derivative instruments (net)	13.62	19.50
Miscellaneous expenses	50.82	201.47
	<u>983.06</u>	<u>1,104.95</u>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

35 Taxes

(a) Amounts recognised in the carved out combined statement of profit and loss

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current tax expense		
Current year	387.25	692.31
Deferred tax (credit) / charge		
Origination and reversal of temporary differences	(98.74)	(3.02)
Tax expense for the year	288.51	689.29

(b) Amounts recognised in other comprehensive income

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
These carved out combined financial statements have been prepared in accordance with the Guidance Note on Combined		
Tax effect on remeasurements of the defined benefit plans	2.20	0.27
	2.20	0.27

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit before tax	603.02	1,942.92
Corporate tax rate used	34.61%	34.61%
Tax using the corporate tax rate	208.71	672.44
Tax effects of:		
Difference in applicable tax rate	83.96	21.88
Current year losses on which no deferred tax asset was recognised	7.81	-
Non-deductible expenses	1.59	0.62
Previously recognised assessed losses not allowed	-	0.32
Others	(13.56)	(5.97)
Total tax expense	288.51	689.29

(d) Movement in deferred tax balances

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

Movement in deferred tax balances for the year ended 31 March 2017

Particulars	Net asset / (liability) 1 April 2016	Recognised in Profit and Loss	Recognised in OCI	Net asset / (liability) 31 March 2017
Employee benefits	11.53	14.62	2.20	28.35
Provision for bad and doubtful debts	1.73	92.66	-	94.39
Carry forward business losses	-	5.00	-	5.00
Excess of depreciation as per book depreciation over Income tax Act, 1961	(2.99)	(1.38)	-	(4.37)
Others	(0.07)	(12.16)	-	(12.23)
Deferred tax asset / (liability)	10.20	98.74	2.20	111.14

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

35 Taxes (*Continued*)

(d) Movement in deferred tax balances (*Continued*)

The SWPL Solar EPC Group has recognised deferred tax asset on unused tax losses of its subsidiary in South Africa to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of its subsidiary company. The subsidiary company is expected to generate taxable income from the financial year ended 31 March 2019 onwards. The business losses can be carried forward indefinitely as per current tax regulations.

Movement in deferred tax balances for the year ended 31 March 2016

Particulars	Net asset / (liability) 1 April 2015	Recognised in Profit and Loss	Recognised in OCI	Net asset / (liability) 31 March 2016
Employee benefits	5.81	5.45	0.27	11.53
Provision for bad and doubtful debts	1.73	(0.00)	-	1.73
Excess of depreciation as per book depreciation over Income tax Act, 1961	(0.63)	(2.36)	-	(2.99)
Others	-	(0.07)	-	(0.07)
Deferred tax asset / (liability)	6.91	3.02	0.27	10.20

(e) Unrecognised deferred tax assets

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

Particulars	31 March 2017		31 March 2016	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Carry forward business losses	18.35	5.51	-	-
Unabsorbed depreciation	-	-	-	-
Total	18.35	5.51	-	-

(f) Tax losses carried forward

Particulars	31 March 2017	Expiry Year	31 March 2016	Expiry Year
Expire	18.35	2020	-	-
	<u>18.35</u>		<u>-</u>	
Never expire	17.87		-	
	<u>17.87</u>		<u>-</u>	

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

36 Earnings per share (EPS)

As stated in Note 2 - Basis of preparation, the SWPL Solar EPC Division was not a legal entity for reporting purposes in the periods presented.

Accordingly, the SWPL Solar EPC Group does not have any issued capital and presentation of earnings per share in accordance with Ind AS 33, Earnings per share is not applicable.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

37 Operating leases

The SWPL Solar EPC Group has taken office premises on cancellable and non-cancellable operating leases and has taken vehicles on cancellable operating leases. The future minimum lease payments in respect of office premises and vehicles is as follows:

Particulars	31 March 2017	31 March 2016
Lease payments recognised in the carved out combined statement of profit and loss		
- Cancellable	109.88	72.38
- Non-cancellable	4.35	3.56
Future minimum lease payments under non-cancellable operating leases		
Due not later than one year	4.77	3.31
Due later than one year but not later than five years	0.16	-
Later than five years	-	-
Minimum lease payment	4.93	3.31

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

38 Employee benefits

The SWPL Solar EPC Group has the following post-employment benefit plans:

A. Defined Contribution Plans

Contribution to Provident fund, Employee State Insurance and any other funds

Amount of 31 March 2017: Rs 45.59 million (31 March 2016: Rs 27.00 million) is recognised as an expense and included in "Direct project costs" and "Employee benefit expenses" (refer note 30 and 31) in the carved out combined statement of profit and loss.

B. Defined benefit plan and long-term employee benefits:

General description

Gratuity (Defined benefit plan)

These carved out combined financial statements have been prepared in accordance with the Guidance Note on Combined and Carve-Out Financial Statements ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") to reflect the state of affairs, profit, the statement of changes in owner's net investment and the statement of cash flows of the SWPL Solar EPC Group. Per the Guidance Note on the combined/Carve-out financial statements, an assumed financial statement is prepared for the period 1 April 2016 to 31 March 2017.

Compensated absences (Long-term employee benefits)

Long term leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement.

Change in the present value of the defined benefit obligation

i. Reconciliation of present value of defined benefit obligation

Particulars	31 March 2017	31 March 2016
Balance at the beginning of the year	11.61	1.80
Benefits paid	(2.59)	(0.36)
Current service cost	2.58	0.83
Interest cost	0.94	0.14
Liability transferred in / acquisitions	14.49	7.94
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	4.36	(0.21)
- experience adjustments	1.44	1.47
Balance at the end of the period	32.82	11.61

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

38 Employee benefits (*Continued*)

Change in the present value of the defined benefit obligation (*Continued*)

ii. Amount recognised in the carved out combined statement of profit and loss

Particulars	31 March 2017	31 March 2016
(i) Expense recognised in the carved out combined statement of profit and loss		
Current service cost	2.58	0.83
Interest cost	0.94	0.14
	3.52	0.98
Reconciliation of gratuity expense recognised in the carved out combined statement of profit and loss		
Provision for gratuity recognised as per actuarial valuation report	3.52	0.98
Add: Additional provision retained for employees transferred within the SWPL Solar EPC Group	16.49	7.37
Gratuity expense recognised in the carved out combined statement of profit and loss	20.01	8.35
(ii) Remeasurement recognised in other comprehensive income		
Actuarial gains / losses on obligation for the year	5.80	1.26
	5.80	1.26
Reconciliation of remeasurement recognised in other comprehensive income		
Remeasurement of defined benefit liability recognised as per actuarial valuation report	5.80	1.26
Add: Additional provision retained for employees transferred within the SWPL Solar EPC Group	0.55	(0.48)
Gratuity expense recognised in the other comprehensive income	6.35	0.78

iii. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the SWPL Solar EPC Group's plan is shown below:

Particulars	31 March 2017	31 March 2016
Financial assumptions		
Discount rate	7.20%	8.08%
Salary escalation	7%	7%
Employee turnover	Service < 5 14%	Service < 5 14%
	Service >= 5 2%	Service >= 5 2%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Weighted average duration of the projected benefit obligations	19 years	17 years

Assumptions regarding future mortality are based on published Statistics and Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

38 Employee benefits (*Continued*)

Change in the present value of the defined benefit obligation (*Continued*)

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2017		31 March 2016□	
	Increase	Decrease	Increase	Decrease
Gratuity Plan				
Discount rate (100 basis point movement)	(4.89)	6.13	(1.55)	1.92
Future salary growth (100 basis point movement)	6.08	(4.94)	1.92	(1.58)
Employee turnover (100 basis point movement)	(0.05)	0.03	0.14	(0.17)

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to otheRs In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The SWPL Solar EPC Group's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable.

v. Maturity profile of defined benefit obligation

	31 March 2017	31 March 2016□
Within next 12 months	0.65	0.26
Between 1 and 5 years	3.48	1.38
Above 5 years	137.90	52.69

C. Compensated absences:

Amount of Rs 54.28 million (31 March 2016: Rs 18.94 million) is recognised as an expense and included in "Employee benefit expenses" (refer note 31) in the carved out combined statement of profit and loss.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

39 Contingent Liabilities and Commitments

(to the extent not provided for)

The SWPL Solar EPC Group has committed to contribute Rs 0.10 million in 31 March 2017 (31 March 2016: Rs Nil) towards the Partner's capital in Sterling Wilson-SPCPL-Chint Moroccan Venture.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

40 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 are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31 March 2017	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Current financial assets								
Investments	-	-	3.30	3.30	-	-	-	-
Trade receivables	-	-	6,480.05	6,480.05	-	-	-	-
Cash and cash equivalents	-	-	37.64	37.64	-	-	-	-
Bank balances other than above	-	-	71.03	71.03	-	-	-	-
Loans	-	-	28.01	28.01	-	-	-	-
Other financial assets	-	-	3,296.15	3,296.15	-	-	-	-
	-	-	9,916.18	9,916.18	-	-	-	-
Non-current financial liabilities								
Borrowings	-	-	0.02	0.02	-	0.02	-	0.02
Current financial liabilities								
Borrowings	-	-	3,151.26	3,151.26	-	-	-	-
Trade payables	-	-	4,625.98	4,625.98	-	-	-	-
Derivatives	194.49	-	-	194.49	-	194.49	-	194.49
Other financial liabilities	-	-	26.04	26.04	-	-	-	-
	194.49	-	7,803.30	7,997.79	-	194.51	-	194.51

31 March 2016	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Current financial assets								
Trade receivables	-	-	4,682.59	4,682.59	-	-	-	-
Cash and cash equivalents	-	-	2.10	2.10	-	-	-	-
Bank balances other than above	-	-	307.20	307.20	-	-	-	-
Loans	-	-	15.96	15.96	-	-	-	-
Other financial assets	-	-	1,832.00	1,832.00	-	-	-	-
	-	-	6,839.85	6,839.85	-	-	-	-
Non-current financial liabilities								
Borrowings	-	-	0.02	0.02	-	0.02	-	0.02
Current financial liabilities								
Borrowings	-	-	3.07	3.07	-	-	-	-
Trade payables	-	-	6,738.47	6,738.47	-	-	-	-
Derivatives	31.88	-	-	31.88	-	31.88	-	31.88
Other financial liabilities	-	-	21.30	21.30	-	-	-	-
	31.88	-	6,762.86	6,794.74	-	31.90	-	31.90

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Effective interest rate: This model considers the present value of expected payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Transfers between Levels 1 and 2

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

Level 3 fair values

There are no items in Level 3 fair values.

(c) Financial risk management

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

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

Risk management framework

The SWPL Solar EPC Group's management has overall responsibility for the establishment and oversight of the SWPL Solar EPC Group's risk management framework. The management is responsible for developing and monitoring the SWPL Solar EPC Group's risk management policies.

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

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

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

(c) Financial risk management (*Continued*)

i. Credit risk

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

To manage credit risk, the SWPL Solar EPC Group follows a policy of providing 90 days credit to the customers. The credit limit policy is established considering the current economic trend of the industry in which the SWPL Solar EPC Group is operating.

Trade and other receivables

The SWPL Solar EPC Group'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 SWPL Solar EPC Group grants credit terms in the normal course of business. The SWPL Solar EPC Group establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and other receivable and investment.

Total trade receivable as on 31 March 2017 is Rs 6,480.05 million (31 March 2016: Rs 4,682.59 million)

One customer has a total exposure in receivables of approximately 36.87% as at 31 March 2017 and three customers have a total exposure in receivables of approximately 45.29% as at 31 March 2016.

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

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

Particulars	Amount in INR million
Balance as at 1 April 2015	5.00
Charge during the year	-
Balance as at 31 March 2016	5.00
Charge during the year	291.64
Impacts of foreign exchange translation	5.55
Amounts written back	(5.00)
Balance as at 31 March 2017	297.19

Cash and cash equivalents

The SWPL Solar EPC Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 108.67 million (March 2016: Rs 309.30 million) . The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Other bank balances

Other bank balances are held with bank with good credit rating.

Derivatives

The derivatives are entered with the credit worthy banks and financial institutions counter parties. The Credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis is considered to be good.

Security deposits given to lessors

The SWPL Solar EPC Group has given security deposit to lessors for premises leased by the SWPL Solar EPC Division. The SWPL Solar EPC Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

Others

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

40 Financial instruments – Fair values and risk management (Continued)

(c) Financial risk management (Continued)

ii. Liquidity risk

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

Liquidity risk is managed by Company through effective fund management. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through foreign currency borrowings and other debt instruments.

The SWPL Solar EPC Group had buyers credit of Rs 3,151.26 million (31 March 2016: Nil) and loans from related parties of Rs Nil (31 March 2016: Rs 3.07 million) and cash and cash equivalents of Rs 37.64 million (31 March 2016: Rs 2.10 million) and other bank balances of Rs 71.03 million (31 March 2016: Rs 307.20 million).

Exposure to liquidity risk

The tables below analyses the SWPL Solar EPC Group's financial liabilities into relevant maturity groupings based on their contractual maturities for derivative and non derivative financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

Contractual Cash flows						
31 March 2017	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	194.49	4,159.15	4,159.15	-	-	-
Inflow		(3,964.66)	(3,964.66)	-	-	-
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02	-	-	-	0.02
Buyers credit	3,151.26	3,165.55	3,165.55	-	-	-
Trade payables	4,625.97	4,625.97	4,625.97	-	-	-
Other current financial liabilities	26.04	26.04	26.04	-	-	-
Total	7,997.78	8,012.07	8,012.05	-	-	0.02

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

Contractual Cash flows						
31 March 2016	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Forward exchange contracts used for hedging:						
Outflow	31.88	1,647.56	1,647.56	-	-	-
Inflow		(1,615.68)	(1,615.68)	-	-	-
Non-derivative financial liabilities						
7%, Non-convertible, Non-cumulative Preference shares	0.02	0.02	-	-	-	0.02
Loan from related parties	3.07	3.07	3.07	-	-	-
Trade payables	6,738.47	6,738.47	6,738.47	-	-	-
Other current financial liabilities	21.30	21.30	21.30	-	-	-
Total	6,794.74	6,794.74	6,794.72	-	-	0.02

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

(c) Financial risk management (*Continued*)

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 and all short term and long-term debt. The SWPL Solar EPC Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the SWPL Solar EPC Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a. Currency risk

The SWPL Solar EPC Group is exposed to currency risk on account of its operating and financing activities. The functional currency is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2017 and 31 March 2016 are as below:

Amounts in INR	31 March 2017		
	USD	EUR	Others*
Financial assets			
Trade Receivables	159.97	-	-
Bank balances other than cash and cash equivalents	5.72	-	-
Exposure to foreign currency assets	165.69	-	-
Financial liabilities			
Buyers credit	3,151.26	-	-
Trade payables and other payables	590.15	0.14	11.57
Other financial liabilities	3.76	-	-
Exposure to foreign currency liabilities	3,745.17	0.14	11.57
Forward exchange contract	3,151.26	-	-
Net exposure to foreign currency liabilities	593.91	0.14	11.57
Net Exposure	(428.22)	(0.14)	(11.57)

* Others include Swiss Francs (CHF) and Saudi Riyal (SR)

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

a. Currency risk (*Continued*)

Exposure to currency risk (*Continued*)

Amounts in INR	31 March 2016		
	USD	EUR	Others*
Financial assets			
Trade Receivables	339.69	-	-
Bank balances other than cash and cash equivalents	9.41	-	-
Exposure to foreign currency	349.10	-	-
Financial liabilities			
Trade payables and other payables	1,371.39	86.64	0.07
Other financial liabilities	3.07	-	-
Exposure to foreign currency	1,374.46	86.64	0.07
Forward exchange contract	1,371.39	86.64	-
Net exposure to foreign currency liabilities	3.07	-	0.07
Net Exposure	346.03	-	(0.07)

* Others include Swiss Francs (CHF)

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency would result in increase or decrease in profit or loss 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 2017		31 March 2016	
	Profit or loss	Profit or loss	Profit or loss	Profit or loss
	Strengthening	Weakening	Strengthening	Weakening
USD	(21.41)	21.41	17.30	(17.30)
EUR	(0.01)	0.01	-	-
Others	(0.58)	0.58	(0.00)	0.00

The forward contracts booked also includes the future purchase transaction exposure.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

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

Hedged foreign currency exposure

		31 March 2017		31 March 2016	
		Foreign currency (in million)	Indian Rupees (in million)	Foreign currency (in million)	Indian Rupees (in million)
Foreign exchange forward contracts (To hedge Buyers credit and trade payables)	USD	48.69	3,151.26	20.70	1,371.39
Foreign exchange forward contracts (To hedge Buyers credit and trade payables)	EUR	-	-	1.15	86.64
Foreign exchange forward contracts (To hedge highly probable future transactions)	USD	12.05	779.65	2.38	157.65
Foreign exchange forward contracts (To hedge highly probable future transactions)	EUR	0.47	33.76	-	-
		61.20	3,964.67	24.23	1,615.68

(b) Interest rate risk

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

For details of the SWPL Solar EPC Group's short-term loans and borrowings, including interest rate profiles, refer to Note 16 and note 18 of these carved out combined financial statements.

Particulars	31 March 2017	31 March 2016
Fixed rate instruments		
Financial assets	95.14	313.75
Financial liabilities	3,151.28	3.09
	(3,056.14)	310.66
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

Interest rate sensitivity

The SWPL Solar EPC Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Further the SWPL Solar EPC Group does not have any variable rate instruments. 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.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

41 Segment reporting

A. Basis for segmentation

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

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

B. Business Segment

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

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

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

Information about reportable segments

31 March 2017

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
Revenue from operations	16,157.31	242.76	2.64	16,402.71
Inter-segment revenue	-	-	-	-
Total revenue	16,157.31	242.76	2.64	16,402.71
Segment Results	852.04	80.35	-	932.38
<i>Unallocated expenses</i>				
Interest expense	-	-	28.03	28.03
Depreciation	-	-	15.66	15.66
Employee benefits expense and other expense	-	-	299.96	299.96
Total unallocated expenses	-	-	343.65	343.65
<i>Unallocated income</i>				
Interest income	-	-	11.12	11.12
Other income	-	-	3.17	3.17
Total unallocated income	-	-	14.29	14.29
Profit before tax				603.02
Tax expense/ (credit)	-	-	-	288.51
Profit after tax				314.51
Share of (loss) of equity accounted investees	-	-	-	(0.19)
Profit for the year				314.32
Other information				
Segment assets	7,863.81	119.16	4,459.35	12,442.33
Segment liabilities	9,755.78	25.70	437.51	10,218.99
Capital Expenditure	-	-	28.76	28.76
Depreciation and amortisation	-	-	15.66	15.66

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

41 Segment reporting (continued)

B. Business Segment (Continued)

Information about reportable segments (continued)

31 March 2016

Particulars	Solar EPC business	Operation and maintenance service	Unallocated	Total
Revenue				
Revenue from operations	27,337.61	56.33	0.35	27,394.29
Inter-segment revenue	-	-	-	-
Total revenue	27,337.61	56.33	0.35	27,394.29
Segment Results	1,951.18	15.73		1,966.91
<i>Unallocated expenses</i>				
Interest expense	-	-	6.31	6.31
Depreciation	-	-	9.34	9.34
Employee benefits expense and other expense	-	-	78.72	78.72
Total unallocated expenses	-	-	94.37	94.37
<i>Unallocated income</i>				
Interest income	-	-	26.87	26.87
Other income	-	-	43.51	43.51
Total unallocated income	-	-	70.38	70.38
Profit before tax				1,942.92
Tax expense/ (credit)	-	-	-	689.29
Profit after tax				1,253.63
Other information				
Segment assets	2,253.04	122.66	4,756.49	7,132.20
Segment liabilities	7,534.29	6.69	360.69	7,901.67
Capital Expenditure	-	-	60.05	60.05
Depreciation and amortisation	-	-	9.34	9.34

C. Geographical information

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

a) Revenue from external customers

Particulars	Solar EPC business		Operation and maintenance service	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
India	16,124.76	14,806.44	171.04	56.33
South east Asia	32.55	3,578.83	-	-
South Africa	-	8,952.34	71.72	-
	16,157.31	27,337.61	242.76	56.33

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements(*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

41 Segment reporting (*continued*)

C. Geographical information (*Continued*)

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

Particulars	31 March 2017	31 March 2016
India	83.78	65.42
South east Asia	5.07	0.29
South Africa	8.31	5.66
	<u>97.16</u>	<u>71.37</u>

Information about major customers

Revenue for 31 March 2017 from two customers of the SWPL Solar EPC Group is Rs 5,472.92 million and Rs 2,633.37 million (31 March 2016: two customers represent Rs Rs 8,952.34 million and Rs 2,985.58 million) which is more than 10% of the SWPL Solar EPC Group's total revenue.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures

42.1 Related parties and their relationship

Category of related parties	
1) Holding company	Shapoorji Pallonji and Company Private Limited Sterling and Wilson Private Limited - Non Solar Division (refer note 2a)
2) Equity Accounted Investee	Sterling Wilson - SPCPL - Chint Moroccan Venture (w.e.f. 26 November 2016)
3) Subsidiaries	Sterling and Wilson International Solar FZE- Solar Division Sterling and Wilson (Thailand) Limited (w.e.f 24 April 2015) Sterling and Wilson Engineering (Pty) Limited Sterling & Wilson - Waaree Private Limited (w.e.f 16 November 2016) Sterling and Wilson Saudi Arabia Limited (w.e.f 14 November 2016)
3a) Subsidiaries, direct and indirect holding of Sterling and Wilson Private Limited - Non Solar Division	Sterling and Wilson Middle East Electromechanical Solar Energy L.L.C., Dubai Sterling and Wilson Singapore Pte Limited Sterling and Wilson Kazakhstan LLP Range Consultants Private Limited Sterling and Wilson Security Systems Private Limited Sterling and Wilson Middle East W.L.L Sterling and Wilson Middle East Sanitation, Electrical, Cooling and Contracting Limited Liability Company- Kuwait Sterling and Wilson Management Consultants Bahrain WLL Sterling and Wilson International Solar FZE- Non Solar Division Sterling and Wilson Cogen Solutions AG (w.e.f. 28 July 2016) Sterling and Wilson Royal Power Solutions Limited (w.e.f. 5 March 2015) Sterling and Wilson Power Solutions Inc. (w.e.f. 10 March 2016) Sterling and Wilson Nigerai Limited (w.e.f. 5 April 2015)
4) Fellow subsidiaries	Abhipreet Trading Pvt. Ltd. Acreage Farm Pvt. Ltd. Afcons Construction Mideast LLC Afcons Corrosion Protection Pvt. Ltd. Afcons Gulf International Project Services FZE Afcons Gunanusa Joint Venture Afcons Infra projects Kazakistan LLP Afcons Infrastructure Kuwait for Building, Road and Marine Contracting WLL Afcons Infrastructure Ltd. Afcons Mauritius Infrastructure Ltd. Afcons Offshore and Marine Services Pvt. Ltd. Afcons Overseas Construction LLC Afcons Overseas Project Gabon SARL (w.e.f. 27 October 2015) Afcons Overseas Singapore Pte Ltd. Afcons Saudi Construction LLC (w.e.f. 6 September 2015) Alaya Properties Pvt. Ltd. Aquadiagnostics Water Research & Technology Centre Ltd. Aquamall Water Solutions Ltd. Archaic Properties Pvt. Ltd. Arena Stud Farm Pvt. Ltd. Armada Madura EPC Ltd (w.e.f. 14 May 2015) Balgad Power Company Pvt. Ltd. (w.e.f. 1 December 2015) Belva Farms Pvt. Ltd. Bengal Shapoorji Infrastructure Development Pvt. Ltd. Blue Riband Properties Pvt. Ltd. Bracewall Builders Pvt. Ltd. (w.e.f. 31 March 2016) Callidora Farms Pvt. Ltd. Campbell Properties and Hospitality Services Ltd. Chinsha Property Pvt. Ltd. Cyrus Engineers Pvt. Ltd.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.1 Related parties and their relationship (Continued)

Category of related parties	
4) Fellow subsidiaries (Continued)	Dahej Standby Jetty Project Undertaking
	Delna Finance & Investments Pvt. Ltd.
	Delphi Properties Pvt. Ltd.
	Devine Realty & Construction Pvt. Ltd.
	Dhan Gaming Solution (India) Pvt. Ltd.
	EFL Mauritius Ltd.
	Empower Builder Pvt. Ltd.
	ESPI Holdings Mauritius Ltd.
	Eureka Forbes Ltd.
	Euro Forbes Financial Services Ltd.
	Euro Forbes Ltd. Dubai
	Fayland Estates Pvt. Ltd.
	Filippa Farms Pvt. Ltd.
	Flamboyant Developers Pvt. Ltd.
	Flooraise Developers Pvt. Ltd.
	Floral Finance Pvt. Ltd.
	Floreat Investments Ltd.
	Flotilla Finance Pvt. Ltd.
	Forbes & Company Ltd.
	Forbes Campbell Finance Ltd.
	Forbes Campbell Services Ltd.
	Forbes Container Lines Pte Ltd.
	Forbes Edumetry Ltd.
	Forbes Enviro Solutions Ltd.
	Forbes Facility Services Pvt. Ltd.
	Forbes International AG
	Forbes Lux FZCO
	Forbes Lux International AG
	Forbes Technosys Ltd.
	Forbesline Shipping Services LLC
	Forvol International Service Ltd.
	Gallops Developers Pvt. Ltd.
	Global Energy S.L. Ltd. (w.e.f. 11 February 2016)
	Global Energy Ventures Mauritius.
	Global Resource and Logistics Pte. Ltd.
	Gokak Power & Energy Ltd.
	Gokak Textiles Ltd.
	Gossip Properties Pvt. Ltd.
	GRL Mozambique S A
	Hazarat & Co Pvt. Ltd.
	Hermes Commerce Ltd.
	High Point Properties Pvt. Ltd.
	Instant Karma Properties Pvt. Ltd.
	Jaykali Developers Pvt. Ltd.
	Kamal Power Ltd. (Tanzania) (w.e.f. 02 March 2016)
	Khvafar Investments Pvt. Ltd.
	Khvafar Property Developers Pvt. Ltd.
	Leader Shipyard Pvt. Ltd.
	LIAG Trading and Investments Ltd.
	Lucrative Properties Pvt. Ltd.
	Lux (Deutschland) GmbH
	Lux /SK/s.r.o.
	Lux Aqua Hungaria Kft (w.e.f. 27 November 2015)
	Lux Aqua Paraguay SA (w.e.f. 01 December 2016)
	Lux CZ s.r.o.
	Lux del Paraguay S.A.
	Lux Hungária Kereskedelmi Kft.
	Lux Norge A/S

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.1 Related parties and their relationship (Continued)

Category of related parties

4) Fellow subsidiaries (Continued)

Lux Oesterreich GmbH
Lux Professional International GmbH
Lux Schweiz AG
Lux Service GmbH
Lux Interantional AG
Lux Italia srl
Magpie Finance Pvt. Ltd
Make Home Realty & Construction Pvt. Ltd.
Malabar Trustee Co. Ltd
Manjri Developers Pvt. Ltd.
Manjri Horse Breeders Farm Pvt. Ltd.
Manor Stud Farm Pvt. Ltd.
Mazsons Builders & Developers Pvt. Ltd.
Meriland Estates Pvt. Ltd.
Mileage Properties Pvt. Ltd.
Neil Properties Pvt. Ltd
Next Gen Publishing Ltd.
Nuevo Consultancy Services Ltd.
Nursery Projects and Agri Development Pvt. Ltd.
Nutan Bidyut (Bangladesh) Ltd.
Palchin Real Estates Pvt. Ltd.
Phenomenon Developers Pvt. Ltd.
PNP Maritime Services Pvt.Ltd.
Precaution Properties Pvt. Ltd.
PT. Nusantara Global Resources.
Radiance Solar Pvt. Ltd.
Radiant Energy Systems Pvt. Ltd. (Merged into Forbes Enviro Solution Ltd w.e.f. 21 August 2015)
Relationship Properties Pvt. Ltd.
Renaissance Commerce Pvt. Ltd.
Ricardo Construction Pvt. Ltd.
S C Motors Pvt. Ltd.
S P Global Operations Ltd.
S P Kam Synthetics Pvt. Ltd.
S. C. Impex Pvt. Ltd.
Sabeena Properties Pvt. Ltd. (formerly Afcons (Overseas) Constructions and Investments Pvt. Ltd.)

Sagar Premi Builders and Developers Pvt. Ltd.
Samalpatti Power Co Pvt. Ltd.
Saral SP Algeria
Shachin Real Estate Pvt. Ltd.
Shapoorji AECOS Construction Pvt. Ltd.
Shapoorji Data Processing Pvt. Ltd.
Shapoorji Hotels Pvt. Ltd.
Shapoorji Pallonji and Co KIPL JV (Partnership Firm)
Shapoorji Pallonji Cement (Gujarat) Pvt. Ltd.
S. C. Impex Pvt. Ltd.
Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd. (Formerly SP Engineering Establishment for Defence Pvt. Ltd.)Shapoorji Pallonji Defence and Marine Engineering Pvt. Ltd.
Shapoorji Pallonji Infrastructure Capital Co Private
Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd.
Shapoorji Pallonji Finance Pvt. Ltd. (Formerly Shapoorji Pallonji Finance Ltd.)
Shapoorji Pallonji Forbes Shipping Ltd.
Shapoorji Pallonji General Trading For Construction Company WLL
Shapoorji Pallonji Ghana Ltd.
Shapoorji Pallonji Infrastructure (Gujarat) Pvt. Ltd.
Shapoorji Pallonji Infrastructure Capital Co Pvt. Ltd.
Shapoorji Pallonji International, Dafza. UAE
Shapoorji Pallonji International, Fujairah. UAE

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.1 Related parties and their relationship (Continued)

Category of related parties	
4) Fellow subsidiaries (Continued)	Shapoorji Pallonji Investment Advisors Pvt. Ltd. Shapoorji Pallonji Kazakhstan LLC Shapoorji Pallonji Lanka Pvt. Ltd. Shapoorji Pallonji Libya JSC. Libya Shapoorji Pallonji Malta Ltd Shapoorji Pallonji Mid East LLC Shapoorji Pallonji Nigeria Ltd. Shapoorji Pallonji Oil and Gas International FZE Shapoorji Pallonji Oil and Gas Pvt Ltd Shapoorji Pallonji Ports Pvt. Ltd. Shapoorji Pallonji Power Company Ltd Shapoorji Pallonji Projects Pvt. Ltd. Shapoorji Pallonji Qatar WLL Shapoorji Pallonji Renewables Pvt. Ltd. Shapoorji Pallonji Roads Pvt. Ltd. Shapoorji Pallonji Rural Solutions Pvt Ltd. Shapoorji Pallonji Solar Holdings Pvt Ltd (formerly known as Praddin Energy Pvt Ltd) Shapoorji Pallonji Solar PV Pvt. Ltd. Sharus Building Services India Pvt. Ltd. (Merged into Sharus Steels Products Pvt Ltd.)Sharus Steels Products Pvt. Ltd. Simar Port Pvt. Ltd. Solar Edge Power and Energy Pvt. Ltd. SP Advanced Engineering Materials Pvt. Ltd. SP Agri Management Services P Ltd. SP Aluminium System Pvt. Ltd. SP Architectural Coatings Pvt. Ltd. SP Bio Science Pvt. Ltd. SP Biofuel Ventures Pvt. Ltd. SP Consulting Services DMCC UAE SP Energy (Egypt) S.A.E. SP Energy Venture AG SP Engineering Services Pte. Ltd. SP Fabricators Pvt. Ltd. SP Infocity Developers Pvt. Ltd. SP International Property Developer LLC SP International, Cayman Island SP Jammu Udhampur Highway Pvt. Ltd. SP Nano Products Pvt. Ltd. SP Oil Exploration Pvt. Ltd SP Photovoltaic Pvt. Ltd. (w.e.f. 1 July 2015) SP Ports Pvt. Ltd. SP Properties Holding Ltd. SP Solren Pvt. Ltd. SPCL Holdings Pte Ltd. Steppe Developers Pvt. Ltd. Sterling & Wilson Australia Pty Ltd. (w.e.f. 18 June 2015) Sterling & Wilson Nigeria Ltd. (w.e.f. 5 April 2015) Sterling & Wilson Power Solutions LLC (w.e.f. 5 April 2015) Sterling & Wilson Powergen LLC (w.e.f. 5 April 2015) Sterling and Wilson Powergen Private Limited Sterling and Wilson Co-Gen Solutions Private Limited Sterling Generators Private Limited Sunny View Estates Pvt. Ltd Suryoday Energy Pvt. Ltd. (w.e.f. 19 July 2015) TN Solar Power Energy Pvt. Ltd. Transform Sun Energy Pvt. Ltd. (w.e.f. 30 June 2015) Transtunnelstroy Afcons Joint Venture United Motors (India) Pvt. Ltd. Universal Mine Developers and Service Providers Pvt. Ltd.

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.1 Related parties and their relationship (Continued)

Category of related parties	
4) Fellow subsidiaries (Continued)	Universal Projects & Resources (Netherlands) B.V. (w.e.f. 14 March 2016) Volkart Fleming Shipping & Services Ltd. Arina Solar Private Limited (w.e.f. 15/02/2017) Arme Investment Company Ltd (w.e.f. 28/06/2016) Aurinko Energy Private Limited (w.e.f. 23/01/2017) Dharamtar Infrastructure Pvt. Ltd. (up to 25/03/2017) Fine Energy Solar Pvt. Ltd. (w.e.f. 02/08/2016) Global Bulk Minerals FZE ("GBM") (w.e.f.04/09/2016) Lux Aqua Czech s.r.o. (w.e.f. 06 May 2016) Lux Aqua Paraguay SA (w.e.f. 01 December 2016) Lux Osterreich Professional GmbH, Austria (w.e.f. 30 December 2016) Lux Professional GmbH, Germany (w.e.f. 22 December 2016) Lux Waterline GmbH (w.e.f. 24 June 2016) Musamdham Rock LLC (w.e.f.14 December 2016) Shapoorji Holding Limited (w.e.f. 1 April 2016) Shapoorji Pallonji and Co KIPL Sewerage JV (Partnership Firm) (w.e.f. 11 August 2016) Shapoorji Pallonji Energy Company INC (w.e.f. 11 May 2016) Shapoorji Pallonji Transportation Projects Pvt. Ltd. (w.e.f. 29 December 2016) SP Imperial Star Pvt. Ltd.(w.e.f. 22 August 2016) SP Port Maintenance Pvt. Ltd.(w.e.f.22 August 2016) SP Trading (Partnership Firm) (w.e.f. 1 October 2015) STC Power SRL (w.e.f. 21 April 2016) Sterling and Wilson Powergen FZE (w.e.f. 01 November 2016) Sun Energy One Pvt. Ltd. (w.e.f. 02/08/2016) Sunrays Power One (Pvt.) Ltd. (w.e.f. 02/08/2016) Sunrise Energy Pvt. Ltd. (w.e.f. 02/08/2016) Sunshine Energy Kenya Ltd. (w.e.f. 13/06/2016) Surya Power One Pvt. Ltd. (w.e.f. 02/08/2016)
5) Joint ventures of fellow subsidiary	Isolux Ingenieria S.A and Sterling & Wilson Ltd. Consortium Sterling and Wilson Cogen Solutions LLC (w.e.f. 25 November 2015) SWPL-SPCL Abu Dhabi Ventures (w.e.f. 08 February 2017) SWPL-SPCL Zambia Ventures (w.e.f. 21 October 2016) STC Power SRL (w.e.f 21 April 2016) Co.Stell SRL (w.e.f. 21 April 2016) P.T.C. S.a.s. di Barzanti Massimo (w.e.f 21 November 2017)
6) Key Management Personnel	MRs Zarine Y Daruvala, Director Mr. Khurshed Y Daruvala, Director Mr. Pallon Shapoor Mistry, Director
7) Relatives of Key Management Personnel	MRs Kainaz K. Daruvala MRs Parvin Zarine Madan
8) Entities over which key managerial person or their relatives exercise control	Delsys Infotech Private Limited, Transtel Systems Private Limited M/S. Fahudco Sterling Viking Power Private Limited Iris Energy Private Limited Daric Consultancy FZC Sterling and Wilson Energy Systems Private Limited

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.1 Related parties and their relationship (Continued)

Category of related parties	
9) Entities over which Holding Company exercise significant influence	<p>Afcons Pauling Joint Venture Afcons (Mideast) Constructions & Investments Pvt. Ltd. AFCONS Sener LNG Construction Projects Pvt.Ltd. AMC Cookware PTE Ltd. Aqualgnis Technologies Pvt. Ltd. Armada C7 Pte Ltd.(Singapore) Armada D1 Pte Ltd.(Singapore) Armada Madura EPC Ltd (w.e.f. 14 May 2015) Awesome Properties Pvt. Ltd. Behold Space Developers Pvt. Ltd. Bengal Shapoorji Housing Development Pvt. Ltd. Bharat Renewable Energy P Ltd. Bigsearch Properties Pvt. Ltd. Blessing Properties Pvt. Ltd. Blue Stone Middle East Ltd Coventry Properties Pvt. Ltd. Cyrus Chemicals Pvt. Ltd. Dream Chalet Pvt. Ltd. Edumetry Inc. Euro P2P Direct (Thailand) Co Ltd. Forbes Aquatech Ltd. Forbes Concept Hospitality Services Pvt. Ltd. Forbes Bumi Armada Ltd. Forbes Bumi Armada Offshore Ltd. Forbes G4S Solutions Private Limited Grand View Estates Pvt. Ltd. Heart Beat Properties Pvt. Ltd. G. S. Enterprises (Partnership Firm) HPCL Shapoorji Energy Ltd. Image Realty LLP Infinite Water Solutions Private Limited Insight Properties Pvt. Ltd. Ircan Afcons Joint venture Jess Realty Pvt. Ltd. (w.e.f. June 26,2015) Joyous Housing Ltd. Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Pvt. Ltd.) (w.e.f. 15 October 2015) Larsen & Toubro Ltd. Shapoorji Pallonji & Co Ltd. Joint Venture Meridian Enterprise (Joint venture) Minean SP Construction Corporation Mirth Property Developers Pvt. Ltd. Natural Oil Ventures Co Newtech Planners & Consultancy Services Pvt. Ltd. w.e.f. 28 April 2015) P T Gokak Indonesia Redstone Films Pvt Ltd Rock Spaces Pvt.Ltd. S D Suburban Development Pvt. Ltd (w.e.f. 31 March 2016) S. D. Corporation Pvt. Ltd. S. D. New Samata Nagar Development Pvt. Ltd. S. D. Recreational Services Pvt. Ltd. S. D. Service Management Pvt. Ltd. S. D. SVP Nagar Redevelopment Pvt. Ltd. S. D. Town Development Pvt. Ltd. S.D. Imperial Property Maintenance Pvt. Ltd. Saipem Afcons Joint Venture Sandor Proteomics Pvt. Ltd. (upto 15 December 2015) SD Palm Lands Redevelopment Pvt. Ltd.</p>

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.1 Related parties and their relationship (Continued)

Category of related parties	
9) Entities over which Holding Company exercise significant influence	SD Powai Redevelopment Pvt. Ltd. SDC Infrastructure Pvt. Ltd. SDC Mines Pvt Ltd SDC Township Pvt. Ltd. Satori Property Developers Pvt. Ltd. Seaward Realty Pvt. Ltd. Shapoorji Pallonji and OEG Services Private Limited Solar Capital De Aar 3 (RF)Proprietary Limited SP Armada Offshore Pvt. Ltd. SP Armada Oil Exploration Pvt. Ltd. SP Trading (Partnership Firm) (upto 30 September 2015) Space Square Developers Pvt. Ltd. Sterling Motors (Partnership Firm) Sunny Recreational Property Developers Pvt. Ltd Strabag Afcons Joint Venture Turner Films Pvt Ltd Zhanakorgan Energy LLP Afcons-Sibmost Joint Venture (w.e.f. 03/08/2016) Afcons-Vijeta -PES Joint Venture (w.e.f.27/05/2016) Armada 98/2 Pte. Ltd. (w.e.f.15/03/2017) BNV Gujarat Rail Private Ltd. (w.e.f. 19 December 2016) P.T.C. S.a.s. di Barzanti Massimo (w.e.f. 21 November 2016) Shapoorji Pallonji Bumi Armada Godavari Pvt. Ltd. (w.e.f.19 July 2016) SP Imperial Star Pvt. Ltd. (w.e.f. 26 July 2017)

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.2 Transactions and balances with related parties

Sr. No	Nature of transaction	31 March 2017				Total	31 March 2016				Total
		Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives		Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives	
I	Income from works contracts	-	437.29	-	-	437.29	197.50	2,210.99	-	-	2,408.49
II	Management support fees	65.15	-	-	-	65.15	-	-	-	-	-
III	Advance from customer	-	145.63	-	-	145.63	2.06	102.63	-	-	104.69
IV	Trade receivables	-	279.83	-	-	279.83	17.99	222.31	-	-	240.30
V	Recoverable expenses	-	-	15.24	-	15.24	-	22.08	-	-	22.08
VI	Unbilled Receivables	-	0.54	-	-	0.54	19.82	21.33	-	-	41.15
VII	Other receivables	-	2,201.19	-	-	2,201.19	-	1,538.17	-	-	1,538.17
XII	Short-term borrowings outstanding	-	-	-	-	-	-	3.07	-	-	3.07
VIII	Loan repaid during the year	-	3.07	-	-	3.07	-	542.47	-	-	542.47
IX	Other payables	11.18	-	-	-	11.18	-	-	-	-	-

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.2 Transactions and balances with related parties (Continued)

Sr. No	Nature of transaction	31 March 2017				31 March 2016			
		Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives	Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives
I	Income from works contracts								
	Shapoorji Pallonji and Company Private Limited	-	-	-	-	197.50	-	-	-
	Shapoorji Pallonji Solar PV Pvt. Ltd.	-	190.87	-	-	-	716.94	-	-
	SP Solren Pvt. Ltd.	-	-	-	-	-	307.90	-	-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	76.91	-	-	-	-	-	-
	TN Solar Power Energy Pvt Ltd	-	-	-	-	-	557.67	-	-
	Suryoday Energy Pvt. Ltd.	-	125.07	-	-	-	-	-	-
	SP Photovoltaic Pvt. Ltd.	-	0.38	-	-	-	-	-	-
	Universal Mine Developers and Service Providers Pvt. Ltd.	-	43.36	-	-	-	545.41	-	-
	Sterling and Wilson Engg (PTY) Ltd.	-	0.70	-	-	-	83.07	-	-
II	Management support fees								
	Shapoorji Pallonji and Company Private Limited	65.15	-	-	-	-	-	-	-
III	Advance from customer								
	Shapoorji Pallonji and Company Private Limited	-	-	-	-	2.06	-	-	-
	Shapoorji Pallonji Solar PV Pvt. Ltd.	-	-	-	-	-	45.42	-	-
	SP Solren Pvt. Ltd.	-	-	-	-	-	1.80	-	-
	Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	72.06	-	-	-	-	-	-
	SP Photovoltaic Pvt. Ltd.	-	11.46	-	-	-	-	-	-
	Suryoday Energy Pvt. Ltd.	-	62.11	-	-	-	-	-	-
	Universal Mine Developers and Service Providers Pvt. Ltd.	-	-	-	-	-	45.24	-	-
	Sterling and Wilson International FZE	-	-	-	-	-	10.17	-	-

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.2 Transactions and balances with related parties (C

Sr. No	Nature of transaction	31 March 2017				31 March 2016			
		Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives	Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives
IV	Trade receivables								
	Shapoorji Pallonji and Company Private SP Solren Pvt. Ltd.	-	-	-	-	17.99	-	-	-
	Shapoorji Pallonji Infrastructure Capital Co TN Solar Power Energy Pvt Ltd	-	87.95	-	-	-	59.33	-	-
	Suryoday Energy Pvt. Ltd.	-	16.03	-	-	-	39.03	-	-
	Universal Mine Developers and Service Sterling and Wilson Engg (PTY) Ltd.	-	33.89	-	-	-	123.57	-	-
		-	0.70	-	-	-	0.38	-	-
V	Recoverable expenses								
	Sterling Wilson - SPCPL - Chint Moroccan Sterling and Wilson International FZE- Non Solar division	-	-	15.24	-	-	-	-	-
		-	-	-	-	-	22.08	-	-
VI	Unbilled Receivables								
	Shapoorji Pallonji and Company Private Shapoorji Pallonji Infrastructure Capital Co Private Limited	-	-	-	-	19.82	-	-	-
	TN Solar Power Energy Pvt Ltd	-	0.15	-	-	-	-	-	-
	SP Photovoltaic Pvt. Ltd.	-	-	-	-	-	15.99	-	-
	SP Solren Pvt. Ltd.	-	0.39	-	-	-	-	-	-
		-	-	-	-	-	5.34	-	-

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

42 Related party disclosures (Continued)

42.2 Transactions and balances with related parties (Continued)

Sr. No	Nature of transaction	Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives	31 March 2016			
						Holding Company	Subsidiaries and Fellow subsidiaries	Equity Accounted Investees	Key management personnel and their relatives
VII	Other receivables								
	Sterling and Wilson International FZE- Non-Solar Division	-	2,201.19	-	-	-	1,538.17	-	-
XII	Short-term borrowings outstanding								
	Sterling and Wilson International FZE- Non-Solar Division	-	-	-	-	-	3.07	-	-
VIII	Loan repaid during the year								
	Sterling and Wilson International FZE- Non-Solar Division	-	3.07	-	-	-	542.47	-	-
IX	Other payables								
	Sterling and Wilson Private Limited - Non-Solar Division (refer note 2a)	11.18	-	-	-	-	-	-	-

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

43 Details of branches, subsidiaries and equity accounted investees

The carved out combined financial statements includes the audited financial statements of the following entities, which are combined directly or indirectly by the SWPL Solar EPC Group:

Sr. No.	Name of Company	Country of Incorporation	% Holding as at 31 March 2017	Control and share of profit / loss as at 31 March 2017	% Holding as at 31 March 2016	Control and share of profit / loss as at 31 March 2016
Branches:						
1	Sterling & Wilson Phillipine Branch Office	Phillipines	NA	NA	NA	NA
Subsidiaries:						
1	Sterling and Wilson International FZE*	United Arab Emirates	100%	100%	100%	100%
2	Sterling and Wilson (Thailand) Limited	Thailand	100%	100%	100%	100%
3	Sterling & Wilson - Waaree Private Limited	India	100%	100%	NA	NA
4	Sterling and Wilson Saudi Arabia Limited (w.e.f. 14 December 2016)	Saudi Arabia	95%	100%	NA	NA
<u>Subsidiaries of Sterling and Wilson International FZE:</u>						
5	Sterling and Wilson Engineering (Pty) Ltd	South Africa	70%	100%	70%	100%
<u>Equity Accounted Investee</u>						
1	Sterling Wilson - SPCPL - Chint Moroccan Venture	India	92%	92%	NA	NA

* Solar division of Sterling and Wilson International FZE

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (Continued)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

44 Interest in joint ventures

		Carrying amount	
		31 March 2017	31 March 2016
Interest in joint ventures			
1	Sterling Wilson-SPCPL-Chint Moroccan Venture	(0.19)	-
		(0.19)	-

During the year ended 31 March 2017, the SWPL Solar EPC Division has entered into a partnership with a 92% share in profit or loss. The SWPL Solar EPC Group has committed to contribute Rs 0.10 million towards the Partner's capital.

(a) List of joint ventures

Sr No	Name of the entity	Place of business	% ownership interest	Relationship	Accounting method
1	Sterling Wilson-SPCPL-Chint Moroccan Venture	Morocco	92%	Joint Venture	Equity Method

(b) Summarised financial information for joint ventures

Sr No	Particulars	31 March 2017	31 March 2016
		Sterling Wilson- SPCPL-Chint Moroccan Venture	Sterling Wilson-SPCPL- Chint Moroccan Venture
1	Non-current assets	3.89	-
2	Current assets	56.27	-
3	Non-current liabilities	-	-
4	Current liabilities	60.36	-
	Net assets	(0.20)	-
	SWPL Solar EPC Group's share of net assets	(0.19)	-
	Provisional goodwill / (gain on bargain purchase)	-	-
	Carrying amount of interest in joint ventures	(0.19)	-

Sr No	Particulars	31 March 2017	31 March 2016
		Sterling Wilson- SPCPL-Chint Moroccan Venture	Sterling Wilson-SPCPL- Chint Moroccan Venture
	Proportion of SWPL Solar EPC Group's ownership interest in Joint Venture	(0.19)	-
	Provisional goodwill / (gain on bargain purchase)	-	-
	SWPL Solar EPC Group's share in INR	(0.19)	-
	Carrying amount	(0.19)	-

Sr No	Particulars	31 March 2017	31 March 2016
		Sterling Wilson- SPCPL-Chint Moroccan Venture	Sterling Wilson-SPCPL- Chint Moroccan Venture
	Revenue	20.58	-
	(Loss) for the year	(0.20)	-
	Other comprehensive income (net of income tax)	-	-
	Total comprehensive income	(0.20)	-
	SWPL Solar EPC Group's share of (loss)	(0.19)	-
	SWPL Solar EPC Group's share of OCI	-	-
	SWPL Solar EPC Group share of total comprehensive income	(0.19)	-

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

45 Disclosures under the Indian Accounting Standard 11 - 'Construction contracts'

Particulars	31 March 2017	31 March 2016
a) Contract revenue	16,157.32	27,327.72
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	17,860.36	23,470.86
(ii) Recognised profits (less recognised losses)	2,547.83	3,203.58
(iii) Advances received	2,880.34	3,401.75
c) Gross amount due from customers for contract work	1,062.46	271.75
d) Gross amount due to customers for contract work	1,809.76	770.62
e) Retention due from customers (included under trade receivables, refer note 8)	643.68	205.51

46 Transfer pricing

Management believes that the SWPL Solar EPC Group's international transactions with related parties for the reporting periods are at arm's length and that the transfer pricing legislation will not have any impact on these carved out combined financial statements, particularly on amount of tax expense and that of provision for taxation.

47 Additional information required by Schedule III to the Act

Particulars	31 March 2017					
	Net assets i.e., total assets minus		Share in profit / (loss)		Share in other comprehensive income	
	As a %	Amount	As a %	Amount	As a %	Amount
	consolidated net		consolidated		consolidated other	
	assets		profit and loss		comprehensive	
					income	
Parent						
Sterling and Wilson Private Limited	176.22%	997.67	230.70%	725.15	87.60%	(37.27)
Subsidiaries						
<i>Indian</i>						
Sterling & Wilson Waaree Private Limited	-0.02%	(0.10)	-0.05%	(0.15)	0.00%	-
Joint ventures						
Sterling Wilson-SPCPL-Chint Moroccan Joint Venture	-0.03%	(0.19)	-0.06%	(0.19)	0.00%	-
<i>Foreign</i>						
Sterling and Wilson International Solar FZE- Solar Division	-33.24%	(188.16)	-31.51%	(99.04)	0.00%	-
Sterling and Wilson Engineering (Pty) Ltd	-39.25%	(222.19)	-70.62%	(221.98)	0.00%	-
Sterling and Wilson (Thailand) Limited	-0.11%	(0.60)	-0.13%	(0.41)	0.00%	-
Sterling & Wilson Saudi Arabia Limited	1.27%	7.19	-3.67%	(11.54)	0.00%	-
Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-
Total Eliminations on Consolidation	-2.74%	(15.50)	-24.66%	(77.52)	0.00%	-
Exchange differences on translation of foreign operations	-2.11%	(11.96)	0.00%	-	12.40%	(5.28)
Total	100%	566.15	100%	314.32	100%	(42.55)

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

47 Additional information required by Schedule III to the Act (*continued*)

Particulars	31 March 2016					
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income	
	As a % consolidated net assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount
Parent						
Sterling and Wilson Private Limited	98.00%	(754.06)	100.01%	1,253.78	7.05%	(0.51)
Subsidiaries						
Indian						
Sterling & Wilson Waaree Private Limited	0.00%	-	0.00%	-	0.00%	-
Joint ventures						
Sterling Wilson-SPCPL-Chint Moroccan Joint Venture	0.00%	-	0.00%	-	0.00%	-
Foreign						
Sterling and Wilson International Solar FZE	-15.74%	(89.13)	-7.11%	(89.13)	0.00%	-
Sterling and Wilson Engineering (Pty) Ltd	14.24%	80.61	7.12%	89.20	0.00%	-
Sterling and Wilson (Thailand) Limited	-0.03%	(0.19)	-0.02%	(0.22)	0.00%	-
Sterling & Wilson Saudi Arabia Limited	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-
Total Eliminations on Consolidation	0.00%	(0.02)	0.00%	-	0.00%	-
Exchange differences on translation of foreign operations	-1.18%	(6.68)	0.00%	-	92.95%	(6.68)
Total	95%	(769.47)	100%	1,253.63	100%	(7.19)

48 Hedge Accounting

As at 31 March 2017, the SWPL Solar EPC Group have a number of financial instruments in a hedging relationship. The SWPL Solar EPC Group use both foreign currency forward to hedge changes in future cash flows as a result of foreign currency arising from borrowings taken.

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

Particulars	As at	As at
	31 March 2017	31 March 2016
Fair Value gain/(loss) recognised in hedge reserve	(33.12)	-
Gain/(loss) reclassified from hedge reserve	-	-
Fair value loss (net) recognised in 'Foreign exchange loss (net)' in the statement of profit and loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship	(162.22)	-

49 Other matters

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

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

50 Capital management

The SWPL Solar EPC Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the SWPL Solar EPC Group's Capital Management is to maximise value.

The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The SWPL Solar EPC Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined by the management as gross debt comprising of interest-bearing loans and borrowings, less cash, cash equivalents. Total equity comprises all components of equity.

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

Particulars	31 March 2017	31 March 2016
Non-current borrowings	0.02	0.02
Current borrowings	3,151.26	3.07
Gross debt	3,151.28	3.09
Less: Cash and cash equivalents	37.64	2.10
Adjusted net debt	3,113.64	0.99
Total equity	2,223.35	1,951.38
These carved out combined financial statements have been prepared in accordance with the		
Adjusted net debt to equity ratio	1.40	0.00

Sterling and Wilson Private Limited - Solar EPC Division

Notes to the carved out combined financial statements (*Continued*)

for the years ended 31 March 2017 and 31 March 2016

(Currency: Indian rupees in million)

51 Auditor Qualifications

Adjustment of material audit qualifications

For the year ended 31 March 2017

In one of the overseas subsidiary of the SWPL Solar EPC Division, the other auditors who audited the financial statements of the overseas subsidiary have reported that the said subsidiary has outstanding trade receivables as at 31 March 2017 from a customer aggregating to Rs 257.59 million (31 March 2016: Rs Nil) which are unsecured and has not been confirmed. In the absence of the sufficient and appropriate evidence of recoverability of the same they are unable to determine whether any adjustment to this amount including consequential adjustments to the carved out combined profit for the year, deferred tax assets, retained earnings and non-controlling interest etc. were necessary.

For the purpose of the carved out combined financial statements, the trade receivables have been fully provided for in the financial year ended 31 March 2017.

As per our audit report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

For and on behalf of

Sterling and Wilson Private Limited- Solar EPC division

CIN:U31200MH1974PLC017538

Aniruddha Godbole

Partner

Membership No: 105149

Khurshed Daruvala

Director

DIN:00216905

Zarine Daruvala

Managing Director

DIN:00190585

Place: Mumbai

Date: 1 April 2019

Place: Mumbai

Date: 1 April 2019

CAPITALISATION STATEMENT

Particulars	Pre-Offer as at December 31, 2018 2018 (in ₹ million)	As adjusted for the Offer (Refer note ii below)
Total borrowings:		
Non-current borrowings (including current maturity)	0.02	[●]
Current borrowings	18,380.22	[●]
Total borrowings (A)	18,380.24	[●]
Total equity:		
Equity Share Capital	160.36	[●]
Other Equity	5,220.98	[●]
Total equity (B)	5,381.34	[●]
Total borrowings/ Total equity (A/B)	3.42	[●]

Notes:

- i) The above has been computed on the basis of the Restated Consolidated Summary Financial Information - Annexure I and Annexure II.
- ii) The corresponding figures (as adjusted for the Offer) are not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.
- iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

FINANCIAL INDEBTEDNESS

We avail loans in the ordinary course of business for meeting our working capital and business requirements. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities, such as change in our capital structure, change in our board of directors, change in the remuneration of the directors, change in our Articles of Association and Memorandum of Association.

The details of aggregate indebtedness of our Company on a consolidated basis as on March 31, 2019 is provided below:

Facilities availed directly by our Company (taken on a consolidated basis) (“SWSL Direct Borrowings”)

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)
Secured Borrowings (A)		
Nil		
Unsecured Borrowings (B)		
Commercial paper (B1)	3,000.00	3,000.00
Working capital facilities (B2)	37,992.53	28,298.49
Total unsecured facilities (B)	40,992.53	31,298.49
Total SWSL Direct Borrowings (B)	40,992.53	31,298.49

In addition to the above, pursuant to the Scheme of Arrangement, we have also availed facilities within the combined banking limits sanctioned to SWPL (“**SWPL Facilities**”). The process for the split of the SWPL Facilities and related documentation is currently ongoing. The details of the outstanding amounts under the SWPL Facilities utilised for our business as on March 31, 2019 are as follows:

Category of borrowing	Outstanding amount (in ₹ million)
Working capital facilities (secured)*(C1)	1,992.33
Working capital facilities (unsecured) (C2)	41,110.90
Total SWPL Facilities (C1 + C2)	43,103.23

**These working capital facilities being utilised in connection with the business of SW FZCO are secured by way of assignment of receivables of Sterling and Wilson International FZE.*

Accordingly, our total outstanding borrowings (fund based and non-fund based facilities) as on March 31, 2019 aggregated to ₹74,401.72 million.

Principal terms of the SWSL Direct Borrowings:

The details provided below are indicative and there may be additional terms, conditions and requirements applicable to our Company in connection with the SWSL Direct Borrowings.

1. **Interest:**

In terms of the working capital facilities, the interest rate payable with respect to certain facilities is mutually decided between the relevant lender and our Company and is typically fixed or linked to a benchmark rate or the base rate of a specific lender and margin of the specific lender. The spread varies between different loans.

The discount rate with respect to commercial papers issued by us ranges from 9.55% to 10.00% per annum.

2. **Commission:** The rate of commission charged on certain working capital facilities is mutually decided by the lenders and our Company. The rate of commission with respect to standby letter of credit facilities availed by our Company range from 0.40% per annum to 1.50% per annum, while the rate of commission with respect to other working capital facilities availed by our Company ranges from 0.40% per annum to 0.45% per annum.

3. **Prepayment Penalty:** Certain facilities carry a pre-payment penalty which may be levied at the discretion of the lenders on the pre-paid amount. The pre-payment penalty payable, where stipulated, ranges from 0.50% to 1.00% under certain circumstances on the principal amount of the loan pre-paid. Certain facilities require prior written consent before prepayment of the facilities.

4. **Penal Interest:** The terms of the facilities prescribe penalties for delayed payment or default in the repayment obligations, delay in creation of the stipulated security or certain other specified obligations. The penal interest is typically 2% per annum over and above the applicable interest rate on the amount outstanding and 2% per annum on the delayed principal or interest amount, as applicable.
5. **Validity/Tenor:** The tenor of the short term loans availed by us range from six months to 360 days. The availability period for usage of the other working capital facilities typically range from three to twelve months (subject to renewal) while the tenor of the guarantee facilities typically range from one year to three years (including claim period) and the tenor of the other working capital facilities within such availability period range from 90 days to one year. Further, the tenor of the commercial papers issued by us is typically 91 days from the value date.
6. **Repayment:** The short term loans availed are typically repayable as per the maturity profile agreed with lenders within 1 year and the other working capital facilities are typically repayable on demand.
7. **Key Covenants:** Certain of our financing arrangements in relation to the SWSL Direct Borrowings contain restrictive covenants and conditions restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before carrying out such actions, including:
 - (a) effecting any change in our capital structure;
 - (b) permitting any transfer of controlling interest or management control;
 - (c) effecting any change in the management set-up;
 - (d) to declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation;
 - (e) undertaking or permitting any reorganization, amalgamation, reconstruction, takeover, substantial change of ownership or shareholding or any other scheme of compromise or arrangement effecting its present constitution;
 - (f) effecting any change in our nature of business or undertaking any new business, operations or projects;
 - (g) undertaking or permitting any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise with our creditors or shareholders or effecting any scheme of amalgamation or reconstruction including the creation of any subsidiary or permitting any company to become our subsidiary;
 - (h) changing the practice with regard to remuneration of directors;
 - (i) making any alteration in the Memorandum of Association or Articles of Association;
 - (j) making any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposit with, any other concern except give normal trade credits;
 - (k) Attempting or purporting to alienate or creating any mortgage, charge, pledge, hypothecation or lien or encumbrance over our assets;
 - (l) undertaking or implementing any scheme of expansion/diversification/modernisation other than incurring routine capital expenditure; and
 - (m) undertaking guarantee obligations or extending letters of comfort on behalf of any other company/person/trust/any third party.

Please note that the abovementioned list is indicative and there may be additional restrictive covenants and conditions where we may be required to take prior approval of respective lender under the various borrowing arrangements entered into by us.

8. **Events of Default:** In terms of the SWSL Direct Borrowings, the occurrence of any of the following, among others, constitute an event of default:

- (a) Non-payment or defaults of any amounts including the principal, interest or other charges;
- (b) Failure of our Company to create, perfect or maintain security required in terms of the borrowing arrangements;
- (c) Change in ownership, management, constitution and/or control without prior written consent of the lender;
- (d) Prepayment of any loans without the prior written consent of the lender;
- (e) The failure of certain directors to remain on the board of our Company;
- (f) Change in the management of our Company without the prior consent of the lenders;
- (g) Our Company undertaking any buys back, cancellation, retirement, reduction, redemption, repurchase or acquisition any of our share capital and/or issuance of any further share capital or changing our capital structure in any manner;
- (h) Our Company suspending or ceasing to carry on our business;
- (i) Our Company entering into any arrangement/ contract whereby our business or operations are managed by any other person;
- (j) All or substantially all of the undertakings, assets or properties or the interest therein being seized, nationalized, expropriated or compulsorily acquired by the authority of the Government;
- (k) Existence of any distress, attachment, execution, receipt of a garnishee order or other process or enforcement of any of the securities;
- (l) Breach of any representation, warranty, declaration, covenant or undertaking furnished by us under the loan documentation;
- (m) Our Company or any of our Subsidiaries applies to a court or other authority for the appointment of a liquidator, official receiver, trustee or any analogous person charged with administering all or any part of our assets;
- (n) Any order being made or a resolution being passed for the winding up of our Company (except for the purpose of amalgamation or reconstruction with the prior approval of the lender);
- (o) Occurrence of any cross-default with respect to any of our Company's material agreements and other indebtedness; and
- (p) The of any circumstances or event which would or is likely to prejudicially or adversely affect in any manner the capacity to repay the loan.

Please note that the abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us in connection with the SWSL Direct Facilities.

Principal terms of the SWPL Facilities:

The details provided below are indicative and there may be additional terms, conditions and requirements under the arrangements in connection with the SWPL Facilities.

1. **Commission:** The rate of commission charged on certain working capital facilities is mutually decided by the lenders and SWPL. The rate of commission payable with respect to facilities availed ranges 0.40% to 0.70% per annum.
2. **Prepayment Penalty:** Certain facilities carry a pre-payment penalty which may be levied at the discretion of the lenders on the pre-paid amount. The pre-payment penalty payable, where stipulated, ranges from 0.50% to 1% under certain circumstances on the principal amount of the loan pre-paid. Certain facilities require prior written consent before prepayment of the facilities.

3. **Penal Interest:** The terms of the facilities prescribe penalties for delayed payment or default in the repayment obligations, delay in creation of the stipulated security or certain other specified obligations. The penal interest is typically 2% per annum over and above the applicable interest rate on the amount outstanding and 2% per annum on the delayed principal or interest amount, as applicable.
4. **Validity/Tenor:** The availability period for usage of the other working capital facilities typically ranges from three to twelve months (subject to renewal) while the tenor of the guarantee facilities typically range from one year to three years (including claim period) and the tenor of the other working capital facilities within such availability period range from 90 days to one year.
5. **Repayment:** SWPL Facilities are typically repayable on demand.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for Fiscals 2016, 2017 and 2018, and for the nine months ended December 31, 2017 and 2018. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the sections entitled "Carved Out Combined Financial Statements", "Restated Consolidated Summary Financial Information" and "Summary of Financial Information" on pages 321, 196 and 55, respectively, of this Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to those described in the section entitled "Risk Factors" on page 28 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements kindly refer to the section entitled "Forward-Looking Statements" on page 20 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements included elsewhere in this Draft Red Herring Prospectus.

We began our operations in 2011 as the Solar EPC Division of Sterling & Wilson Private Limited ("SWPL") and demerged from SWPL with effect from April 1, 2017 (the "Demerger"). Our Company was incorporated on March 9, 2017 prior to the Demerger. As a result, our Restated Consolidated Summary Financial Information for the period from March 9, 2017 to March 31, 2018, which we refer to as "Fiscal 2018", and for the nine months ended December 31, 2017 and December 31, 2018 are prepared on an actual basis after the Demerger. For comparative purposes, we have prepared Carved Out Combined Financial Statements for the two financial years prior to the Demerger, Fiscals 2016 and 2017, on a "carve-out" basis as if we had been in existence as a separate company since April 1, 2015 and as of and for the periods ended March 31, 2016 and 2017. Accordingly, the Carved Out Combined Financial Statements and certain operating information for the periods prior to the Demerger (Fiscals 2016 and 2017) included elsewhere in this Draft Red Herring Prospectus may not be reflective of our performance as a separate company after the Demerger. For risks related to our carve-out financials see "Risk Factors – We depend on SWPL for certain services as a result of the Demerger and we may encounter difficulties adjusting to operating as a separate company after the Demerger, which may materially and adversely affect our business, financial condition, cash flow, prospects and results of operations" on page 34 of this Draft Red Herring Prospectus.

The Restated Consolidated Summary Financial Information included in this Draft Red Herring Prospectus are as at and for the nine months period ended December 31, 2018 and December 31, 2017, as at the end of and for the period ended March 9, 2017 to March 31, 2018 and the Carved Out Combined Financial Statements included in this Draft Red Herring Prospectus are as at and for the Fiscals ended March 31, 2017 and March 31, 2016, and have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and the guidance notes issued by the Institute of Chartered Accountants of India. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. As a result, the Restated Consolidated Summary Financial Information prepared under Ind AS may not be comparable to our historical financial statements. See "Risk Factors— Significant differences exist between Indian Accounting Standards ("IndAS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to an investor's assessment of our financial condition." on page 51 of this Draft Red Herring Prospectus.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, including certain non-GAAP financial measures, some of which may not be derived from the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements or otherwise subjected to an audit or review by our auditors. The manner in which such operational and financial performance indicators, including non-GAAP financial measures, are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies.

As used in this Draft Red Herring Prospectus, the terms "we", "us" or "our" may, depending on the context, refer to the Solar EPC Division of SWPL prior to the Demerger or to our Company and our consolidated subsidiaries after giving effect to the Demerger.

Our financial year ends on March 31 of each year. Accordingly, references to Fiscals 2016 and 2017 are for the 12-month period ended March 31 of that year. References to Fiscal 2018 mean the period from March 9, 2017 to March 31, 2018, reflecting the incorporation of our Company as a separate company on March 9, 2017, and references to the nine months ended December 31, 2018 and 2017 are for the nine month period from April 1 to December 31 of that year. We did not recognize revenue from operations or incur any expenses in our Company from March 9, 2017 to March 31, 2017; therefore, there is no impact to our Restated Consolidated Summary Statement of Profit and Loss for Fiscal 2018 from this additional 22-day period.

We have provided certain operational numbers as of December 31, 2018 and unless otherwise stated, those numbers have been provided from the commencement of our operations in 2011.

Overview

We are a global pure-play, end-to-end solar EPC solutions provider, and were the world's largest solar EPC solutions provider in 2018 based on annual installations of utility-scale PV systems of more than 5 MWp, according to IHS Markit. We provide EPC services primarily for utility-scale solar power projects with a focus on project design and engineering and manage all aspects of project execution from conceptualizing to commissioning. We also provide O&M services, including for projects constructed by third-parties. We commenced operations in 2011 as the Solar EPC Division of SWPL and demerged from SWPL with effect from April 1, 2017. Over a span of seven years, we became the largest solar EPC solutions provider in each of, India, Africa and the Middle East according to IHS Markit in 2018 and currently have a presence across 26 countries. As of December 31, 2018, we had 183 commissioned and contracted solar power projects with an aggregate capacity of 6,062.83 MWp. Our order book, which we define as the value of solar power projects for which we have entered into definitive EPC contracts minus the revenue already recognized from those projects, was ₹43,090.99 million as of December 31, 2018.

We offer a complete range of customized solutions for solar power projects. Our customers include leading IPPs, developers and equity funds. We adopt a consultative approach to our customers' solar energy needs and capabilities, which enables us to provide customized solutions to meet their requirements. We follow a "hub-and-spoke" business model where we manage the complete supply chain from India, including the design and engineering functions, and engage a few suppliers and third-party subcontractors and procure part of the raw materials for our operations locally in each of our markets, where there is a cost advantage or to comply with local regulations. We seek to leverage this business model to procure products and services solutions for our customers at competitive prices. Our customers also benefit from our relationships with key stakeholders, such as, suppliers, project lenders and consultants, which help us execute projects for our customers efficiently and at competitive prices. In Fiscal 2018 and in the nine months ended December 31, 2018, our revenue from operations outside India accounted for 59.11% and 65.13% of our total revenue from operations, respectively. We often receive repeat orders from our customers and as of December 31, 2018 customers in India and outside India for whom we have executed more than one project constituted 82.29% and 69.32% of our total commissioned solar capacity, respectively.

Our operations are supported by a competent and sizable design and engineering team who are responsible for designing solutions, that we believe are innovative and cost-effective, with an aim to increase the performance ratio of solar power projects. As of December 31, 2018, all of our design team is based in India, which we believe provides us a cost advantage over our competitors. Our design and engineering team of 138 employees continually seeks to improve the efficiency of our solutions and services. We believe that our design and engineering solutions, coupled with robust quality compliance checks on PV modules helps us in achieving more than the contractually agreed performance ratio for the solar power projects we construct. In Fiscal 2018 and in the nine months ended December 31, 2018, we did not pay liquidated damages related to performance ratios under our EPC contracts as we achieved the contractually agreed performance ratios under those contracts.

We strategically focus on markets that have conducive solar power policies and high solar resources, and invest in geographies with long-term solar opportunities. We adopt a disciplined expansion strategy that we customize for each market with a view to enhancing our bidding abilities in these geographies. For example, to tap opportunities in the United States, we adopted a co-development business model to help us secure EPC rights through equity investments in relevant projects. In other markets, such as Australia and Kazakhstan, we have acquired local entities to help us establish a permanent presence in such markets. In addition, as part of our expansion strategy, we conduct on-the-ground market diligence to evaluate each local opportunity and establish relationships with local suppliers and subcontractors. We believe this helps us identify potential bids in advance and prepare for bids quickly when opportunities arise. After we win a bid, our team executes the project with the

support of our internal processes, global supply chain network, three-step quality management process comprising initial factory audit, production process audit and monitoring and pre-shipment inspection, risk management and field quality monitoring. In 2018, we were awarded the Specialist Contractor of the Year Award by MEED Awards, the EPC of the Year by Solar + Power Awards and the certificate of honor in the category of “RE International Excellence - Indian Companies” at the Renewable Energy India Awards.

We benefit from the brand reputation, industry relationships and project management expertise of the SP Group and the S&W. The SP Group is a global conglomerate and has over 150 years of experience as an EPC solutions provider in various industries across 45 countries. As of March 31, 2018, the total consolidated assets of SPCPL, the flagship company of the SP Group was ₹563,531.38 million, which helps us meet certain financial requirements for bidding for solar power projects. We also benefit from global presence and stakeholder relationships of the SP Group. S&W has over 90 years of experience in offering EPC solutions with operations across 34 countries. In particular, before entering a new market, we typically leverage from the presence of the SP Group and S&W in that market to get a head start in establishing our operations. In connection with the Demerger, we entered into a Framework Agreement with SWPL, pursuant to which SWPL will execute all our service contracts entered into prior to the Demerger from its branch offices and transfer all related benefits to us. We also have the right to continue using SWPL’s branch offices for our operations going forward and avail certain shared services that we require to operate our business, and have the right to use the “S&W” brand without payment. Further, our Subsidiary, SW FZCO and our Company have entered into the Brand Sharing Agreements with SPCPL under which we have the right to use intellectual property belonging to the SP group and to benefit from the SP Group’s track record of project execution in bidding for large scale projects. .

We operate an asset-light business model, under which our customers are responsible for sourcing and acquiring real estate while we typically lease equipment required for our operations. Our asset-light business model generally entails low capital expenditures and fixed costs, and offers flexibility and scalability to meet our customers’ needs, provide customized solutions and respond quickly to market conditions. We are able to operate with low working capital requirements as our EPC contracts are typically of short duration. We typically require an advance payment from customers for certain deliverables and our EPC contracts include shorter payment cycles from our customers compared to longer payment cycles from our suppliers.

Our total revenue from operations was ₹27,394.29 million, ₹16,402.71 million, ₹68,717.08 million, ₹32,324.81 million and ₹59,151.44 million in Fiscals 2016, 2017 and 2018 and in the nine months ended December 31, 2017 and 2018, respectively. Our combined profit after tax was ₹1,253.63 million and ₹314.32 million in Fiscals 2016 and 2017, respectively, and our consolidated profit after tax was ₹4,505.35 million, ₹1,733.62 million and ₹3,434.30 million in Fiscal 2018 and in the nine months ended December 31, 2017 and 2018, respectively. We believe our growth and financial performance has been facilitated by our focus on risk management and reliance on clearly defined internal processes to manage our business. We seek to limit our counterparty risk exposure by focusing on our project selection on solar power projects that achieve financial closure before we commence our operations. We follow this guideline for most of our operations outside India.

Significant Factors Affecting our Results of Operations

Market Demand for Solar EPC Services

Our revenue and profitability depend substantially on the demand for solar EPC services and solar energy as an alternative to traditional forms of energy. Demand for solar energy depends on various factors, such as the global macroeconomic environment, pricing, cost-effectiveness, performance and reliability of solar power in comparison to alternative forms of energy, and the impact of government regulations and policies. According to IHS Markit, renewable energy sources, such as solar energy, have become significant contributors to power capacity growth additions globally and the share of solar PV generation capacity in global power generation capacity has increased from 9.8% in 2012 to 25.3% in 2018, and could increase to 38.4% in 2022. By 2022, total cumulative installed solar PV generation capacity could reach nearly 1,090 GW_{DC} globally, compared to less than 100 GW_{DC} at the end of 2012. In addition, many regions in which we have operations are expected to see steep growth in solar power capacity additions over the next three years, according to IHS Markit, such as annual solar PV installation growth of 11.7% CAGR in India, 70.6% CAGR in South East Asia, 22.2% CAGR in the Middle East and North Africa, 42.0% CAGR in the rest of Africa, 30.0% CAGR in Europe, 17.4% CAGR in the United States, 5.4% CAGR in Latin America and 8.1% in Australia.

The anticipated growth in the solar power market is partly driven by the declining cost of using solar energy and, according to IHS Markit, the levelized cost of electricity for solar PV plants decreased sharply between 2012 and 2018 and is expected to continue to decrease until 2030. The declining cost of solar energy can be attributed to a

decrease in the costs of solar PV systems. The average global cost of utility-scale PV systems decreased from \$1.82/watt in 2012 to \$0.89/watt (DC) in 2018 and is expected to further decrease to \$0.70/watt (DC) by 2022, according to BloombergNEF. A key driver of this decline is the decline in prices of solar PV modules, with the average price of a solar PV module decreasing by 68.5% from 2012 to 2018. In contrast, other sources of energy, such as coal, have seen an increase in cost and pricing over the same period.

Our business is also affected by government policies and initiatives, particularly those that support clean energy and enhance the economic feasibility of developing clean energy projects. Many governments have recognized solar power as a viable alternative to conventional power as demonstrated by the establishment of the International Solar Alliance (“ISA”) in 2016, with a membership of over 120 countries. Examples of government-sponsored financial incentives to promote solar power include capital cost rebates, such as the Global Energy Transfer Feed-in Tariff (“GET FIT”) and solar scaling programme to support solar power initiatives in Africa, and feed-in-tariff initiatives in Vietnam, tax credits and other tax benefits, net metering and other benefits to end-users, distributors, system integrators and manufacturers of solar products.

For additional details regarding the solar power industry and factors affecting its growth, see “*Industry Overview*” on page 97 of this Draft Red Herring Prospectus.

Pricing Model for EPC Services

We are a pure-play end-to-end solar EPC solutions provider providing a full range of EPC solutions, for solar power projects globally, including turnkey EPC solutions and BoS solutions. Turnkey EPC solutions entail building solar power projects from concept design to commissioning. BoS solutions comprise all project design and execution services other than the procurement of modules and components, which is handled by the customer, and “package BoS” projects include additional civil, mechanical and electrical work solutions. Our profit margins vary depending on the mix of services contracted. We generally generate higher margins for full turnkey EPC services. Our pricing structure and model also vary by geography, with markets with conducive solar power policies generally yielding higher profit margins. See “—*Geographic Mix of Projects*” on page 410 below.

We generally enter into fixed price EPC contracts and recognize revenue over time as we progress with construction on a percentage of completion method basis. We bill our customers according to contractually agreed milestones that reflect key stages of execution, such as entering into supplier contracts, delivery of modules and construction equipment and materials, installation, and commissioning of the solar power project. We also typically receive an advance payment from our customers at the time we enter into the EPC contract and adjust the advance received against milestone payments.

Our profitability largely depends on our ability to manage costs relating to our EPC operations. Our most significant cost is the cost of construction materials, stores and spare parts including modules, inverters and trackers, purchase of traded goods, purchase of stock-in-trade, changes in inventories and direct project costs. We seek to manage the cost of these materials by entering into pre-bid pricing arrangements with our key suppliers at competitive rates for modules, inverters and trackers, which generally comprise a majority of our cost of construction materials. These pre-bid pricing arrangements are typically valid for six months. We then reflect these prices in the overall fixed-price for the EPC contract. See “*Our Business – Suppliers*” on page 132 of this Draft Red Herring Prospectus for more details on our arrangements with suppliers. Other costs includes subcontractor and employee expenses, and the cost of other materials, such as cement and solar wafers for which we do not engage in pre-bid pricing arrangements. We manage these costs through our global supply chain and “hub and spoke” business model, where we manage the complete supply chain for our operations from India, including the design and engineering functions and mobilize supplies, raw materials and third-party subcontractors locally in each of our markets, where there is a cost advantage and/or a regulatory requirement. For Fiscals 2016, 2017 and 2018 and for the nine months ended December 31, 2017 and 2018, our cost of construction materials, stores and spare parts, purchase of traded goods, purchase of stock-in-trade, changes in inventories of stock-in-trade and direct project costs as a percentage of total income amounted to an aggregate of 87.64%, 86.49%, 88.88%, 87.95% and 88.17%, respectively.

Our profitability also depends on our ability to execute our EPC contracts on contractually agreed timelines, as we receive payments from our customers upon achieving execution milestones and generally required to pay liquidated damages or penalties if we do not meet the agreed timelines. Our EPC contracts contain quality and performance guarantees by us and typically require that we be responsible for the solar power project maintaining a target plant performance ratio for a specified time period after commissioning, usually ranging from 18 months to two years. We mitigate any delays in project execution by closely monitoring project timelines and related cost escalations through our pre-bid on-the-ground market diligence, advance planning and detailed market studies.

We seek to mitigate potential losses arising as a result of defects in solar equipment by obtaining product and performance warranties, and related insurance from suppliers, for our customers and us, typically ranging from five to 10 years. See “*Our Business – EPC contracts*” on page 124 of this Draft Red Herring Prospectus for more details.

Our profitability is also affected by pricing trends in our industry and in the geographies in which we operate. EPC pricing has been falling globally, as the cost of global utility-scale PV systems has decreased from \$1.82/watt in 2012 to \$0.89/watt (DC) in 2018 and is expected to further decrease to \$0.70/watt (DC) by 2022, according to BloombergNEF. A key driver of this decline is the decline in prices of solar PV modules, with the average price of a solar PV module decreasing by 68.5% from 2012 to 2018. We expect to manage these changes in pricing trends by expanding our O&M operations, especially to solar power projects constructed by third parties and developing our solar storage solutions business by leveraging SWPL’s solar storage capabilities. See “*Our Business – Strategies – Focus on expanding O&M, rooftop solar EPC and solar storage solutions*” on page 121 of this Draft Red Herring Prospectus.

Geographic Mix of Projects

We currently have a presence across 26 countries. Our profitability largely depends on the market in which we operate. We are generally able to command higher pricing and yield higher profit margins in emerging solar markets, as competition in these markets is generally low. The regulatory and tax regime and government policies of each country also affects our profit margins. We manage costs associated with entering new markets through a disciplined expansion strategy that we customize for each market with a view to enhancing our bidding abilities in these geographies. We make capital investments in markets that have continuous and large solar opportunities and leverage our regional presence to strategically access other local geographies as needed, without incurring the costs of making permanent capital investments. See “*– Key Performance Indicators*” on page 411 below for details on our revenue and gross margin split outside India and in India in Fiscals 2016, 2017 and 2017, and in the nine months ended December 31, 2017 and 2018.

Our Ability to Win Bids

Our revenues are largely a product of our ability to identify potential opportunities and win bids for EPC contracts. The solar EPC market is highly competitive and our competitors include global and regional solar EPC providers. We also compete with developers’ in-house EPC providers. EPC players typically compete on the basis of technology, know-how, price, timeliness of project completion, quality of construction, market knowledge, reputation and other measures of competitive strength, according to CRISIL Research.

While, we operate in a highly competitive environment, we believe our geographic specific strategy helps us identify potential bids and prepare for bids quickly when such opportunities arise in the market. In addition, to strengthen our bidding abilities in certain geographies, we adopt expansion strategies best suited for that geography. We also benefit from the brand reputation, industry and stakeholder relationships, balance sheet position, global presence, project management expertise and robust project management processes, including bidding discipline, market studies, operational expertise and strong track record of the SP Group and S&W, which help us bid for and execute large-scale projects in short timelines. In connection with the Demerger, we have entered into an arrangement with the SP Group that allows us to benefit from the financial strength of the SP Group and its track record of project execution in bidding for large scale projects. After we win a bid, our global team executes the project with the support of our strong internal processes, global supply chain network, three-step quality management process comprising initial factory audit, production process audit and monitoring and pre-shipment inspection, risk management and field quality monitoring. Our operations are supported by our global supply chain, a majority of which is based in India, strong relationships with suppliers and a large design and project execution team in India, which we believe, gives us a cost advantage over our competitors, and helps us win bids and repeat orders.

As of December 31, 2018 we had 183 commissioned and ongoing solar power projects with an aggregate capacity of 6,062.83 MWp, that included 165 commissioned projects with an aggregate capacity of 4,596.95 MWp, and 18 projects under execution with an aggregate capacity of 1,465.88 MWp. We also had letters of intent of ₹22,012.48 million and an order book of ₹43,090.99 million as of December 31, 2018. During Fiscals 2016, 2017 and 2018 and in the nine months ended December 31, 2018, our bid conversion ratios on the basis of capacity (MWp), calculated as the ratio of bids won to bids submitted, was 29.92%, 37.61%, 17.86% and 22.85%, respectively.

Factors Affecting our O&M Services

We also provide O&M services, including for projects constructed by third parties. Our profitability depends on our ability to manage our costs for our services and maintain performance targets of solar power projects. We manage our costs and targets through thorough project diligence and depend on real-time analytics and data mining for determining plant performance. For example, we have installed CMS and are in the process of installing the CMMS that we have licensed from SWPL under the Framework Agreement, to improve our operational efficiency and real-time performance analytics. The pricing of O&M services and related profit margins also depend on the market in which we operate, the competition in the market, availability of local subcontractors and suppliers, availability of preventive and predictive maintenance technology and the complexity of the solar power project. As of December 31, 2018 we provided O&M services to solar power projects having an aggregate capacity of 3,892.86 MWp.

Key Performance Indicators

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements and other financial and operational information included in this Draft Red Herring Prospectus. We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations as analytical tools and may differ from similar information used by other companies, including peer companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to our financial statements or as an indicator of our operating performance, liquidity, profitability or results of operation.

In evaluating our business, we consider and use non-GAAP financial measures such as gross profit and gross margin to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. Our non-GAAP financial measure may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included our non-GAAP financial measures because we believe they are indicative measure of our operating performance and is used by investors and analysts to evaluate companies in the same industry. Our non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. These metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements included in this Draft Red Herring Prospectus. Investors should read this information in conjunction with the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements included elsewhere in this Draft Red Herring Prospectus.

The following table presents a summary of certain key financial performance indicators for the periods indicated therein:

Geographic segment	As of and for the period ended March 31,			As of and for the nine months ended December 31,	
	2016	2017	2018*	2017	2018
	SWPL – Solar EPC Division (Prior to Demerger)			Sterling and Wilson Solar Limited (Post-demerger)	
India	<i>In ₹ million unless otherwise indicated</i>				
EPC					
Revenue	14,806.44	16,124.76	27,741.74	11,406.76	20,114.89
Costs ⁽⁵⁾	12,813.00	14,040.57	25,486.33	10,191.87	18,912.69
Gross Margin ⁽⁶⁾	1,993.44	2,084.19	2,255.41	1,214.89	1,202.20
Gross Margin (%) ⁽⁶⁾	13.46%	12.93%	8.13%	10.65%	5.98%
O&M					
Revenue	56.33	171.04	354.50	263.38	493.51
Costs ⁽⁵⁾	37.89	86.30	203.04	102.29	248.81
Gross Margin ⁽⁶⁾	18.44	84.74	151.46	161.09	244.70
Gross Margin (%) ⁽⁶⁾	32.74%	49.54%	42.72%	61.16%	49.58%
Total EPC and O&M					
Total Revenue	14,862.77	16,295.80	28,096.24	11,670.14	20,608.40

Geographic segment	As of and for the period ended March 31,			As of and for the nine months ended December 31,	
	2016	2017	2018*	2017	2018
	SWPL – Solar EPC Division (Prior to Demerger)		Sterling and Wilson Solar Limited (Post-demerger)		
Costs ⁽⁵⁾	12,850.89	14,126.87	25,689.37	10,294.16	19,161.50
Total Gross Profit ⁽⁶⁾	2,011.88	2,168.93	2,406.87	1,375.98	1,446.90
Total Gross Margin(%) ⁽⁶⁾	13.54%	13.31%	8.57%	11.79%	7.02%
South East Asia⁽¹⁾					
EPC					
Revenue.....	3,578.83	32.55	4.05	-	252.47
Costs ⁽⁵⁾	2,834.94	80.78	16.56	-	192.47
Gross Margin ⁽⁶⁾	743.89	(48.23)	(12.51)	-	60
Gross Margin (%) ⁽⁶⁾	20.79%	(148.17)%	(308.89)%	-	23.77%
O&M					
Revenue.....	-	-	-	-	-
Costs ⁽⁵⁾	-	-	-	-	-
Gross Margin ⁽⁶⁾	-	-	-	-	-
Gross Margin (%) ⁽⁶⁾	-	-	-	-	-
Total EPC and O&M					
Total revenue.....	3,578.83	32.55	4.05	-	252.47
Costs ⁽⁵⁾	2,834.94	80.78	16.56	-	192.47
Total Gross Margin ⁽⁶⁾	743.89	(48.23)	(12.51)	-	60
Total Gross Margin (%) ⁽⁶⁾	20.79%	(148.17)%	(308.89)%	-	23.77%
Middle East and North Africa⁽²⁾					
EPC					
Revenue.....	-	-	39,797.99	20,103.61	29,136.51
Costs ⁽⁵⁾	-	-	34,924.87	17,856.76	25,395.06
Gross Margin ⁽⁶⁾	-	-	4,873.12	2,246.85	3,741.45
Gross Margin (%) ⁽⁶⁾	-	-	12.24%	11.18%	12.84%
O&M					
Revenue.....	-	-	-	-	-
Costs ⁽⁵⁾	-	-	-	-	-
Gross Margin ⁽⁶⁾	-	-	-	-	-
Gross Margin (%) ⁽⁶⁾	-	-	-	-	-
EPC and O&M					
Total revenue.....	-	-	39,797.99	20,103.61	29,136.51
Cost ⁽⁵⁾	-	-	34,924.87	17,856.76	25,395.06
Total Gross Margin ⁽⁶⁾	-	-	4,873.12	2,246.85	3,741.45
Total Gross Margin (%) ⁽⁶⁾	-	-	12.24%	11.18%	12.84%
Rest of Africa⁽³⁾					
EPC					
Revenue.....	8,952.34	0	666.97	489.16	5,761.75
Costs ⁽⁵⁾	8,385.50	-	430.25	306.57	5,385.16
Gross Margin ⁽⁶⁾	566.84	0	236.72	182.59	376.59
Gross Margin (%) ⁽⁶⁾	6.33%	-	35.49%	37.33%	6.54%
O&M					
Revenue.....	-	71.72	82.99	61.90	97.07
Costs ⁽⁵⁾	-	63.39	63.35	48.30	31.24
Gross Margin ⁽⁶⁾	-	8.33	19.64	13.60	65.83
Gross Margin (%) ⁽⁶⁾	-	11.61%	23.67%	21.97%	67.82%
EPC and O&M					
Total revenue.....	8,952.34	71.72	749.96	551.06	5,858.82
Costs ⁽⁵⁾	8,385.50	63.36	493.60	354.87	5,416.40
Total Gross Margin ⁽⁶⁾	566.84	8.33	256.36	196.19	442.42
Total Gross Margin (%) ⁽⁶⁾	6.33%	11.61%	34.18%	35.60%	7.55%
United States and Latin America⁽⁴⁾					
EPC					
Revenue.....	-	-	65.33	-	3,280.07
Costs ⁽⁵⁾	-	-	65.33	-	3,459.87
Gross Margin ⁽⁶⁾	-	-	-	-	(179.80)
Gross Margin (%) ⁽⁶⁾	-	-	-	-	(5.48)%
O&M					
Revenue.....	-	-	-	-	-

Geographic segment	As of and for the period ended March 31,			As of and for the nine months ended December 31,	
	2016	2017	2018*	2017	2018
	SWPL – Solar EPC Division (Prior to Demerger)		Sterling and Wilson Solar Limited (Post-demerger)		
<i>Costs</i> ⁽⁵⁾	-	-	-	-	-
<i>Gross Margin</i> ⁽⁶⁾	-	-	-	-	-
<i>Gross Margin (%)</i> ⁽⁶⁾	-	-	-	-	-
EPC and O&M					
<i>Total revenue</i>	-	-	65.33	-	3,280.07
<i>Costs</i> ⁽⁵⁾	-	-	65.33	-	3,459.87
<i>Total Gross Margin</i> ⁽⁶⁾	-	-	-	-	(179.80)
<i>Total Gross Margin (%)</i> ⁽⁶⁾	-	-	-	-	(5.48)%
Total					
EPC					
<i>Revenue</i>	27,337.61	16,157.31	68,276.08	31,999.53	58,545.69
<i>Costs</i> ⁽⁵⁾	24,033.44	14,121.35	60,923.34	28,355.20	53,345.25
<i>Gross Margin</i> ⁽⁶⁾	3,304.17	2,035.96	7,352.74	3,644.33	5,200.44
<i>Gross Margin (%)</i> ⁽⁶⁾	12.09%	14.42%	10.77%	11.39%	8.88%
O&M					
<i>Revenue</i>	56.33	242.76	437.49	325.28	590.58
<i>Costs</i> ⁽⁵⁾	37.89	149.69	266.39	150.59	280.05
<i>Gross Margin</i> ⁽⁶⁾	18.44	93.07	171.10	174.69	310.53
<i>Gross Margin (%)</i> ⁽⁶⁾	32.74%	38.34%	39.11%	53.70%	52.58%
EPC and O&M					
<i>Total Revenue</i>	27,393.94	16,400.07	68,713.57	32,324.81	59,136.27
<i>Costs</i> ⁽⁵⁾	24,071.33	14,271.04	61,189.73	28,505.79	53,625.30
<i>Total Gross Margin</i> ⁽⁶⁾	3,322.61	2,129.03	7,523.84	3,819.02	5,510.97
<i>Total Gross Margin (%)</i> ⁽⁶⁾	12.13%	12.98%	10.95%	11.81%	9.32%

* For the period from March 9, 2017 to March 31, 2018.

(1) Comprises Vietnam and Philippines.

(2) Comprises United Arab Emirates, Morocco, Egypt and Jordan.

(3) Comprises South Africa, Namibia, Zambia and Niger.

(4) Comprises United States and Argentina.

(5) Costs comprise costs of construction materials, stores and spare parts, purchase of traded goods, changes in inventories of stock-in-trade and direct project costs for each for either EPC or O&M services.

(6) Gross Margin represents the revenue for the period from either EPC and O&M services minus the costs of construction materials, stores and spare parts, purchase of traded goods, changes in inventories of stock-in-trade and direct project costs, in each case that are attributable to such service. Gross Margin % is the gross margin as a percentage of total revenue for such service.

Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following are what management believes to be the critical accounting policies and related judgments and estimates used in the preparation of the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements. For more information on each of these policies and for other significant accounting policies and judgments, estimates and assumptions, see “Annexure V to the Restated Consolidated Summary Financial Information” on page 216 of this Draft Red Herring Prospectus.

Revenue recognition

Revenue from contracts with customers

We recognize revenue from contracts with customers based on a five step model as set out below:

- **Step 1: Identify the contracts with customers:** 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 we expect 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, we will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which we expect to be entitled in exchange for satisfying each performance obligation.
- **Step 5: Recognize revenue** when (or as) the entity satisfies a performance obligation.

We satisfy a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by us; or
- Our performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- Our performance does not create an asset with an alternative use to us and the customer has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. We assess our revenue arrangements against specific criteria to determine if we are acting as principal or agent. We have concluded that we are acting as a principal in all of our revenue arrangements.

Revenue from works contract

Revenue from works contracts, where the outcome can be estimated reliably, is recognized 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.

When we satisfy a performance obligation by delivering the promised goods or services we create 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 recognized 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 us.

Revenue from sale of goods

We recognize revenue from sale of goods once the customer takes possession of the goods. Revenue represents the invoice value of goods provided to third parties net of discounts and sales taxes/value added taxes/goods and service tax.

O&M income

We recognize revenue from O&M services using the time-elapsed measure of progress i.e. input method on a straight line basis.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

Foreign currency

Foreign currency transaction

- a) *Initial Recognition:* All transactions that are not denominated in our functional currency (INR) 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 period are recognized in the consolidated statement of profit and loss.
- b) *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 at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. 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 recognized in the Statements of Profit and Loss, except exchange differences arising from the translation of the equity investments classified as fair value through other comprehensive income (“OCI”) (fair value through other comprehensive income) which is recognized in OCI.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to the consolidated statement profit and loss as part of the gain or loss on disposal. If we dispose of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to non-controlling interest. When we dispose of only a part of our interest in a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Statements of Profit and Loss.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

- a) *Defined contribution plans:* A defined contribution plan is a plan for the post-employment benefit of an employee under which we pay fixed periodic contributions into Provident Fund and Employee State Insurance Corporations in accordance with Indian regulations. We have no further legal or constructive obligation to pay once contributions are made. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statements of Profit and Loss in the periods during which the related services are rendered by employees. In respect of overseas entities, our contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.
- b) *Defined benefit plans:* Our gratuity benefit scheme and terminal benefit scheme (in overseas jurisdictions) are a defined benefit plan. Our net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All re-measurement gains and losses arising from defined benefit plans are recognized in the Restated Consolidated Summary Statement of Other Comprehensive Income in the period in which they occur and not reclassified to the Statement of Profits and Loss in the subsequent period. We determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the Statements of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statements of Profit and Loss. We recognize gains and losses on the settlement of a defined benefit plan when the settlement occurs in the Statements of Profit and Loss.

In respect of the overseas subsidiaries, up to 31 March 2018, provisions were made for employees' terminal benefits on the basis prescribed under the labor laws of the respective countries in which the overseas subsidiaries operates and is determined based on arithmetic calculation. Subsequently, the present value of the obligation is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method.

Other long-term employee benefits

Our net obligation in respect of long-term employment benefits, other than gratuity and terminal benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Re-measurements gains or losses are recognized in the consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity-settled share-based payments:

Employees of us receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statements of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Provisions and contingencies

A provision is recognized if, as a result of a past event, we have 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 recognized 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 us 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, we recognize any impairment loss on the assets associated with that contract.

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 recognized as receivables.

Principal Components of our Statements of Profit and Loss

The following description sets forth information on the key components of our Carved Out Combined Statement of Profit and Loss for Fiscals 2016 and 2017, and of our Restated Consolidated Statement of Profit and Loss for Fiscal 2018 and for the nine months ended December 31, 2017 and December 31, 2018, included in the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements as per Ind AS (together, the “**Statements of Profit and Loss**”).

Revenue

Our revenue from operations primarily consists of revenue from the sale of EPC services under our EPC contracts, and from the sale of O&M services to solar power projects constructed by us and by third parties. We generally enter into fixed price EPC contracts and recognize revenue over time as we progress with construction on a percentage of completion method basis. We bill our customers according to contractually agreed milestones that reflect key stages of execution, such as, entering into supplier contracts, delivery of modules and construction equipment and materials, installation, and commissioning of the solar power project. We also typically receive an advance payment from our customers at the time we enter into the EPC contract and adjust the advance received against milestone payments. For our O&M business, we generally bill our customers on a quarterly basis in advance of services to be performed. Under certain O&M contracts, we also receive a performance bonus if the performance of the plant exceeds the guaranteed performance ratios.

Expenses

For the solar power projects we construct on a turnkey basis, we are required to procure construction materials, such as modules, inverters and trackers, which form a significant portion of our costs. We also incur direct project costs, which include subcontractor expenses, employee costs related to the projects, rent, legal and professional fees, commission expenses and project related loans written off. We also incur employee benefit expenses for our corporate operations that primarily consist of salaries paid to our employees, and other expenses that we do not allocate to specific projects.

Purchase and sale of traded goods

In connection with providing EPC and O&M services we sometimes purchase certain modules and construction material for our customers which we account as purchase of traded goods and once we sell them to our customer, the revenue recognized from such sale is treated as income from the sale of traded goods. We purchased traded goods in the nine months ended December 31, 2018, and earned revenue from the sale of traded goods in Fiscals 2016, 2017 and in the nine months ended December 31, 2018.

Tax Expense

Our tax expense consists of current tax and deferred tax.

Results of Operations

This description relates to the key financial information from the Statements of Profit and Loss. Our Restated Consolidated Summary Financial Information for Fiscal 2018 and the nine months ended December 31, 2017 and December 31, 2018 are prepared on an actual basis after the Demerger. For comparative purposes, we have prepared Carved Out Combined Financial Statements for the two financial years prior to the Demerger, Fiscals 2016 and 2017, on a “carve-out” basis as if we had been in existence as a separate company since April 1, 2015 and of and for the period ended March 31, 2016 and 2017.

	For the Year Ended March 31,				For the Year Ended		For the Nine Months Ended December 31,			
	2016		2017		March 31,		2017		2018	
	(₹ in million)	% of total income	(₹ in million)	% of total income	(₹ in million)	% of total income	(₹ in million)	% of total income	(₹ in million)	% of total income
	SWPL – Solar EPC Division (Prior to Demerger)				Sterling and Wilson Solar Limited (Post-demerger)					
Revenue										
Revenue from operations	27,394.29	99.74	16,402.71	99.41	68,717.08	99.82	32,324.81	99.72	59,151.44	97.26
Other income	70.38	0.26	97.94	0.59	127.12	0.18	89.69	0.28	1,666.16	2.74
Total Income	27,464.67	100.00	16,500.65	100.00	68,844.20	100.00	32,414.50	100.00	60,817.60	100.00
Expenses										
Cost of construction materials, stores and spare parts	18,871.09	68.71	11,760.15	71.27	53,734.49	78.05	23,670.55	73.02	44,489.18	73.16
Purchase of traded goods/stock-in-trade.....	9.56	0.03	-	-	-	-	-	-	1,785.39	2.94
Changes in inventories of stock-in-trade.....	(13.34)	(0.05)	(129.68)	(0.79)	118.97	0.17	106.19	0.33	9.24	0.02
Direct project costs	5,204.02	18.95	2,640.57	16.00	7,336.27	10.66	4,730.95	14.60	7,341.49	12.07
Employee benefit expenses	329.82	1.20	599.84	3.64	986.24	1.43	652.20	2.01	1,278.05	2.10
Other expenses	1,104.95	4.02	983.06	5.96	1,163.60	1.69	1,036.58	3.20	1,145.76	1.88
Total expenses	25,506.10	92.87	15,853.94	96.08	63,339.57	92.00	30,196.47	93.16	56,049.11	92.16

	For the Year Ended March 31,				For the Year Ended March 31,		For the Nine Months Ended December 31,			
	2016		2017		2018*		2017		2018	
	(₹ in million)	% of total income	(₹ in million)	% of total income	(₹ in million)	% of total income	(₹ in million)	% of total income	(₹ in million)	% of total income
Adjusted Combined/consolidated earnings before interest, tax, depreciation and amortisation, share of (loss) of equity accounted investees (net of income tax) (Adjusted EBITDA)⁽¹⁾	1,958.57	7.13	646.71	3.92	5,504.63	8.00	2,218.03	6.84	4,768.49	7.84
Share of (Loss) of equity accounted investees (Net of Income Tax)	-	-	(0.19)	-	-	-	-	-	-	-
Combined/consolidated earnings before interest, tax, depreciation and amortisation (EBITDA)⁽¹⁾	1,958.57	7.13	646.52	3.92	5,504.63	8.00	2,218.03	6.84	4,768.49	7.84
Finance costs.....	6.31	0.02	28.03	0.17	186.17	0.27	99.52	0.31	530.31	0.87
Depreciation and amortisation expense	9.34	0.03	15.66	0.09	31.68	0.05	21.67	0.07	55.78	0.09
Combined/consolidated profit/(loss) from continuing operations before tax	1,942.92	7.07	602.83	3.65	5,286.78	7.68	2,096.84	6.47	4,182.40	6.88
Tax expense										
Current tax	692.31	2.52	387.25	2.35	850.14	1.23	443.29	1.37	861.61	1.42
Current tax for earlier periods	-	-	-	-	-	-	-	-	28.22	0.05
Deferred tax (credit)/charge	(3.02)	(0.01)	(98.74)	(0.60)	(68.71)	(0.10)	(80.07)	(0.25)	(141.73)	(0.23)
Total tax expense	689.29	2.51	288.51	1.75	781.43	1.14	363.22	1.12	748.10	1.23
Combined/consolidated profit/(loss) for the period after tax	1,253.63	4.56	314.32	1.90	4,505.35	6.54	1,733.62	5.35	3,434.30	5.65

* For the period from March 9, 2017 to March 31, 2018.

(1) In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. Our non-GAAP financial measure may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included our non-GAAP financial measures because we believe they are indicative measure of our operating performance and is used by investors and analysts to evaluate companies in the same industry. Our non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. These metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements included in this Draft Red Herring Prospectus. Investors should read this information in conjunction with the Restated Consolidated Summary Financial Information or the Carved Out Combined Financial Statements included elsewhere in this Draft Red Herring Prospectus. We measure earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) on the basis of combined/consolidated profit/loss from continuing operations including other income. We measure earnings before interest (finance cost), tax, depreciation and amortization, Share of (loss) of equity accounted investees (net of income tax) (Adjusted EBITDA) on the basis of combined/consolidated profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.

The following table reconciles profit after tax to EBITDA / Adjusted EBITDA and provides the EBITDA Margin / Adjusted EBITDA Margin for the periods indicated:

	For the Year Ended March 31,			For the Nine Months Ended December 31,	
	2016	2017	2018*	2017	2018
	(₹ in million)				
	SWPL – Solar EPC Division (Prior to Demerger)			Sterling and Wilson Solar Limited (Post-demerger)	
Combined/consolidated profit/(loss) after tax	1,253.63	314.32	4,505.35	1,733.62	3,434.30
Tax expenses	689.29	288.51	781.43	363.22	748.10
Depreciation & Amortization Expense	9.34	15.66	31.68	21.67	55.78
Finance costs.....	6.31	28.03	186.17	99.52	530.31
EBITDA	1,958.57	646.52	5,504.63	2,218.03	4,768.49

	For the Year Ended March 31,			For the Nine Months Ended December 31,	
	2016	2017	2018*	2017	2018
	(₹ in million)				
Share of loss of equity accounted investees (net of income tax)	-	0.19	-	-	-
Adjusted EBITDA	1,958.57	646.71	5,504.63	2,218.03	4,768.49
EBITDA Margin ^(a)	7.13%	3.92%	8.00%	6.84%	7.84%
Adjusted EBITDA Margin ^(a)	7.13%	3.92%	8.00%	6.84%	7.84%

* For the period from March 9, 2017 to March 31, 2018.

(a) EBITDA / Adjusted EBITDA Margin is EBITDA / Adjusted EBITDA as a percentage of total income.

Geographic segment overview

The following table provides our revenue by geographic segment for the periods indicated:

Geographic segment	As of and for the period ended March 31,			As of and for the nine months ended December 31,	
	2016	2017	2018	2017	2018
	SWPL – Solar EPC Division (Prior to Demerger)			Sterling and Wilson Solar Limited (Post-Demerger)	
<i>In ₹ million unless otherwise indicated</i>					
India					
Revenue from EPC services	14,806.44	16,124.76	27,741.74	11,406.76	20,114.89
Revenue from O&M services	56.33	171.04	354.50	263.38	493.51
South East Asia⁽¹⁾					
Revenue from EPC services	3,578.83	32.55	4.05	-	252.47
Revenue from O&M services	-	-	-	-	-
Middle East and North Africa⁽²⁾					
Revenue from EPC services	-	-	39,797.99	20,103.61	29,136.51
Revenue from O&M services	-	-	-	-	-
Rest of Africa⁽³⁾					
Revenue from EPC services	8,952.34	-	666.97	489.16	5,761.75
Revenue from O&M services	-	71.72	82.99	61.90	97.07
United States and Latin America⁽⁴⁾					
Revenue from EPC services	-	-	65.33	-	3,280.07
Revenue from O&M services	-	-	-	-	-

* For the period from March 9, 2017 to March 31, 2018.

(1) Comprises Vietnam and Philippines.

(2) Comprises United Arab Emirates, Morocco, Egypt and Jordan.

(3) Comprises South Africa, Namibia, Zambia and Niger.

(4) Comprises United States and Argentina.

Nine months ended December 31, 2018 compared to nine months ended December 31, 2017

Revenue

Our total income increased by 87.62% to ₹60,817.60 million in the nine months ended December 31, 2018 from ₹32,414.50 million in the nine months ended December 31, 2017, primarily due to a significant increase in our EPC revenue from Middle East and North Africa, rest of Africa and India.

Our revenue from EPC services from Middle East and North Africa increased by 44.93% from ₹20,103.61 million in the nine months ended December 31, 2017 to ₹29,136.51 million in the nine months ended December 31, 2018, primarily due to an increase in the revenue recognized from the 1,177 MWp solar power project in Abu Dhabi as we progressed with majority of the construction of the solar power project in the nine months ended December 31, 2018. We also recognized revenue from the construction of the 175 MWp solar power project in Morocco, which was commissioned in November 2018, and the solar power projects in Egypt that were under construction.

Our revenue from EPC services from rest of Africa also increased by 1,077.89% from ₹489.16 million in the nine months ended December 31, 2017 to ₹5,761.75 million in the nine months ended December 31, 2018, primarily due to an increase in the number of solar power projects we provided EPC services in the region. In rest of Africa, we primarily recognized revenue from the 47.10 MWp solar power project in Namibia and the 47.50 MWp solar power project in Zambia. We also recognized revenue from the 9 MWp solar power project in Niger.

In the nine months ended December 31, 2017, we entered into EPC contracts for these projects but started recognizing revenue in the nine months ended December 31, 2018, when we progressed with the construction of the solar power projects.

Our revenue from EPC services from the United States and Latin America region was ₹3,280.07 million in the nine months ended December 31, 2018. In the United States and Latin America region we recognized revenue from the solar power project in Argentina that is under-construction and the three solar power projects in the United States and Latin America region with an aggregate capacity of 9.51 MWp that have been commissioned. In the nine months ended December 31, 2017, we entered into EPC contracts for the solar power project in Argentina and recognized revenue in the nine months ended December 31, 2018, when we progressed with construction.

Our revenue from EPC services in South East Asia was ₹252.47 million in the nine months ended December 31, 2018. In South East Asia, we primarily recognized revenue from the solar power projects that were under-construction in Vietnam. In the nine months ended December 31, 2017, we did not recognize revenue from South East Asia in the as we were bidding for projects in the region.

Similarly, revenue recognized from EPC services in India increased by 76.34% to ₹20,114.89 million in the nine months ended December 31, 2018 from ₹11,406.76 million in the nine months ended December 31, 2017, primarily due to an increase in the number of solar power projects we provided EPC services. In the nine months ended December 31, 2018, we recognized revenue primarily from the 70 MWp solar power project in Andhra Pradesh, 39 MWp solar power project in Gujarat, three 11 MWp solar power projects in Tamil Nadu, two 145 MWp solar power projects in Rajasthan and 54 MWp solar power project in Tamil Nadu. In the nine months ended December 31, 2017, we primarily recognized revenue from the 16.50 MWp solar power project in Kolkata, 62.50 MWp solar power project in Rajasthan and 24 MWp solar power project in Karnataka.

Our revenue from O&M services also increased by 81.56% to ₹590.58 million in the nine months ended December 31, 2018 from ₹325.28 million in the nine months ended December 31, 2017, primarily due to an increase in the number of O&M service contracts in the nine months ended December 31, 2018. In the nine months ended December 31, 2018, we provided O&M services to 79 solar power projects with aggregate capacity of 3,206.84 MWp, of which 26 solar power projects with an aggregate capacity of 947.68 MWp were constructed by third-parties.

Expenses

Our total expenses increased by 85.61% to ₹56,049.11 million in the nine months ended December 31, 2018 from ₹30,196.47 million in the nine months ended December 31, 2017, primarily due to an increase in cost of construction materials, stores and spare parts, direct project costs and employee benefit expenses.

Our cost of construction materials, stores and spare parts, purchase of traded goods and changes in inventories of stock in trade increased by 94.66% to ₹46,283.81 million in the nine months ended December 31, 2018 from ₹23,776.74 million in the nine months ended December 31, 2017, primarily due to an increase in the volume of construction materials required for the construction of the solar power projects in Abu Dhabi and Morocco. Our construction costs also increased with an increase in the number of solar power projects under-construction in Middle East and North Africa, United States and Latin America region, South East Asia, rest of Africa and India.

Our direct project costs increased by 55.18% to ₹7,341.49 million in the nine months ended December 31, 2018 from ₹4,730.95 million in nine months ended December 31, 2017. Our direct project costs consist largely of subcontractor expenses, direct project overheads and employee benefit expenses attributable to projects. These costs increased by 53.92%, 39.40% and 111.21% in the nine months ended December 31, 2018, respectively, primarily due to an increase in the number of solar power projects under-construction in the nine months ended December 31, 2018. Our other direct project costs, such as legal and professional fees, stores and spare parts consumed, insurance costs, travelling and conveyancing expenses increased in the nine months ended December 31, 2018, as we expanded our EPC operations outside India, including in Australia and Europe. We provided a provision for foreseeable losses for the first time in the nine months ended December 31, 2018, primarily for certain losses we expect to incur with respect to our solar power plant that is under construction in rest of Africa that was delayed due to topographical challenges which required us to re-engineer the plant installation.

Our employee benefit expenses for our administrative and corporate operations increased by 95.96% to ₹1,278.05 million in the nine months ended December 31, 2018 from ₹652.20 million in the nine months ended December

31, 2017, primarily due to an increase in the number of employees involved in our administrative and corporate operations to support our growing business operations. As a result of this increase, our contributions to provident and welfare funds increased in the nine months ended December 31, 2018 compared to the nine months ended December 31, 2017.

Our other expenses increased by 10.53% to ₹1,145.76 million in the nine months ended December 31, 2018 from ₹1,036.58 million in the nine months ended December 31, 2017, primarily due to the expansion of our operations outside India, which led to an increase in expenses for legal and professional fees and travelling and conveyancing.

Our finance costs increased by 432.86% to ₹530.31 million in the nine months ended December 31, 2018 from ₹99.52 million in the nine months ended December 31, 2017, primarily due to an increase in our interest expenses on unsecured working capital loans from banks.

Our tax expenses increased by 105.96% to ₹748.10 million in the nine months ended December 31, 2018 from ₹363.22 million in the nine months ended December 31, 2017, primarily as a result of an increase in our consolidated profit before tax by 99.46% to ₹4,182.40 million in the nine months ended December 31, 2018 from ₹2,096.84 million in the nine months ended December 31, 2017. This increase was partially offset by lower tax rates compared to India in a few geographies, such as the United Arab Emirates in the nine months ended December 31, 2018.

Consolidated profit after tax

For the aforementioned reasons, our consolidated profit after tax was ₹3,434.30 million in the nine months ended December 31, 2018 which increased by 98.10% from a consolidated profit after tax of ₹1,733.62 million in the nine months ended December 31, 2017.

Fiscal 2018 compared to Fiscal 2017

Revenue

Our total income increased by 317.22% to ₹68,844.20 million in Fiscal 2018 from ₹16,500.65 million in Fiscal 2017, primarily due to a significant increase in our revenue from EPC services from Middle East and North Africa. We also recognized revenue from rest of Africa, United States and Latin America region, and South East Asia in Fiscal 2018. In Fiscal 2017, we recognized revenue only from the completion stages of the 50.94 MWp solar power project in South East Asia.

We recognized revenue from EPC services of ₹39,797.99 million in Fiscal 2018 for the first time in Middle East and North Africa, which is primarily attributable to the 1,177 MWp solar power project in Abu Dhabi and the 175 MWp solar power project in Morocco. We entered into EPC contracts for these projects in Fiscal 2017 and began recognizing revenue for these projects only in Fiscal 2018 when we started construction.

Similarly, we also recognized revenue from EPC services of ₹65.33 million in Fiscal 2018 for the first time in the United States and Latin America region, which is primarily attributable to revenue recognized from the initial stages of construction of the 90.30 MWp solar power plant in Argentina. We also recognized revenue from EPC services of ₹666.97 million from rest of Africa for the first time in Fiscal 2018, which is primarily attributable to the 9 MWp solar power plant in Niger and the 47.10 MWp solar power plant in Namibia.

However our revenue from EPC services from South East Asia decreased by 87.56% to ₹4.05 million in Fiscal 2018 from ₹32.55 million in Fiscal 2017, which we primarily recognized from the completion stages of the solar power projects in Philippines with an aggregate capacity of 50.90 MWp.

Revenue recognized from EPC services in India increased by 72.04% to ₹27,741.74 million in Fiscal 2018 from ₹16,124.76 million in Fiscal 2017, primarily due to an increase in the number of solar power projects from 16 in Fiscal 2017 to 18 in Fiscal 2018. In Fiscal 2018, we recognized revenue primarily from, the 100 MWp solar power project in Telangana, 65 MWp solar power project in Telangana, 81 MWp solar power project in Maharashtra, 54 MWp solar power project in Maharashtra and 60 MWp solar power project in Maharashtra. In Fiscal 2017 we primarily recognized revenue from the 50 MWp solar power project in Andhra Pradesh, 65 MWp solar power project in Minpur and 195 MWp solar power project in Andhra Pradesh.

Our revenue from O&M services also increased by 80.22% to ₹437.49 million in Fiscal 2018 from ₹242.76 million in Fiscal 2017, primarily due to an increase in the number of O&M service contracts in Fiscal 2018. In Fiscal 2018, we provided O&M services to 56 solar power projects with aggregate capacity of 1,327.77 MWp, of which 13 with an aggregate capacity of 725.30 MWp were constructed by third-parties. In Fiscal 2017 we provided O&M services to 44 solar power projects with an aggregate capacity of 548.28 MWp, of which 11, with an aggregate capacity of 192.30 MWp, were constructed by third-parties.

Expenses

Our total expenses increased by 299.52% to ₹63,339.57 million in Fiscal 2018 from ₹15,853.94 million in Fiscal 2017, primarily due to the expansion of our EPC operations outside India with the construction of two solar power projects in Abu Dhabi and Morocco.

Our cost of construction materials, stores and spare parts and changes in inventories of stock in trade increased by 363.04% to ₹53,853.45 million in Fiscal 2018 from ₹11,630.47 million in Fiscal 2017, primarily due to an increase in the volume of construction materials required for the Abu Dhabi and Morocco projects. The requirement for construction materials and costs also increased with an increase in the number of solar power projects under-construction in India. The cost also increased as the price of certain construction materials increased in Fiscal 2018 compared to Fiscal 2017.

Our direct project costs increased by 177.83% to ₹7,336.27 million in Fiscal 2018 from ₹2,640.57 million in Fiscal 2017. Our direct project costs consist largely of subcontractor expenses, direct project overheads and employee benefit expenses attributable to projects. These costs increased by 189.92%, 128.66% and 246.60% in Fiscal 2018, respectively, primarily due to the construction of the solar power projects in Abu Dhabi and Morocco. Our bank charges increased by 1082.15% in Fiscal 2018, primarily due to an increase in bank guarantees obtained by us, corresponding to the expansion of our EPC operations outside India and in India. Similarly, other direct project costs, such as travelling and conveyance expenses increased in Fiscal 2018, as we incurred additional expenses for our overseas travel for our operations and our rent also increased in Fiscal 2018 as we opened new offices outside India to support to our expanding operations.

Our employee benefit expenses for our administrative and corporate operations increased by 64.42% to ₹986.24 million in Fiscal 2018 from ₹599.84 million in Fiscal 2017, primarily due to an increase in the number of employees involved in our administrative and corporate operations to support our growing business operations. As a result, our contributions to provident and welfare funds also increased in Fiscal 2018 compared to Fiscal 2017.

Our other expenses increased by 18.36% to ₹1,163.60 million in Fiscal 2018 from ₹983.06 million in Fiscal 2017, primarily due to the expansion of our operations outside India, which led to an increase in expenses for stores and spare parts, legal and professional fees, rental costs and travelling and conveyance expenses for our administrative and corporate operations.

Our finance costs increased by 564.19% to ₹186.17 million in Fiscal 2018 from ₹28.03 million in Fiscal 2017, primarily due to an increase in our interest expenses as we availed a buyer's credit for projects in India and trust receipts against materials utilized for our project in Abu Dhabi in Fiscal 2018.

Our tax expenses increased by 170.85% to ₹781.43 million in Fiscal 2018 from ₹288.51 million in Fiscal 2017, primarily as a result of an increase in our consolidated profit before tax by 776.99% to ₹5,286.78 million in Fiscal 2018 from a combined profit before tax of ₹602.83 million in Fiscal 2017. This increase was partially offset by lower tax rates compared to India in a few geographies, such as the United Arab Emirates, in Fiscal 2018.

Combined/consolidated profit after tax

For the aforementioned reasons, our consolidated profit after tax was ₹4,505.35 million in Fiscal 2018 compared to a combined profit after tax of ₹314.32 million in Fiscal 2017.

Fiscal 2017 compared to Fiscal 2016

Revenue

Our total income decreased by 39.92% to ₹16,500.65 million in Fiscal 2017 from ₹27,464.67 million in Fiscal 2016 as we substantially completed the construction of the 90 MWp solar power project in South Africa and the

50.90 MWp solar power projects in Philippines and accordingly, recognized a significant portion of the EPC revenue from those projects in Fiscal 2016. In Fiscal 2017, we recognized revenue only for the completion stages of the solar power project in Philippines. Accordingly, our revenue from EPC operations in South East Asia decreased by 99.09% to ₹32.55 million in Fiscal 2017 from ₹3,578.83 million in Fiscal 2016 and we did not recognize revenue from EPC operations in rest of Africa in Fiscal 2017. This decrease was marginally offset by a modest increase in our revenue from EPC services in India.

Our EPC revenue in India increased by 8.90% to ₹16,124.76 million in Fiscal 2017 from ₹14,806.44 million in Fiscal 2016 primarily due to an increase in the number of solar power projects from 11 in Fiscal 2016 to 26 in Fiscal 2017. In Fiscal 2017, we recognized revenue primarily from the 50 MWp solar power project in Andhra Pradesh, 65 MWp solar power project in Minpur and 195 MWp solar power project in Andhra Pradesh. In Fiscal 2016, we recognized revenue primarily from the 30 MWp and 18 MWp solar power projects in Tamil Nadu.

Our revenue from O&M services increased by 330.96% to ₹242.76 million in Fiscal 2017 from ₹56.33 million in Fiscal 2016, primarily due to an increase in the number of O&M services contracts entered into during Fiscal 2017. In Fiscal 2017, we provided O&M services to 44 solar power projects with an aggregate capacity of 548.28 MWp capacity, of which 11 solar power projects with an aggregate capacity of 192.20 MWp were constructed by third parties. In Fiscal 2016 we provided O&M services to 26 solar power projects with an aggregate capacity of 204.50 MWp of which four solar power projects with an aggregate capacity of 35.50 MWp were constructed by third parties.

Expenses

Our total expenses decreased by 37.84% to ₹15,853.94 million in Fiscal 2017 from ₹25,506.10 million in Fiscal 2016, primarily due to a decrease of 38.36% in our cost of construction materials, stores and spare parts, purchase of stock in trade and changes in inventories of stock in trade, of 49.26% in our direct project costs and of 11.03% in our other expenses in 2017. This decrease is primarily attributable to a decrease in our EPC operations outside India, as we substantially completed the construction of the solar power projects South Africa and Philippines in Fiscal 2016. This decrease was partially offset by an increase in expenses in India, as the number of solar power projects for which we provided EPC services in India increased in Fiscal 2017.

Although our overall expenses decreased in Fiscal 2017, our employee benefit expenses for administrative and corporate functions increased in Fiscal 2017. We increased the number of employees involved in our administrative and corporate operations primarily to support our expansion strategy. As a result, our employee benefit expenses by 81.87% to ₹599.84 million in Fiscal 2017 from ₹329.82 million in Fiscal 2016. Accordingly, our contributions to provident and welfare funds increased in Fiscal 2017 compared to Fiscal 2016.

Our finance costs increased by 344.22% to ₹28.03 million in Fiscal 2017 from ₹6.31 million in Fiscal 2016, primarily due to an increase in our interest expenses as we availed a buyer's credit availed for projects in India in Fiscal 2017.

Our tax expenses decreased by 58.14% to ₹288.51 million in Fiscal 2017 from ₹689.29 million in Fiscal 2016, primarily as a result of a decrease in our total income in Fiscal 2017.

For the aforementioned reasons, our combined profit before tax was ₹602.83 million in Fiscal 2017 as compared to a combined profit before tax of ₹1,942.92 million in Fiscal 2016.

Combined profit after tax

For the aforementioned reasons, our combined profit after tax was ₹314.32 million in Fiscal 2017 which increased decreased by 74.93% from a combined profit after tax of ₹1,253.63 million in Fiscal 2016.

Liquidity and Capital Resources

As of December 31, 2018 our cash and cash equivalents were ₹2,301.15 million on a consolidated basis. Historically, our sources of liquidity have principally been from cash flows from our operations, including advance payments from customers, and working capital loans from banks and related parties. Our cash requirements have mainly been for working capital. We expect that cash flow from operations will continue to be our principal source of cash in the long-term. We believe that our current cash and cash equivalents and cash flow from operations will be sufficient to meet our anticipated regular working capital requirements and our needs for capital expenditures, for the next 12 months. We may, however, require additional cash resources due to changing

business conditions or other future developments, including any investments or acquisitions we may decide to pursue.

As of December 31, 2018, our current assets primarily comprised of trade receivables from customers under our EPC contracts; advance payments made to suppliers of modules, inverters, transformers, trackers and other equipment for our EPC operations; and receivables that are unbilled and will be billed in the next billing cycle to our customers. Our current liabilities primarily comprised of advance payments from customers under our EPC contracts and trade payables. We are able to operate with low working capital requirements as our EPC contracts are typically of short duration and we receive advance payments from our EPC customers under the EPC contracts. The following table presents a summary of the components of our working capital for the periods indicated:

	As of and for the period ended March 31,			As of and for the nine months ended December 31,	
	2016	2017	2018*	2017	2018
	SWPL – Solar EPC Division (Prior to Demerger)			Sterling and Wilson Solar Limited (Post-Demerger)	
	<i>In ₹ million unless otherwise indicated</i>				
India					
Receivables.....	3,799.05	6,936.34	9,865.70	8,483.91	10,627.03
Advance to Vendors.....	124.12	403.99	2,704.49	273.45	55.27
Inventories.....	13.34	149.24	185.56	37.11	93.65
Total Assets.....	3,936.51	7,489.57	12,755.75	8,794.47	10,775.95
Trade Payables.....	3,321.28	4,127.22	9,181.08	12,329.15	6,385.69
Advance from customers.....	636.00	1,780.05	1,586.71	2,917.98	718.44
Total Liabilities.....	3,957.28	5,907.27	10,767.79	15,247.13	7,104.14
Net Working Capital.....	(20.77)	1,582.30	1,987.96	(6,452.66)	3,671.81
Outside India					
Receivables.....	1,155.29	606.17	21,698.75	15,342.47	9,552.06
Advance to Vendors.....	18.11	0.28	2,386.93	214.89	2,485.49
Inventories.....	-	-	-	-	48.22
Total Assets.....	1,173.40	606.45	24,085.68	15,557.36	12,085.77
Trade Payables.....	3,417.19	498.76	28,216.86	12,458.33	10,299.17
Advance from customers.....	134.62	29.71	5,346.95	7,511.04	4,944.45
Total Liabilities.....	3,551.81	528.47	33,563.81	19,969.37	15,243.61
Net Working Capital.....	(2,378.41)	77.98	(9,478.13)	(4,412.01)	(3,157.84)
Total					
Receivables.....	4,954.34	7,542.51	31,564.45	23,826.38	20,179.09
Advance to Vendors.....	142.23	404.27	5,091.42	488.34	2,540.76
Inventories.....	13.34	149.24	185.56	37.11	141.87
Total Assets.....	5,109.91	8,096.02	36,841.43	24,351.83	22,861.72
Trade Payables.....	6,738.47	4,625.98	37,397.94	24,787.48	16,684.86
Advance from customers.....	770.62	1,809.76	6,933.66	10,429.03	5,662.89
Total Liabilities.....	7,509.09	6,435.74	44,331.60	35,216.51	22,347.75
Net Working Capital.....	(2,399.18)	1,660.28	(7,490.17)	(10,864.68)	513.97

* For the period from March 9, 2017 to March 31, 2018.

As of December 31, 2018, our current borrowings outstanding was ₹18,380.22 million. Our current borrowings consisted of buyers' credit and trust receipts of ₹2,075.81 million and working capital loans from banks of ₹11,228.07 million. It also included working capital loans from others of ₹2,500 million and commercial papers of ₹2,500.00 million. Our borrowings as of March 31, 2018 consisted of buyer's credit of ₹1,841.35 million. Our loans to related parties was ₹17,149.59 million as of December 31, 2018 which were given in connection with the demerger. See "Financial Indebtedness" on page 402 of this Draft Red Herring Prospectus for more information on our indebtedness and maturity profile. Also see "Summary of the Offer Document - Summary of Related Party Transactions" on page 25 of this Draft Red Herring Prospectus for more information on these arrangements with our related parties.

Cash Flow

The following table sets out a summary of our Statement of Cash Flows for the periods indicated:

	For the Year Ended March 31,			For the Nine Months Ended December 31,	
	2016	2017	2018*	2017	2018
	(₹ in million)				
	SWPL – Solar EPC Division (Prior to Demerger)		Sterling and Wilson Solar Limited (Post-Demerger)		
Net cash flows generated from/(used in) operating activities	598.21	(3,186.38)	2,510.58	3,323.54	(7,671.20)
Net cash flows generated from/ (used in) investing activities	(47.33)	(20.59)	(187.42)	14.11	(7,075.49)
Net cash flows generated from/(used in) financing activities	(548.78)	3,242.66	(1,409.72)	(3,025.82)	16,046.10
Cash and cash equivalents at the end of the period	2.10	37.64	954.66	351.92	2,301.15

* For the period from March 9, 2017 to March 31, 2018.

Net cash generated from/(used in) operating activities

Our net cash flows used in operating activities was ₹7,671.20 million and our operating profit before working capital changes was ₹3,712.97 million in the nine months ended December 31, 2018. Our net changes in working capital in the nine months ended December 31, 2018 primarily included a decrease in trade payables, other current liabilities and provisions of ₹21,837.44 million primarily due to a decrease in advance payments from our customers, which was partially offset by a decrease in other current assets of ₹7,788.36 million primarily due to a decrease in unbilled receivables and advance to suppliers; and a decrease in trade receivables of ₹4,057.68 million primarily due to unbilled revenue for the Abu Dhabi and Morocco solar power projects was billed and collected in the nine months ended December 31, 2018. This decrease in other current assets was partially off-set by an increase in the balance with government authorities for certain tax input credits in India and outside India.

Our net cash flows generated from operating activities was ₹3,323.54 million and our operating profit before working capital changes was ₹2,333.02 million in the nine months ended December 31, 2017. Our net changes in working capital in the nine months ended December 31, 2017 primarily included an increase in trade payables, other current liabilities and provisions of ₹28,877.59 million as the advance payments from customers. This increase was offset by an increase in other current financial assets of ₹11,352.20 million which included receivables from related parties in connection with Demerger; an increase in current assets of ₹10,304.71 million which primarily included an increase in unbilled receivables and advance payments made to suppliers; and an increase trade receivables of ₹6,035.34 million which primarily included an increase in milestone payments from our customers under our EPC contracts as we progressed with the construction of solar power plants.

Our net cash flows generated from operating activities was ₹2,510.58 million and our operating profit before working capital changes was ₹5,562.20 million in Fiscal 2018. Our net changes in working capital in Fiscal 2018 primarily included an increase in trade payables, other current liabilities and provisions of ₹35,846.70 million which primarily included an increase payments made or due to suppliers projects. This increase was offset by an increase in current financial assets of ₹22,553.54 million which included receivable from related parties in connection with Demerger; an increase in trade receivables of ₹10,337.15 million which primarily included an increase in milestone payments from our customers under our EPC contracts as we progressed with the construction of solar power plants, and other current assets of ₹5,136.19 million which primarily included an increase in unbilled receivables and advance payments made to suppliers in Fiscal 2018.

Our net cash flows used in operating activities was ₹3,186.38 million and our operating profit before working capital changes was ₹737.29 million in Fiscal 2017. Our net changes in working capital in Fiscal 2017 primarily included an increase in trade receivables of ₹2,010.49 million from our customers under of EPC contracts, mostly for our projects in India, as we progressed with the construction of the solar power project and an increase in other

current financial assets of ₹541.42 million due to advance payments made to suppliers for our operations. This increase was partially offset by a decrease in trade payables, other current liabilities and provisions of ₹850.87 million due to a decrease in the solar power plants constructed in Fiscal 2017 in South Africa and Philippines compared to Fiscal 2016, which consequently reduced the advances received from customers and payments made to suppliers.

Our net cash flows from operating activities was ₹598.21 million and our operating profit before working capital changes was ₹1,957.53 million in Fiscal 2016. Our net changes in working capital in Fiscal 2016 primarily included an increase in trade payables, other current liabilities and provisions of ₹6,190.30 million which included an increase in advances from our customers and payments made to suppliers as we progressed with the construction of solar power plants. This increase was offset by an increase in other current financial assets of ₹4,119.96 million which included receivable from related parties in connection with Demerger and an increase in trade receivables of ₹3,447.88 million which primarily included an increase in milestone payments under our EPC contracts from our customers as we progressed with the construction of solar power plants.

Net cash generated from/(used in) investing activities

Our net cash flow used in investing activities was ₹7,075.49 million in the nine months ended December 31, 2018, which primarily included loans given to related parties of ₹10,217.15 million, which was partially offset by loans repaid by related parties of ₹3,366.32 million.

Our net cash flow generated from investing activities was ₹14.11 million in the nine months ended December 31, 2017, which primarily included purchase of property, plant and equipment and intangible assets of ₹141.59 million, which was offset by interest received of ₹88.18 million and redemption of fixed deposits of ₹ 67.13 million.

Our net cash flow used in investing activities was ₹187.42 million in Fiscal 2018, which primarily included purchase of property, plant and equipment and intangible assets of ₹181.14 million.

Net cash used in investing activities was ₹20.59 million for Fiscal 2017, which primarily included the purchase of property, plant and equipment of ₹33.92 million, which was partially offset by interest received of ₹11.12 million.

Net cash used in investing activities was ₹47.33 million in Fiscal 2016 which primarily included the purchase of property, plant and equipment of ₹64.79 million, which was partially offset by interest received of ₹26.87 million.

Net cash generated from/(used in) financing activities

Our net cash flow generated from financing activities was ₹16,046.10 million in the nine months ended December 31, 2018 which primarily included proceeds from secured and unsecured working capital loan, trust receipts and commercial paper amounting to ₹16,888.87 million. There was repayment of secured short-term borrowings of ₹350.00 million.

Our net cash flow used in financing activities was ₹3,025.82 million in the nine months ended December 31, 2017 which primarily included repayment of secured short-term borrowings of ₹2,934.78 million.

Our net cash flow used in financing activities in Fiscal 2018 was ₹1,409.72 million, which primarily includes repayment of unsecured short-term borrowings of ₹1309.90 million.

Our net cash flow generated from financing activities in Fiscal 2017 was ₹3,242.66 million, which primarily included cash generated from availing secured loans of ₹3,273.76 million, which was partially offset by finance costs paid of ₹28.03 million.

Our net cash flow used in financing activities in Fiscal 2016 was ₹548.78 million, which primarily included repayment of loans of ₹542.47 million.

Capital and Other Commitments

As of December 31, 2018, our estimated amount of contracts remaining to be executed on capital account and not provided for was Nil. The following table sets forth a summary of the maturity profile of our contractual obligations as of December 31, 2018.

Other contractual obligations	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
		Sterling and Wilson Solar Limited (₹ in millions)			
Long-term borrowings	0.02	-	-	-	0.02
Capital (finance) lease obligations	-	-	-	-	-
Operating lease obligations	105.42	52.40	53.02	-	-
Purchase obligations	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Total	105.44	52.40	53.02	-	0.02

Contingent Liabilities and Commitments

We do not have contingent liabilities or commitments as of December 31, 2018.

Off-Balance Sheet Commitments and Arrangements

We do not have any outstanding off-balance sheet derivative financial instruments or guarantees.

Quantitative and Qualitative Analysis of Market Risks

Our activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Our overall risk management program focuses on identifying and analyzing the risks faced by us, to set appropriate risk limits and to monitor risks and adherence to limits. We review our risk management policies and procedures, and the adequacy of our risk management systems regularly.

Market Risk

We are exposed to market risk with respect to the 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. We further segregate market risk as (i) currency risk and (ii) interest rate risk.

Currency risk

We face exchange rate risk because certain of our obligations are denominated in foreign currencies, while our functional currency is the Indian rupee. We maintain risk management systems such as a hedging program for hedging foreign currency exposure in connection with our international operations. We use foreign currency forward contracts to hedge changes in future cash flows as a result of foreign currency and interest rate risks arising from the sale and purchase of goods and services and from the incurrence of debt. A 5% change in the value of foreign currencies with respect to the Indian rupee would result in an increase or decrease in profit or loss as shown in table below:

Effect in Indian Rupee million	For the Year Ended March 31,				For the Nine Months Ended December 31,					
	2016		2017		2018		2017		2018	
	SWPL – Solar EPC Division (Prior to Demerger)				Profit or Loss Sterling and Wilson Solar Limited (Post-Demerger)					
	Strengthen	Weaken	Strengthen	Weaken	Strengthen	Weakening	Strengthen	Weaken	Strengthen	Weaken
US dollar	17.30	(17.30)	(21.41)	21.41	(275.59)	275.59	268.49	(268.49)	298.50	(298.50)
Euro	-	-	(0.01)	0.01	(0.02)	0.02	(0.01)	0.01	(5.31)	5.31
Jordanian Dinar	-	-	-	-	-	-	-	-	(3.25)	3.25
Emeriti Dirham	-	-	-	-	-	-	-	-	(0.03)	0.03
Philippine Peso	-	-	-	-	(1.67)	1.67	0.57	(0.57)	0.10	(0.10)

Interest rate risk

We are subject to interest rate risk, primarily because of interest rate changes to our security deposits, loans given and borrowings from financial institutions. As of December 31, 2018, 79.18% of our indebtedness consisted of floating rate indebtedness. Our fixed rate borrowing and fixed rate bank deposits are carried at amortized cost, they are therefore not subject to interest rate risks. A change of 100 basis points in the interest rate applicable to our borrowings would result in an increase or decrease in profit or loss which is shown in the table below:

Effect in Indian Rupee million	For the Year Ended March 31,				For the Nine Months Ended December 31,					
	2016		2017		2018		2017		2018	
	SWPL – Solar EPC Division (Prior to Demerger)				Profit or Loss					
	100 bp		100 bp		100 bp		100 bp		100 bp	
	increase	decrease	increase	decrease	increase	decrease	increase	decrease	increase	decrease
Variable-rate instruments.....	-	-	-	-	-	-	-	-	(145.54)	145.54
Cash flow sensitivity	-	-	-	-	-	-	-	-	(145.54)	145.54

Credit Risk

We are subject to credit risks if our customers or other counterparties fail to meet their contractual commitments to us. Our credit risk is primarily influenced by the geography in which we operate, the market conditions and the terms of the contract. We typically manage our credit risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of our counterparties. We provide for allowances and doubtful debts and impairments that represent our estimates of trade receivables and trade payables.

Liquidity Risk

Our liquidity risk relates to our inability to meet our contractual obligations associated with our financial liabilities that are settled by delivering cash or another financial asset as they fall due. We manage the liquidity risk taking advances from our customers and by having sufficient liquidity to meet our liabilities when they become due, under both normal and stressed conditions, without incurring losses or risking damage to our reputation.

We are exposed to liquidity risk from our operating activities (primarily for trade and other receivables) and from our financing activities, including short-term deposits with banks, and other financial assets. We are exposed to liquidity risk from a limited customer group because of the specialized nature of our business. We manage our customer credit risk through our established policies, procedures and control relating to customer credit risk management. We have adopted a policy of dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. We typically engage projects outside India that achieve financial closure before we begin our EPC operations. In addition, our EPC contracts are generally for a fixed amount and typically provide an advance payment at execution of the contract, with remaining payments to accompany the specified milestones, including supply of equipment at site.

Seasonality

Seasonality does not have a material impact on our operations.

Known Trends or Uncertainties

Other than as described in the sections “Risk Factors” starting on page 28 of this Draft Red Herring Prospectus and this “Management’s Discussion and Analysis of Factors affecting the Financial Condition, Results of Operations”, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Accounting Pronouncements That Became Effective in the Current Year

There are no accounting pronouncements that became effective in the current year that have an impact on our operations.

Significant Developments after December 31, 2018

To our knowledge there has been no subsequent development after the date of the Restated Consolidated Summary Financial Information, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (1) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters; (2) actions by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, or Promoters; (3) claims involving our Company, Subsidiaries, Directors, or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); (4) proceeding involving our Company, Subsidiaries, Directors or Promoters (other than proceedings covered under (1) to (3) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below). References to Fiscal 2018 or the Fiscal ended March 31, 2018 in relation to us in this section, shall be deemed to be a reference to the period from March 9, 2017 to March 31, 2018 as disclosed in the Restated Consolidated Summary Financial Information.

In terms of the Materiality Policy, other than outstanding criminal proceedings, statutory or regulatory actions and claims for any direct or indirect tax liabilities mentioned in point (1) to (3) above, all other pending litigation:

A. involving our Company, Subsidiaries and Promoters:

- i. where the aggregate monetary claim made by or against our Company, our Subsidiaries and/or our Promoters (individually or in aggregate), in any such pending litigation proceeding is in excess of (i) five percent of our consolidated total comprehensive income of our Company; or (ii) one percent of our consolidated total income of our Company, whichever is lower, in the most recently completed Fiscal as per the Restated Consolidated Summary Financial Information.*

The consolidated total comprehensive income of our Company for Fiscal 2018 as per the Restated Consolidated Summary Financial Information was ₹4,522.33 million while the consolidated total income of our Company for Fiscal 2018 was ₹ 68,844.20 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company, Subsidiaries and/or our Promoters (individually or in aggregate), in any such pending litigation proceeding is in excess of ₹ 226.12 million (being five per cent of our total comprehensive income in Fiscal 2018 as per the Restated Consolidated Summary Financial Information); and

- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered “material” and accordingly have been disclosed in this Draft Red Herring Prospectus.*

B. involving our Directors, the outcome of which could have a material adverse effect on the position, business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, shall be considered “material” and accordingly have been disclosed in this Draft Red Herring Prospectus.

Further, except as disclosed in this section, there are no (i) disciplinary action taken against any of our Promoters by SEBI or any Stock Exchange in the five Fiscals preceding the date of this Draft Red Herring Prospectus; and (ii) any litigation involving any Group Company which may have a material impact on our Company;

Further, in accordance with the Materiality Policy, our Company considers such creditors ‘material’ to whom the amount due exceeds five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Summary Financial Information. The consolidated trade payable of our Company as on December 31, 2018 was ₹16,684.86 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 834.24 million as on December 31, 2018.

For the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Directors, Group Companies or Promoters from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that the Company, or such Subsidiary, Director, Group Company or Promoter, as the case may be, is impleaded as a defendant in litigation before any judicial/arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation involving our Company

I. Litigation initiated against our Company

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Company.

(b) Actions by regulatory or statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Company.

(c) Other pending proceedings

Except as mentioned below, as on the date of this Draft Red Herring Prospectus there are no other proceedings pending against our Company, which have been considered material by our Company in accordance with the Materiality Policy:

Hanwha Q Cells Korea Corporation (the “**Claimant**”) filed a notice of arbitration on September 7, 2018 (“**Notice**”) before the Registrar of Singapore International Arbitration Centre (“**SIAC**”) under Rule 3 of the Arbitration Rules of SIAC against Sterling Wilson Private Limited (“**SWPL**”) alleging that SWPL failed to achieve substantial completion of the work within the stipulated timeline set out in the offshore subcontract dated July 3, 2015, entered between the Claimant and SWPL for designing, engineering, procurement and transport works for a solar power plant in Philippines (the “**Project**”, and the contract the “**Offshore Subcontract**”) owned by Enfinity Philippines Renewable Resources Fourth Inc. (the “**Owner**”). The Claimant claimed liquidated damages of US\$3,159,038.90 along with interest based on the Offshore Subcontract or alternatively on the coordination agreement dated July 3, 2015 entered between Meralco Industrial Engineering Services Corporation (“**MIESCOR**”), Sterling and Wilson Philippines Branch (“**SWP**”), SWPL and the Claimant (the “**Coordination Agreement**”). SWPL filed a response dated September 27, 2018 to the Notice challenging the jurisdiction of any tribunal to be set up pursuant to the Notice. Further, should the Notice not be dismissed for lack of jurisdiction, SWPL challenged *inter alia* the claim made against it under the Offshore Subcontract and requested that the Claimant be directed to pay US\$ 947,212.00 along with interest towards outstanding amounts to it. Further on October 19, 2018, SWPL filed additional comments on the jurisdictional objections.

However, the Registrar of the SIAC directed the arbitral tribunal to be constituted. Accordingly, the Registry of the SIAC initiated the process for the appointments of the arbitrators pursuant to its letter dated November 14, 2018. A three member arbitral tribunal was accordingly constituted (the “**Tribunal**”) and pursuant to its procedural order dated March 8, 2019, the Arbitral Tribunal set out timelines to be adhered by each party. In accordance with such timelines the Claimant is required to file its statement of claim by April 19, 2019. The matter is currently pending.

(d) Claims related to direct and indirect taxes (in a consolidated manner)

Sr. No.	Type of tax	No. of Cases	Amount demanded/ in dispute (in ₹million) *
1.	Direct tax	1	2.22
2.	Indirect tax	5	8.08
	Total	6	10.30

* Based on the exchange rate of the Philippine Peso (“**PHP**”) to ₹ as on December 31, 2018 rounded off to two decimal places (1 PHP = ₹1.32) (source: www.oanda.com).

II. Litigation initiated by our Company

(a) Criminal proceedings

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Company:

Our Company has filed two separate criminal complaints in relation to dishonor of cheques under Section 138 of the Negotiable Instruments Act, 1881. The aggregate amount involved in these matters is ₹6.00 million. These matters are currently pending.

(b) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated by our Company, which have been considered material by our Company in accordance with the Materiality Policy.

B. Litigation involving our Subsidiaries

I. *Litigation initiated against our Subsidiaries*

(a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Subsidiaries.

(b) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiaries.

(c) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other proceedings pending against our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

(d) *Claims related to direct and indirect taxes*

There are no pending claims related to direct and indirect taxes against any of our Subsidiaries as on the date of this Draft Red Herring Prospectus.

II. *Litigation initiated by our Subsidiaries*

(a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Subsidiaries.

(b) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated by our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

C. Litigation involving our Promoters

I. *Litigation initiated against our Promoters*

(a) *Criminal proceedings*

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Promoters:

SPCPL

A first information report (the “**Complaint**”) was filed by Hinaben (the “**Complainant**”) with the Vadodara Rural Police Station (the “**Police Station**”) against certain companies including SPCPL (collectively the “**Accused Companies**”). The Complainant alleged that the Accused Companies, including SPCPL, were guilty of the abatement of the suicide of her husband for non-payment of dues by the Accused Companies for his work at a project as a contractor/ sub-contractor. SPCPL has refuted the allegations made under the Complaint and filed a petition (the “**Petition**”) for quashing the Complaint with the High Court of Gujarat (the “**High Court**”). The High Court has admitted the Petition and granted interim relief to SPCPL in relation to the Complaint. The matter is currently pending.

(b) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against any of our Promoters:

(c) *Claims related to direct and indirect taxes*

Sr. No.	Nature of tax	No. of Cases	Amount demanded/ in dispute* (in ₹million)
1.	Direct tax	6	275.73
2.	Indirect tax	30	3,185.61
	Total	36	3,461.34

*To the extent quantified.

(d) *Other pending proceedings*

Except as mentioned below, as on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated against any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy:

The Office of The Commissioner of Central Goods and Services Tax & Central Excise, Raigad (the “**Raigad Commissioner**”) has initiated investigation, in February 2019 against SPCPL in relation to material supplied by Moksha Alloy Private Limited, Latisha Sales Agencies Private Ltd and few other parties. The search was carried out at certain offices and various project sites of SPCPL in Mumbai, under section 67 of the Central Goods and Services Act, 2017 and certain documents were seized. SPCPL has under protest, reversed input tax credit of ₹159.35 million claimed in the State of Andhra Pradesh and ₹5.59 million in the state of Maharashtra against GST Invoices of Moksha Alloys Private Limited and M/s. Latisha Agencies Private Limited in February 2019. Further, SPCPL has under protest, reversed input tax credit of ₹41.23 million claimed in the State of Andhra Pradesh against GST Invoices of Janus Corporation Private Limited on March 29, 2019. The Investigation initiated by the Raigad Commissioner is currently ongoing. The matter is currently pending.

(e) *Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange*

No disciplinary action has been taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

II. *Litigation initiated by our Promoters*

(a) *Criminal proceedings*

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Promoters:

SPCPL

SPCPL filed one criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 in relation to the dishonor of 10 cheques of ₹10 million each, issued by Bhasin Inftotech and Infrastructure

Private Limited in favour of SPCPL. The amount involved in this matter is ₹100 million. The matter is currently pending.

(b) Other pending proceedings

Except as mentioned below, there are no other pending proceedings initiated by any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy as on the date of this Draft Red Herring Prospectus.

1. SPCPL initiated arbitration proceedings against the Central Public Works Department, Government of India (the “**Employer**”) before a sole arbitrator (the “**Arbitrator**”). SPCPL had been engaged by the Employer for the upgradation, renovation and new construction of a stadium. SPCPL alleged that the Employer had breached the documentation executed between SPCPL and the Employer and made a claim ₹1,230 million against the Employer citing *inter alia* quantity variations, extra works, reimbursement of service tax and wrongful recoveries by the Employer. The Employer refuted SPCPL’s claims and alleging excessive payments, arbitration fees and administrative expenses, filed a counter-claim aggregating of ₹23.30 million. The matter is currently pending.
2. SPCPL initiated arbitration proceedings against Reward Real Company Private Limited (the “Employer”) before a sole arbitrator (the “**Arbitrator**”). SPCPL had been engaged by the Employer for the construction of a mall in Nagpur. SPCPL alleged that the Employer had *inter alia* failed to make payments to SPCPL in accordance with the documentation executed between SPCPL and the Employer and associated delay damages and accordingly made a claim of ₹669.10 million against the Employer. The matter is currently pending.
3. SPCPL filed an application before the High Court of Delhi (“**High Court**”) for interim relief against Bhasin Infotech and Infrastructure Private Limited (the “**Employer**”) alleging that the Employer had *inter alia* failed to make the payments due to SPCPL in accordance with the documentation executed between SCPL and the Employer resulting in financing costs on SPCPL. SPCPL had been engaged by the Employer for the construction of a mall in Noida. The High Court passed an interim order dated April 6, 2014 directing the Employer to provide security by way of creating a first charge on a specified area of the mall in favour our SPCPL. Subsequently, SPCPL initiated arbitration proceedings against the Employer before a sole arbitrator (the “**Arbitrator**”) claiming an amount aggregating to ₹1,202.40 million. The Employer filed a counter-claim against SPCPL aggregating to ₹4,629.30 alleging *inter alia* delayed completion of work and rectification of defects by SPCPL and the associated interest on financing costs. The matter is currently pending.
4. SPCPL initiated arbitration proceedings against Sravanthi Infratech Private Limited (the “**Employer**”) before a panel of three arbitrators (the “**Arbitrators**”). SPCPL had been engaged by the Employer for undertaking certain civil works with respect to a power plant in Kashipur. SPCPL alleged that the Employer had *inter alia* failed to make payments to SPCPL in accordance with the documentation executed between the SPCPL and Employer and made a claim aggregating to ₹282.00 million. The matter is currently pending.
5. SPCPL initiated arbitration proceedings against Korba West Power Company Limited (the “**Employer**”) before a sole arbitrator (the “**Arbitrator**”). SPCPL had been engaged by the Employer for site levelling and infrastructure works with respect to a power plant in Chhattisgarh. SPCPL alleged that the Employer had *inter alia* failed to make payments to SPCPL in accordance with the documentation executed between SPCPL and the Employer and made a claim aggregating to ₹294.40 million. The Employer filed a counter-claim against the Employer alleging *inter alia* defects and incomplete work by SPCPL and made a claim of ₹321.80 million. The matter is currently pending.
6. SPCPL initiated arbitration proceedings against Bhavnagar Energy Company Limited (the “**Employer**”) before a panel of three arbitrators (the “**Arbitrators**”). SPCPL had been engaged by the Employer for undertaking piling and civil general civil works with respect to a power plant in Gujarat. SPCPL alleged *inter* that there were errors in the certification, the Employer had failed to make payments in accordance with the documentation executed between the SPCPL and that SPCPL was entitled to reimbursement of certain taxes, interest and cess. SPCPL made an aggregate claim of ₹2,853.50 million against the Employer. Meanwhile, the Employer made a counter-claim

aggregating to ₹16,027.80 million against SPCPL for *inter alia* recovery of excess money, loss of profit, cost of funds and defects. The matter is currently pending.

7. SPCPL initiated arbitration proceedings against HBN Holmes Colonizers Private Limited (the “Employer”) before an arbitration tribunal (the “**Arbitral Tribunal**”). SPCPL had been engaged by the Employer for the construction of a mall in Punjab. SPCPL alleged *inter alia* that the Employer had wrongfully retained amounts payable to SPCPL and had delayed in making payments due to SPCPL in accordance with the documentation executed between SPCPL and the Employer. SPCPL made a claim aggregating to ₹360.00 million. The Arbitral Tribunal passed an award in favour of SPCPL for an amount of ₹89.00 million. SPCPL has filed an application challenging such award with the Delhi High Court the matter is currently pending.
8. SPCPL initiated arbitration proceedings against Maharashtra Cricket Association (the “**Employer**”) before a sole arbitrator (the “**Arbitrator**”). SPCPL had been engaged by the Employer for the construction of a cricket stadium in Pune. SPCPL alleged *inter alia* that the Employer had failed to make payments to SPCPL in accordance with the documentation executed between SPCPL and the Employer and claimed an amount aggregating to ₹1881.90 million. The matter is currently pending.
9. SPCPL initiated arbitration proceedings against Raheja Developers Limited (the “**Employer**”) before a panel of three arbitrators (the “**Arbitrators**”). SPCPL had been engaged by the Employer for undertaking certain civil works with respect to the construction of a housing complex in New Delhi. SPCPL alleged *inter alia* that the Employer had failed to make payments to SPCPL in accordance with the documentation executed between SPCPL and the Employer and made a claim aggregating to ₹576.80 (excluding arbitration costs). The matter is currently pending.
10. SPCPL filed a suit for specific performance before the High Court of Bombay (“**High Court**”) against Crescent Builders (the “**Defendant**”) on April 21, 2009 (“**Suit**”) for the payment of an amount aggregating ₹ 186.20 million pursuant a memorandum of understanding dated January 8, 1997 between SPCPL and the Defendant in connection with construction of land owned by MCGM. (“**MoU**”). The Defendant terminated the MoU with SPCPL on January 12, 2010 and appointed another contractor for construction. SPCPL vide the Suit also challenged the termination of the MoU. On June 18, 2013, the High Court passed an interim order (“**Interim Order**”) in favour of SPCPL and appointed a court receiver (“**Receiver**”) to take possession of the buildings, allowed SPCPL to continue construction, obtain an occupation certificate and recover the balance amounts receivable for the flats sold by the Defendants from the individual buyers and pay capitalised value to the Municipal Corporation of Greater Mumbai. The Defendant filed an appeal against the Interim Order before the High Court subsequent to which the parties agreed to settle the matter. Consent terms were filed under which the suit was decreed in favour of SPCPL for ₹ 1,070 million (“**Decretal Amount**”) and the Defendant was directed to pay a sum to MCGM as capitalised value. Thereafter, the Defendant defaulted in payment of the Decretal Amount and SPCPL was appointed as an agent of the Receiver and was allowed to continue construction. Pursuant to an order of the High Court dated January 22, 2015, the Receiver sold the flats to recover the amounts pending payment pursuant to the consent terms. Since the amount of sale consideration was insufficient to pay all pending liabilities, the Receiver is in the process of undertaking sale of further flats.

D. Litigation involving our Directors

I. Litigation initiated against our Directors

(a) Criminal proceedings

As on date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against any of our Directors.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending action initiated by any statutory or regulatory authority against any of our Directors.

(c) Claims related to direct and indirect taxes

As on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes against any of our Directors.

(d) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated against any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

II. Litigation initiated by our Directors

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(b) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

E. Litigation involving our Group Companies

There is no pending litigation involving any Group Company which may have a material impact on our Company.

F. Outstanding dues to creditors

In terms of the Materiality Policy, our Board considers such creditors ‘material’ to whom the amount due exceeds 5% of the consolidated trade payables as per the Restated Consolidated Summary Financial Information of our Company, *i.e.* ₹ 834.24 million, as of December 31, 2018 (“**Material Creditors**”).

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises, Material Creditors and other creditors as on December 31, 2018 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises	17	35.57
Dues to Material Creditor(s)	1	917.04
Dues to other creditors	1,134*	15,732.25
Total	1,152*	16,684.86

*excludes provisions and acceptances

For details of outstanding dues to the Material Creditor (referenced above) as on December 31, 2018, see www.sterlingandwilsonsolar.com/investorrelations/corporategovernance.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business activities and operations of our Company or our Material Subsidiaries. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “Regulations and Policies” beginning on page 136.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

For the approvals and authorisations obtained by our Company and the Promoter Selling Shareholders in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 440.

I. Tax related approvals of our Company and Sterling Wilson – SPCPL – Chint Moroccan Venture (our Indian Material Subsidiary)

- (i) Permanent Account Number issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
- (ii) Tax deduction account number issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
- (iii) Identification numbers issued under the Goods and Service Tax Act, 2017 by the Government of India and State Governments for GST payments, as applicable.
- (iv) Import-export code issued under the Foreign Trade (Development and Regulation) Act, 1992.

II. Business related key approvals of our Company

For carrying out our present business activities which include providing EPC services for solar power projects, operations and maintenance of solar power plants as well as under rooftop contracts, we are required to obtain consents, licenses, registrations, permissions and approvals which include, registration of contract labour employed at our project sites, registration under the Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996, registration of employees under the Employees State Insurance Act, 1948 and provident fund issued by the Employees’ Provident Fund Organisation under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, certificate of registration under the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979, approvals under the Electricity Act, 2003 read with the applicable rules.

We obtain these licenses from time to time based on the requirements under the EPC contracts for a particular project undertaken by us. These approvals may vary based on factors such as the legal requirement in the state in which the project is being undertaken, the size of the projects undertaken and the type of the project. Further, as the obligation to obtain such approvals arises at various stages in our projects, applications for approvals are filed and the necessary approvals are obtained at the appropriate stage.

III. Pending key approvals

The following are the material approvals in relation to our key projects which our Company or Material Subsidiaries has applied for and are pending:

Sr. No.	Nature of approval	Authority applied to
1.	Application dated December 7, 2018 for transfer of Unique Identification Number allotted by RBI from SWPL to our Company in connection with Sterling and Wilson (Thailand) Limited	Authorised Dealer

Sr. No.	Nature of approval	Authority applied to
2.	Application by our Subsidiary, Sterling and Wilson Engineering (Pty) Limited for registration with the Construction Industry Development Board, South Africa as a contractor to undertake public sector infrastructure delivery projects	Construction Industry Development Board, South Africa
3.	Application dated March 10, 2019 for inspection of electrical installation with respect to a project	Central Electricity Authority

IV. Key approvals required but not applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals in relation to our business and our key projects which are required but are not applied for.

V. Intellectual Property

Our Company has been permitted to use the trademarks and brands of SWPL without any consideration in accordance with the Framework Agreement. Further, our Company and SW FZCO have been permitted to use certain intellectual property, copyrights and intellectual property of SPCPL in accordance with the terms of the Brand Sharing Agreement and the SW FZCO Brand Sharing Agreement respectively.

For further details see “*History and Certain Corporate Matters- Other material agreements*” on page 146.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has taken on record the approval for the Offer of the Equity Shares by the Promoter Selling Shareholders and approved the Offer pursuant to its resolution dated April 1, 2019. Further, the Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated April 1, 2019 along with the resolution of the IPO committee dated April 15, 2019.

SPCPL has consented to participate in the Offer pursuant to a resolution of its board of directors dated February 25, 2019 and, pursuant to a consent letter dated April 1, 2019. Khurshed Yazdi Daruvala has consented to participate in the Offer pursuant to a consent letter dated April 1, 2019.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter Selling Shareholders, our Directors, the members of the Promoter Group and the persons in control of our Company have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter Selling Shareholders and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable.

Directors associated with the Securities Market

Except Keki Manchershya Elavia who is a director of Tata Asset Management Limited, none of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is undertaking the Offer in accordance with the Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.

We are an unlisted company not complying with the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed of Regulation 6(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Net Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable law.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, our Promoter Selling Shareholders, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) None of our Company, our Promoters or Directors is a wilful defaulter.
- (d) None of our Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).
- (e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Promoter Selling Shareholders confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE GCBRLMS, ICICI SECURITIES LIMITED, AXIS CAPITAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, DEUTSCHE EQUITIES INDIA PRIVATE LIMITED, IIFL HOLDINGS LIMITED AND SBI CAPITAL MARKETS LIMITED AND THE BRLMS YES SECURITIES (INDIA) LIMITED AND INDUSIND BANK LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE GCBRLMS AND BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE GCBRLMS AND BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 15, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE GCBRLMS AND BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Promoter Selling Shareholders and the GCBRLMs and BRLMs

Our Company, the Directors, the Promoter Selling Shareholders and the GCBRLMs and BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.sterlingandwilsonsolar.com, would be doing so at his or her own risk.

The GCBRLMs and BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Promoter Selling Shareholders and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholders and the GCBRLMs and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The GCBRLMs and BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration

requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of the Red Herring Prospectus and the purchase of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Promoter Selling Shareholders and the GCBRLMs and BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
- (4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;
- (6) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
- (7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A under the U.S. Securities Act restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:
THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR

OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares; and
- (10) the purchaser acknowledges that the Company, the Promoter Selling Shareholders, the GCBRLMs and BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of the Red Herring Prospectus and the purchase of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Promoter Selling Shareholders and the GCBRLMs and BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer of such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the

States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the purchaser acknowledges that the Company, the Promoter Selling Shareholders, the GCBRLMs and BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

Consents

Consents in writing of the Promoter Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Legal Counsel to our Company and Promoter Selling Shareholders as to Indian Law, Legal Counsel to the GCBRLMs and BRLMs as to Indian Law, International Legal Counsel to our Company, International Legal Counsel to the GCBRLMs and BRLMS, Bankers to our Company, the GCBRLMs and BRLMs, the Registrar to the Offer, CRISIL Research and IHS Markit have been obtained; and consents in writing of the Syndicate Members and the Banker(s) to the Offer to act in their respective capacities, will be obtained and

filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the: (a) Restated Consolidated Summary Financial Information and their examination report dated April 1, 2019 on the Restated Consolidated Summary Financial Information, (b) the Carved Out Combined Financial Statements and their audit report dated April 1, 2019 on the Carved Out Combined Financial Statements; and (c) the certificate on statement of possible special tax benefits dated April 12, 2019, included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act."

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues since incorporation.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in since incorporation.

Capital issue during the previous three years by our Company and the listed Group Companies and Subsidiaries of our Company

None of the securities of any of our Subsidiaries or Group Companies are listed on any stock exchange. For details in relation to the capital issuances by our Company since incorporation, see "*Capital Structure-Notes to the Capital Structure*" at page 75.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries/Promoters of our Company

Neither SPCPL, our corporate Promoter, nor any of our Subsidiaries have securities listed on any stock exchange.

Price information of past issues handled by the GCBRLMs and BRLMs

A. ICICI Securities Limited

1. Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Matrimony.Com Limited	4,974.79	985.00 ⁽¹⁾	September 21, 2017	985.00	-12.28%, [+0.62%]	-7.64%, [+3.37%]	-16.55%, [-0.27%]
2	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	+15.36%, [+4.06%]
3	SBI Life Insurance Company Limited	83,887.29	700.00 ⁽²⁾	October 3, 2017	735.00	-7.56%, [+5.89%]	-0.07%, [+5.84%]	-2.30%, [+3.57%]
4	Newgen Software Technologies Limited	4,246.20	245.00	January 29, 2018	254.10	-0.20%, [-5.18%]	+2.51%, [-3.51%]	-2.00%, [+1.33%]
5	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%, [+1.33%]	-14.68%, [+7.66%]
6	Aster DM Healthcare Limited	9,801.40	190.00	February 26, 2018	183.00	-13.66%, [-3.77%]	-5.39%, [+1.00%]	-8.16%, [+9.21%]
7	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%, [+4.96%]	+15.41%, [+4.36%]	-4.20%, [+7.04%]
8	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%, [+1.17%]	+29.60%, [-7.58%]	+23.78%, [-4.33%]
9	Creditaccess Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.16%, [-3.80%]	-14.90%, [-8.00%]	-5.71%, [-8.13%]
10	Aavas Financiers Ltd	16,403.17	821.00	October 8, 2018	750.00	-19.32%, [+1.76%]	+2.39%, [+4.09%]	+38.82%, [+12.74%]

(1) Discount of Rs. 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 985.00 per equity share.

(2) Discount of Rs. 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 700.00 per equity share.

Notes:

a. All data sourced from www.nseindia.com

b. Benchmark index considered is NIFTY

c. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	5	1	2	1

* The information is as on the date of this Draft Red Herring Prospectus.

B. Axis Capital Limited

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ million)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Chalet Hotels Limited	16,411.80	280.00	February 7, 2019	294.00	+1.14%, [-0.31%]	-	-
2	Ircon International Limited	4,667.03	475.00*	September 28, 2018	412.00	-27.04%, [-8.24%]	-6.60%, [-1.84%]	-15.71%, [+5.06%]
3	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+57.43%, [+1.17%]	+30.61%, [-7.32%]	+23.78%, [-4.33%]
4	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+18.09%, [+5.17%]	+15.95%, [+4.92%]	-4.20%, [+7.04%]
5	Hindustan Aeronautics Limited	41,131.33	1,215.00 [!]	March 28, 2018	1,152.00	-6.96%, [+4.98%]	-25.84%, [+6.41%]	-25.45%, [+10.18%]
6	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81%, [3.79%]	+42.96%, [+6.26%]	+51.89%, [+9.42%]
7	Aster DM Healthcare Limited	9801.00	190.00	February 26, 2018	183.00	-13.66%, [-3.77%]	-4.97%, [+0.21%]	-8.16%, [+9.21%]
8	Khadim India Limited	5,430.57	750.00	November 14, 2017	730.00	-10.40%, [+0.06%]	-6.70%, [+2.63%]	+8.77%, [+6.09%]
9	The New India Assurance Company Limited	18,933.96	800 [§]	November 13, 2017	750.00	-27.91%, [+0.15%]	-12.93%, [+2.25%]	-13.06%, [+5.69%]
10	Mahindra Logistics Limited	8,288.84	429 [^]	November 10, 2017	429.00	+3.12%, [-0.54%]	+9.48%, [+1.50%]	+21.00%, [+3.84%]

Source: www.nseindia.com

* Offer Price was 465.00 per equity share to Retail Individual Bidders and Eligible Employees

[^] Offer Price was ₹ 387.00 per equity share to Eligible Employees

[§] Offer Price was ₹ 770.00 per equity share to Retail Individual Bidders and Eligible Employees

[!] Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019-2020*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-2019	4	54,206.94	-	1	-	1	-	2	-	-	2	-	-	1
2017-2018	18	492,662.22	-	1	9	1	3	4	-	2	7	4	2	3

* The information is as on the date of this Draft Red Herring Prospectus

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. Credit Suisse Securities (India) Private Limited

1. Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Credit Suisse Securities (India) Private Limited

No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	S Chand and Company Limited	7,285.57	670.00	May 9, 2017	700.00	-17.37%, [3.72%]	-25.38%, [8.05%]	-27.92%, [12.19%]
2.	Eris Lifesciences Limited	17,411.63	603.00	June 29, 2017	611.00	0.87%, [5.37%]	-5.69%, [3.87%]	27.19%, [10.40%]
3.	Godrej Agrovet Limited	11,573.12	460.00	October 16, 2017	615.60	14.96%, [-0.43%]	34.95%, [4.40%]	51.09%, [2.44%]
4.	HDFC Standard Life Insurance Company Limited	86,950.00	290.00	November 17, 2017	310.00	31.52%, [0.48%]	48.93%, [2.11%]	74.66%, [5.04%]
5.	Varroc Engineering Limited	19,549.61	967.00	July 6, 2018	1,015.00	1.62%, [5.46%]	-7.29% [0.79%]	-24.01% [1.28%]
6.	CreditAccess Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.16%, [-3.80%]	-14.91% [-8.00%]	-5.88% [-8.13%]
7.	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	NA	NA	NA

Source: www.nseindia.com for the price information and prospectus for issue details

Notes:

- 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading date
- Price information and benchmark index values have been shown only for the designated stock exchange in the above table
- % of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
- NSE is the designated stock exchange for the issue listed in the above table. NIFTY has been used as the benchmark index

2. Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Credit Suisse Securities (India) Private Limited

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30 th calendar day from listing date			No. of IPOs trading at premium as on 30 th calendar day from listing date			No. of IPOs trading at discount as on 180 th calendar day from listing date			No. of IPOs trading at premium as on 180 th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018	4	123,220.32	-	-	1	-	1	2	-	1	-	2	1	-
2018-2019	2	30,861.49	-	-	1	-	-	1	-	-	2	-	-	-
2019-20	1	12,042.90	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- Discount / Premium data not available for current fiscal year FY19-20 for Metropolis Healthcare as 30 days of listing not completed.

D. Deutsche Equities India Private Limited

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Deutsche

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th Calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th Calendar days from listing
1.	General Insurance Corporation of India	112,568.3	912	October 25, 2017	850.00	-12.92% [+0.52%]	-13.95% [+6.52%]	-20.78% [+2.61%]
2.	SBI Life Insurance	83,887.3	700	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [6.81%]	-3.11% [+2.58%]

Source: www.nseindia.com

Notes:

- NIFTY is considered as the benchmark index

- b. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day
- c. In case 30th/ 90th/180th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered

2. Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Deutsche

Financial year	Total no. of IPOs	Total funds raised (₹ in Million)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019-20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017-18	2	196,455.6	-	-	2	-	-	-	-	-	2	-	-	-

* The information is as on the date of this Draft Red Herring Prospectus.

The information for each of the financial years is based on issues listed during such financial year.

E. IIFL Holdings Limited

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by IIFL

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
2	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
3	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
4	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
5	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
6	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
7	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	-46.2%, [+7.5%]

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
8	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	-13.9%, [-1.4%]	-25.2%, [+0.4%]
9	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+52.9%, [+1.0%]	+30.6%, [-7.1%]	+23.8%, [-4.1%]
10	Credit Access Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.2%, [-3.7%]	-12.4%, [-8.4%]	-7.2%, [-8.4%]

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

2. Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by IIFL

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	4	94,015.43	-	1	1	1	-	1	-	2	1	-	-	1
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2

* The information is as on the date of this Draft Red Herring Prospectus.

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

F. Price information of past issues handled by SBI Capital Markets Limited:

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by SBI Caps

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Ircon International Limited ⁴	4667.03	475	September 28, 2018	412.00	-27.04% [8.24%]	-6.60% [-1.84]	-14.16% [6.73%]
2	RITES Limited ⁵	4604.40	185	July 02, 2018	190.00	34.97% [+6.56%]	33.54% [+3.29%]	49.70% [+1.90%]
3	ICICI Securities Ltd	35148.49	520	April 04, 2018	435.00	-27.93% [+5.44%]	-37.26% [+5.22%]	-46.17% [+8.69%]
4	Mishra Dhatu Nigam Limited ⁶	4328.96	90	April 04, 2018	87.00	67.89% [+5.44%]	40.44% [+5.22%]	26.39% [+8.69%]
5	Hindustan Aeronautics Ltd ⁷	41131.33	1,215	March 28, 2018	1,152.00	-6.96% [+4.98%]	-25.84% [+6.41%]	-28.24% [+8.44%]
6	Bharat Dynamics Limited ⁸	9527.88	428	March 23, 2018	370.00	-4.65% [+5.87%]	-9.78% [+7.74%]	-19.60% [+12.81%]
7	H. G. Infra Engineering Limited	4620.00	270	March 9, 2018	270.00	19.19% [+1.02%]	8.35% [+4.48%]	-12.81% [+12.65%]
8	Amber Enterprises India Limited ⁹	5995.99	859	January 30, 2018	1,175.00	27.15% [-5.04%]	24.98% [-3.23%]	10.58% [+2.07%]
9	Reliance Nippon Life Asset Management Limited	15422.40	252	November 06, 2017	295.90	3.61% [-3.19%]	5.91% [+2.95%]	-4.21% [+1.59%]
10	SBI Life Insurance Company Limited ¹⁰	83864.00	700	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [+6.81%]	-2.30% [+3.57%]

Source: www.nseindia.com

Notes:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
 2. The Nifty 50 index is considered as the Benchmark Index
 3. The number of Issues in Table-1 is restricted to 10
 4. Retail Discount and Employee Discount of ₹10 per Equity Share to the Offer Price
 5. Retail Discount and Employee Discount of ₹6 per Equity Share to the Offer Price
 6. Retail Discount and Employee Discount of ₹3 per Equity Share to the Offer Price
 7. Retail Discount and Employee Discount of ₹25 per Equity Share to the Offer Price
 8. Retail Discount and Employee Discount of ₹10 per Equity Share to the Offer Price
 9. Employee Discount of ₹85 per Equity Share to the Offer Price
 10. Employee Discount of ₹68 per Equity Share to the Offer Price
2. Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	2	9,271.43	-	1	-	-	1	-	-	-	-	-	1	1
2017-18	12	2,03,995.12	-	-	5	2	2	3	-	3	3	1	3	2

* The information is as on the date of this Draft Red Herring Prospectus.

G. IndusInd Bank Limited

IndusInd Bank Limited has not handled any initial public offerings of equity shares in the current Financial Year and the two Financial Years preceding the current Financial Year.

H. YES Securities (India) Limited:

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by YES Securities

Sr. No	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Rail Vikas Nigam Limited	4,768.61	19.00	April 11, 2019	19.00	Not Applicable	Not Applicable	Not Applicable
2	Garden Reach Shipbuilders & Engineers Limited	3,435.89	118.00	October 10, 2018	102.50	-23.39% [+1.32%]	-19.11%; [+2.98%]	-16.74% [+11.53%]
3	Lemon Tree Hotels Limited	10,386.85	56.00	April 9, 2018	61.60	+30.18%; [+3.26%]	+29.91%; [+3.79%]	+19.46%; [-0.61%]
4	Bharat Dynamics Limited	9,609.44	428.00	March 23, 2018	370.00	-2.90%; [+5.66%]	-9.78%; [+7.43%]	-19.60%; [+12.37%]
5	Aster DM Healthcare Limited	9,801.37	190.00	February 26, 2018	183.00	-13.66%; [-3.77%]	-4.97%; [+0.21%]	-8.16%; [+9.21%]
6	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+3.50%; [+3.00%]	+6.91%; [-1.86%]	-5.20%; [+4.13%]
7	The New India Assurance Company Limited	96,000.00	800.00	November 13, 2017	750.00	-27.91%; [+0.15%]	-12.93%; [+2.25%]	-13.06%; [+5.69%]
8	Reliance Nippon Life Asset Management Company Limited	15,422.40	252.00	November 06, 2017	295.90	+3.61%; [-3.19%]	+5.91%; [+2.95%]	-4.21%; [+1.59%]
9	Dixon Technologies (India) Limited	5,992.79	1,766	September 18, 2017	2,725.00	+50.12; [+0.80%]	+80.93%; [+1.77%]	+95.22%; [+0.41%]

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
10	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29%; [+1.17%]	+3.14%; [+5.40%]	+39.12%; [+8.62%]

Notes:

1. Benchmark Index taken as CNX NIFTY
2. Price on NSE is considered for the above calculations
3. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.
4. If either of the 30th, 90th or 180th calendar day is a trading holiday, the previous trading day has been considered for the computation.
5. Restricted to last 10 issues

2. Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by YES Securities:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-2020*	1	4,768.61	-	-	-	-	-	-	-	-	-	-	-	-
2018-2019	2	13,822.74	-	-	1	-	1	-	-	-	1	-	-	1
2017-2018	9	161,206.66	-	1	4	2	-	2	-	-	6	2	1	-

* The information is as on the date of this Draft Red Herring Prospectus.

Notes:

Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.

The information for the financial year is based on issue listed during such financial year

Track record of past issues handled by the GCBRLMs and BRLMs

For details regarding the track record of the GCBRLMs and BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the GCBRLMs and BRLMs as set forth in the table below:

S. No	Name of the GCBRLMs/BRLMs	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	Credit Suisse Securities (India) Private Limited	www.credit-suisse.com/in/IPO/
4.	Deutsche Equities India Private Limited	www.db.com/India
5.	IIFL Holdings Limited	www.iiflcap.com
6.	SBI Capital Markets Limited	www.sbicaps.com
7.	IndusInd Bank Limited	www.indusind.com
8.	YES Securities (India) Limited	www.yesinvest.in

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Promoter Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the GCBRLMs and BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the GCBRLMs and BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholder's Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

Our Company has also appointed Jagannadha Rao Ch. V., Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 65.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

None of our Group Companies or Subsidiaries are listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer consists of an offer for sale of the Equity Shares by the Promoter Selling Shareholders. The listing fees shall be borne by our Company. Other Offer-related expenses shall be shared be borne by each Promoter Selling Shareholder in proportion of the Equity Shares to be offered by each Promoter Shareholder.

Provided that all Offer-related expenses shall initially be borne by our Company. Upon successful completion of the Offer, each of our Promoter Selling Shareholders shall reimburse our Company their proportionate share of the Offer-related expenses.

Ranking of the Equity Shares

The Equity Shares being offered and transferred in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 485.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 194 and 485, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 1. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band, Employee Discount and minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra wherein our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 485.

Employee Discount

Employee Discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, as applicable, at the time of making a Bid.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" beginning on page 465.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

As the Offer is entirely through an offer for sale of the Equity Shares, the requirement of 90% minimum subscription under the SEBI ICDR Regulations is not applicable to the Offer.

In the event our Company does not receive a subscription in the Offer equivalent to at least 10% post-Offer paid up equity share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Offer Closing Date, or if the subscription level falls below the threshold under Rule 19(2)(b) of the SCRR mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after the issuer becomes liable to pay the amount, our Company and every Director of our Company who are officers in default, shall pay interest at the rate of fifteen percent per annum. Further, if at least 75% of the Net Offer is not Allotted to QIBs, the Bid Amounts received shall be refunded by our Company in accordance with applicable law.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" beginning on page 75 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" at page 485.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the GCBRLMs and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 45,000 million, comprising of an offer for sale of up to [●] Equity Shares by SPCPL and up to [●] Equity Shares by Khurshed Yazdi Daruvala. The Offer includes a reservation of up to [●] Equity Shares aggregating up to ₹[●] million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute up to [●]% and [●]%, respectively, of our post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment / Allocation ⁽²⁾	Not less than [●] Equity Shares or the Net Offer less allocation to RIBs and NIBs subject to the Allocation/Allotment of not less than 75% of the Net Offer.	Not more than [●] Equity Shares	Not more than [●] Equity Shares	Up to [●] Equity Shares.
Percentage of Offer available for Allotment/allocation	Not less than 75% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not more than 15% of the Net Offer.	Not more than 10% of the Net Offer.	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a	Proportionate.	Allotment to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.	Proportionate ⁽⁵⁾

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	<p>proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> <p>Our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.</p>			
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000 (net of Employee Discount) ⁽⁵⁾ .
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
	For Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion and the Employee Reservation Portion			
Trading Lot	One Equity Share			
Who can Apply ⁽³⁾	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs), public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	Eligible Employees

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SI.			
Terms of Payment ⁽⁴⁾				
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process.	

⁽¹⁾ Our Company and the Promoter Selling Shareholders may, in consultation with the GCBRLMs and BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" beginning on page 467.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, Employee Reservation Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" beginning on page 458.

⁽³⁾ In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

⁽⁴⁾ Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

⁽⁵⁾ Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 in value (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value (net of Employee Discount).

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bid/Offer Programme

BID/ OFFER OPENS ON*	[●]
BID/ OFFER CLOSES ON**	[●]

*Our Company and the Promoter Selling Shareholders may, in consultation with the GCBRLMs and BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

**Our Company and the Promoter Selling Shareholders may, in consultation with the GCBRLMs and BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company, the Promoter Selling Shareholder or the GCBRLMs and BRLMs. While our Company and Promoter Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Promoter Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Promoter Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the GCBRLMs and BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);
- (ii) on the Bid/Offer Closing Date:
 - (a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
 - (b) in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by GCBRLMs and BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs and the Sponsor Bank will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Promoter Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the GCBRLMs and BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should review the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the GCBRLMs and BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iii) Payment Instructions for ASBA Bidders/Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Bid Form); (vi) Submission of Bid Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanism for RIBs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue till June 30, 2019 (“UPI Phase I”). Thereafter, for application by RIBs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

Our Company, the Promoter Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

This Offer shall be one of the first initial public offerings in which the UPI mechanism for application by RIBs is being permitted, the Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Offer.

Book Building Procedure

The Offer is being made through the Book Building Process wherein not less than 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees not exceeding 5% of our post-Offer paid-up Equity Share capital. Eligible Employees

applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount) in value. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value (net of Employee Discount).

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholders in consultation with the GCBRLMs and BRLMs and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer and be subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than the QIB Category), spill over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 (collectively the “**UPI Circular**”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) **Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Bidder would also have the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.
- b) **Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Bidder through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.
- c) **Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Managers.

Bid cum Application Form

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. The ASBA Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the GCBRLMs and BRLMs at least one day prior to the Anchor Investor Bidding Date.

Bidders (other than RIBs using the UPI Mechanism and Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Offer for purpose of reconciliation.

RIBs using the UPI mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Further, such Bidders (other than Anchor Investors), including RIBs using the UPI mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]
Anchor Investors**	[●]

* Excluding electronic Bid cum Application Forms

**Bid cum Application Forms for Anchor Investors will be made available at the office of the GCBRLMs and BRLMs.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIBs using UPI mechanism). Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except the Bid cum Application Form from a RIBs using the UPI mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIBs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Who can Bid?

In addition to the category of Bidders set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of the GCBRLMs and BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group

The GCBRLMs and BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the GCBRLMs and BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the GCBRLMs and BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the GCBRLMs and BRLMs or any associate of the GCBRLMs and BRLMs ((except Mutual Funds sponsored by entities which are associates of the GCBRLMs and BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the GCBRLMs and BRLMs or FPIs, other than Category III FPIs sponsored by the entities which are associate of the GCBRLMs and BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion..

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls , directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

The Promoter Selling Shareholders and the Members of the Promoter Group will not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefore.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the GCBRLMs and BRLMs, Syndicate Members and sub-syndicate members at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSSB to block their Non-Resident External ("NRE") accounts or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means multiple entities having common ownership, directly or indirectly, of more than fifty percent. or common control) must be below 10% of the post-issue equity share capital of a company. Further, in terms of FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 24% of the paid-up capital on a fully diluted basis or the sectoral/statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance of sectoral conditions as laid down in these regulations.

In accordance with the FEMA Regulations, participation by FPIs is restricted under Schedule 2 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment not exceeding 24% of the post-Offer paid-up capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap, if any by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of a company. The aggregate limit for FPI investment of 24% has been increased to 49% by way of a resolution passed by our Board in its meeting held on April 1, 2019 followed by a special resolution passed by the Shareholders in the general meeting held on April 1, 2019. For details of restrictions on investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 484.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI date January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity

share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who do not satisfy the conditions specified in Regulation 4 of the SEBI FPI Regulations. An FPI is also required to ensure, *inter alia*, that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Company, nor the Promoter Selling Shareholders nor the GCBRLMs and BRLMs will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by Employees

A Bid by an Eligible Employee must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form);
- (ii) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 in value (net of Employee Discount);
- (iii) The Bidder should be an Eligible Employee. In case of joint bids, the first Bidder shall be an Eligible Employee;
- (iv) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion;
- (v) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category;
- (vi) Eligible Employees can apply at Cut-off Price;
- (vii) Bid by Eligible Employees can be made also in the Net Offer and such Bids shall not be treated as multiple Bids;
- (viii) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand; and
- (ix) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer and be subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than the QIB Category), spill over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 (the "**Financial Services Directions**"), is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to *inter alia* make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a) (v) (c) (i) of the Financial Services Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in

financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by systemically important non-banking financial companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SIs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“**IRDAI Investment Regulations**”) are set forth below:

- (x) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- (xi) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (xii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDAI Investment Regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or

reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the GCBRLMs and BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the GCBRLMs and BRLMs, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the GCBRLMs and BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (v) Our Company and the Promoter Selling Shareholder, in consultation with the GCBRLMs and BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the GCBRLMs and BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) Neither the GCBRLMs and BRLMs or any associate of the GCBRLMs and BRLMs (except Mutual Funds sponsored by entities which are associates of the GCBRLMs and BRLMs or insurance companies promoted by entities which are associate of GCBRLMs and BRLMs or AIFs sponsored by the entities which are

associate of the GCBRLMs and BRLMs or FPIs, other than Category III FPIs sponsored by the entities which are associate of the GCBRLMs and BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion. For further details, see “- *Participation by associates and affiliates of the GCBRLMs and BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group*” beginning on page 470.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see *the* General Information Document.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in the Red Herring Prospectus and Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (**Acknowledgement Slip**), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the GCBRLMs and BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIBs and Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 200,000 with respect to RIBs and ₹500,000 (net of Employee Discount) with respect to Eligible Employees Bidding in the Employee Reservation Portion if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹ 200,000 with respect to RIBs and ₹500,000 (net of Employee Discount) with respect to Eligible Employees Bidding in the Employee Reservation Portion, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be, does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted

downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be and the Retail Individual Bidder or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed under the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Promoter Selling Shareholders will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
6. In case of joint Bids, ensure that the first applicant is the ASBA Account holder, and also signs the Bid cum Application Form (for all Bidders other than RIBs using the UPI mechanism);
7. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI mechanism) in the Bid cum Application Form;

8. RIBs using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;
9. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
14. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
15. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
16. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the GCBRLMs and BRLMs;
19. Ensure that the Demographic Details are updated, true and correct in all respects;
20. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
21. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into

the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

25. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary (other than for Anchor Investors and RIBs using the UPI mechanism) the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;
27. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
28. For RIBs using the UPI mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
30. RIBs using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;
31. Bidders in the Employee Reservation Portion should ensure that they have a valid PAN and their PAN is updated in the records of our Company;
32. RIBs using the UPI mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
33. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

8. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
9. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Bidders;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;
13. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
14. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and ₹500,000 (net of Employee Discount) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI mechanism;
17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
19. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding through the Designated Intermediaries using the UPI mechanism;
20. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
24. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI mechanism;
25. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
26. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
27. Do not submit a Bid cum Application Form using a third party bank account or using third party linked bank account UPI ID (in case of in case of Bids submitted by RIBs using the UPI mechanism).and
28. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in the Red Herring Prospectus, as applicable, is not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;
4. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID;
5. Bids by HUFs not mentioned correctly as provided in - “*Who can bid?*” beginning on page 470;
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash; and
14. Bids by OCB.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Net Offer may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated May 22, 2018 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated March 15, 2019 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed ;
- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) that if our Company and the Promoter Selling Shareholders, in consultation with the GCBRLMs and BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;
- (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (ix) that no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by each Promoter Selling Shareholder

Each Promoter Selling Shareholder, severally and not jointly, undertakes the following in respect of itself as a Promoter Selling Shareholder and its respective portion of the Offered Shares:

- (i) that the Offered Shares shall be free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances prior to the registration of the Red Herring Prospectus with the RoC and be eligible for Offer in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer;
- (ii) that it is the legal and beneficial owner of and has full title to its respective portion of the Offered Shares;
- (iii) that it shall provide all support and cooperation as may be reasonably requested by our Company and the GCBRLMs and BRLMs to the extent such support and cooperation is in relation to its Offered Shares and in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares;
- (iv) that each Selling Shareholder specifically confirms that it shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges;

- (v) that it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except as permitted under applicable law;
- (vi) that it shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer;
- (vii) that it will provide such assistance as may be required by our Company and the GCBRLMs and BRLMs acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Offer and statements specifically made or confirmed by it in relation to itself as a Promoter Selling Shareholder; and
- (viii) that it shall transfer its portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

The Promoter Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of Offered Shares.

Utilisation of Offer Proceeds

Our Company and the Promoter Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received from the Offer shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see “*Offer Procedure*” beginning on page 467.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the GCBRLMs and BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

1. CONSTITUTION OF THE COMPANY

- a) The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.
- b) The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. “**Act**” means the Companies Act, 2013 and all rules, notifications, circulars and clarifications issued thereunder or the Companies Act, 1956 and the rules issued thereunder (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing.
- b. “**Accounts**” shall mean the audited financial statements as well as unaudited financial results of the Company, on a consolidated and standalone basis, as applicable, including the balance sheet, profit and loss account and cash flow statements, together with all such documents which are required to be annexed to such audited financial statements or unaudited financial results prepared in accordance with the format prescribed under Law;
- c. “**ADRs**” shall mean American Depository Receipts representing ADSs.
- d. “**Annual General Meeting**” shall mean the General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.
- e. “**ADR Facility**” shall mean an ADR facility established/which may be established by the Company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- f. “**ADSs**” shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- g. “**Articles**” shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- h. “**Auditors**” shall mean and include those persons appointed as auditors for the time being by the Company.
- i. “**Board**” shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- j. “**Board Meeting**” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- k. “**Beneficial Owner**” shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- l. “**Business Day**” means a day other than Saturday or Sunday or public holidays in India under the Negotiable Instrument Act, 1881 on which scheduled banks are generally open for business in Mumbai.
- m. “**Capital**” or “**Share Capital**” shall mean the share capital, for the time being comprising the Equity Share Capital and Preference Share Capital, as may be the case, raised or authorised to be raised by the Company in terms of these Articles, the Act and the Memorandum of Association of the Company.

- n. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 32 herein below.
- o. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956) and the rules framed thereunder including any statutory modification or re-enactment thereof, to the extent in force.
- p. **“Company” or “this Company”** shall mean STERLING AND WILSON SOLAR LIMITED, incorporated under the Companies Act, 2013.
- q. **“Committees”** shall mean a committee constituted in accordance with Article 63.
- r. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- s. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- t. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- u. **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with Law and the provisions of these Articles.
- v. **“Dividend”** shall include interim and final dividends.
- w. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.
- x. **“Equity Shares”** shall mean the equity shares of the Company having a par value of INR 1/- (Rupee One Only) per equity share or such other par value as approved by the shareholders of the Company in accordance with applicable Law, and one vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- y. **“Encumbrances”** means, any claim, mortgage, charge (fixed or floating), non-disposal undertaking, escrow, power of attorney (by whatever name called), pledge, lien, hypothecation, option, power of sale, right of pre-emption, right of first refusal, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements and any agreement or obligation to create any of the foregoing, or encumbrance of any kind, or contract to give or refrain from giving any of the foregoing;
- z. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- aa. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;
- bb. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- cc. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- dd. **“GDRs”** shall mean the registered Global Depository Receipts, representing GDSs.
- ee. **“GDSs”** shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.
- ff. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.

- gg. **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.
- hh. **“India”** shall mean the Republic of India.
- ii. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, notifications, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP, Indian Accounting Standards (Ind AS) or any other generally accepted accounting principles.
- jj. **“Managing Director”** shall have the meaning assigned to it under the Act.
- kk. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India
- ll. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- mm. **“Member”** shall mean:
- (i) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;
 - (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;
 - (iii) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository
- nn. **“Month”** means a calendar month.
- oo. **“Office”** shall mean the registered office for the time being of the Company.
- pp. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- qq. **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.
- rr. **“Paid up”** means the amount credited as paid up.
- ss. **“Person”** shall mean any natural person, sole proprietorship, partnership, Company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- tt. **“Preference Share Capital”** shall mean the total issued and paid-up preference share capital of the Company.
- uu. **“Preference Shares”** shall mean the preference shares of the Company as approved to be issued by the Board of Directors and/or shareholders of the Company in accordance with applicable Law.
- vv. **“Register of Members”** shall mean the register of members to be maintained as per the Act.
- ww. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- xx. **“Rules”** shall mean the rules made under the Act, as amended and notified from time to time.
- yy. **“Seal” or “Common Seal”** shall mean the common seal(s) for the time being of the Company.
- zz. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

- aaa. **“SEBI Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- bbb. **“Secretary” or “Company Secretary”** shall mean a Company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a Company secretary under the Act.
- ccc. **“Securities”** shall have the meaning assigned to the term in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time.
- ddd. **“Share Equivalent(s)”** shall mean any debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into equity shares.
- eee. **“Shareholder”** shall mean any shareholder of the Company, from time to time.
- fff. **“Shareholders Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings and Extraordinary General Meetings of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- ggg. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.
- hhh. **“Stock Exchange(s)”** shall mean the National Stock of Exchange of India Limited, BSE Limited or such other stock exchange, where the securities of the Company are time being listed.
- iii. **“Subsidiary(ies)”** shall have the meaning assigned to it under the Act.
- jjj. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word **“Transferred”** shall be construed accordingly.
- kkk. **“Tribunal”** shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles

mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (xii) In these Articles, words that are gender neutral or gender specific include each gender, as the context may require.
- (xiii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Share capital and reduction of capital

4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause 5 of the Memorandum of Association of the Company from time to time.
- (b) The Share Capital of the Company may be classified into: (a) Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time; and (b) preference shares, non-convertible or convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.
- (c) Subject to Article 4(b), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (d) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of members under the relevant provisions of the Act and Rules.

- (e) Nothing herein contained shall prevent the Board from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (g) All of the provisions of these Articles shall apply to the Shareholders.
- (h) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (i) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (j) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Act and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Law from time to time.

5. PREFERENCE SHARES

Subject to the provisions of Section 55 and other applicable provisions of the Act and applicable Law, the Company shall have power to issue any Preference Shares, which are liable to be redeemed / convertible into securities on such terms and in such manner as the Company may determine before issue of such preference shares.

6. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

7. ADRs/GDRs

The Company shall, subject to the applicable provisions of the Act, compliance with all Law and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

8. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its authorised Share Capital by such amount as it thinks expedient;
- (b) consolidate and sub-divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and sub-division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the manner prescribed under the Act.

- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

9. REDUCTION OF SHARE CAPITAL

The Company may, subject to Section 66 and other applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

10. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and regulations formulated by any statutory/regulatory authority as may be applicable from time to time.

11. VARIATION OF CLASS OF SHAREHOLDERS' RIGHTS

Where the Capital is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

Registers, Shares and Share certificates

12. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act:
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The register(s) and index of beneficial owners maintained by a depository under the Depositories Act, 1996, as amended, shall be deemed to be the corresponding register(s) and index required under (a) above and the Act.
- (c) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

13. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (b) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate issued under the Common Seal, if any, of the Company and signed by two Directors or by a Director and the Company Secretary, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in dematerialized form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Board / Committee of the Board so decide or on payment of such fees (not exceeding Rupees fifty for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

 Provided that notwithstanding what is stated above, the Board shall comply with the applicable provisions of the Act, Rules or regulations or requirement of Stock Exchange and rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act or rules applicable in this behalf.
- (f) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (g) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (i) The Company Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificates referred to in sub-article (h) of this Article.
- (j) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (k) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (l) Subject to applicable provisions of the Act, the Company shall issue certificates or receipts or advices, as applicable, of sub-division, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of 30 (thirty) days from the date of such lodgement.

14. SHARES AT THE DISPOSAL OF THE BOARD

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person(s), in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) at such time as they may, from time to time, think fit for such consideration as the Board think fit which may be either in cash or otherwise, that is for any property sold and transferred or for any services rendered to the Company in the conduct of its business, or in any combination thereof and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heir(s), Executor(s), or Administrator(s) shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
 - (i) Every Member or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company, if any, in the manner set out in this Article and signed by two Directors or by a Director and Company Secretary. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees fifty.
 - (ii) Every Member shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the date of receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be.
 - (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
 - (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography etc, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Underwriting and Brokerage

15. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Act, Companies (Prospectus and Allotment of Securities) Rules, 2014 and regulations prescribed by SEBI for this purpose as amended from time to time.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

Calls

16. CALLS ON SHARES

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) Such days' notice in writing as permitted under the Act, at the least shall be given by the Company of every call (otherwise than on allotment) specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of

his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree, to and receive from any Member willing to advance the same, the whole or any part of the moneys due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.
- (k) No Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

Lien

17. COMPANY'S LIEN

- (a) The Company shall have a first and paramount lien:
 - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person (whether solely or jointly with others), for all money presently payable by him or his estate to the Company; and
 - (iii) on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares:

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

The Company may sell, in such manner, as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

- (c) To give effect to any such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (d) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
- (e) The provisions of this Article shall *mutatis mutandis* apply to the Debentures of the Company.

Forfeiture

18. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or instalment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (g) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (h) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or

to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

- (i) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (j) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Further issue

19. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
 - (i) to persons who, on the date specified under Law, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - a. the offer shall be made by notice specifying the number of shares offered and limiting a time, unless otherwise prescribed under Law, not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
 - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
 - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the applicable provisions of the Act and the Rules.

Transfer and Transmission

20. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. All provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.

- (c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
- (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be in the common form as prescribed in the rules made under section 56 of the Act and executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (g) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (h) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 20 (a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (i) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (j) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his

nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

- (k) A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (l) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (m) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (n) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (o) No fee shall be charged by the Company in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (p) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (q) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

Dematerialization

21. DEMATERIALIZATION OF SECURITIES

- (a) Dematerialization:

Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the dematerialized form and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (c) If a Person opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(d) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories & Beneficial Owners:

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
 - (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - (iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company.
 - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(g) Transfer of Securities:

- (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- (ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(h) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the

Depository immediately on allotment of such Securities.

(i) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(j) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

Nomination

22. NOMINATION BY SECURITY HOLDERS

A holder of a security may appoint a nominee for his securities subject to the provisions of Section 72 of the Act and subject to the provisions of the Rules as may be prescribed in this regard.

23. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

24. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

Borrowings

25. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

- (i) accept or renew deposits from Shareholders;
- (ii) borrow money by way of issuance of Debentures;
- (iii) borrow money otherwise than on Debentures;
- (iv) accept deposits from members either in advance of calls or otherwise; and
- (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as

aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities, may if permissible in Law, be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Provided that Debentures with rights to allotment of shares or conversion into shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

Conversion of Shares

26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Meetings of the Members

27. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next Annual General Meeting. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

28. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every member of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

29. NOTICE OF GENERAL MEETING

The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014 and the Secretarial Standard 2 prescribed by the Institute of Company Secretaries of India.

30. REQUISITION OF EXTRA-ORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

31. QUORUM FOR GENERAL MEETING

The quorum for the members' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

32. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

33. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

34. RESOLUTIONS AT GENERAL MEETING

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded in accordance with the provisions of the Act, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint one or more scrutinizers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizers from office and fill vacancies in the office of scrutinizers arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

35. RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

36. VOTES OF MEMBERS

- (a) No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No members shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every member not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every member present in person shall have one vote and upon a poll, the voting right of such member present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a member or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Member present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notary certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notary certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Board may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
- (r) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (s) Any corporation which is a member of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of

the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member in the Company (including the right to vote by proxy).

- (t) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

Board of Directors

37. DIRECTORS

- (a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen), provided that the Company may appoint more than 15(fifteen) directors after passing a special resolution in a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.
- (b) The first Directors of the Company are:
1. Mr. Kalpathy Hariharan Parameshwaran
 2. Mr. Ravi Ananthkrishnan
 3. Mr. Aniruddha Choudhuri

38. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The tenure of the Chairman shall be as may be decided by the Board in this regard or if no duration is specified at the time of appointment or election, shall be for such time till decided otherwise by the Board. The Chairman shall preside at all meetings of the Board. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting within 15 minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

39. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

40. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an additional director or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 37. Any Person so appointed as an additional director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

41. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

42. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with the SEBI Listing Regulations, as may be amended from time to time or any other Law, as may be applicable.

43. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

44. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

45. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

46. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each non-executive Director for every meeting of the Board or Committee(s) of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed under the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Members in a General meeting.

Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees.

47. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

Subject to the provisions of the Act and Law, if any Director is called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Board), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

48. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 37 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

49. VACATION OF OFFICE BY DIRECTOR

The office of a Director, shall *ipso facto* be vacated on the grounds as mentioned in Sections 167 of the Act.

50. RELATED PARTY TRANSACTIONS

Subject to the provisions of the Section 188 of the Act and Companies (Meetings of Board and its Powers) Rules, 2014 read with the SEBI Listing Regulations or any other law for the time being in force, the Company may enter into contracts or arrangement with the related parties, with the consent of the Audit Committee or Board or Members in the General Meeting, as may be required.

51. DISCLOSURE OF INTEREST

- a) A Director of the Company in the manner provided in Section 184 of the Act shall at the first meeting of the Board in which he participates and at the first meeting of the Board in every financial year thereafter or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the Companies (Meeting of the Board and its Powers) Rules 2014;
- b) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

52. RETIREMENT OF DIRECTORS BY ROTATION

Subject to Section 152 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation. Provided that Directors appointed as Independent Director(s) under these Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors under this Article.

At the Annual General Meeting of the Company to be held in every year, one third of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office in the manner prescribed under the Act and the Rules, and they will be eligible for re-election.

53. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 37 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

54. REGISTER OF DIRECTORS ETC.

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Director(s), Manager, Secretary and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

55. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and SEBI Listing Regulations and applicable Law, the Company may procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognized insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

56. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the Company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

57. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality of the foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

Management

58. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S) / MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

59. PROVISIONS APPLICABLE TO MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager.

60. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Board subject to the approval of the Members at the next General Meeting from time to time. The remuneration may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

61. POWERS AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

62. PROCEEDINGS OF THE BOARD OF DIRECTORS

The proceedings of Board meeting shall be governed by Section 173 and other relevant provisions of the Companies Act 2013, Companies (Meeting of the Board and its Powers) Rules 2014, Secretarial Standard 1 prescribed by the Institute of Company Secretaries of India and the regulations prescribed by SEBI from time to time.

63. QUORUM FOR BOARD MEETING

(a) Quorum for Board Meetings

The quorum for Board meetings shall be as prescribed under Section 174 read with the SEBI Listing Regulations as amended from time to time.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned to the same day at the same time and place in the next week, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the meeting shall stand cancelled.

64. QUESTIONS AT THE BOARD MEETINGS

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

65. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- c) The Board shall exercise certain powers as mentioned in the Section 179 of the Act only by resolutions passed at the meeting of the Board any other matter which may be prescribed under the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

66. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to its Committee(s) of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulation made by the Board under the last preceding Article.

67. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTS IN APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

68. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of the Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

69. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

The Company shall prepare minutes of each Board Meeting in accordance with Section 118 of the Act and the Companies (Meeting of the Board and its Powers) Rules 2014 read with Secretarial Standard 1.

Charges

70. REGISTER OF CHARGES

The Board shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

71. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Board may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

72. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

73. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If a Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

Officers of the Company

74. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied

with by the Company and/or by the Board of the Company.

- (d) The Board shall appoint with the approval of the Chairman, a President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

Secretary

75. COMPANY SECRETARY

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Company Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Company Secretary) to maintain the Registers required to be kept by the Company.

Seal

76. COMMON SEAL

- (a) The Board may provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, if any, for the time being.
- (b) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board, and except in the presence of at least one (1) Director or of the Company Secretary or such other person as the Board or Committee of the Board may appoint for the purpose; and those one (1) Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

Audit & Auditors

77. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act.
- (b) Every audited financial statements of the Company shall be approved at an Annual General Meeting and shall be conclusive except as regards any error discovered therein within three months after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account forming part of the audited financial statements shall be audited by one or more Auditors to be appointed as hereinafter set out insofar as such financial statements are required to be audited under applicable Law. Further the Auditors may carry out limited review of the financials of the Company as may be required from time to time as per the provisions of the Act and SEBI Listing Regulations.
- (d) The Company shall appoint an Auditor or Auditors at an Annual General Meeting to hold office upto such time as permitted under the Act and Law and every Auditor so appointed shall be duly intimated of his appointment.
- (e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (f) The persons qualified for appointment as Auditors shall be those referred to in Section 141 of the Act and the SEBI Listing Regulations.

78. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

79. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in an Annual General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014. Provided that the Board may fix the remuneration of the first auditors appointed by it.

Documents & Notices

80. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Members whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Member. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty- eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each members an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

81. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

82. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS IN INDIA

If a Members who does not have registered address in India, has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

83. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

84. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

Declaration of Dividend

85. DIVIDEND

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Board otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act, the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended read with the SEBI Listing Regulations, as amended or any other Law for the time being in force the Company in a General Meeting may declare Dividend to be paid to Shareholders according to their respective rights and interests in the profits; further, the Board may declare interim dividend during financial year or any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of the profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.
- (c) No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

Bonus Shares

86. ISSUE OF BONUS SHARES

Subject to the provisions of Section 63 of the Act and Rules made thereunder and SEBI Listing Regulations, as amended, the Company in its General Meeting may resolve to issue the bonus shares to its Members and capitalize its profit or reserves for the purpose of issuing fully paid up bonus shares.

87. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) If the Company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the Company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

Inspection

88. INSPECTION BY MEMBERS

The register of charges, register of investments, register of members, register of contracts and the minutes of the meeting of the members shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each Business Day as the Board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall be Rupees ten per page.

Others

89. AMENDMENT TO ARTICLES OF ASSOCIATION

The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

90. SECRECY

- a) No shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.
- b) Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

91. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Companies Act, 2013 or Section 465 of the Companies Act, 2013, as the case may be.

92. GENERAL POWER

Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorised and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

SECTION IX: OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar Agreement dated April 10, 2019 entered into between our Company, the Promoter Selling Shareholders and the Registrar to the Offer.
2. Offer Agreement dated April 15, 2019 entered into between our Company, the Promoter Selling Shareholders, the GCBRLMs and the BRLMs.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the GCBRLMs, the BRLMs and the Banker(s) to the Offer.
4. Share Escrow Agreement dated [●] entered into between the Promoter Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into between our Company, the Promoter Selling Shareholders, the GCBRLMs, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] entered into between our Company, the Promoter Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended until date.
2. Certificate of incorporation dated March 10, 2017, certificate of incorporation pursuant to change of name issued by the RoC on April 24, 2018 and the fresh certificate of incorporation consequent upon conversion from private company to a public company was issued by the RoC dated January 25, 2019.
3. Scheme of Arrangement between SWPL and our Company under Sections 230 to 232 of the Companies Act, 2013, in relation to the demerger of the Solar EPC Division from SWPL into our Company and the order dated March 28, 2018 of the National Company Law Tribunal, Mumbai.
4. Resolution of the Board of Directors dated April 1, 2019 in relation to the Offer and other related matters.
5. Resolution of the Board of Directors and IPO Committee dated April 1, 2019 and April 15, 2019 respectively, approving this Draft Red Herring Prospectus.
6. Consent letter from Khurshed Yazdi Daruvala dated April 1, 2019, authorising participation in the Offer.
7. Consent letter from SPCPL dated April 1, 2019 and certified copy of the resolution of the board of directors of SPCPL dated February 25, 2019, authorising participation in the Offer.
8. Consent letter from CRISIL Research to rely on and reproduce part or whole of the CRISIL Report and include their name in this Draft Red Herring Prospectus.

9. Consent letter from IHS Markit to rely on and reproduce part or whole of the IHS Report and include their name in this Draft Red Herring Prospectus.
10. Framework Agreement dated October 11, 2018 entered into between our Company and SWPL.
11. Agreement dated September 26, 2018 entered into between our Company and SPCPL.
12. Agreement dated September 26, 2018 entered into between SW FZCO and SPCPL.
13. Consent dated April 15, 2019, from the Statutory Auditors namely, B S R & Co. LLP., to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Statutory Auditor and in respect of the: (i) Restated Consolidated Summary Financial Information and their examination report dated April 1, 2019 on the Restated Consolidated Summary Financial Information; (ii) Carved Out Combined Financial Statements and their audit report dated April 1, 2019 on the Carved Out Combined Financial Statements; and (iii) the certificate on statement of possible special tax benefits dated April 12, 2019 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act
14. Statement of possible special tax benefits dated April 12, 2019 from the Statutory Auditors included in this Draft Red Herring Prospectus.
15. Copy of the annual report of our Company for Fiscal 2018.
16. Consent of our Directors, Promoter Selling Shareholders, GCBRLMs, BRLMs, Syndicate Members, Legal Counsel to our Company and Promoter Selling Shareholders as to Indian Law, Legal Counsel to the GCBRLMs and BRLMs as to Indian Law, International Legal Counsel to our Company, International Legal Counsel to the GCBRLMs and BRLMS, Kalyaniwalla & Mistry LLP, Chartered Accountants, customers of our Company, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company and the Company Secretary and Compliance Officer as referred to in their specific capacities.
17. Due diligence certificate dated April 15, 2019 addressed to SEBI from the BRLMs.
18. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
19. Tripartite agreement dated May 22, 2018 among our Company, NSDL and the Registrar to the Offer.
20. Tripartite agreement dated March 15, 2019 among our Company, CDSL and the Registrar to the Offer.
21. SEBI observation letter no. [●] dated [●].

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Khurshed Yazdi Daruvala
(Chairman and Non-Executive Non-Independent Director)

Pallon Shapoorji Mistry
(Non-Executive Non-Independent Director)

Bikesh Ogra
(Non-Executive Non-Independent Director)

Keki Manchersha Elavia
(Independent Director)

Arif Saleh Doctor
(Independent Director)

Rukhshana Jina Mistry
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Bahadur Dastoor *(Chief Financial Officer)*

Place: Mumbai

Date: April 15, 2019

DECLARATION

I, the undersigned, Khurshed Yazdi Daruvala, as a Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Promoter Selling Shareholder

Place: Mumbai

Date: April 15, 2019

DECLARATION

We, the undersigned, as a Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility as a Promoter Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed on behalf of the Promoter Selling Shareholder

For Shapoorji Pallonji and Company Private Limited

Name:

Designation:

Place: Mumbai

Date: April 15, 2019