

# *G. S. Mathur & Co.*

Chartered Accountants

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **PL Sunshine Limited**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **PL Sunshine Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

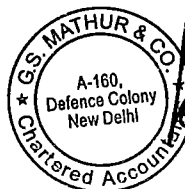
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

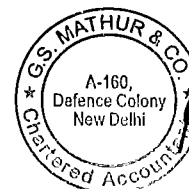
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.

ii. the Company does not have any long-term contracts including derivative contracts, for which provision is required for any foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The company has provided requisite disclosures in its Ind AS financial statements (Note No. 21) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the company.

**FOR G.S. MATHUR & CO.**

Chartered Accountants

Firm Registration Number: 8744N



**K.K. Gangopadhyay**

Partner

Membership No. 013442

Place: Gurgaon

Date: May 11, 2017

### **Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the PL Sunshine Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2017, we report that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) The title deeds of immovable properties are held in the name of the company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities. No such statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions/ banks. The company did not have any outstanding dues in respect of debenture during the year.
- ix. According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public



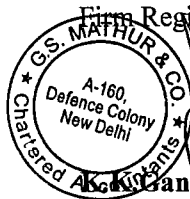
offer (including debt instruments). Further in our opinion and according to the information and explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.

- x. According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.
- xi. According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- xiv. According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**FOR G.S. MATHUR & CO.**

Chartered Accountants

Firm Registration Number: 8744N.



**A. K. Rangopadhyay**

Partner

Membership No. 013442

Place: Gurgaon

Date: May 11, 2017

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial  
Statements of PL Sunshine Limited  
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143  
of the Companies Act, 2013 (“the Act”)**

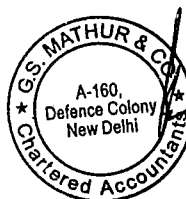
- i. We have audited the internal financial controls over financial reporting of **PL Sunshine Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

- ii. The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

- iii. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

- viii. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**FOR G.S. MATHUR & CO.**

Chartered Accountants

Firm Registration Number: 8744N.



Membership No. 013442.

Place: Gurgaon

Date: May 11, 2017

**PL Sunshine Limited**  
**Standalone Balance Sheet as at March 31, 2017**  
(All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, Plant and Equipments	3	114,271	159,007	-
Other Assets	5	5,308,442	5,326,442	90,274,900
Intangible Concessional Assets	4	1,426,998,208	1,486,866,523	16,212,444
		<b>1,432,420,921</b>	<b>1,492,351,972</b>	<b>106,487,344</b>
<b>Current assets</b>				
<b>Financial Assets</b>				
Trade receivables	6	29,847,419	17,610,012	-
Cash and bank balances	7	17,434,984	20,146,929	15,469,084
Other financial assets	8	-	293,207	-
Other current assets	9	949,434	6,397,052	-
		<b>48,231,837</b>	<b>44,447,200</b>	<b>15,469,084</b>
<b>TOTAL ASSETS</b>		<b>1,480,652,758</b>	<b>1,536,799,172</b>	<b>121,956,428</b>
<b>Equity and liabilities</b>				
<b>Shareholders' funds</b>				
Equity Share Capital	10	211,000,000	211,000,000	105,500,000
Other Equity				
Other reserves	11	(32,869,154)	(13,856,513)	(1,873,920)
		<b>178,130,846</b>	<b>197,143,487</b>	<b>103,626,080</b>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	12	1,172,770,242	1,169,058,677	17,361,921
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	13	5,829,203	995,381	66,468
Other current liabilities	13	70,738,339	145,513,953	901,959
Provision for Maintenance		53,184,127	24,087,674	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,480,652,758</b>	<b>1,536,799,172</b>	<b>121,956,428</b>
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For G. S. Mathur & Co  
Chartered Accountants  
Registration number: 8744N

For and on behalf of the board of directors of  
PL Sunshine Limited



*K. Gangopadhyay*  
Partner  
Membership No.: 013442

*[Signature]*  
CFO

*[Signature]*  
Company  
Secretary

*[Signature]*  
Director  
DIN: 02862593

*[Signature]*  
Director  
DIN: 07326159

Place: Gurgaon  
Date: May 11, 2017



**PL Sunshine Limited**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2017**  
 (All amounts in INR, unless otherwise stated)

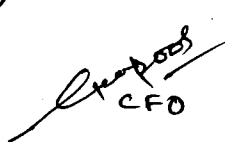
	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations		219,575,675	1,495,700,979
Other income	14	1,849,527	997,145
<b>Total income (I)</b>		<b>221,425,202</b>	<b>1,496,698,124</b>
<b>Expenses</b>			
Employee Benefits Expense	15	1,138,901	893,025
Other expenses	16	59,582,394	1,478,019,610
<b>Total expenses (II)</b>		<b>60,721,295</b>	<b>1,478,912,635</b>
<b>Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)</b>			
		<b>160,703,907</b>	<b>17,785,489</b>
Depreciation and amortization expense	3&4	59,913,052	9,881,210
Finance costs	17	119,803,497	19,886,872
<b>(Loss)/profit before tax</b>		<b>(19,012,641)</b>	<b>(11,982,593)</b>
<b>Tax expenses</b>			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year/period</b>		<b>(19,012,641)</b>	<b>(11,982,593)</b>
Earnings per equity share [nominal value of share Rs 10 (previous year Rs 10)]			
Basic and diluted earning per share	18	(1.14)	(0.72)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

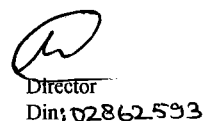
As per our report of even date.

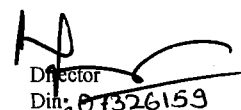
For **G. S. Mathur & Co**  
 Chartered Accountants  
 Firm registration number: 8744N  
 A-160,  
 Defence Colony  
 New Delhi  
 G. S. Mathur  
 Partner  
 Membership No.: 013442

For and on behalf of the board of directors of  
**PL Sunshine Limited**

  
 CFO

  
 Company  
 Secretary

  
 Director  
 Din: 02862593

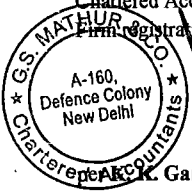
  
 Director  
 Din: 01326159


Place: Gurgaon  
 Date: May 11, 2017

**PL Sunshine Limited**  
**Cash flow statement for the year ended March 31, 2017**  
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from/ (used in) operating activities</b>		
Profit/ (Loss) before tax	(19,012,641)	(3,664,236)
flows		
Depreciation/ amortization	59,913,052	11,137,405
<b>Operating profit before working capital changes</b>	<b>40,900,410</b>	<b>7,473,169</b>
Movement in working capital:		
Increase/ (decrease) in trade payables	4,833,822	928,913
Increase/ (decrease) in provisions	29,096,454	-
Increase/ (decrease) in other current liabilities	(74,775,614)	144,611,994
<b>Cash generated from/ (used in) operations</b>	<b>55,072</b>	<b>153,014,076</b>
Decrease/ (increase) in loans and advances	5,758,825	78,258,199
Decrease/ (increase) in trade receivables	(12,237,407)	(17,610,012)
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(6,423,510)</b>	<b>213,662,263</b>
<b>Cash flow used in investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	-	(1,477,174,395)
<b>Net cash flow used in investing activities (B)</b>	<b>-</b>	<b>(1,477,174,395)</b>
<b>Cash flow used in financing activities</b>		
Proceeds from long-term borrowings	3,711,565	1,162,689,977
Proceeds issue of capital	-	105,500,000
Interest paid	-	-
<b>Net cash flow used in financing activities (C)</b>	<b>3,711,565</b>	<b>1,268,189,977</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(2,711,945)</b>	<b>4,677,845</b>
Exchange difference	-	-
Cash and cash equivalents at the beginning of the year	20,146,929	15,469,084
<b>Cash and cash equivalents at the end of the year</b>	<b>17,434,984</b>	<b>20,146,929</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	199,589	612,241
With banks		
- on current account	17,235,395	534,688
-in Term Deposits with Scheduled Banks	-	19,000,000
<b>Total cash and cash equivalents (also refer note 7)</b>	<b>17,434,984</b>	<b>20,146,929</b>

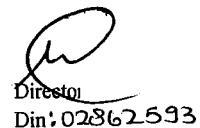
This is the cash flow statement referred to in our report of even date.

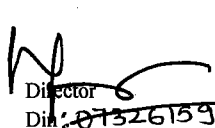
For **G. S. Mathur & Co**  
Chartered Accountants  
Firm registration number: 8744N  
  
**A.K. Gangopadhyay**  
Partner  
Membership No.: 013442

  
CFO

  
Company  
Secretary

For and on behalf of the Board of Directors of  
**PL Sunshine Limited**

  
Director  
Din: 02862593

  
Director  
Din: 07526159

Place: Gurgaon  
Date: May 11, 2017

**PL Sunshine Limited**  
**Standalone Balance Sheet as at March 31, 2017**  
 (All amounts in INR, unless otherwise stated)

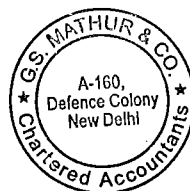
	Numbers	Amount
<b>Equity share of Rs. 10 each issued, subscribed and fully paid</b>		
At 1, April 2015	211,000,000	2,110,000,000
At 31, March 2016	211,000,000	2,110,000,000
At 31, March 2017	211,000,000	2,110,000,000

**Other Equity**

For the year ended March 31, 2015	Retained earning	Total
As at March 31, 2014	-	-
Profit for the year	(1,873,920)	(1,873,920)
Add: Exchange difference during the year on net investment in non-integral operations	-	-
Other comprehensive Income (net of taxes)	-	-
<b>Total Comprehensive Income</b>	<b>(1,873,920)</b>	<b>(1,873,920)</b>
<b>As at March 31, 2015</b>	<b>(1,873,920)</b>	<b>(1,873,920)</b>

For the year ended March 31, 2016	Retained earning	Total
As at April 01, 2015	(1,873,920)	(1,873,920)
Profit for the year	(11,982,593)	(11,982,593)
Add: Exchange difference during the year on net investment in non-integral operations	-	-
Other comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>(13,856,513)</b>	<b>(13,856,513)</b>
<b>As at March 31, 2016</b>	<b>(13,856,513)</b>	<b>(13,856,513)</b>

For the year ended March 31, 2017	Retained earning	Total
As at March 31, 2016	(13,856,513)	(13,856,513)
Profit for the year	(19,012,641)	(19,012,641)
Add: Exchange difference during the year on net investment in non-integral operations	-	-
Other comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>(32,869,154)</b>	<b>(32,869,154)</b>
<b>As at March 31, 2017</b>	<b>(32,869,154)</b>	<b>(32,869,154)</b>



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

**1. Corporate Information**

Punj Lloyd Sunshine Limited was incorporated and registered on March 05, 2015 under the laws of India. The company was incorporated as a Special Purpose Vehicle (SPV) with the main object to act as developers, owners, engineers, operators, consultants, contractors and sub-contractors for engineering, procurement, construction, operation and maintenance of infrastructural projects involving generation, transmission, distribution and management of Solar Power. The company is a wholly owned subsidiary of Punj Lloyd Infrastructure Limited.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Ind AS). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis, except for the fowling assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities measured at fair value.

**2.1 Summary of significant accounting policies**

**(a) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

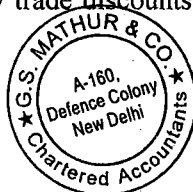
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

**Fair value measurements and valuation process:**

Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has determine the appropriate valuation techniques an inputs for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available, wherever market observable data is not available, the Company engages third party qualified valuers to perform the valuation.

**(b) Property, Plant and Equipments (PPE)**

Property, plant and equipments are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. The Company considered the previous GAAP carrying cost of plant and equipments as deemed cost, as the fair value of these assets does not differ materially from its carrying cost

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(c) Depreciation on property plant and equipments (PPE)**

1. Depreciation on fair value less costs of disposal and is calculated on a straight-line basis, at the rates prescribed under Schedule II to the Companies Act, 2013.
2. Amount added to assets on account of foreign exchange fluctuation is depreciated prospectively over the remaining useful lives of the respective assets.

**(d) Impairment of non financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**(e) Leases**

**Where the Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the period of lease i.e 30 years.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

**(f) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

1. Revenue from operations is accounted for in accordance with the terms of agreements with the customers and at fair value of the service rendered.
2. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in the other income in the statement of profit and loss.

**(g) Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(h) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in Shareholders' funds is recognized in Shareholders' funds and not in the statement of profit and loss.

Deferred tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deduction temporary differences and the carry forward of unused tax credits and unused tax loss can be utilized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of deferred tax assets to be utilized.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(i) Segment reporting**

**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

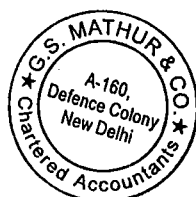
**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(j) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

**(k) Provisions**

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**(l) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(n) Contingent Assets**

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable

**(o) Operating Cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the same is considered as project period.

**(p) Foreign currency transaction**

**i. Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii. Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.





**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

**iii. Exchange differences**

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

All other exchange differences are recognised as income or as expenses in the period in which they arise.

**(q) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

**(r) Financial Instruments**

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

***Financial instruments : Initial Reorganization***

All the financial asset are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial assets. Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the company commits to purchase or sell the assets.

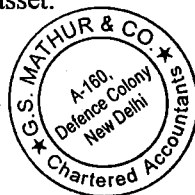
***Financial instruments : Subsequent measurement***

All equity investments are measured at fair value. For the purpose of subsequent measurement, Equity Investments are measured at fair value through other comprehensive income (FVTOCI) category.

Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss.

***Financial instruments : Dereorganization***

All financial asset is primarily derecognized when right to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flow from the asset or the company has transferred control of the asset.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

***Impairment of financial assets***

**Recognition of impairment loss:**

**1. Trade receivables and advances (*other than from Group Companies*):**

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables and advances (*other than from Group Companies*).

▶  
▶ The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

▶  
▶ As a practical expedient, the Company uses separate provision matrices to determine impairment loss allowance on portfolio of its trade receivables and advances (*other than Group Companies*).

▶  
▶ **Provision matrix for trade receivables (*other than Group Companies*):**

▶  
▶ The Company estimates the ECL on contractually due trade receivables for completed projects, based on following provision matrix, on a cumulative basis. The company does not evaluate trade receivables for impairment on its on-going projects.

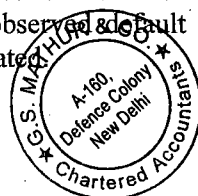
	Upto 3 Yrs	Upto 4 Years	Upto 5 Years	Upto 6 Years	Beyond 6 Years
Default rate	0%	10%	35%	65%	100%
Other criteria	(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses.  (ii) The trade receivables against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.				

The above matrix is based on historically observed default rates over their expected life and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.

▶  
**Provision matrix for (*non-trade*) advances (*other than Group Companies*):**

	Upto 5 Yrs	Upto 6 Years	Upto 7 Years	Beyond 7 Years
Default rate	0%	20%	50%	100%
Other criteria	(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses.  (ii) The advances against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.			

The above matrix is based on historically observed default rates and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

**Trade receivables and advances (from Group Companies):**

Trade receivables and advance from group companies are assessed in conjunction with fair valuation of Company's investment therein. Where, futuristic intent or fair valuation cast a doubt on recoverability of the amounts receivables, the same are provided for in the statement of profit and loss.

**2. Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company first determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

▶

▶ **Accounting and presentation of ECL:**

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

***Financial liabilities***

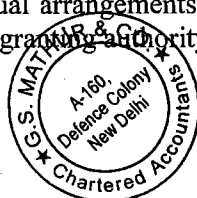
Financial liabilities are classified at initial reorganization at fair value. Interest bearing loans are subsequently measured at amortized cost using the EIR method, gain and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance cost in the statement of profit and loss. A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

**(s) Concession Assets**

Concessions refer to administrative authorization granted by the public bodies for the construction and later maintenance of solar power plants. Concession assets are classified as:

**Financial assets:** When the granting authority establishes an unconditional right to receive cash or other financial assets.

**Intangible assets:** Only in which contractual arrangements do not set an unconditional right to receive cash or other financial assets from granting authority.



**PL Sunshine Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in INR, unless otherwise stated)

Revenue is recognized at the fair value of the service rendered.

During construction period of the plant, Contract revenue is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made

The construction service counterpart is a receivable which also includes a financial remuneration. It is calculated based upon the project's expected rate of return in line with its estimate flow, which includes forecasts. Once the construction has finished, the Company re-estimate the fair value of the service rendered if circumstances have changed or uncertainties that are existed during construction have disappeared. Once the operational phase begins, the receivables are valued at amortized cost and any difference between actual and expected flows re recognized in the income statement. Unless the circumstances affecting concession asset flows significantly change (economical re-balances approved by the granting authority, contract enhancement, etc.) the rate of return will not be modified. Economic rebalancing is only considered for calculating the value of a financial asset when the grantor has vested right to receive cash or other financial assets.

Under the intangible asset model, assets are depreciated on a straight-line basis over the concession period, At each balance sheet date the project performance is reviewed to assess if assets will be recovered through operating income generated over the concession period; otherwise, there would be impairment.



3. Property, Plant and Equipments

Particulars	Furniture and Fixture	Plant and	Office equipment	Total
<b>Cost</b>				
At April 01, 2015	-	-	-	-
Additions during the year	151,050	-	47,800	198,850
At March 31, 2016	151,050	-	47,800	198,850
<b>Additions during the year</b>				
As at March 31, 2017	151,050	-	47,800	198,850
<b>Depreciation</b>				
At April 01, 2015	-	-	-	-
Charge for the year	25,336	-	14,507	39,843
At March 31, 2016	25,336	-	14,507	39,843
Charge for the year	28,804	-	15,932	44,736
As at March 31, 2017	28,804	-	15,932	44,736
<b>Net block</b>				
At March 31, 2016	125,714	-	33,293	159,007
As at March 31, 2017	96,910	-	17,361	114,271

4. Intangible assets

Particulars	Concession Assets
<b>Cost</b>	
At April 01, 2015	16,212,444
Additions during the year	1,480,495,446
At March 31, 2016	1,496,707,890
<b>Additions during the year</b>	
As at March 31, 2017	1,496,707,890
<b>Amortization</b>	
At April 01, 2015	-
Charge for the year	9,841,367
At March 31, 2016	9,841,367
Charge for the year	59,868,316
As at March 31, 2017	59,868,316
<b>Net block</b>	
At March 31, 2016	1,486,866,523
As at March 31, 2017	1,426,998,208

5. Other Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances			
Security Deposit Land (Unsecured, Considered good)	5,308,442	5,326,442	-
Mobilization advance to holding company	-	-	90,000,000
Others	-	-	274,900
	<u>5,308,442</u>	<u>5,326,442</u>	<u>90,274,900</u>

6. Financial Assets : Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good	29,847,419	17,610,012	-
	<u>29,847,419</u>	<u>17,610,012</u>	<u>-</u>
Less: Expected Credit Loss	-	-	-
	<u>29,847,419</u>	<u>17,610,012</u>	<u>-</u>

7. Financial Assets : Cash and bank balances

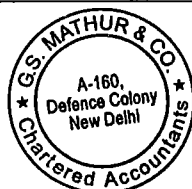
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash and cash equivalents			
Cash on hand	199,589	612,241	50,000
Balances with banks:			
On current accounts	17,235,395	534,688	15,419,084
Deposits with original maturity of less than three months	-	19,000,000	-
	<u>17,434,984</u>	<u>20,146,929</u>	<u>15,469,084</u>

8. Other financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Due from Holding Co	-	293,207	-
	<u>-</u>	<u>293,207</u>	<u>-</u>

9. Financial Assets : Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances recoverable in kind			
Unsecured, considered good	64,072	4,633,677	-
Prepaid expenses	600,795	571,990	-
Advance to Supplier	-	1,091,671	-
Balances with statutory/ government authorities	284,567	99,714	-
	<u>949,434</u>	<u>6,397,052</u>	<u>-</u>



## 10. Equity

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Authorized shares</b>			
2,11,00,000 equity shares of Rs. 10 each	211,000,000	200,000,000	200,000,000
<b>Issued, subscribed and fully paid-up shares</b>			
2,11,00,000 equity shares of Rs. 10 each	211,000,000	211,000,000	105,500,000
	<u>211,000,000</u>	<u>211,000,000</u>	<u>105,500,000</u>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

#### Equity shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	21,100,000	211,000,000	10,550,000	105,500,000	-	-
Add: Issued during the year/period	-	-	10,550,000	105,500,000	10,550,000	105,500,000
Outstanding at the end of the year/period	<u>21,100,000</u>	<u>211,000,000</u>	<u>21,100,000</u>	<u>211,000,000</u>	<u>10,550,000</u>	<u>105,500,000</u>

### b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Share capital held by its holding company

Out of equity shares issued, subscribed and fully paid up by the Company, shares held by its holding company and its nominees are as below:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Punj Lloyd Infrastructure Limited, the holding company	211,000,000	211,000,000	105,500,000
2,11,00,000 equity shares of Rs. 10 each			

### d. List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting year:

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Nos.	% of Holding	Nos.	% of Holding	Nos.	% of Holding
	Punj Lloyd Infrastructure Limited	100%	211,000,000	100%	100%	100%

### e. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

## 11. Reserves and surplus

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Deficit in the statement of profit and loss</b>			
Balance as per last financial statements	(13,856,513)	(1,873,920)	-
Loss for the year/period	(19,012,641)	(11,982,593)	(1,873,920)
Net deficit in the statement of profit and loss	<u>(32,869,154)</u>	<u>(13,856,513)</u>	<u>(1,873,920)</u>
<b>Total reserves and surplus</b>	<u>(32,869,154)</u>	<u>(13,856,513)</u>	<u>(1,873,920)</u>

## 12. Financial Liabilities : Borrowings

Particulars	Non Current Portion		Current Portion		Non Current Portion		Current Portion	
	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015	As at April 01, 2015	As at April 01, 2015	As at April 01, 2015
<b>Term Loan</b>								
Indian rupee loan from financial institutions (Secured)								
IREDA LTD	1,011,914,056	70,387,500	1,004,658,677	23,462,500	-	-	-	-
11.25% (previous year 11.25%). Loan repayable in 48 Quarterly installments, beginning from 31/3/2017. The loan is secured by way of mortgage by deposit of title deed of all project immovable properties & Hypothecation of project movable assets, both existing and future. Further, the loan has been guaranteed by the corporate guarantee of Punj Lloyd Limited, the Ultimate holding company.								
Amount disclosed under the head "other current liabilities" (note 13)	-	(70,387,500)	-	(23,462,500)	-	-	-	-
	<u>1,011,914,056</u>	<u>-</u>	<u>1,004,658,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other loans and advances (Unsecured)</b>								
Interest free loan from Punj Lloyd Infrastructure Ltd. (the Holding Company)	160,856,186	-	164,400,000	-	17,361,921	-	-	-
	<u>1,172,770,242</u>	<u>-</u>	<u>1,169,058,677</u>	<u>-</u>	<u>17,361,921</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 13. Non Financial Liabilities: Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables (including acceptances) (also refer note 22 for details of dues to micro and small enterprises)	5,829,203	995,381	66,468
<b>Other liabilities</b>			
Current maturities of long-term borrowings (note 12)	70,387,500	23,462,500	-
Retention money payable to EPC contractor (Punj Lloyd Ltd - Ultimate Holding Co)	-	35,886,250	-
Due to EPC contractor (Punj Lloyd Ltd - Ultimate Holding Co)	-	83,763,143	-
Due to Holding Co	-	-	830
Others	350,839	2,402,060	901,129
	<u>70,738,339</u>	<u>145,513,953</u>	<u>901,959</u>
	<u>76,567,542</u>	<u>146,509,334</u>	<u>968,427</u>



14. Other Income

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Interest Income	1,849,527	997,145
Deemed Interest	-	-
	<u>1,849,527</u>	<u>997,145</u>

15. Employee benefit expenses

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	1,138,901	876,621
Staff welfare expenses	-	16,404
	<u>1,138,901</u>	<u>893,025</u>

16. Other expenses

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Contractor charges	-	1,419,398,075
Operation and Maintenance charges	9,151,923	1,639,547
Travelling and conveyance	152,863	127,583
Rates and taxes	13,930,382	7,547,400
Lease Rentals	5,562,615	4,649,416
Office expenses	113,604	1,858,694
Insurance expenses	918,515	-
Site Expenses	351,563	5,185,381
Consultancy and professional charges	218,225	13,468,590
Provision for major maintenance expenses	29,096,454	24,087,674
Payment to auditors (refer below)	86,250	57,250
	<u>59,582,394</u>	<u>1,478,019,610</u>

Payments to auditors

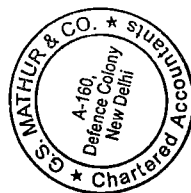
As auditor:	Year ended	Year ended
	March 31, 2017	March 31, 2016
Audit Fee	86,250	57,250
	<u>86,250</u>	<u>86,250</u>

17. Finance costs

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Interest expense	123,126,458	20,357,239
Bank charges	19,912	1,250,457
Deemed interest	(3,342,873)	(1,720,824)
	<u>119,803,497</u>	<u>19,886,872</u>

18. Earnings Per Share

	March 31, 2017	March 31, 2016
Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the beginning of the year	21,100,000	10,550,000
Equity shares at the end of the year	21,100,000	21,100,000
Weighted average number of equity shares outstanding during the year	16,619,863	16,619,863
Net loss after tax available for equity share holders (Rs.)	(19,012,641)	(11,982,593)
Basic and diluted (loss)/earnings per share	(1.14)	(0.72)
Nominal value of share (Rs.)	10.00	10.00



## 19. Segment Reporting

### Business Segment:

The Company's business activity falls within a single business segment. Therefore, segment reporting in terms of Accounting Standard 17 on Segmental Reporting is not applicable.

### Geographical Segment

The Company's operations are within India and does not operate in any other Country and hence there are no geographical segments.

## 20. Related party disclosures

### A. Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not

Holding company	Punj Lloyd Infrastructure Limited
Ultimate holding company	Punj Lloyd Limited

### B. Related parties with whom transactions have taken place during the year

Holding company	Punj Lloyd Infrastructure Limited
-----------------	-----------------------------------

### C. Key management personnel

Rajat Vijay Seksaria	Director
Naveen Chakravarthy	Director
Rahul Vashishtha	Director
Sandeep Kumar	Director

### Related Party Transactions

Particulars	Holding company		Ultimate holding company	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Punj Lloyd Limited -EPC Contractor Charges	-	-	-	1,435,450,000
Mobilisation advance	-	-	-	-
<b>Balance outstanding as at end of the year</b>				
Receivable/(payable)				
Punj Lloyd Infrastructure Ltd.	(160,856,186)	164,106,793	-	-
Punj Lloyd Limited	-	-	-	(119,649,393)

## 21. Disclosure of specified bank notes (NBS), as required in Part I in Division II in Schedule III.

Cash transactions from 8th November 2016 to 30th December 2016

Particulars	SBNs		SBNs		Other	Total
	1000		500			
Closing Cash in hand as on 08.11.2016	Nos.	Amount	Nos.	Amount		
Closing Cash in hand as on 8th November 2016	200	200,000	145	72,500	3,553	276,053
(+) Permitted receipts	-	-	-	-	250,000	250,000
(-) Permitted payments	-	-	-	-	(790)	(790)
(-) Amount deposited in Banks	(200)	(200,000)	(145)	(72,500)	-	(272,500)
Closing Cash in hand as on 30.12.2016	-	-	-	-	252,763	252,763

22. The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2017.

## 23. Concession assets

The Company has entered into a long term contract with Punjab State Power Corporation Limited for sale of electricity @ Rs. 7.45 per KW starting from financial year 2016 for a period of 25 years. During the financial year ending March 31, 2017 the Company has incurred Rs. 24,04,37,843/- (previous year Rs. 150,86,80,717/-) as expenses and revenue of Rs. 22,14,25,202/- (previous year Rs. 149,66,98,124/-) on routine maintenance of assets. Also upto the year the Company has accrued provision for Rs. 5,31,84,127/- (March 31, 2016 Rs. 2,40,87,674/-) towards major maintenance for the project based on present value of major maintenance to be incurred in future years.

## 24. Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance or risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

The management reviews and agrees policies for managing each of these risks, which are summarized below.

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract, leading to financial loss. The company is exposed to credit risk mainly from its operating activities i.e. trade receivable.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in the market price. The only financial instruments affected by market risk is non current investments.

### Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2017 the Company does not have any bank borrowing at floating interest rate.





## 25. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may

Particulars	Mar-17	Mar-16	Mar-15
Long term borrowings	1,172,770,242	1,169,058,677	17,361,921
Trade payables	5,829,203	995,381	66,468
Other Payables	70,738,339	145,513,953	901,959
Less:			
Cash and cash equivalents	-	-	-
<b>Net Debts</b>	<b>1,249,337,784</b>	<b>1,315,568,011</b>	<b>18,330,348</b>
Equity	178,130,846	197,143,487	103,626,080
<b>Capital &amp; net debts</b>	<b>1,427,468,630</b>	<b>1,512,711,498</b>	<b>121,956,428</b>
Gearing Ratio	88%	87%	15%

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company policy is to keep the gearing ratio between 20% and 40%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

## 26. - First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. For period up to end including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under sect 133 of the companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's data of transition to Ind AS. Following are the principal adjustments made by the Company in restating its Indian GAAP financial statement, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

The Company has designated unquoted equity instruments held at April 1, 2015 as fair value through OCI investments.

The estimates as at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP except for unquoted equity instruments, which is carried out fair value through other comprehensive income.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

## Reconciliation of equity as at April 1, 2015 - Transition to Ind AS

	As At April 1, 2015			As At March 31, 2016		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
<b>Assets</b>						
<b>Non-current assets</b>						
Property Plant and Equipments			-	1,482,088,915	(1,481,929,908)	159,007
Capital Wrok in progress	16,051,925	(16,051,925)	-	-	-	-
Other Assets	90,274,900	-	90,274,900	5,326,442	-	5,326,442
Intangible Concessional Assets	-	16,212,444	16,212,444	-	1,486,866,523	1,486,866,523
	106,326,825	160,519	106,487,344	1,487,415,357	4,936,615	1,492,351,972
<b>Current assets</b>						
<b>Financial Assets</b>						
Trade receivables	-	-	-	17,610,012	-	17,610,012
Cash and bank balances	15,469,084	-	15,469,084	20,146,929	-	20,146,929
Other financial assets	-	-	-	293,207	-	293,207
Other current assets	-	-	-	6,397,052	-	6,397,052
<b>Total Current Assets</b>	<b>15,469,084</b>	<b>-</b>	<b>15,469,084</b>	<b>44,447,200</b>	<b>-</b>	<b>44,447,200</b>
<b>Total Assets</b>	<b>121,795,909</b>	<b>160,519</b>	<b>121,956,428</b>	<b>1,531,862,557</b>	<b>4,936,615</b>	<b>1,536,799,172</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Share capital	105,500,000	-	105,500,000	211,000,000	-	211,000,000
Other Equity	(2,034,439)	160,519	(1,873,920)	(5,698,675)	(8,157,838)	(13,856,513)
<b>Equity attributable to equity holders of the parent</b>	<b>103,465,561</b>	<b>160,519</b>	<b>103,626,080</b>	<b>205,301,325</b>	<b>(8,157,838)</b>	<b>197,143,487</b>
<b>Non-current liabilities</b>						
<b>Financial Liabilities</b>						
Borrowings	17,361,921	-	17,361,921	1,180,051,898	(10,993,221)	1,169,058,677
	17,361,921	-	17,361,921	1,180,051,898	(10,993,221)	1,169,058,677
<b>Current liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	66,468	-	66,468	995,381	-	995,381
Other current liabilities	901,959	-	901,959	145,513,953	-	145,513,953
Provision for Maintenance	-	-	-	-	24,087,674	24,087,674
	968,427	-	968,427	146,509,334	24,087,674	170,597,008
<b>Total Equity and Liabilities</b>	<b>121,795,909</b>	<b>160,519</b>	<b>121,956,428</b>	<b>1,531,862,557</b>	<b>4,936,615</b>	<b>1,536,799,172</b>



Group reconciliation of profit for the year ended March 31, 2016

	Year ended March 31, 2016		
	Indian GAAP	Adjustments	Ind AS
<b>Income</b>			
Revenue from operations	30,485,400	1,465,215,579	1,495,700,979
Other income	997,145	-	997,145
<b>Total income</b>	<b>31,482,545</b>	<b>1,465,215,579</b>	<b>1,496,698,124</b>
<b>Expenses</b>			
Employee benefits expense	893,025.00	-	893,025.00
Other expenses	4,468,897	1,473,550,713	1,478,019,610
<b>Total expenses</b>	<b>5,361,922</b>	<b>1,473,550,713</b>	<b>1,478,912,635</b>
<b>Earning before interest, tax, depreciation and amortization (EBITDA) (-)</b>	<b>26,120,623</b>	<b>(8,335,134)</b>	<b>17,785,489</b>
Depreciation	11,137,405	-	9,881,210
Finance costs	18,647,454	-	19,886,872
<b>Profit/ (loss) before tax</b>	<b>(3,664,236)</b>	<b>(8,335,134)</b>	<b>(11,982,593)</b>
<b>Tax expenses</b>			
Current Tax	-	-	-
Deferred tax credit	-	-	-
<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>	<b>(3,664,236)</b>	<b>(8,318,357)</b>	<b>(11,982,593)</b>
<b>Other Comprehensive Income</b>			
<b>Total comprehensive income for the year (net of taxes)</b>	<b>(3,664,236)</b>	<b>(8,318,357)</b>	<b>(11,982,593)</b>


As per our report of even date


For G. S. Mathur & Co  
Chartered Accountants  
Firm registration number: 8744N  
A-160,  
Defence Colony  
New Delhi  
per K. K. Gopalakrishnan  
Chartered Accountants  
Membership No.: 013442  
Place: Gurgaon  
Date: May 11, 2017

  
CFO

  
Company  
Secretary

For and on behalf of Board of Directors of  
PL Sunshine Limited

  
Director  
Din : 02862593

  
Director  
Din : 07326159