Mahesh Aggarwal & Associates
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# INDEPENDENT AUDITOR'S REPORT

To the Members of

Ecogreen Envirotech Solutions Limited

Gurgaon

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS Financial Statements of Ecogreen Envirotech Solutions Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2019, and its financial performance (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Management's Responsibility for the 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 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) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Mahesh Aggarwal & Associates
Chartered Accountants

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 sub-section (11) Section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 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 purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 II"; and

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Chartered Accountants

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 does not have any pending litigations which would impact its financial position in its Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

For Mahesh Aggarwal & Associates
Chartered Accountants
Regn. No. 006092N

Mahesh Aggarwal & Associates
Chartered Accountants

Mahesh Agarwal
Partner
M. No. 85013

Place: Gurgaon
Dated: 13 MAY 2019

Mahesh Aggarwal & Associates
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Re: [Ecogreen Envirotech Solutions Limited] ('the Company')

**Annexure-I**
Referred to in paragraph (1) Report on Other Legal and Regulatory Requirements of our report of even date

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained 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 were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c ) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has constructed building on the land provided and owned by the Aligarh Municipal Corporation, so the title deeds are not in the name of the company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. And with respect to the same:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans has been granted to the bodies corporate listed in the register maintained under section 189 of The Companies Act 2013 are not prejudicial to the interest of the company.

(b) The principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion receipt of the principal amount is regular; and

(c) There is no overdue amount in respect of loans granted to such companies, firms or other parties.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Mahesh Aggarwal & Associates
Chartered Accountants
Regn. No. 006092N

Mahesh Agarwal
Partner
M. No. 85013

Place: Gurgaon
Dated: 13 MAY 2019

Mahesh Aggarwal & Associates
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**Annexure - II to the Auditors' Report**

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

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Ecogreen Envirotech Solutions Limited ("the Company") as of 31 March 2019 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**

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 ('ICAI'). 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**

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.

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 Ind AS financial statements, whether due to fraud or error.

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

Mahesh Aggarwal & Associates Chartered Accountants

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

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

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**

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 31 March 2019, 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 Mahesh Aggarwal & Associates**
**Chartered Accountants**
**Regn. No. 006092N**

Mahesh Aggarwal & Associates Chartered Accountants

**Mahesh Agarwal**
**Partner**
**M. No. 85013**

**Place: Gurgaon**
**Dated:** 13 MAY 2019

ECOGREEN ENVIROTECH SOLUTIONS LIMITED (FORMERLY A2Z WASTE MANAGEMENT (LONI) LIMITED)
**Balance sheet as at March 31, 2019**
**(Unless otherwise stated, all amounts are in INR lacs)**

| Particulars | Note | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3a | 9.16 | 14.04 |
| Intangible asset | 3b | 14.41 | - |
| Financial assets | | | |
| Loans | 4 | 18.50 | 17.51 |
| Non-current tax assets (net) | 5 | 0.00 | 27.85 |
| | | **42.07** | **59.40** |
| **Current assets** | | | |
| Financial assets | | | |
| Cash and cash equivalents | 6 | 1.20 | 46.67 |
| Other bank balances | 7 | 116.83 | 109.40 |
| Loans | 4 | 799.65 | 36.48 |
| Trade Receivable | 8 | 936.30 | 816.76 |
| Other financial assets | 9 | 750.71 | 681.81 |
| | | **2,604.68** | **1,691.12** |
| **Total Assets** | | **2,646.75** | **1,750.52** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 10 | 5.00 | 5.00 |
| Other equity | 11 | 467.19 | 32.57 |
| | | **472.19** | **37.57** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 12 | 8.10 | 7.32 |
| Provisions | 13 | 95.80 | 73.02 |
| | | **103.90** | **80.34** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | - | - |
| Trade payables | 15 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,511.72 | 1,429.25 |
| Other financial liabilities | 16 | 121.45 | 55.52 |
| Other current liabilities | 17 | 365.39 | 138.06 |
| Provisions | 18 | 7.35 | 9.78 |
| | | 64.75 | |
| | | **2,070.66** | **1,632.61** |
| **Total Equity & Liabilities** | | **2,646.75** | **1,750.52** |

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Mahesh Aggarwal & Associates**
Chartered Accountants
Regn No. 006092N

Mahesh Agarwal
Partner
M No. 085013

Mahesh Aggarwal & Associates
Chartered Accountants

**For and on behalf of the board of directors**

**Dipali Mittal**
Director
(DIN: 00872628)

**Vikas Guliani**
Director
(DIN : 06873154)

**Place** : Gurugram
**Date** : 13 MAY 2019

**ECOGREEN ENVIROTECH SOLUTIONS LIMITED (FORMERLY A2Z WASTE MANAGEMENT (LONI) LIMITED)**
**Statement of profit and loss for the period ended March 31, 2019**
**(Unless otherwise stated, all amounts are in INR lacs)**

| Particualrs | Note | For the period ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 19 | 5,836.40 | 2,375.59 |
| Other Income | 20 | 38.80 | 11.06 |
| | | **5,875.19** | **2,386.65** |
| **Expenses** | | | |
| Cost of material comsumed | 21 | 2,414.96 | 1,165.00 |
| Employee benefit expenses | 22 | 2,416.22 | 1,112.42 |
| Depreciation | 3 | 15.08 | 19.48 |
| Finance costs | 23 | 115.68 | 38.37 |
| Other expenses | 24 | 324.45 | 105.66 |
| | | **5,286.40** | **2,440.93** |
| **Profit before tax** | | **588.80** | **(54.28)** |
| **Tax expense** | | | |
| Current tax | | 181.97 | 4.57 |
| Deferred tax | | - | - |
| | | 181.97 | 4.57 |
| **Profit/(loss) for the period** | | **406.83** | **(58.85)** |
| **Other Comprehensive Income** | | | |
| A i)Items that will not be reclassified to profit and loss | | 27.02 | - |
| ii)Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B i)Items that will be reclassified to profit or loss | | - | - |
| ii)Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | **27.02** | **-** |
| **Total Comprehensive Income for the period (Comprising Loss and Other Comprehensive Income for the period)** | | **433.85** | **(58.85)** |
| **Loss per equity share** | | | |
| Basic (in INR) | 25 | 867.69 | (117.69) |
| Diluted (in INR) | 25 | 867.69 | (117.69) |

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Mahesh Aggarwal & Associates**
Chartered Accountants
Regn No. 006092N

Mahesh Aggarwal & Associates Chartered Accountants

**Mahesh Agarwal**
Partner
M No. 085013

**Place** : Gurugram
**Date** : 13 MAY 2019

**For and on behalf of the board of directors**

**Dipali Mittal**
Director
(DIN: 00872628)

**Vikas Guliani**
Director
(DIN : 06873154)

**ECOGREEN ENVIROTECH SOLUTIONS LIMITED (FORMERLY A2Z WASTE MANAGEMENT (LONI) LIMITED)**

**Statement of changes in equity for the period ended March 31, 2019**

**(Unless otherwise stated, all amounts are in INR lacs)**

| | | Notes | Number of shares | Amount |
|---|---|---|---|---|
| **A** | **Equity share capital** | | | |
| | **Issued, subscribed and fully paid up** | | | |
| | **Equity Shares of INR 10 each** | | | |
| | Balance as at March 31, 2018 | 10 | 50,000 | 5.00 |
| | Changes in equity share capital | | - | |
| | Balance as at March 31, 2019 | 10 | 50,000 | 5.00 |

| | | Notes | Equity Component of Preference shares | Reserves and Surplus-Retained earnings | Total |
|---|---|---|---|---|---|
| **B** | **Other Equity** | | | | |
| | **As at April 1, 2018** | 11 | 103.64 | (71.07) | 32.57 |
| | **Transactions with owners** | | **103.64** | **(71.07)** | **32.57** |
| | Add: Profit for the year | | - | 406.83 | 406.83 |
| | Add [Less]: Other Comprehensive income | | - | 27.02 | 27.02 |
| | **Total Comprehensive Income** | | **103.64** | **362.78** | **466.42** |
| | Transfer from [to] Reserve | | - | 0.77 | 0.77 |
| | **As at March 31, 2019** | | **103.64** | **363.55** | **467.19** |

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Mahesh Aggarwal & Associates**
Chartered Accountants
Regn No. 006092N

Mahesh Aggarwal & Associates Chartered Accountants

**Mahesh Agarwal**
Partner
M No. 085013

**For and on behalf of the board of directors**

**Dipali Mittal**
Director
(DIN: 00872628)

**Vikas Guliani**
Director
(DIN : 06873154)

**Place** : Gurugram
**Date** : 13 MAY 2019

(Unless otherwise stated, all amounts are in INR lacs)

**3 Property, plant and equipment**

| Particulars | Plant and Machinery | Vehicles | Office Equipment | Total | Capital Work in progress |
|---|---|---|---|---|---|
| **Gross Block** | | | | | |
| **At 1st April 2018** | **30.38** | **0.70** | **2.44** | **33.52** | - |
| Additions | - | - | 8.59 | 8.59 | |
| Disposals | - | - | - | - | - |
| Other adjustments | - | - | - | - | - |
| **At 31st March 31, 2019** | **30.38** | **0.70** | **11.03** | **42.11** | - |
| **Accumulated Depreciation** | | | | | |
| **At 1st April 2018** | **18.92** | **0.33** | **0.23** | **19.48** | - |
| Depreciation for the period | 11.46 | 0.38 | 1.64 | 13.47 | - |
| Disposals | - | - | - | - | - |
| **At 31st March 31, 2019** | **30.38** | **0.71** | **1.87** | **32.95** | - |
| | | | | | |
| **Net Carrying Value as at 31st March 31, 2019** | **0.00** | **(0.01)** | **9.16** | **9.16** | - |
| **Gross Block** | | | | | |
| **At 1st April 2017** | - | - | - | - | **4.27** |
| Additions | 30.38 | 0.70 | 2.44 | 33.52 | - |
| Disposals | - | - | - | - | 4.27 |
| Other adjustments | - | - | - | - | - |
| **At 31st March 2018** | **30.38** | **0.70** | **2.44** | **33.52** | - |
| **Accumulated Depreciation** | | | | | |
| **At 1st April 2017** | - | - | - | - | - |
| Depreciation for the year | 18.92 | 0.33 | 0.23 | 19.48 | - |
| Disposals | - | - | - | - | - |
| **At 31st March 2018** | **18.92** | **0.33** | **0.23** | **19.48** | - |
| | | | | | |
| **Net Carrying Value as at 31st March 2018** | **11.46** | **0.37** | **2.21** | **14.04** | - |

Mahesh Aggarwal & Associates
Chartered Accountants

**Notes to the financials statements for period ended March 31, 2019**
**(Unless otherwise stated, all amounts are in INR Lacs)**

**Note 3b : Other Intangible Assets**

| | Computer Software | Total |
|---|---|---|
| **Gross Carrying Amount:** | | |
| Balance as at April 1, 2017 | - | - |
| Additions | - | - |
| Disposals | - | - |
| Other adjustments | | |
| **Balance as at March 31, 2018** | - | - |
| Additions | 16.02 | 16.02 |
| Disposals | - | - |
| Other adjustments | - | - |
| **Balance as at March 31, 2019** | 16.02 | 16.02 |
| **Amortisation and Impairment:** | | |
| **Balance as at April 1, 2017** | | |
| Amortisation for the year | - | - |
| Impairment for the year | - | - |
| Disposals | - | - |
| **Balance as at March 31, 2018** | - | - |
| Amortisation for the period | 1.61 | 1.61 |
| Impairment for the period | - | - |
| Disposals | - | - |
| Balance as at March 31, 2019 | 1.61 | 1.61 |
| **Net Carrying Amount:** | | |
| Balance as at March 31, 2019 | **14.41** | **14.41** |
| Balance as at March 31, 2018 | | |

Mahesh Aggarwal & Associates
Chartered Accountants

**Note 1: Nature of Operations**

Ecogreen Envirotech Solutions Limited (Formerly A2z Waste Management (Loni) Limited) ('Eco' or 'the Company' or 'SPV') is the wholly owned subsidiary of A2z Green Waste Management Limited (Formerly A2z Infrastructure Limited). It was incorporated at National Capital Territory of Delhi and Haryana on November 10, 2010 for providing Waste Management Services.

The Company's main business primarily would include Door to door collection, intermediate transportation, and Engineering sanitary land fill.

**Note 2: Significant Accounting Policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The financial statements are presented in INR and all values are rounded to the nearest lacs , except when otherwise indicated.

**2.2 Foreign Currency Transactions:**

The Company's financial statements are presented in INR lacs, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in Statement of Profit and Loss, any exchange component of that gain or loss shall be recognised in the Statement of Profit and Loss.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

**2.3 Segment Reporting**

**2.3.1 Business segments**

Operating Segments are identified based on financial information that is regularly reviewed by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. The primary reporting of the Company has been performed on the basis of business segment. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The Company is operating into following segments – (i) Power generation projects ('PGP') and (ii) Others represents trading of goods.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

The specific recognition criteria described below must also be met before revenue is recognised.

**2.4.1 Revenue from Service Contracts :**

Revenue from collection and transportation of municipal solid waste is accounted for when the services are rendered in terms of the contract entered with the local municipal bodies.

**2.4.2 Revenue from sale of goods :**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

**2.4.3 Interest Income:**

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**2.4.4 Other Income:**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**2.5 Borrowing Costs**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowing are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

General and specific borrowing costs that are directly attributable to the acquisition, construction or prodiction of a qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for it's intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

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**2.6 Other Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 2.9. The following useful lives are applied:

- Software: 3-5 years

Amortisation has been included within depreciation, amortisation and impairment of nonfinancial assets.
Subsequent expenditures on the maintenance of computer software is expensed as incurred.
When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

**2.7 Property, plant and equipment**

Property, plant and equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management
Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.
Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of Property, plant and equipment. The following useful lives are applied:

- Buildings : 3-60 years
- Plant and Equipment : 8-15 years
- Furniture and Fixtures : 8-10 years
- Vehicles : 6-10 years
- Office Equipment : 5 years
- Computers : 3-6 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.
Gains or losses arising on the disposal of Property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

**2.8 Leased Assets**

**2.8.1 Finance leases**

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See Note 2.7 for the depreciation methods and useful lives for assets held under finance leases.
The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

**2.8.2 Operating leases**

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

**2.9 Impairment testing of goodwill, other intangible assets and property, plant and equipment**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

**2.10 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.

**2.10.1 Initial recognition and measurement of financial instruments:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The company currently have security deposits, investment in preference shares of subsidiary companies, trade receivables, loans etc.

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Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and subsequently all the risks and rewards are tranferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**2.10.2 Classification and Subsequent measurement of financial assets:**
Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :
a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
b) 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 financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and it is not designated as at FVTPL:
a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
b) 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.

All other financial assets are classified as measured at FVTPL. The Bank may 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. The Bank has not applied fair value designation option for any financial assets.

**2.10.3 Impairment of financial assets:**
In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a. Financial assets that are debt instruments, and are measured at amortised cost e.g. security deposits
b. Financial assets that are available for sale.
c. Trade receivables or any contractual right to receive cash or another financial asset
The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c provided above.

The application of simplified approach require the company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company 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 Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'other expenses'. 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 reducing the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**2.10.4 Classification and subsequent measurement of financial liabilities:**
The measurement of financial liabilities depends on their classification, as described below:
**Financial liabilities at fair value through profit or loss:**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through Statement of Profit and Loss.

**Loans and borrowings:**
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**2.10.5 Reclassification of financial instruments:**
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses [including impairment gains or losses] or interest. The Company did not reclassify any financial assets in the current period.

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**2.10.6 Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.11 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw Materials, Packing Material and Stores & Spare Parts: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in-first-out basis.

b. Finished Goods and Work-in-Progress: Cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first-in-first-out basis.

c. Stock-in-Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**2.12 Income Taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

**2.13 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.14 Equity, reserves and dividend payments**

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Remeasurement of net defined benefit liability - Comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (see Note 2.15)
- Retained earnings includes all current and prior period retained profits and share-based employee remuneration . All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

**2.15 Post-employment benefits and short-term employee benefits**

**Post-employment benefit plans**

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

**Defined Contribution Plans :**

Retirement benefits in the form of provident fund and employee state insurance are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

**Defined Benefit Plans :**

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the Balance Sheet with a corresponding debit or credit to Retained Earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**Leave Liability:**

The employees of the Company are entitled to leave as per the leave policy of the Company. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses should be recognized in Statement of Profit and Loss.

**Short-term employee benefits**

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

**2.16 Provisions, contingent assets and contingent liabilities**

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate which reflects the current market assessment of time value of money. Government bond rate can be used as discount rate, as it is a riskfree pre-tax rate reflecting the time value of money. For this purpose, the discount rate should also be reassessed at the end of each reporting period, including the interim reporting date, if any.

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**2.17 Significant management judgement in applying accounting policies and estimation uncertainty**

**Recognition of service revenues :**

Determining when to recognise revenues from after-sales services requires an understanding of both the nature and timing of the services provided and the customers' pattern of consumption of those services, based on historical experience and knowledge of the market. (see Note 2.4).

**Recognition of deferred tax assets :**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see Note 2.12).

**2.18 Estimation Uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Impairment of non-financial assets and goodwill**

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.9).

**Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

**Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**2.19 Standards, not yet effective and have not been adopted early by the Company**

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115) alongwith changes in few other standards due to implementation of Ind AS 115

There is one new standard notified by MCA for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts.

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract
v. Recognition of revenue when performance obligation is satisfied.

The effective date of the new standard is 1st April 2018 as notified by the MCA. The management is yet to assess the impact of this new standard on the Company's financial statements.

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Company intends to adopt these standards from April 1, 2019. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

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ECOGREEN ENVIROTECH SOLUTIONS LIMITED (FORMERLY A2Z WASTE MANAGEMENT (LONI) LIMITED)
Notes forming part of the financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| 4 | **Loans** | | |
| | **Non-Current** | | |
| | **Unsecured** | | |
| | Security Deposit | 18.50 | 17.51 |
| | | **18.50** | **17.51** |
| | **Current** | | |
| | **Unsecured** | | |
| | Loans to Employee | 1.16 | 0.71 |
| | Loans to group Company (Refer note below) | 769.16 | 33.94 |
| | | - | |
| | - Interest Accrued But Not Due | 29.32 | 1.83 |
| | | **799.65** | **36.48** |
| | | **818.14** | **53.99** |

**Note:** Details of Loans & Advances to Group Company

| Name of Group Company | Maturity Date | Coupon Rate / Interest rate | Terms of repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited) | On Demand | 10.75% - 14.0 | On Demand | 769.16 | 33.94 |
| | | | | **769.16** | **33.94** |

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| 5 | **Non-current tax assets (net)** | | |
| | Advance income tax | 117.22 | 32.42 |
| | Less : Provision for taxation | (117.22) | (4.57) |
| | | **0.00** | **27.85** |
| 6 | **Cash and cash equivalents** | | |
| | Balances with banks - in current accounts | 1.12 | 46.53 |
| | Cash on hand | 0.07 | 0.14 |
| | | **1.20** | **46.67** |
| 7 | **Other bank balances** | | |
| | Fixed deposit with bank having maturity more than three months less than one year | 116.83 | 109.40 |
| | | **116.83** | **109.40** |
| 8 | **Trade receivables** | | |
| | **Unsecured** | | |
| | Considered good | 892.56 | 816.76 |
| | From related party | 43.74 | |
| | | **936.30** | **816.76** |
| 9 | **Other Financial Assets** | | |
| | **Unsecured, considered good** | | |
| | Advances recoverable | 750.71 | 681.81 |
| | Others | - | - |
| | -Interest accrued on fixed deposits | - | - |
| | | **750.71** | **681.81** |
| 11 | **Reserves and surplus** | | |
| | **Compound Financial Instrument** | | |
| | Opening | 103.64 | 103.64 |
| | Additions during the period | - | - |
| | Utilisation during the period | - | - |
| | **Closing balance** | 103.64 | 103.64 |

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| | | |
|---|---|---|
| **Retained Earnings** | | |
| Opening balance | (71.07) | (12.22) |
| Add: Transfer from statement of profit and loss | 406.83 | (58.85) |
| | 27.02 | - |
| Closing balance | **362.78** | **(71.07)** |
| ESOP reserve | 0.77 | - |
| **Total Reserves** | **467.19** | **32.57** |

**12 Non-Current Borrowings**

**UnSecured - at amortised cost**

| | | |
|---|---|---|
| Loan from Group Company | 8.10 | 7.32 |
| | **8.10** | **7.32** |

Note:

| Name of Group Company | Maturity Date | Coupon Rate / Interest rate | Terms of repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| Debt Component of Preference Shares | On or before Nov 2046 | 10.75% - 14.00% | On or before Nov 2046 | 8.10 | 7.32 |
| | | | | **8.10** | **7.32** |

**13 Provisions**

| | | |
|---|---|---|
| Provision for gratuity | 95.80 | 73.02 |
| | **95.80** | **73.02** |

**14 Current Borrowings**

**Unsecured**

| | | |
|---|---|---|
| Loan from Holding Company | - | - |
| | - | - |

Note:

| Name of Group Company | Maturity Date | Coupon Rate / Interest rate | Terms of repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| Loan from Group Company | On Demand | 10.75% - 14.0 | On Demand | - | - |
| | | | | - | - |

**15 Trade payables**

| | | |
|---|---|---|
| Acceptances | | |
| Other than acceptances: total outstanding dues of micro and small enterprises * | - | - |
| Other than acceptances: total outstanding dues of creditors other than micro and small enterprises | 1,511.72 | 1,429.25 |
| | **1,511.72** | **1,429.25** |

| | | |
|---|---|---|
| [*] Details of dues to micro and small enterprises as per MSMED Act, | | |
| - principal amount | - | - |
| - interest amount | - | - |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| 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 Micro Small and Medium Enterprise Development Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | - | - |

All the trade payables are short term. The carrying value of trade payables are considered to be the reasonable approximation of fair value.

**16 Other financial liabilities**

| | | |
|---|---|---|
| Interest accrued but not due to Holding Company | - | - |
| Amount payable to holding company | - | 55.52 |
| Temprory book overdraft | 121.45 | - |
| | **121.45** | **55.52** |

**17 Other current liabilities**

| | | |
|---|---|---|
| Statutory dues payable | 365.39 | 138.06 |
| | **365.39** | **138.06** |

**18 Provisions**

| | | |
|---|---|---|
| Provision for gratuity | 1.59 | 1.80 |
| Provision for Leave Encashment | 5.76 | 7.98 |
| | **7.35** | **9.78** |

**19 Current tax liabilites**

| | | |
|---|---|---|
| Current tax liabilites | 64.75 | - |
| | **64.75** | **-** |

(Unless otherwise stated, all amounts are in INR lacs)

| | | For the Year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|---|
| **19** | **Revenue from operations** | | |
| | Revenue from engineering services | 5,836.40 | 2,375.59 |
| | | **5,836.40** | **2,375.59** |
| **20** | **Other income** | | |
| | Interest income: | | |
| | - on fixed deposits | 9.84 | 9.03 |
| | - on loan given to Group company | 28.96 | 2.03 |
| | Miscellaneous income | - | - |
| | | **38.80** | **11.06** |
| **21** | **Cost of material comsumed** | | |
| | Add: Material purchased | 6.47 | 6.92 |
| | Collection Charges | 913.32 | 362.56 |
| | Other Direct Expenses | 1,495.18 | 795.52 |
| | | **2,414.96** | **1,165.00** |
| **22** | **Employee Benefits Expense** | | |
| | Salaries and bonus including directors' remuneration | 2,165.93 | 932.48 |
| | Contribution to provident and other funds | 195.94 | 87.76 |
| | Gratuity | 49.59 | 74.82 |
| | Compensated Abscences | (2.22) | 7.98 |
| | Share based paymens | 0.77 | |
| | Staff welfare expenses | 6.21 | 9.38 |
| | | **2,416.22** | **1,112.42** |
| **23** | **Finance costs** | | |
| | Interest | | |
| | -on group company | 0.79 | 2.34 |
| | -on others | 114.34 | 0.71 |
| | Other borrowing costs: | | |
| | - Loan processing fees | - | 5.75 |
| | - Bank charges | 0.56 | 29.57 |
| | | **115.68** | **38.37** |
| **24** | **Other expenses** | | |
| | Electricity | 50.95 | 14.89 |
| | Rent (Refer note 30.1) | 4.09 | 0.60 |
| | Travelling and conveyance | 5.61 | 7.77 |
| | Communication expenses | 3.00 | 2.15 |
| | Printing and stationery | 7.54 | 11.90 |
| | Customer Services | 5.22 | 3.37 |
| | Legal and professional | 41.03 | 15.81 |
| | Liquidated damages and penalties | 182.37 | - |
| | Payment to auditors | | |
| | As auditor : | | |
| | - Statutory audit fee | 2.00 | 1.54 |
| | Director's sitting fees | - | 0.49 |
| | Rates & taxes | 0.55 | 7.04 |
| | Watch & Ward Expneses | 19.17 | 25.98 |
| | Fees and subscription / inspection charges | - | - |
| | Business promotion | 1.42 | 9.37 |
| | Miscellaneous expenses | 1.49 | 4.77 |
| | | **324.45** | **105.66** |

| | | For the year ended March 31, 2019 | For the year ended March 31 2018 |
|---|---|---|---|
| 25 | Tax Expense | | |
| | Current Tax Expense | 181.97 | 4.57 |
| | Deferred Tax Expense | - | - |
| | Tax Expense | **181.97** | **4.57** |

**Reconciliation of Tax Expense and the accounting profit multiplied by India's tax rate:**

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| | For the Year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|

| | For the period ended March 31, 2019 | For the year ended March 31 2018 |
|---|---|---|
| Loss before tax | (54.28) | (54.28) |
| Corporate tax rate as per income tax act,1961 | 0.26 | 0.26 |
| **Tax on accounting profit** | (13.98) | (13.98) |
| i) Tax effect on non deductable expenses/Non taxable income | 1.71 | 1.71 |
| ii) Tax effect on temporary timing differences on which deferred tax not created | 16.84 | 16.84 |
| iii) Tax effect on losses of current year on which no deferred tax is created | - | - |
| **Tax Expense** | 4.57 | 4.57 |

**26 Earning per share (EPS)**

Both Basic and diluted earning per share have been calculated using the profit attributable to shareholders of the Company as the numerator, i.e. no adjustments to profit were necessary in 2017 & 2018.

The reconciliation of the weighted average number of shares for the purpose of diluted earnings per share to the Weighted average number of ordinary shares used in the calculation of the basis earnings per share is as follows

| **Particulars** | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Weighted average number of shares used in basic earning per share | 50,000 | 50,000 |
| Shares deemed to be issued for no consideration in respect of share-based payments | - | - |
| Weighted average number of shares used in diluted earning per share | 50,000 | 50,000 |

The numerators and denominators used to calculate the basic and diluted earnings per share are as follows:

| | | | |
|---|---|---|---|
| Profit Attributable to shareholders | INR lacs | 433.85 | (58.84) |
| Basis and Weighted average number of Equity shares outstanding during the year | Numbers | 50,000 | 50,000 |
| Nominal Value of equity share | INR | 10 | 10 |
| Basis & Diluted EPS | INR | 867.69 | (117.69) |

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Chartered Accountants

(Unless otherwise stated, all amounts are in INR lacs)

**Note 10: Share Capital**

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Authorised** | | | | |
| Equity shares of Rs 10 each | 50,000 | 5.00 | 50,000 | 5.00 |
| 0.001% Non Participative Cumulative Redeemable Preference Shares of Rs 10 each | 2,950,000 | 295.00 | 2,950,000 | 295.00 |
| | **3,000,000** | **300.00** | **3,000,000** | **300.00** |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of Rs 10 each fully paid up | 50,000 | 5.00 | 50,000 | 5.00 |
| | **50,000** | **5.00** | **50,000** | **5.00** |

**Preference Shares has been accounted on amortised cost**

**Note 10.1: Reconciliation of equity share capital**

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Balance at the beginning of the year | 50,000 | 5.00 | 50,000 | 5.00 |
| Add : Shares issued during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **50,000** | **5.00** | **50,000** | **5.00** |

**Note 10.2: Terms and rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share and also are entitled to receive dividend after preference shares. The Company declares and pays dividend in Indian Rupees. In the events of liquidation of the Company, the holder of equity share 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.

**Note 10.4: Detail of equity shares held by, the holding Company**

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity shares of Rs 10 each fully paid up** | | | | |
| A2z Waste Management (Ludhiana) Limited | 25,500 | 2.55 | 25,500 | 2.55 |
| A2z Infraservices Limited | 24,500 | 2.45 | 24,500 | 2.45 |
| | **50,000** | **5.00** | **50,000** | **5.00** |

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Chartered Accountants

ECOGREEN ENVIROTECH SOLUTIONS LIMITED

**26.Notes to the financial statements for the year ended March 31, 2019**

**Names of related Parties**

A **Directors & KMPs of the Company**
1 Mrs. Dipali Mittal (Managing Director)
2 Mr. Vikas Guliani (Director)
3 Mr. Sandeep Dhyani (Director)

B **Private Companies in which a Director or Manager or his Relative is a Member or Director**
**Mrs. Dipali Mittal or her Relatives**
1 Mjooz Global Private Limited (Under process of striking off w.e.f. 18.07.2018)
2 Maxpro Global Private Limited (Strike off w.e.f. 19.09.2018)
3 Enviro Energy Venture Private Limited (Till 24.08.2018)
4 Multi Fuel Management Private Limited (Under process of strike off w.e.f. 30.10.2018)
5 Devdhar Trading & Consultants Private Limited
6 JIT Logistics Private Limited (Under process of strike off w.e.f. 26.04.2018)
7 Maple Solcon Private Limited (Under process of strike off w.e.f. 15.11.2018)
8 Mestric Consultants Private Limited

C **Holding Companies**
1 A2Z Infraservices Limited (Holding 49% stake along with management control)
2 A2Z Waste Management (Ludhiana) Limited (Holding 51% stake)

D **Subsidiary of A2Z Infraservices Limited (Holding Company)**
A2Z Infraservices Lanka (Pvt) Limited

E **Subsidiary of A2Z Waste Management (Ludhiana) Limited (Holding Company)**
Magic Genie Smartech Solutions Limited

F **Directors and KMPs of A2Z Infraservices Limited (Holding Company)**
1 Mr. Amit Mittal (Managing Director)
2 Mr. Rajesh Jain (Whole Time Director)
3 Mrs. Dipali Mittal (Whole Time Director)
4 Mr. Vikas Agarwal (Director)

G **Directors and KMPs of A2Z Waste Management (Ludhiana) Limited (Holding Company)**
1 Mr. Sanjeev Sharma (Director)
2 Mr. Shankar Paul (Director)
3 Mr. Ashok Kumar Saini (CEO)
4 Ms. Kirtika Taneja (Company Secretary)
5 Mr. Hemant Kumar (Chief Financial Officer)

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ECOGREEN ENVIROTECH SOLUTIONS LIMITED (FORMERLY A2Z WASTE MANAGEMENT (LONI) LIMITED)
Notes to the financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Note 26.1: Related party transactions

| Particulars | For the period ended March 31 , 2019 | | | For the period ended December 31 , 2018 | |
|---|---|---|---|---|---|
| | Holding Company | Associates of ultimate holding co. | Subsidiaries of ultimate holding co. | Holding Company | Fellow Subsidiary |
| **Transactions during the year / period** | | | | | |
| **Issue of equity share capital** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | | |
| **Purchase of goods and services** | | | | | |
| - A2Z Infra Engineering Limited | 2.10 | | | 2.48 | - |
| **Short Term Loan & Advances Paid** | | | | 0 | - |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | 413.12 | - | 410.12 |
| - A2Z Infraservices Limited | 1,358.00 | | | | |
| **Short Term Loan & Advances Repaid Received** | | | | - | - |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | 140.31 | - | 137.31 |
| - A2Z Infraservices Limited | 846.91 | | | | |
| **Short Term Loan & Advances Accepted** | | | | | |
| - A2Z Infraservices Limited | | | | - | - |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | - | - |
| **Short Term Loan & Advances Repayment** | | | | | |
| - A2Z Infraservices Limited | | | | - | - |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | - | |
| **Issuance of Zero Coupon Bonds** | | | | | |
| - A2Z Infraservices Limited | | | | - | - |
| | | | | | |
| **Interest expenses on loan taken** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | - | - |
| - A2Z Infraservices Limited (formerly A2Z Infrastructure Limited) | | | | | |
| **Interest income** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | 0.47 | 28.49 | | 19.91 |
| **Interest Expense IND AS** | | | | | |
| - A2Z Infraservices Limited | 0.79 | | | | |
| **Funds received/ Expenses incurred on behalf of Company** | | | | | |
| - A2Z Infra Engineering Limited | | | | | |
| A2Z Infrastructure Ltd | | 7.00 | 0.51 | | 0.51 |
| - A2Z Infra Service | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | | |
| Magic genie services Limited | | | 2.17 | | |
| **funds transferred /Expenses incurred on behalf of Company** | | | | | |
| Magic genie services Limited | | | **0.08** | | |
| - A2Z Infra Service | | | | 257.13 | |
| A2Z Infrastructure Ltd | | 13.33 | 38.52 | | |
| - A2Z Infra Engineering Limited | **1.17** | | | | |
| **Balance outstanding as at the end of the year / period** | | | | | |
| **Loan Given** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | **306.75** | | | 306.75 |
| - A2Z Infra Service | **456.60** | | | | |
| | | | | | |
| **Recoverable** | | | | | |
| - A2Z Infra Service | | | | | 203.05 |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | **43.74** | | | |
| Magic genie Smartech | | **5.80** | | | |
| **Interest receivable** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | **29.32** | | | 21.74 |
| **Short term borrowings** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | | |
| **Zero Coupon Bond Issued** | | | | | |
| - A2Z Infraservices Limited | | | | | |
| **Sundry Creditors** | | | | | |
| Magic genie services Limited | | | **2.10** | | |
| - A2Z Infra Engineering Limited | | | | 1.17 | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | | 1.12 |
| **Other financial liability** | | | | | |
| - A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited) | | | | | |
| - A2Z Infra Engineering Limited | - | | | | |

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